



**REPORT TO:** WEALTHIER AND FAIRER STRATEGIC THEME GROUP ON 3 DECEMBER 2009

**SUBJECT:** MORAY ASSISTED RECRUITMENT SCHEME

**BY:** COMMUNITY PLANNING AND DEVELOPMENT MANAGER

**1. REASON FOR REPORT**

1.0 This report had been prepared to allow the Wealthier and Fairer Theme Group to note the progress of the Moray Assisted Recruitment Scheme.

**2. RECOMMENDATION**

2.0 **The Wealthier and Fairer Theme group note the progress of the Moray Assisted Recruitment Scheme.**

**3.0 BACKGROUND**

3.1 The Scottish Government announced as part of the Concordat between it and Local Government that a new fund would be created aimed at tackling poverty and deprivation across Scotland. Nationally the fund will total £435 million in total over three years and is part of the local government settlement. An allocation has been made to Moray totalling £1,265,000 over the next three years to enable the Community Planning Partnership to work to tackle poverty and disadvantage.

3.2 At the Community Planning Board meeting on 29 May 2008, a proposal outlining the key objectives for the use of this fund for Moray to tackle poverty was presented for approval and thereafter submitted and approved by the Scottish Government. The three key areas identified for Moray on which the focus of the fund will be targeted are:

- Regenerating the most disadvantaged areas
- Improving life chances for Individuals and groups experiencing poverty and disadvantage
- Improving employability

3.3 In February 2009 a Fairer Scotland Fund team was appointed with the remit of developing the use of the fund in order to meet the agreed priorities.

As part of the ongoing work of the team, a number of consultations and research has been carried out with local communities and support services working with young people. From this, a need was identified for supported employment opportunities aimed at young people facing disadvantage. These are young people who are uncompetitive in the labour market in normal circumstances. This has become increasingly difficult due to the recent economic downturn.

- 3.4 Utilising an opportunity to match fund external funding sources with the Fairer Scotland Fund (FSF), the FSF team and Moray Council economic development developed the Moray Assisted Recruitment Scheme (MARS). The total value of the funding package applied is £738,060, and includes the following contributions:
- Lowlands and Uplands (LUPS), ESF Priority 2 Grant request: £332,127
  - Fairer Scotland Fund £246,433,
  - Skills Development Fund Scotland (SVQ costs) £45,000
  - Future Jobs Fund £97,500.
- 3.5 MARS is aimed at young people aged 16 – 24 and will provide a minimum of 2 years employment for **30 young people** with the opportunity to gain an accredited SVQ level 2 as a minimum and in some cases level 3 qualifications. It is expected that the job opportunities would be provided by a number of local employers including Community Planning partners, private sector employers, the voluntary sector and social enterprise organisations.
- 3.6 MARS will provide long term employment opportunities for young people to gain invaluable experience, recognised accredited qualifications and transferable skills. It will contribute to the local economy through reduction in numbers claiming benefits, providing suitably qualified skilled individuals in the labour market more able to meet the future needs of employers and in the long term reducing the numbers at risk of long periods of workless. It will also seek to change employer's perceptions about employing this target group of young people who are often overlooked in recruitment processes.
- 4.0 **Progress to date:**  
Funding applications to LUPS, ESF Priority 2 and Future Jobs Fund have been approved to second stage.  
At the Social Inclusion Implementation group meeting on the 28 July 2009 agreement was reached for the use of the Fairer Scotland Fund to the maximum value of £267,000 as part of the funding package.  
At the Economic Development and Infrastructure Committee 18 August 2009 (*para 12 of the minute refers*) approval was given for a £17,000 (5%) contribution towards the cost of project. (This is a legal minimum requirement of lead applicant contribution required by ESF priority 2.)  
At the Community Planning Board 27 August (*para 11 of the minute refers*) approval was given for the use of the Fairer Scotland Fund as a match fund in the development of the scheme.
- 4.1 An initial mailshot of employers was undertaken inviting initial interest in the scheme. 140 employers from a number of occupational sectors and across the private, public, voluntary and social enterprise sectors returned a note of

interest. As demand exceeded the number of places on offer this has led to the need for a selection process. (*Interested employers by sectors is noted at Appendix 1*)

- 4.2 The second stage selection process is currently underway. Employers have been provided with more detail of the scheme and if they wish to commit to providing opportunities have been asked to complete and return a questionnaire. This lays out their requirements to the scheme and asks for detailed information about their business and the jobs they are proposing to provide. There are a number of requirements which include:
- Guarantees will be sought from participating employers to retain the young person in employment for a further 12 months following the end of the 2 year period
  - There will be no displacement of existing employees
  - Any job opportunity through the MARS has to provide additionality and not replace any current apprenticeship opportunities.

The deadline for return of the questionnaires is the 17<sup>th</sup> December 2009.

- 4.3 Returned questionnaires will be reviewed in January by a small working group consisting of Skills Development Scotland, Jobcentre plus, HIE Moray, voluntary sector and employer reps. Preferred employers will be selected based on their commitment to the scheme requirements, occupational sectors where vacancies have been traditionally difficult to fill, sectors where there is likely to be future growth and areas which have been identified as meeting the needs of the target group of young people.
- 4.4 Employers who are not selected at this stage will, if appropriate, be signposted to alternative employment initiatives which they may find of benefit to their business.
- 4.5 The job descriptions will be developed over February / March and the young people will be selected, matched to an opportunity and interviewed by the employers by April. Results of the funding applications will be known by March 2010 and the scheme will start on May 2010.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Community Plan / Theme Plans / Partner Plans**

The Fairer Scotland Fund is aligned to the Single Outcome Agreement and will enable investment in actions to achieve the priorities outlined in the SOA.

**(b) Policy and Legal**

The Fairer Scotland Fund has been established to assist tackling poverty and deprivation across Scotland, as part of the Concordat between the Scottish Government and Local Authorities.

(c) **Resources (Financial, Staffing and Risks)**

The allocation has been ring fenced in the first two years of the spending review period to ensure Community Planning Partnership engagement in driving "strategic investment of these resources". It is envisaged that the ring fencing will be removed in 2010/11 as Single Outcome Agreements are concluded with Community Planning Partnerships.

The funding allocation for Moray from the Fairer Scotland Fund is:

2008/09	£343,000
2009/10	£422,000
2010/11	£500,000

The fund is made up of a number of other funds, which include the Community Regeneration Fund, More Choices More Chances Community Voices Fund and an element of the changing children's services funds. As stated earlier there are projects still funded by these funds that will be affected by the changes.

The total amount spent from the Fairer Scotland Funding in 2008/9 was £197,216 (this includes staff and running costs). The unspent funds of £149,090 were approved by the Scottish Government to carry forward into 2009/10.

The total funding available for the two years 2009 to 2011 is £1,071,090, within which £230,000 relates to staffing and running costs, which leaves the balance of £841,090 available for allocation.

<b>Projects</b>	<b>Funding Committed</b>	<b>Balance of funding available</b>
Funding available to allocate 2009-2011		£841,090
Funding awarded to projects (as at 19/11/09)	£366,474	
<b>Moray Assisted Recruitment Scheme (MARS)</b>	<b>£267,000</b>	
Indicative amount for financial inclusion	£200,000	
<b>Total funding allocated</b>		<b>£833,747</b>

(d) **Consultations**

The development of the MARS scheme has been borne from research carried out by the Fairer Scotland Fund including the Citizens Panel and through discussion with key stakeholders including the Employer Coalition.

The Social Inclusion Implementation Group assessed were consulted and agreed to the use of the Fairer Scotland Fund as part of a larger funding package towards the development of the Moray Assisted Recruitment Scheme.

Community Planning partners have been consulted in the development of the scheme.

The Community Planning Board was consulted and approved the level of funding allocated from the Fairer Scotland Fund.

The Head of Financial Services has been consulted and agrees with the financial implications in this report.

## **5. CONCLUSION**

### **5.1 The Wealthier and Fairer Theme group note the progress of the Moray Assisted Recruitment Scheme.**

Author of Report: Jacqui Taylor, Fairer Scotland Manager

Background Papers: Fairer Scotland Fund Submission  
Funding proposal for Moray Assisted Recruitment Scheme  
MCMC Strategy  
16+ Learning Choices