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**REPORT TO: MORAY COUNCIL ON 28 OCTOBER 2020**

**SUBJECT: ECONOMIC RECOVERY PLAN – KICKSTART AND EMPLOYABILITY**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To provide Council with details of the Kickstart scheme and which forms part of the economic recovery plan and other employment related funding streams being actioned by the Council.
- 1.2 This report is submitted to the Council in terms of Section III A (2) of the Council's Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 It is recommended that Council :-**

- (i) **agree the funding allocation as set out in the financial implications to support payment of the living wage to Kickstart placements in Moray Council; and**
- (ii) **note the plans and progress on work associated with a range of employability support interventions.**

**3. BACKGROUND**

- 3.1 At its meeting on the 6 October 2020 the Economic Growth, Housing and Environmental Sustainability committee approved the high level action plan and recommended to council the approval in principle of the financial resources to deliver the plan subject to detailed reports being provided for each action (para 8 of the draft minute refers).
- 3.2 The Economic Recovery Plan seeking that approval is on the agenda for today's meeting this report provides details for the funding request associated with Kickstart.
- 3.3 The Kickstart scheme is for 16-24 year olds on universal credit who are at risk of long term unemployment.

- 3.4 Our analysis has shown that young people are disproportionately impacted at times of recession and this increases the risk of losing young people from the area unless there are opportunities for them here.
- 3.5 Under the scheme the Government will cover 100 per cent of employment costs for 25 hours a week for a period of 6 months, this includes the employees salary at the appropriate minimum wage for their age, as well as national insurance and pension contributions.
- 3.6 Further funding is available to provide support that will enable the young person to get a job in the future, this could include CV development, interview skills, mentoring and coaching alongside the work placement.
- 3.7 The scheme runs over an 18 month period, the recommended budget provides for the provision of a living wage rather than minimum wage for those employed by the Council and is based on a maximum of 15 jobs over the 18 month period.
- 3.8 The amount required to top up a salary to living wage will vary depending on age, where possible if sufficient demand for work placements exist and the council are in a position to offer more placements the number provided could increase depending on the age of the applicants.
- 3.9 The scheme is restricted to those on universal credit, in reality very few 16 and 17 year olds are on universal credit and we may need to look at this group separately under separate funding from the youth guarantee scheme to offer a similar work placement opportunity.
- 3.10 The budget request to provide a living wage for 15 or more work placements is £66K as a one off budget spread over two financial years 2020/21 and 2021/22.

#### **OTHER EMPLOYABILITY FUNDING**

- 3.11 The government awarded £120k for the delivery of the Parental Employment Support Fund (PESF). The aim of this fund is to deliver intensive in and out of work employability support, including support for low income parents who are not ready for other formal training programmes. The funding will also help in meeting the increasing challenge of in-work poverty, targeting in-work support to help parents already in work to upskill, providing access to training and support to progress in employment.
- 3.12 The PESF project will include recruiting 2 Keyworkers and a project officer within the moray council employability team. The posts are temporary in line with the funding period.
- 3.13 The government have recently announced funding for Local Employability Partnerships (LEP) to support the delivery of a new youth guarantee scheme for 16-24 year olds. We are expecting approximately £570k additional funds to enhance our existing no-one left behind support and provision and work with the partnership to respond to local needs.

- 3.14 The local LEP (Employability and Skills partnership group) have proposed focusing on the following key areas and which will support our actions and outcomes outlined in the economic recovery plan.
- 3.15 The proposals include: enhanced keyworker support, employer liaison support, boosting our employer recruitment incentive (MERI), providing a wage subsidy for local employers to extend the Kickstart placements and fill the gap for 16 & 17 year olds. The partnership will also commission employability provision to a range of third sector training providers to support local demand and emerging labour market needs in particular sectors.
- 3.16 Within our economic recovery plan, the LEP employability partnership have also identified a need to improve digital poverty and inclusion. The Elgin Youth Development Group as a partner within Moray Pathways employability consortium have agreed to provide dedicated space in the Inkwel and the café area during the day to create a much needed employability and training hub.
- 3.17 The hub will be called Moray Pathways @ the Inkwel and funding is being provided by DWP to provide a pathways co-ordinator, digital equipment and digital support to learners. The Moray Council Employability team will manage the budget on behalf of the partnership and recruit a Pathways Co-ordinator and a Digital Literacies Worker. Again these are temporary posts for the duration of the initiative. This project will support all the training providers within the consortium and provide a safe place to deliver 1:1 and group work/ICT training for learners of all ages,
- 3.18 A full detailed report on progress with the PESF project and the Youth Guarantee will be included within the economic recovery plan progress report to committee, this will include performance measures relating to the number of individuals assisted and their outcomes.

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

##### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The proposals will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

##### **(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan. Applications packs with grant conditions were finalised with support and in consultation from Legal.

**(c) Financial implications**

There is a one off revenue cost of £66k required to pay the living wage for those on work placement with the Council as part of the Kickstart scheme. This is a council priority and can be funded from the earmarked reserves for financial priorities providing £22k in 2020/21 and £44k in 2021/22. The staffing required for the PESF project will be funded from the Scottish Government grant of £120k. The Pathways Co-ordinator and Digital Literacies worker will be funded by DWP.

**(d) Risk Implications**

All possible care is taken across departments delivering externally funded projects to mitigate any risks. Keyworkers and the other three posts will be on short fixed term contracts which ensures that redundancy risks or costs are minimised, although could apply to candidates with a continuous service in local government in which case the transform process would be available to minimise risk.

**(e) Staffing Implications**

The PESF project includes funding 2 X Keyworkers and 1 Project Officer and the youth guarantee proposals will include recruiting additional keyworkers and an employer liaison worker for the partnership. The Pathways Co-ordinator and Digital Literacies worker will be funded by DWP.

**(f) Property**

N/A

**(g) Equalities/Socio Economic Impact**

The schemes directly assist those furthest from the workplace and have a positive benefit in terms of equalities.

**(h) Consultations**

Consultation has taken place with the Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Estates Manager, the Equal Opportunities Officer, the Head of Financial Services and the Democratic Services Manager have been consulted and comments received have been incorporated into the report.

**5. CONCLUSION**

**5.1 The report provides details for elements of funding associated with Kickstart and updates on other employment related activities.**

Author of Report: Jim Grant, Economic Growth and Development  
Amy Cruickshank, Opportunities for All Officer

Background Papers: Documents on file in Economic Growth & Regeneration section.

Ref: