



To: Economy and Jobs Policy Board

On: 3 February 2016

Report by: Director of Development and Housing Services

Heading: SERI: Scotland's Employer Recruitment Incentive

1. Summary

- 1.1 SERI – Scotland's Employer Recruitment Incentive was launched by Scottish Government in July 2015 as a replacement for the previous Youth Employment Scotland ERI programme which completed in June. It was anticipated that the Programme would run for 9 months to March 2016.
 - 1.2 Details of this programme and how it would contribute to Renfrewshire's intended recruitment incentives over the next 3 years were presented to Board on 2nd September 2015.
 - 1.3 This report provides an update following suspension of the SERI Programme with effect from 4th December 2015.
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2. Recommendations

- 2.1 It is recommended that the Board:
 - (i) Note the suspension of the SERI Programme;
 - (ii) Homologate the actions of the Chief Executive to continue with the Invest in Renfrewshire Recruitment Incentive (RRI) until March 2016;
 - (iii) Agree that further updates on the project will be brought to the Economy and Jobs Policy Board.
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3. Background

- 3.1. Since its launch in 2012, Invest in Renfrewshire (IIR) has provided wage incentives to local employers who have created jobs for young, unemployed people. These programmes have been funded via support from Renfrewshire Council (IIR), ESF and Scottish Government ERI support and have been hugely successful contributing to a reduction in youth unemployment in Renfrewshire from 11.4% to 1.9%.
 - 3.2. Most recently, the Chief Executive accepted an allocation for SERI support to Renfrewshire Council of 83 places and a financial contribution of up to £370,429.00 for the period 1st July 2015 to 31st March 2016.
 - 3.3. A report was presented to Board on 2nd September 2015 with details of the award and how it would contribute to Renfrewshire's intended recruitment incentives over the next 3 years.
 - 3.4. The Scottish Government recently announced that the SERI Programme was being suspended with immediate effect and no additional starts after 4th December 2015 would be approved. Grant awards for starts up to and including 4th December would be honoured for the full 52 week period.
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4. Scotland's Employer Recruitment Incentive

- 4.1. The SERI Programme is now closed to new starts or further commitments. Scottish Government have committed to meeting the full grant liability for all starts before this date.
 - 4.2. In Renfrewshire we had approved 48 eligible starts prior to 4th December with a total grant drawdown of approximately £171,949. This represents less than 50% of the grant offer.
 - 4.3. As reported to Board in September, it was planned to integrate the SERI offer into the wider Invest in Renfrewshire programme and to match the SERI grant (anticipated as being around £300,000) into the Youth Employment Initiative to offer a total of 249 additional places and a fund of up to £1,111,287 over a three year period (securing up to an additional £740k in ESF). This programme would be known as the Renfrewshire Recruitment Incentive (RRI) and would run for the next three years.
 - 4.4. Early closure of the SERI Programme represents a loss of almost £130,000 revenue allocated to Renfrewshire and available to match YEI reducing the fund for wage subsidies over a three year period by around £400,000.
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5. Renfrewshire Recruitment Incentive (RRI)

- 5.1. The Renfrewshire Recruitment Incentive was due to run from July 2015 to June 2018 and was made up from contributions from SERI, Invest in Renfrewshire and YEI funding.
 - 5.2. The RRI was a more generous model of recruitment incentive than previous models and was based on the Scottish Governments SERI programme. The reduction in funding from the Scottish Government (SERI) has left a financial gap in the budget but also means that the level of incentive can now be changed.
 - 5.3. It is proposed to continue RRI in the current format to 31st March 2016 and to devise a new Incentive Programme to launch to local businesses in April. This allows some continuity to those companies we are currently working with to establish their additional posts and gives time to identify and promote a new lower cost scheme.
 - 5.4. The overall pot of funding will inevitably require reducing however it is proposed to reprofile some of the Invest funding to bridge part of the funding gap and to minimise the reduction as far as possible. Despite the cut in SERI funding, and the need to offer a reduced level of grant in future to employers, it is felt that we can continue to deliver a useful incentive to employers to establish additional jobs for young people across Renfrewshire.
 - 5.5. A further report will be brought to board on the progress of the new Renfrewshire Recruitment Incentive for April 2016 onwards and on the finalised budget for Renfrewshire for the next 3 years.
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Implications of the Report

1. **Financial** – Due early closure, we will be unable to drawn down the expected allocation of funding from the Scottish Government SERI programme.

We have reduced the scale of the programme and are not seeking any additional Council funding.
2. **HR & Organisational Development** - Invest in Renfrewshire have an existing Wage and Recruitment team and it is not envisaged that any additional posts will be required.
3. **Community Planning – Jobs and the Economy** - the project contributes significantly to the themes of the Jobs and Economy community planning theme.
4. **Legal** – Legal have been consulted regarding the new programme.
5. **Property/Assets** – None.

6. **Information Technology** - None.
 7. **Equality & Human**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – All Health and Safety Issues will be supported through the Council's Senior Health & Safety Officer.
 9. **Procurement** – None at present.
 10. **Risk** – a risk assessment for the proposal will be undertaken.
 11. **Privacy Impact** – none at present.
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List of Background Papers

- (a) Background Paper 1: Economy and Jobs Policy Board, **SERI: Scotland's Employer Recruitment Incentive** 2nd September 2015
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