

REPORT TO: POLICY & RESOURCES COMMITTEE
REPORT ON: EMPLOYER RECRUITMENT INCENTIVE
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 270-2015

1. PURPOSE OF REPORT

1.1 This report notes the progress to date of the implementation of Scotland's Employer Recruitment Incentive (ERI) in Dundee and seeks financial support for the continuation of the revised scheme for the period 1 July 2015 to 31 March 2016.

2. RECOMMENDATIONS

2.1 It is recommended that the Policy & Resources Committee:

- i) notes the success of Dundee's ERI to date in supporting young people into sustainable employment opportunities
- ii) acknowledges the contribution of the scheme in growing local small businesses
- iii) approves the implementation of the revised scheme to bring an additional 130 job opportunities for young people from 1 July 2015 to 31 March 2016

3. FINANCIAL IMPLICATIONS

3.1 Dundee City Council aim to develop 205 additional employment opportunities for young people during the financial year 2015/16. Scottish Government is co-funding the scheme and Dundee City Council will supplement this funding from mainstream budgets as required.

To continue this co-funded model will require revenue costs of £489k in 2015/16 and £506k in financial year 2016/17. Funding of 27% will be available from European Social Fund which will equate to £268k and the balance of 73% will be matched funded by a combination of resources from Scottish Government and Dundee City Council.

Dundee City Council's contribution over two years will be £237k. In 2015/16 the placements can be funded from existing revenue budget provision for the employment recruitment programme and a further £105k will require to be added to the 2016/17 Revenue Budget to fund the full year effect of these placements.

£44,000 has also been made available to incentivise employers to pay the Living Wage. An additional £500 per job will be paid to employers who pay the Living Wage on completion of the 12 month job. Dundee City Council will actively promote this additional incentive to employers.

4. **BACKGROUND**

- 4.1 The Youth Employment Scotland Fund (YESF) was introduced by the Scottish Government in July 2013 to provide a recruitment incentive to develop job opportunities and Modern Apprenticeships for young people aged between 16 and 29 years old. This original phase was funded through a combination of Scottish Government and European Social Fund money.

Following the end of this funding package in December 2014, Local Authorities agreed to enter into a co-funding model with the Scottish Government to cover the period January – June 2015. A revised scheme has just been announced to cover the rest of the financial year 2015/16.

4.2 **Benefits to Young People**

The ERI has been particularly instrumental in improving the employment opportunities of young people in Dundee. During the two years of the original scheme **457** young people from Dundee have been supported into employment opportunities with **233** employers. It has been effectively targeted as part of our prevention strategy and over one third of all the participants are under 18.

Age Range	Number	% of Total
16 /17 years	161	36%
18 – 20 years	135	29%
21 – 24 years	137	30%
25 – 29 years	24	5%

The scheme provides young people, who may not have the necessary skills, qualifications or networks, support to access employment opportunities. If they are unsuccessful they are then assisted to address any gaps in their employability skills through Dundee Partnership’s Pipeline provision.

4:3 **Support to Employers**

As previously stated, 233 employers in the Dundee area have been supported to grow and develop their businesses through their involvement in the ERI Scheme; 226 private sector, 6 Social Enterprises and Dundee City Council.

The scheme has therefore been very effectively targeted at small businesses with almost 70% of those participating having fewer than 20 employees. This is promoting business growth in the city across a whole range of sectors with employers clearly identifying the recruitment incentive as a catalyst for their expansion.

Size of Business	Number
Up to 10 employees	113
11-20 employees	43
21-50 employees	27
51 - 100 employees	17
101 - 150 employees	18
150 - 400 employees	15

Employers include all major sectors; hairdressing, construction, retail, care, hospitality, motor vehicle and the service industries. Labouring, manual/trades and factory/ warehouse jobs combined account for 36% of the posts created through the scheme. Admin/customer service roles are the next popular at 32% with care sector jobs at 9% and hospitality 8%. Other jobs include drivers, fitness instructors and butchers.

Dundee City Council has also provided employers with recruitment and screening support to ensure that employers' needs are matched to a young person with the appropriate skills and experience. This means that the jobs are more likely to succeed for both the employer and the young person.

'We are so pleased with the amazing and professional service we have received from you. The young people are fitting in so well and you matched our needs 100%. As a small employer your help and support has been invaluable.'
Tay Tyres

21 Modern Apprenticeships have also been recruited by Dundee City Council as part of the scheme in joinery, painting, customer service, building quality, social care, plastering, administration, housing officer, youth work, and environmental services. The Council also developed 6 Graduate Internships.

Employers have actively embraced the ERI and are keen to support local young people to develop and progress.

4.4 Sustainability

The original scheme supported employers to create a new post for 6 months with an expectation, but no compulsion, on the employer to retain the young person following the initial placement. However **74%** of those who have completed their initial placement have been retained with their original employer and **9%** have secured employment with other employers.

'Just thought I would pass on some good news. R and M have just about completed their SVQs, but more importantly they have both been offered, and accepted, permanent full-time positions.'
Hutchison Technologies

4.5 Reducing inequality

The ERI is providing entry level, minimum experience opportunities for young people who would otherwise struggle to get into the job market without this type of assistance. Dundee's School Leaver Destination Results for 2013/14 shows a small increase in the number of young people going into employment; however Dundee City Council is committed to further improvement in the employment rates of young people and continuation of the ERI will support this ambition.

The ERI Co-ordinator has also been effective in ensuring that young people can access all the available financial and employability supports to help them move into employment. Dundee Employability Pipeline's Barrier Free Fund has provided bus passes, Construction Skills Certificate Scheme (CSCS) cards and financial support for tools and clothing. If young people require CV's and other training then they are referred into the Pipeline for this support.

In continuing with and growing the service, Dundee is showing a clear and ambitious commitment to bridging the inequality gap for those often disenfranchised and vulnerable young people.

4.6 Revised Scotland's Employer Recruitment Incentive

In July 2015, the Scottish Government announced further substantial revisions to SERI for the period 1 July 2015 to 31 March 2016. Funding will now be administered to local authorities by Skills Development Scotland. The ERI is also eligible for additional European Social Fund money.

This will provide a financial contribution to employers towards the additional costs of recruiting and sustaining the employment of young people aged 16 to 29 who have barriers or additional support needs. The aim is to encourage employers to recruit young people into sustainable employment, including Modern Apprenticeships for a minimum of 52 weeks. This extension of double the original 26 week duration, is to ensure that the targeted group of young people are given every opportunity to secure ongoing employment.

An additional incentive is also available, on completion, to employers for paying the Living Wage for the full duration of the job opportunity.

The revised scheme is no longer available to the public sector and has a clear focus on supporting small and micro businesses and third sector providers.

5. POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Risk Management.

An equality impact assessment is attached.

6. CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Executive Director of Children and Families Service, Head of Democratic and Legal Services and Dundee Partnership's Employability Core Group

7. BACKGROUND PAPERS

None

In view of the timescales involved this report was approved by the Chief Executive in consultation with the Convener of the Policy & Resources Committee, Labour Group spokesperson, Conservative member, Liberal Democrat member and the Independent member.

David R Martin

Chief Executive

24 July 2015

Date

Willie Sawers

Depute Convener of Policy & Resources Committee

30 July 2015

Date

Kevin Keenan

Labour Group Spokesperson

28 July 2015

Date

Derek J Scott

Conservative Member

24 July 2015

Date

Fraser Macpherson

Liberal Democrat Member

24 July 2015

Date

Ian Borthwick

Independent Member

27 July 2015

Date

EQUALITY IMPACT ASSESSMENT TOOL

Part 1: Description/Consultation

Is this a Rapid Equality Impact Assessment (RIAT)?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is this a Full Equality Impact Assessment (EQIA)?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Date of Assessment:	15/7/15	Committee Report Number:	270-2015
Title of document being assessed:		Employer Recruitment Incentive	
1. This is a new policy, procedure, strategy or practice being assessed (If yes please check box) <input type="checkbox"/>		This is an existing policy, procedure, strategy or practice being assessed? (If yes please check box) <input type="checkbox"/>	
2. Please give a brief description of the policy, procedure, strategy or practice being assessed.		The report provides an update on the local implementation of Scotland's Employer Recruitment Incentive and identifies the financial requirements to support the revised scheme for the financial year 2015/16.	
3. What is the intended outcome of this policy, procedure, strategy or practice?		To work with local employers, particularly small businesses, to support 205 young people into supported employment opportunities during the financial year 2015/16.	
4. Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.		Scotland's Employer Recruitment Incentive Guidance Paper (1/7/15)	
5. Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.		No, although Local Authority performance figures for the first 2 years of the previous scheme has informed the revised Employer Recruitment Incentive's target participants..	
6. Please give details of council officer involvement in this assessment. (e.g. names of officers consulted, dates of meetings etc)		Karen Gunn, Youth Employability Manager Nikki Bryce, ERI Co-ordinator	
7. Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy?		Compliance documentation is required to be submitted to Skills Development Scotland on a regular basis. This information requires details regarding characteristics of participants and	

<p>(Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)</p>	<p>evidence of their outcomes.</p>
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Part 2: Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Race, Ethnic Minority Communities including Gypsies and Travellers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
People with a disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 3: Impacts/Monitoring

<p>1. Have any positive impacts been identified?</p> <p>(We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>The ERI is targeted at young people, predominately aged 16 – 24, who have additional support needs or have substantial barriers to moving into employment. This covers a wide range of young people, including those with protected characteristics, therefore no single group should be in any way disadvantaged.</p>
<p>2. Have any negative impacts been identified?</p> <p>(Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>People aged over 24 will not have access to this scheme; with the exception of those with additional support needs who are eligible until their 30th birthday.</p>

<p>3. What action is proposed to overcome any negative impacts?</p> <p>(e.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. See Good Practice on DCC equalities web page)</p>	<p>Support to access other local employability services, including Dundee's Employability Pipeline, will be offered to those who are ineligible.</p>
<p>4. Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</p> <p>(If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>It is anticipated that the ERI, due to its firm focus on young people who have substantial barriers, will reduce inequality as this is its intended outcome.</p>
<p>5. Has a 'Full' Equality Impact Assessment been recommended?</p> <p>(If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required. Seek advice from your departmental Equality lead.)</p>	<p>No</p>
<p>6. How will the policy be monitored?</p> <p>(How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	<p>Skills Development Scotland requires DCC to complete monitoring information regarding participants' details and eligibility characteristics. This also includes an Equal Opportunities section.</p> <p>Progress and participant details will also be measured through Dundee's Operating System Client Employment Routes (OS CER).</p>

Part 4: Contact Information

Name of Department or Partnership	Integrated Children's Services
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Type of Document	
Human Resource Policy	<input type="checkbox"/>
General Policy	<input type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Manager Responsible	Author Responsible
Name: Bert Sandeman	Name: Karen Gunn
Designation: Integrated Children Services Manager	Designation: Youth Employability Manager
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Email: Bert.sandeman@dundeecity.gov.uk	Email: Karen.gunn@dundeecity.gov.uk

Signature of author of the policy:	<i>Karen Gunn</i>	Date: 15.07.15
Signature of Director/Head of Service:	<i>Michael Wood</i>	Date: 15.07.15
Name of Director/Head of Service:	Michael Wood	
Date of Next Policy Review:	31.03.16	