



To: **JOBS AND ECONOMY THEMATIC BOARD**

On: **9 September 2015**

Report by:

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RENFREWSHIRE RECRUITMENT INCENTIVE

1. Summary

- 1.1 Since its launch in 2012, Invest in Renfrewshire has provided wage incentives to local employers who have created jobs for young, unemployed people. These programmes have been hugely successful and have helped to reduce youth unemployment in Renfrewshire from 11.4% to 3.7%.
- 1.2 Wage incentives have been funded via support from Renfrewshire Council (IIR), ESF and Scottish Government ERI support. To avoid different wage subsidy programmes operating across the area Renfrewshire Council has always combined potential funding sources and delivered a single employer offer to companies. This has reduced local inequalities and made the process easier for employers.
- 1.3 The Scottish Government recently announced that there would be a new ERI programme (for 9 months only) available to all Scottish Local Authorities. The programme would be quite different from previous years and was more focussed on sustaining young people in work.
- 1.4 The grant offer for the Scottish Government SERI is for 83 fully funded places, with up to £370,429 to be claimed (if all posts are sustained at 12 months).
- 1.5 The new SERI is for a 12 month (rather than 6 month) programme and provides staged payments to employers based on the sustainment in work of the young person.
- 1.6 A meeting with the Scottish Government confirmed that there was no EU money currently in the draft model and so LAs would be able to use this funding to match against EU funds if they wished (but would need to incorporate all of the EU compliance requirements into the process).



- 1.7 The new model was broadly similar to the model being developed through Renfrewshire Council and so it has been incorporated into a wider Renfrewshire Recruitment Incentive for the coming 3 years.

2. Recommendations

- 2.1 It is recommended that the Board...
 - a) Note the report; and
 - b) Agree that further updates on the project will be brought to a future Board.

3. Background

- 3.1 The previous wage subsidy programme (co-funded by Scottish Government through the Employer Recruitment Incentive) stopped on 30th June 2015 and a new programme for Renfrewshire (supported by Renfrewshire Council and matched with ESF through the new Youth Employment Initiative) was being developed to start on 1st July.
- 3.2 The previous Employer Recruitment Incentive has been reported several times to Board and most recently was the subject of a paper “Employer Recruitment Incentive (ERI) Extension” 20th May 2015 to extend the programme to the end of June 2015. This was thought to be the final element of the programme.
- 3.3 Unexpectedly, the Scottish Government recently announced that there would be a new ERI programme (for 9 months only) available to all Scottish Local Authorities. The programme would be quite different from previous years and was more focussed on sustaining young people in work.
- 3.4 The grant offer for the SERI in Renfrewshire is for 83 fully funded places, with up to £370,429 to be claimed (if all posts are sustained at 12 months).
- 3.5 The new model is for a 12 month (rather than 6 month) support programme and provides staged payments to employers based on the sustainment in work of the young person.
- 3.6 It is proposed to integrate the SERI offer into the wider Invest in Renfrewshire programme and to match this allocation into the Youth Employment Initiative (YEI - offering 66% intervention) to offer a total of 249 additional places, up to £1,111,287 over a three year period (and securing up to an additional £740k in ESF).
- 3.7 Renfrewshire Council had already submitted an outline YEI application including a wage subsidy programme and it is our intervention to broaden that programme



through the new SERI funding and allowing a greater programme over three years.

- 3.8 A revised YEI application will be developed over the next couple of months to detail the full ESF programme for the next three years.

4. Renfrewshire Recruitment Incentive 2015-18

- 4.1 From 1 July 2015, Invest in Renfrewshire will run a new programme broadly based on the model of 'Scotland's Employer Recruitment Incentive' (SERI), co-funded by Renfrewshire Council, the Scottish Government and the European Social Fund for Scotland.
- 4.2 The new programme will provide a higher subsidy than previously, over a longer time period, for employers who recruit from a pool of around 500 registered unemployed young people (including recent school leavers) that we are working with to help secure employment. A Recruitment Adviser from Invest in Renfrewshire will work with the employer to confirm their recruitment needs and identify potential candidates. Where an employer has identified someone for the post themselves, the person would need to be registered unemployed with the Jobcentre and assessed as eligible by the Invest in Renfrewshire employability service.
- 4.3 Applications for funding will be made only once the candidate has been identified and their eligibility for the scheme confirmed. An employer can make two applications in the financial year.
- 4.4 The proposed programme, which provides an incentive of up to £4963.00, aims to help move unemployed young people (16-29) into sustainable jobs. The financial incentive is conditional on the employee achieving sustained employment and therefore the support is paid in stages:
- £350.00 on commencement of employment
 - £903.25 after 12 weeks employment
 - £903.25 after 26 weeks employment
 - £1806.50 after 52 weeks employment

If the employee is paid the Living Wage (currently £7.85) there will be additional £1000.00 paid after 52 weeks.

- 4.5 Should the employee leave at any time between the payment stages, no grant will be paid for that stage.
- 4.6 Ongoing support will be provided and monitoring undertaken, by Invest in Renfrewshire's employability service throughout the subsidised period.



5. Eligibility and conditions

- 5.1 A number of eligibility checks must be undertaken prior to an offer of support and the full terms and conditions will be detailed in a formal grant offer from Renfrewshire Council to a company.
- 5.2 The employer must be:
- Based in the Renfrewshire Council area, and
 - Signed up to the Invest in Renfrewshire initiative, and
 - Small or medium sized, i.e. no more than 250 employees. (Larger businesses will be considered on a case-by-case basis)
- 5.3 The job/s must be:
- New and sustainable for a minimum of 1 year, and
 - Have basic hours of 30 per week minimum, and
 - Paid at least the national minimum wage
- 5.4 The Employee must be:
- Resident in the Renfrewshire Council area, and
 - Aged 16- 29 years, and
 - Be a school leaver or registered unemployed (and not on any DWP mandated initiative, e.g. Work Programme), and
 - Registered with Invest in Renfrewshire's employability service
- 5.5 Further reports will be brought to board on the progress of the new Renfrewshire Recruitment Incentive and on the finalised YEI application for Renfrewshire Council.