

Notice of Meeting and Agenda Economy & Jobs Policy Board

Date	Time	Venue
Wednesday, 01 February 2017	13:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM
Head of Corporate Governance

Membership

Councillor John Caldwell: Councillor Lorraine Cameron: Councillor Andy Doig: Provost Anne Hall: Councillor Jim Harte: Councillor Michael Holmes: Councillor Paul Mack: Councillor Kenny MacLaren: Councillor Eileen McCartin: Councillor Sam Mullin: Councillor Iain Nicolson: Councillor Jim Paterson: Councillor Jim Sharkey:

Councillor Roy Glen (Convener): Councillor John Hood (Depute Convener):

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
|----------|--|----------------|
| 1 | Revenue Budget Monitoring Report | 3 - 8 |
| | Joint report by the Directors of Finance & Resources and the Director of Development & Housing Services. | |
| 2 | Capital Budget Monitoring Report | 9 - 14 |
| | Report by the Director of Finance & Resources. | |
| 3 | Business Gateway Delivery Update | 15 - 20 |
| | Report by the Director of Development & Housing Services. | |
| 4 | Employability Fund- Update | 21 - 24 |
| | Report by the Director of Development & Housing Services. | |
| 5 | Modern Apprenticeship Programme - Update | 25 - 30 |
| | Report by the Director of Development & Housing Services. | |
| 6 | Invest in Renfrewshire Employer Recruitment Incentive (RERI) | 31 - 34 |
| | Report by the Director of Development & Housing Services. | |
| 7 | Labour Market Update | 35 - 44 |
| | Report by the Director of Development & Housing Services. | |



To: Economy and Jobs Policy Board

On: 1 February 2017

Report by: Director of Finance and Resources and Director of Development and Housing Services

Heading: Revenue Budget Monitoring to 11 November 2016

1. Summary

1.1 Gross expenditure is £135,000 (6.1%) greater than budget and income is £135,000 (15.1%) greater than anticipated which results in a net breakeven position for the service reporting to this Policy Board.

This is summarised in the table below:

Division / Department	Current Reported Position	% variance	Previously Reported Position	% variance
Economic Development	Breakeven	-	Breakeven	-

2. Recommendations

2.1 Members are requested to note the budget position

2.2 Members are requested to note there have been no budget movements since the last report.

3. **Economic Development**

3.1 **Current position: Breakeven** ***Previously reported: Breakeven***

At this stage in the financial year the account reflects a breakeven position.

3.3 **Projected Year End Position**

It is projected that a breakeven position will be achieved by the year end.

Implications of the Report

1. **Financial** – Net revenue expenditure will be contained within available resources.
2. **HR & Organisational Development** – none
3. **Community Planning** – none
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** - none.
7. **Equality & Human Rights** - 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 because it is for noting only. 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** – none
9. **Procurement** – none
10. **Risk** – none
11. **Privacy Impact** - none

List of Background Papers

None

Author: Valerie Howie, Extension 7796
Margo Simpson, Extension 5392

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2016/2017
1st April 2016 to 11 November 2016

POLICY BOARD : ECONOMY & JOBS

Description (1)	£000's	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5) £000's	Budget Variance £000's % (7)
Employee Costs		2,274	1,348	1,418	(14)	1,404	(56) -4.2% overspend
Property Costs		149	178	200	0	200	(22) -12.4% overspend
Supplies & Services		59	28	39	4	43	(15) -53.6% overspend
Contractors and Others		515	165	167	0	167	(2) -1.2% overspend
Transport & Plant Costs		0	0	1	0	1	(1) 0.0% breakeven
Administration Costs		466	10	24	0	24	(14) -140.0% overspend
Payments to Other Bodies		934	483	384	124	508	(25) -5.2% overspend
CFCR		0	0	0	0	0	0 0.0% breakeven
Capital Charges		0	0	0	0	0	0 0.0% breakeven
GROSS EXPENDITURE		4,397	2,212	2,233	114	2,347	(135) -6.1% overspend
Income		(857)	(895)	(623)	(407)	(1,030)	135 15.1% over-recovery
NET EXPENDITURE		3,540	1,317	1,610	(293)	1,317	0 0.0% breakeven

£000's
0
(0)

Bottom Line Position to 11 November 2016 is breakeven of
Anticipated Year End Budget Position is breakeven of

0.0%
0.0%

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2016/2017
1st April 2016 to 11 November 2016

POLICY BOARD : ECONOMY & JOBS

Description (1)	£000's	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance (7)	
		£000's	£000's	£000's	£000's	£000's	£000's	%
Economic Development		3,428	1,264	1,562	(298)	1,264	0	0.0%
Town Centre		112	53	48	5	53	0	0.0%
NET EXPENDITURE		3,540	1,317	1,610	(293)	1,317	0	0.0%
								breakeven
								breakeven
								breakeven

£000's
0
(0)

Bottom Line Position to 11 November 2016 is breakeven of
Anticipated Year End Budget Position is breakeven of

0.0%
0.0%



To: ECONOMY & JOBS POLICY BOARD

On: 1 FEBRUARY 2017

Report by: Director of Finance and Resources

Heading: Capital Budget Monitoring Report

1. Summary

- 1.1 Capital expenditure to 11th November 2016 totals £3.350m compared to anticipated expenditure of £3.226m for this time of year. This results in an over-spend position of £0.124m for those services reporting to this board, and is summarised in the table below:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Development & Housing Services	£0.124m o/spend	4% o/spend	£0.070m o/spend	3% o/spend
Total	£0.124m o/spend	4% o/spend	£0.070m o/spend	3% o/spend

- 1.2 The expenditure total of £3.350m represents 53% of the resources available to fund the projects being reported to this board. Appendix 1 provides further information on the budget monitoring position of the projects within the remit of this board.
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2. Recommendations

- 2.1 It is recommended that Members note this report.

3. **Background**

- 3.1 This report has been prepared by the Director of Finance and Resources in conjunction with the Chief Executive and the Director of Development & Housing Services.
- 3.2 This capital budget monitoring report details the performance of the Capital Programme to 11th November 2016, and is based on the Capital Investment Programme which was approved by members on 3rd March 2016, adjusted for movements since its approval.

4. **Budget Changes**

- 4.1 Since the last report budget changes totalling £1.150m have arisen which reflects Budget being re-profiled between 2016/17 and 2017/18 due to a recent review of the projects:-
- Budget re-profiled from 2016/17 to 2017/18:
- Paisley Museum Store (£1.500m).
- Budget re-profiled from 2017/18 to 2016/17:
- Paisley Library Relocation (£0.350m).

Implications of the Report

1. **Financial** – The programme will be continually monitored, in conjunction with other programmes, to ensure that the available resources are fully utilised and that approved limits are achieved.
2. **HR & Organisational Development** – none.
3. **Community Planning** –
Greener - Capital investment will make property assets more energy efficient.
4. **Legal** – none.
5. **Property/Assets** – none.
6. **Information Technology** – none.
7. **Equality & Human Rights** – 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** – none.
9. **Procurement** – none.
10. **Risk** – none.
11. **Privacy Impact** – none.

List of Background Papers

- (a). Capital Investment Programme 2016/17 & 2017/18 – Council, 3rd March 2016.

The contact officers within the service are:

- Geoff Borland, Extension 4786
- Fraser Carlin, Extension 7933

Author: *Geoff Borland, Principal Accountant, 0141 618 4786, geoffrey.borland@renfrewshire.gov.uk.*

Economy & Jobs - Appendix 1

RENFREWSHIRE COUNCIL

CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES

BUDGET MONITORING REPORT

BOARD: ECONOMY & JOBS

Project Title	Approved Programme @03/03/16	Current Programme MR 8	Year To Date Budget to 11-Nov-16	Cash Spent to 11-Nov-16	Variance to 11-Nov-16	% Variance	Cash to be Spent by 31-Mar-16	% Cash Spent
DEVELOPMENT & HOUSING								
Paisley Town Centre Regeneration	124	171	0	0	0	0%	171	0%
Russell Institute	2,500	3,796	2,555	2,703	-148	-6%	1,093	71%
Paisley Museum Store	3,157	1,993	351	331	20	6%	1,662	17%
Paisley Library Relocation	0	350	320	316	4	1%	34	90%
TOTAL ECONOMY & JOBS BOARD	5,781	6,309	3,226	3,350	-124	-4%	2,959	53%



To: Economy and Jobs Policy Board

On: 1 February 2017

Report by: Director of Development and Housing Services

Heading: Business Gateway Delivery Update

1. Summary

- 1.1 Renfrewshire Council previously managed the delivery of the Business Gateway contract across the wider Renfrewshire area (incorporating East Renfrewshire and Inverclyde).
- 1.2 Following an options appraisal by the Economic Development Consultants EKOS Ltd on the most appropriate model for the future delivery of the local BG services in Renfrewshire, the Economy and Jobs Policy Board agreed on 31st August 2016 to bring the delivery of the Business Gateway (BG) service in-house from 1 October 2016.
- 1.3 This report provides more detail about the in-house delivery arrangement in Renfrewshire and the opportunity to make better use of the resources available to deliver a more integrated service to companies and with increased outputs and targets through attracting ERDF funding to the revised service.

2. Recommendations

It is recommended that the Board:

- 2.1 Note the content of this report;
- 2.2 Homologate the action of the Director of Development and Housing Services to apply for additional ERDF finance to augment the Business Gateway services in Renfrewshire through an additional grant of £130,167 ERDF over 2 years.

- 2.3 Bring back further reports to Board on the performance of Renfrewshire's ongoing Business Gateway Service.
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3. Background

- 3.1 The Business Gateway (BG) service provides information and support to individuals setting up a new business or growing an existing business. BG is a national brand and is delivered at a local level across Scotland alongside a range of council services which also support business start up and growth.
- 3.2 The Economy and Jobs Policy Board agreed on 31st August 2016 to bring the delivery of the BG service in-house from 1 October 2016. This new integrated service delivery model aims to achieve measurable benefits and improve customer service.
- 3.3 The BG service successfully transferred to in-house Council delivery on 1 October 2016. This transition included formal notification of the termination of the contract to the contractor, the transfer of 1 Business Growth Adviser and 1 Business Information Assistant (TUPE) to Renfrewshire Council and 1 Business Information Assistant (TUPE) to East Renfrewshire and Inverclyde Councils.
- 3.4 Renfrewshire Council secured 55% of the BG budget (a total of £332k per annum) and this provided an opportunity to develop a new service to businesses which integrates with the existing support available through Invest in Renfrewshire.
- 3.5 The in-house delivery model has also provided an opportunity to apply for additional ERDF funding to augment the Business Growth service in Renfrewshire. A two year programme of support at total costs of £325,421 has been submitted for ERDF support of £130,167 with Renfrewshire Council providing the match funding of £195,254 from the Business Gateway budget. The additional finance will allow for an increased staffing and service level to growth companies as outlined in the sections below.
- 3.6 2 distinct teams have been developed to follow the national specification for Business Gateway:
1. Business start up, self employment and enterprise services (operating from InCube)
 2. Business growth and development services (operating from Renfrewshire House)
- 3.7 The report outlines the roles of each team.
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4. Business Start-Up, Self Employment and Enterprise Service

- 4.1 The BG start-up, self employment and enterprise service will be located at InCube, the Council business incubator based on Paisley High St. This will have the benefit of having on site provision of pre start and start up advice and support to InCube clients. This facility is already home to fledgling businesses. In addition office space is given to the Princes Trust who provide funding support to business start up clients aged under 30.
- 4.2 Any new business, or any business not already engaged with the public sector, is directed to the BG programme as a first point of contact. BG advisers then assess the enquiry and if it is a start-up client they are provided with advisory support to assist them in successfully starting up their business.
- 4.3 In recent years the BG service in Renfrewshire has operated with one start-up adviser (via the previous contractor). However as a consequence of the service being delivered in-house and to improve the level of service to clients the business start-up team will be increased in size from one to two advisers.
- 4.4 This additional advisor post will focus on the potential high value clients, i.e. those with highest growth potential, new businesses which aspire to trade above £70,000 or employ staff within 12 months – 18 months.
- 4.5 Strengthening this service will enable a greater degree of assessment of the needs and potential of new start businesses, thus identifying those with high growth potential who will be offered a more in-depth level of support to assist them fulfil their growth aspirations. It is anticipated that support will be offered to these businesses both in start up phase and during the first year of trading.
- 4.6 The Start-Up Service will continue to provide workshops and events on issues that are essential to local businesses. This will be delivered contracts covering BG core workshops and Expert Help covering business strategy, investor readiness, marketing and brand development, HR, procurement and innovation support
- 4.7 InCube will now be recognised as the Renfrewshire hub for all business start-up activities.
- 4.8 The start up targets from October 2016 until March 2018 are as follows and will be reported on at regular intervals:

BUSINESS GATEWAY Oct 16 - March 18	
Output	
	Targets
Start Up Service	
Start Ups	437
Workshops	48
Expert Help - Start Ups	126

5. Business Growth Services

- 5.1 The transfer of the BG services to in-house provision by Renfrewshire Council has provided an opportunity to build an integrated Business Growth team which is based at Renfrewshire House.
- 5.2 This Growth team will work closely with colleagues throughout the Council to ensure better integration with other business facing teams within the Council including, Trading Standards, Environmental Health, Licensing, Planning, Non Domestic Rates, Estates, Waste Management and Regulatory Services.
- 5.3 The Business Growth team will provide business growth services to assist local companies to identify and unlock any barriers to their growth potential thus ensuring that they are in a position to play a full part in increasing the level of local economic activity. The integration of the services as described above has enabled us to improve the level of service by increasing the size of the BG Growth team from 1.3 fte staff (with the previous contractor) to 2 full time roles (1 TUPE post and 1 new post). These staff will work alongside the 2 existing Invest in Renfrewshire Business Growth Advisors to provide an integrated service to local businesses.
- 5.4 The Growth team will identify businesses which have had no recent relationship with BG and will arrange to contact these businesses to re-establish communication. Following a detailed business appraisal the Growth team will utilise the BG segmentation model to highlight the menu of support which can be made available to client companies. The differing levels of support are as follows:
 - Growth Advisory Service (for those companies projecting turnover growth of £200-400K)
 - Growth Pipeline (for those companies projecting turnover growth of £400K-800K) and;
 - Account Managed companies (for those who have reached growth of £400-800K) identified with further growth potential and can potentially transfer to Account Management within Scottish Enterprise.
- 5.5 The business growth advisers will each have the responsibility to support a portfolio of businesses in order to identify and assist to develop their growth projects and to deliver tailored support to maximise the opportunity for the successful implementation which should result in the creation of new employment opportunities.
- 5.6 It is intended to submit regular progress reports to the Economy and Jobs Policy Board which will also feature specific examples of the kind of businesses who interact with BG and the impact of the support on their business growth.
- 5.7 The growth targets from October 2016 until March 2018 are as follows, and will be reported to board on a regular basis:

BUSINESS GATEWAY Oct 16 - March 18	
Output	
	Targets
Growth Advisory Service (GAS)	
Accepted into GAS	110
Acc'pt into Growth Pipeline	42
Accepted into SE Acc Mngt	7
Expert Help - Existing Bus (no days)	53
Growth Workshops	50

6. Business Gateway Budget

- 6.1 The Business Gateway budget transferred to Renfrewshire Council was £332k per annum for the delivery and management of Business Gateway Services across Business Start up and Business Growth. This annual budget will be augmented over the next 2 years by up to £65k pa through ERDF. ERDF cannot match all activity and is restricted to additional growth services. The annual budget is therefore a maximum of £397k if a full ERDF grant is claimed.
- 6.2 The management and property overheads for the BG services is estimated at £40,000 which will be retained by Renfrewshire Council as contribution to the costs of the BG base at InCube and the costs of managing the project.
- 6.3 The costs of directly delivering the services above (staff costs and contracts for the delivery of workshops and expert help services) is approximately £340k per annum (depending on the final spend on contracts which are currently out to tender).
- 6.4 The service has a maximum budget of £397k per annum (Business Gateway plus ERDF finance) which, after delivery costs of £340k and management costs of £40k, leaves a contingency amount of a maximum of £17k for additional activities or to compensate for a reduction in ERDF income due to lack of spend or should contracts be lower than anticipated.

Implications of the Report

1. **Financial** – The Business Gateway budget comes directly to Renfrewshire Council as part of the block grant and is secure. The ERDF application is matched from this budget and will provide an additional £130k over 2 years if successful.
2. **HR & Organisational Development** – To support the delivery of Business Gateway 3 additional staff will be recruited from within the existing budget allocations.

3. **Community Planning –**

Jobs and the Economy – Local businesses are supported to set up, grow and develop.

4. **Legal** – none

5. **Property/Assets** – None

6. **Information Technology** – None.

7. **Equality & Human Rights**

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** - None

9. **Procurement** - some elements of the ongoing delivery are likely to be procured in the future for areas of specialist support.

10. **Risk** – While it is anticipated that the outcomes and results will be on par with the contracted service there is likely to be a period of up to 3 months where the new services are bedding in and delivery is slower. This also happens when contracts change and new providers get up to speed. Targets can be caught up in the year that follows.

11. **Privacy Impact** - None

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To: Economy and Jobs Policy Board
On: 1 February 2017

Report by: Director of Development and Housing Services

Heading: Employability Fund - Update

1. Summary

- 1.1 Renfrewshire Council has successfully bid to deliver training places through the Skills Development Scotland Employability Fund for the last four years. The purpose of this report is to update members on progress of the 2016 / 17 contract and to advise of the tender submission for 2017 / 18.
-

2. Recommendations

- 2.1 It is recommended that the Board:
- (i) Note current performance levels for the 2016-17 Employability Fund Contract;
 - (ii) Note the intention to bid for 40 places in the 2017-18 programme;
 - (iii) Agree that further updates on progress for this area of service provision be provided to the Board.
-

3. Background

- 3.1 Regular reports are provided to Board on Renfrewshire Councils bids to, and delivery of, the Employability Fund.
- 3.2 Employability Fund places have reduced significantly over the past two years. There was a national budget reduction of approximately 40% in 2016 / 17, with the Renfrewshire area having 342 places available (a reduction of 242 places from the previous year).

- 3.3 While there is no budget reduction for 2017-18 Renfrewshire's overall allocation will reduce by 6% due to the areas positive performance in terms of the numbers of people in work. A total of 320 places will be available in Renfrewshire for 2017-18.
- 3.4 In 2016 Renfrewshire Council secured a contract to deliver 25 Employability Fund places for 2016 / 17 at Stage 2 of the employability pipeline. The 25 places were to be utilised for all age groups under Employability Fund: 16-17; 18-24, and 25+. The training opportunities would be made available in areas such as environmental, catering and administration.
-

4. 2016 / 17 Performance

- 4.1 Through the 2016 / 17 tender process Skills Development Scotland (SDS) awarded Renfrewshire Council a contract which allowed up to 25 Stage 2 starts. The contract value was a maximum of £59,066.
- 4.2 The contract value is based on an average rate for each client, based on their particular achievements whilst on the programme. Providers can claim a start payment for each new participant, an Output payment for each participant who achieves a qualification, an Outcome payment for those who move into a positive destination (e.g. job or Modern Apprenticeship) and a Sustained Outcome payment for those who are still in a positive destination six months after they complete the Employability Fund Programme.
- 4.3 By December 2015 Renfrewshire Council had utilised 20 starts. We also had an agreed commitment for the final 5 places to begin in January 2017
- 4.4 We therefore applied to SDS for 5 additional places. This was agreed taking our total number of new starts to 30 and increased the contract value to a maximum £62,816.
- 4.5 To date 14 of the 20 starts have completed the programme, with another 6 still participating in the programme. 11 of the 14 (79%) have moved onto a positive outcome and the remaining 3 are still being supported to find work through our Employability Hub.
- 4.6 We have claimed £54,505 of our contract value to date and our profiling indicates that we will utilise the full contract value. This is due to us securing particularly high rates of achievement for Outputs (qualifications) and Outcomes (positive destinations) during this contract year.
-

5. 2017 / 18 Tender Submission

- 5.1 SDS began the tender process for 2017 / 18 Employability Fund contracts in December 2016.
- 5.2 SDS have confirmed there will be 320 places available in Renfrewshire. This was broken down as 118 places for 16-17 year olds across Stages 2 – 4 and 202 places for those aged 18+.

- 5.3 Following discussions with service contacts the Renfrewshire Council submission will be for **40** new starts in 2017-18. This will again include a range of opportunities across the employability pipeline, but will mainly focus on Stage 2.
- 5.5 Whilst this number may seem ambitious, given the reduction in places available, we are hopeful that SDS will recognise the successful achievement rates gained in 2016 / 17 and will allocate places accordingly.
- 5.6 SDS anticipate that the outcome of the tender process will be advised in March 2017.

Implications of the Report

1. **Financial** – No implications, as ongoing service delivery will be managed through current financial arrangements. All costs of delivery will be met by the contract.
2. **HR & Organisational Development** – None.
3. **Community Planning – Jobs and the Economy** - contributes to the themes of the Jobs and Economy community planning theme.
4. **Legal** – None.
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** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.

List of Background Papers

- (a) Background Papers – Board Papers – Employability Fund 2015 / 2016 – 28 January 2015 and 2 September 2015

The foregoing background papers will be retained within Development and Housing for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Ruth Cooper, 0141 618 7868, ruth.cooper@renfrewshire.gov.uk

Author: Michael Moran, ext 7296, michael.moran@renfrewshire.gov.uk



To: Economy and Jobs Policy Board
On: 1 February 2017

Report by: Director of Development and Housing Services

Heading: Modern Apprenticeship Programme - Update

1. Summary

- 1.1 This paper provides an update on the Council's Modern Apprenticeship Programme for 2016 /17 and our tender submission to Skills Development Scotland to continue the programme into 2017 / 18. Information is also provided on the new Apprenticeship Levy being introduced from April 2017.
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2. Recommendations

- 2.1 It is recommended that the Board:
- (i) Note current performance levels;
 - (ii) Note the introduction of Apprenticeship Levy; and
 - (iii) Agree that further updates on progress for this area of service provision be provided to the Board.
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3. Background

- 3.1 Renfrewshire Council are recognised by Skills Development Scotland (SDS) as a National Training provider and tender each year for a contract to provide and deliver a range of Modern Apprenticeship (MA) opportunities.
- 3.2 The Council's Modern Apprenticeship Programme currently provides a range of apprenticeships in both traditional craft areas, such as joinery, electrical, plumbing, horticulture and motor vehicle mechanics, as well as in non-traditional areas, such as Business and Administration, Procurement and Digital and Creative Media through our Office-based Programme.

- 3.3 The majority of our MAs are employed through the Council. However we also deliver a Training Provider service to a small number of local businesses through Invest in Renfrewshire, so as to enhance the numbers and range of Modern Apprenticeship opportunities available.
- 3.4 MA s can take between 12 and 48 months to complete their apprenticeship, depending on the particular MA framework they are undertaking.
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4. 2016 / 17 Performance

- 4.1 Through the 2016 / 17 tender process SDS awarded Renfrewshire Council a contract which allowed us to start up to 37 new MAs, across the range of frameworks noted in Section 3.1. The contract value is for a maximum of £151,858.
- 4.2 The contract value is based on average rate for each client, based on their particular achievements whilst on the programme. Providers can claim a Start payment for each new participant, Milestone Payments based on ongoing achievements against the particular MA Framework being undertaken, and an Outcome payment for those successfully complete all elements of their MA.
- 4.3 To date **23** starts have been agreed, or are in place. Work in ongoing to utilise as many of the remaining places as possible prior to March 2017.
- 4.4 This year has proved to be challenging, in terms of identifying new MA opportunities within the Council, mainly due to financial constraints and ongoing restructuring within services.
- 4.5 However the achievements of our MAs remain consistent, with over 95% completing their respective frameworks and going on to permanent employment with the Council or a local business. This achievement rate remains one of the highest both within Renfrewshire and nationally.
- 4.6 To date we have had 36 MAs complete and leave the programme during 2016 / 17. All 36 (100%) have successfully completed their respective framework.
- Of those 35 (97%) have moved into employment, either with the Council or an external organisation.
- 4.7 We have claimed **£114,798** of our contract value to date and our profiling indicates that we will claim the full contract award by March 2017. This is due to our particularly high rates of achievement for Milestones and Outcomes during this contract year.
-

5. Apprenticeship Levy

- 5.1 From April 2017, all UK employers with annual wage bills of more than £3 million will pay an Apprenticeship Levy, which is aimed to increase apprenticeship opportunities across the UK.
- 5.2 The rate will be 0.5% of the employer's annual wage bill, less an allowance of £15,000
- 5.3 The Renfrewshire Council contribution is estimated at **£1,150,000** (based on our wage bill for 2016 / 17).
- 5.4 HMRC will collect the revenue monthly through Pay As You Earn (PAYE), payable alongside income tax and national Insurance.
- 5.5 UK Government announced in November 2016 that £221 million of the revenue raised will be passed to Scottish Government for 2017-18, as apprenticeships are a devolved matter.
- 5.6 Scottish Government confirmed in December that the £221 million will be used to support a range of employability initiatives including Modern Apprenticeships £81.5m, Graduate Level Apprenticeships £4.7m, Foundation Apprenticeships £6.8m, Workforce Development £63.6m and Pre-Employment Support £64.3m.

A more detailed breakdown is attached as Appendix 1.

6. 2017 / 18 Tender Submission

- 6.1 SDS began the tender process for 2017 / 18 Modern Apprenticeship contracts in December 2016, with final submissions due late January 2017.
- 6.2 Discussions with service contacts indicated that 2017 / 18 would likely to continue to be challenging regards new MA starts, therefore we have reduced our submission to request **25** new starts within the year (from 37 in 2016/17). This will again include a range of frameworks as noted in Section 3.1
- 6.3 SDS anticipate that the outcome of the tender process will be advised in March 2017.
- 6.4 SDS have advised that, due to the apprenticeship levy, some current restrictions on public sector organisations accessing Modern Apprenticeships for current employees will be lifted from March 2017 and some new opportunities could become available.
- 6.5 Discussions are underway with services to ascertain if we can identify any current employees who could utilise these new opportunities under the Workforce Development theme. These discussions are at a very early stage. Should new opportunities be identified these will be advised to Board.

Implications of the Report

1. **Financial** – Ongoing service delivery will be managed through current financial arrangements. However the new Apprenticeship Levy will mean an estimated additional payment of £1,150,000 to HMRC each year.
2. **HR & Organisational Development** – None
3. **Community Planning – Jobs and the Economy** - contributes to the themes of the Jobs and Economy community planning theme.
4. **Legal** - None
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** – None
9. **Procurement** – None
10. **Risk** – None
11. **Privacy Impact** – None

List of Background Papers

None

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MEASURES SUPPORTED BY THE APPRENTICESHIP LEVY

Activity	Estimated Expenditure in 2017-18 (£m)
MODERN APPRENTICESHIPS	
Our continued commitment to deliver 30,000 new Modern Apprenticeship starts each year by 2020.	81.5
National Occupation Standards	0.5
Sub-total	82.0
GRADUATE LEVEL APPRENTICESHIPS	
Graduate Level Apprenticeships	4.7
Sub-total	4.7
FOUNDATION APPRENTICESHIPS	
Foundation Apprenticeships	6.8
Sub-total	6.8
WORKFORCE DEVELOPMENT	
Support to employers to help disadvantaged young people to access and sustain employment	9.3
Developing the Young Workforce Regional Groups	4.1
Flexible Workforce Development Fund	10.0
Digital Economy Skills & Business Support	1.9
Care Sector Skills - Voluntary Sector Development Fund	0.9
Early Years Recruitment & Training	25.0
Energy Sector – Transition Training Fund	6.0
Teacher Training	2.5
Individual Learning Accounts	3.9
Sub-total	63.6
PRE-EMPLOYMENT SUPPORT	
Employability Programmes	25.0
Employment focussed college provision for young people	36.3
Inspiring Scotland	3.0
Sub-total	64.3
TOTAL	221.4



To: Economy & Jobs Policy Board

On: 1st February 2017

Report by: Director, Development & Housing Services

Heading: Invest in Renfrewshire Employer Recruitment Incentive (RERI)

1. Summary

- 1.1 This report seeks approval for a revised Invest in Renfrewshire Recruitment Incentive (RERI) to be implemented from February 2017 which will replace the current incentive and the national incentive; Scotland's Employers Recruitment Incentive (SERI).
 - 1.2 SERI, launched by the Scottish Government in July 2015 as a replacement for the Youth Employment Scotland Fund will conclude on 31st January 2017 and there are no further funds available through a national incentive beyond this date.
 - 1.3 Future incentives will be funded by Renfrewshire Council and the European and Structural Investment Funds (ESIF) through the European Social Fund (ESF) programmes; Youth Employment Initiative (YEI) for 16-29 years olds and Employability Pipeline for 50+ year olds.
-

2. Recommendations

- 2.1 It is recommended that the Board:
 - i. Agree to continue RERI with a revised offer from 1st February 2017 to support 50% of the National Minimum Wage or Living wage costs for up to 26 weeks
 - ii. Note the conclusion of the current SERI Programme on 31 January 2017
 - iii. Agree that further updates on employer recruitment incentives will be reported to the Economy and Jobs Policy Board
-

3. Background

- 3.1. Since its launch in 2012, Invest in Renfrewshire has provided a range of wage incentives to local employers to create jobs for young, unemployed people. These programmes have been funded by Renfrewshire Council, the Scottish Government and European Social Funds and have contributed to significantly reducing youth unemployment in Renfrewshire from 9.5% (1430 individuals) to the current rate of 3.8% (575 individuals).
 - 3.2. The success of various localised wage incentive programmes in 2012-2013 influenced the Scottish Government to launch a national programme; Youth Employment Scotland Fund (YESF) offering employers 50% of the National Minimum Wage for 26 weeks to create a sustainable job for unemployed 16-24 year olds, this was extended in August 2014 to include 25- 29 year olds. In July 2015 this was replaced with Scotland's Employer Recruitment Incentive (SERI) offering up to £3963 to support 52 weeks of employment which was then increased to £4,000 from 1 April 2016. These programmes both included additional payments for employers who paid the Living Wage.
 - 3.3. SERI will conclude on 31 January 2017 and there will be no national replacement. The Youth Employment Initiative (YEI) ESF aims to deliver sustainable results for young people and will co finance the delivery of the continuing Renfrewshire Employer Recruitment Incentive (RERI).
 - 3.4. The Youth Employment Initiative (YEI), available only to Local Authorities in the South West of Scotland, has awarded ESF support to Renfrewshire Council for an ESF programme with total costs of £7,505,840; £980,000 from this total amount is to specifically fund wage subsidies for young people aged 16-29 years old who are currently not in employment, education or training. This will support the future delivery of RERI until June 2018, which will support new job starts until December 2017.
-

4. Renfrewshire Employer Recruitment Incentive (RERI) – Revised Model

- 4.1. The current RERI programme is aligned to the national wage incentive programme to ensure simplicity for businesses and a non-competitive programme of support. As the national programme has now stopped it provides an opportunity to progress with a more streamlined service with a simplified payment structure.
- 4.2. RERI will offer 50% of the National Minimum Wage or the Living Wage for 26 weeks to create an additional job, offering a minimum contract of 25 hours each week, which must be sustained beyond the initial 26 week period. Aftercare support will be provided by the Invest Job Creation & Progressions Team to support employers and young people to sustain employment.
- 4.3. The reduction to a 26 week subsidy benefits the Council in terms of the targets required through the YEI programme. This records job entry at 4 weeks and sustained employment at 26 weeks. By completing the subsidy at

26 weeks (rather than 52) we effectively allow an additional 6 months of ESF support and can claim outputs more quickly.

- 4.4. The Financial offer to employers will reduce from a maximum of £4,000 over 52 weeks to the following (indicative costs based on a 35 hour week x 6 months):

Scottish Living Wage employers (£8.45/hr),	£3,844.75
Nat min wage employers for over 25 year olds (£7.20/hr)	£3,276.00
Nat min wage employers for 21-24 year olds (£6.95/hr),	£3,126.25
Nat min wage employers for 18-20 year olds (£5.55/hr),	£2,525.25
Nat min wage employers for under 18 years olds (£4.00/hr)	£1,820.00
Nat Min wage for Modern Apprenticeships (£3.40)	£1,547.00

The actual grant figures will depend on the rates being paid and the number of hours worked.

- 4.5. The previous Programme had three separate payments to employers over 52 weeks totalling £4000 (if the job had sustained 12 months) and a bonus payment of £500 at week 52 if the Living Wage has been paid. The new programme provides support over the first 6 months only. See table below for comparison.

	Week 4	Week 12/13	Week 26	Week 52	Living Wage Bonus	Total
Previous Renfrewshire Recruitment Incentive <i>(paying at national minimum wage rate and above. Matching the SERI payment structure with an additional Living Wage payment in line with previous Renfrewshire programmes).</i>	£600	£1400	-	£2000	£1000	£4000 £5000
New Renfrewshire Employment Recruitment Incentive	50% salary payment	50% salary payment	50% salary payment	£0	Built into payment model	Varies
Previous Apprenticeship Incentive: <i>(for apprenticeships paying below the minimum wage rate)</i>	-	£500	£750	£750	NA	£2000
New RERI for Apprenticeships	50% salary payment	50% salary payment	50% salary payment	£0	NA	Varies

- 4.6. The YEI RERI Programme (as previously reported to Board) aims to support a total of 260 young people from February 2015 – June 2018. To date a total of 158 young people have been supported into employment through this wage subsidy initiative. This provides a target until June 2018 to support 102 young people to access a YEI RERI and progress to sustainable employment.
 - 4.7. The revised offer will be delivered by the existing Invest in Renfrewshire (Job Creation and Progressions) Team. This will be monitored to ensure targets are delivered and adapted to meet the needs of the participants and the local labour market.
 - 4.8. RERI will be extended to participants who are 50+ year olds which will be co-financed by the ESF Employability Pipeline programme. A pre-employment programme with vocational training will prepare these participants to progress to work experience where a wage subsidy will be offered to broker sustainable employment. This incentive will also offer 50% of the National Minimum Wage or the Living Wage for up to 26 weeks.
-

Implications of the Report

1. **Financial** – This will be co-financed by ESF and the revision in duration of payment will contribute to utilising the grant awarded to support sustainable job outcomes for young people. The 50+ wage subsidy proposal will utilise the approved budget of £80,000. This will be funded within the approved ESF confirmed offers of grant and approved matching funding so there is no additional financial implication.
 2. **HR & Organisational Development** – Invest in Renfrewshire have an existing Job Creation and Progression Team and this team will support these initiatives.
 3. **Community Planning – Jobs & The Economy** – This proposal will contribute to the approved application to create 260 jobs which will support 260 young people to progress to employment. To date 152 young people have been supported through this initiative.
 4. **Legal** – This is in accordance with the European Structural & Investment Fund (ESIF) National Rules in accordance with the Offer of Grant accepted
 5. **Property/Assets** – None
 6. **Information Technology** – None
 7. **Equality & Human Rights** - 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.
 8. **Health & Safety** – None
 9. **Procurement** – None
 10. **Risk** – None
 11. **Privacy Impact** – None
-

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To: Economy and Jobs Policy Board

On: 1st February 2017

Report by: Director of Development and Housing Services

Heading: Labour Market Update at December 2016

1. Summary

- 1.1 This paper provides the Policy Board with the most recent labour market statistics for Renfrewshire (end of December 2016). Where the data is available a comparison is made with the Scottish and UK figures.
- 1.2 It should be noted that the reporting of unemployment stats has been changed nationally to incorporate new experimental Universal Credit figures. The report now reports on "Claimant Count" unemployed (a combination of JSA and UC claimants) where previously (prior to May 2016) only JSA figures were available.
-

2. Recommendations

Board members are asked to:

- (i) Note the employment and claimant count figures for December 2016
 - (ii) Note the change in reporting to new experimental statistics incorporating the Universal Credit figures;
 - (iii) Note the update on Chivas.
-

3. Background

- 3.1 The report provides the most recent employment and claimant count figures (published for end December 2016).
- 3.2 As previously reported, there have been changes to the claimant count on **nomis**, which is part of the Office for National Statistics (ONS). Now, Job Seeker's Allowance (JSA) and Universal Credit (UC) are measured together in one statistic: **the claimant count**.
- 3.3 The overall, long term goal of **nomis** is that **the claimant count** will be the **total number of JSA claimants + unemployed UC claimants**. These statistics are still experimental, but they allow for a comparison of Renfrewshire with Scotland and the UK.
- 3.4 For Renfrewshire, we currently have information on the following:
- **All Ages: 16+ (16-64)**
 - **Youth: 18-24**
 - **25-49**
 - **50+**
- 3.5 The claimant count is a measure of the number of people with live claims for the principal reason of being unemployed. Previously, Job Seeker's Allowance (JSA) was the main unemployment benefit. Now, Universal Credit (UC) is a new benefit also incorporated. However, UC is not an unemployment benefit entirely, given that some UC claimants will be in work, while others are unemployed but not required to seek work.
- 3.6 The experimental statistics still include UC claimants who are not in-work, but are also not required to seek work – a group that skew the statistics for as long as they are counted.
- 3.7 These new experimental statistics that now combine JSA and UC stretch as far back as January 2013 when the first pilots were introduced. Although experimental, this new claimant count is now the new standard. By contrast, the previous norm of using purely JSA claimants is no longer the official claimant count and is being slowly phased out.
- 3.8 Board reports from May 2016 now report on the Claimant Count figures.
-

4. Labour Market Statistics for the month of December 2016

- 4.1 Renfrewshire's employment rate continues to be above both the Scottish and UK average with 74.2% in employment compared to 72.8% (Scotland) and 73.9% (UK).
- 4.2 A further breakdown of the employment figures show that the female employment rate 74.2% is considerably higher than the Scottish (69.1%) and UK (69%) averages but the male figures are lower.
- 4.3 Renfrewshire is currently ranked 17th out of 32 local authorities for employment.
- 4.4 Renfrewshire's overall Claimant Count figure for December 2016 is 2.4% with 2,695 people claiming JSA and Universal Credit. This figure marginally increased, by 0.1% from the same time period year.
- 4.5 Renfrewshire's youth unemployment rate is currently reported as a Claimant Count figure of 3.5% with claimants totalling 530 for December 2016. This month the rate decreased by 0.4% and Renfrewshire is currently ranked 19th out of the 32 local authorities.
- 4.6 Adult unemployment for Claimants aged 25 – 49 has marginally decreased but with the rate remaining at 2.6% and with claimants totalling 1,465. The rate from this period last year was higher at 2.7% and 1,515 claimants.
- 4.7 The adult Claimant rates for those aged 50+ has marginally increased by 0.1% in the fourth quarter and is currently 1.9% with claimants totalling 690. The Claimant Count figures show that the rate for this group has also increased by 0.1% from the same period last year.
- 4.8 The attached newsletter contains additional statistical information and graphs.

5. New Developments and Updates

5.1 Chivas, Paisley

- 5.2 In November 2016 Pernod Ricard (parent company of Chivas) announced that they were consulting employees on a potential relocation of their bottling and distribution business from Paisley to Kilmalid in Dumbarton. On 16 January 2017 the company confirmed their decision to proceed with the proposed relocation.
- 5.3 Chivas currently employs 450 staff at Paisley although it also has a number of temporary contract employees, the number of whom fluctuates according to the

busiest periods of the year for the company. This makes the company one of the largest employers in the Paisley area. The company's proposed position is that all 450 permanent employees will be offered employment at the enlarged Dumbarton site, with assistance being offered on travel from Paisley and flexible working options considered on an individual employee basis.

- 5.4 Following the announced consultation, the Council Leader and Chief Executive met Pernod Ricard's Chief Executive and company representatives in December 2016 during the employee consultation period. The meeting also included Paul Whitehouse (Minister for Community Safety & Legal Affairs) and Gavin Newlands MP as well as Scottish Enterprise representatives.
- 5.5 In discussions with the First Minister the Leader of Renfrewshire Council has secured a commitment to convene a "task force" to fully examine the implications of this decision for local employees and to consider the future use of the Renfrew Road site. The first meeting of this group will take place in early February 2017.
- 5.6 Further reports will follow to Board once the group has been established and started to work through the various issues.

Implications of the Report

1. **Financial** - None
2. **HR & Organisational Development** – None
3. **Community Planning – Jobs and the Economy** - Labour market intelligence is vital to informing future policy and service delivery decision making across the Community Planning Partnership.
4. **Legal** – None
5. **Property/Assets** – None
6. **Information Technology** – None
7. **Equality & Human Rights** -
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 because it is for noting only.
8. **Health & Safety** – None.

- 9. **Procurement** – None
- 10. **Risk** – None
- 11. **Privacy Impact** - None

List of Background Papers

- (a) None

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Renfrewshire Economic Development Newsletter – January 2016

The Claimant Count

The claimant count is a measure of the number of people with live claims for the principal reason of being unemployed. Previously, Job Seeker's Allowance (JSA) was the main unemployment benefit. Now, Universal Credit (UC) is included.

These new experimental statistics that now combine JSA and UC stretch back to January 2013 when Universal Credit started to roll out in pilot areas. Although experimental, this new claimant count is now the new standard. By contrast, the previous norm of using purely JSA claimants is no longer the official claimant count and is being slowly phased out.

Employment and unemployment (Oct 2015-Sep 2016)

	Renfrewshire (Numbers)	Renfrewshire (%)	Scotland (%)	Great Britain (%)
All People				
Economically Active†	89,100	78.8	76.7	77.8
In Employment†	84,800	74.8	72.8	73.9
Employee‡	76,400	67.5	64.2	63.1
Self Employed‡	8,300	7.1	8.2	10.4
Unemployed (Model-Based)§	4,700	5.2	4.9	4.9
Males				
Economically Active†	44,800	80.4	81.2	83.1
In Employment†	42,200	75.5	76.7	78.8
Employee‡	36,200	65.0	65.2	64.4
Self Employed‡	5,800	10.2	11.1	14.0
Unemployed§	2,700	5.9	5.4	5.1
Females				
Economically Active†	44,300	77.2	72.4	72.6
In Employment†	42,600	74.2	69.1	69.0
Employee‡	40,200	70.0	63.2	61.7
Self Employed‡	2,500	4.2	5.4	6.9
Unemployed§	1,700	3.8	4.4	4.8

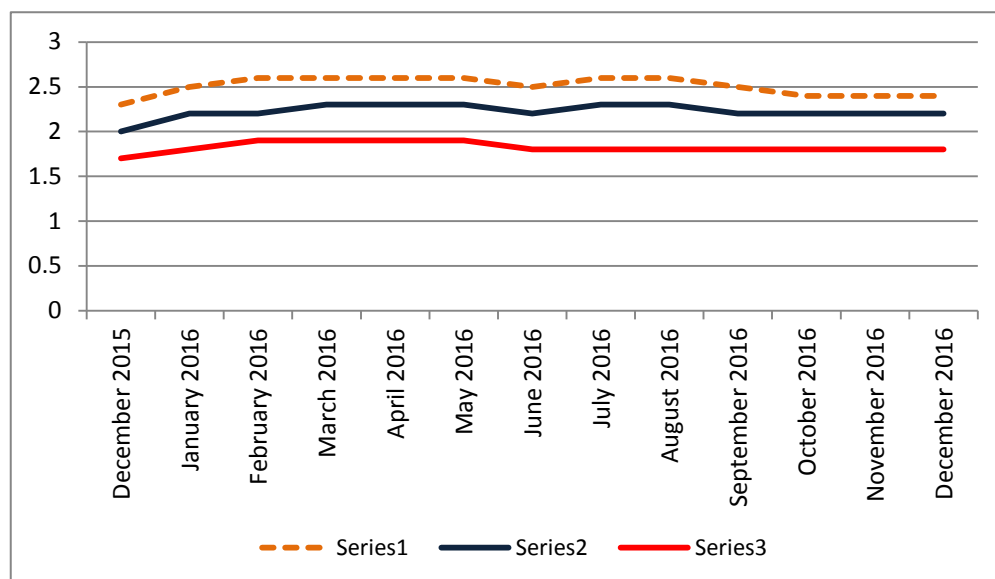
Source: ONS annual population survey

December 2016: Claimant Count Figures

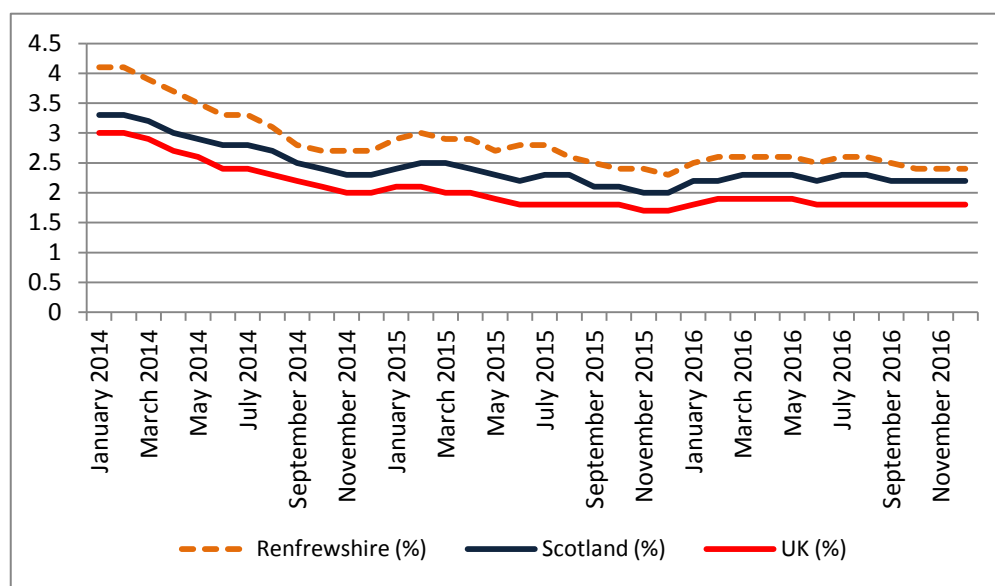
Claimant Count: All Ages (16+)

- The claimant count rate for Renfrewshire for December 2016 was 2.4%, with claimants totalling 2,695.
- This month the rate has marginally decreased.
- The rate this time last year was 2.3%.
- Renfrewshire is currently ranked 22nd out of 32 local authorities for unemployment.

All Ages(16+): Claimant count rate 2015-2016



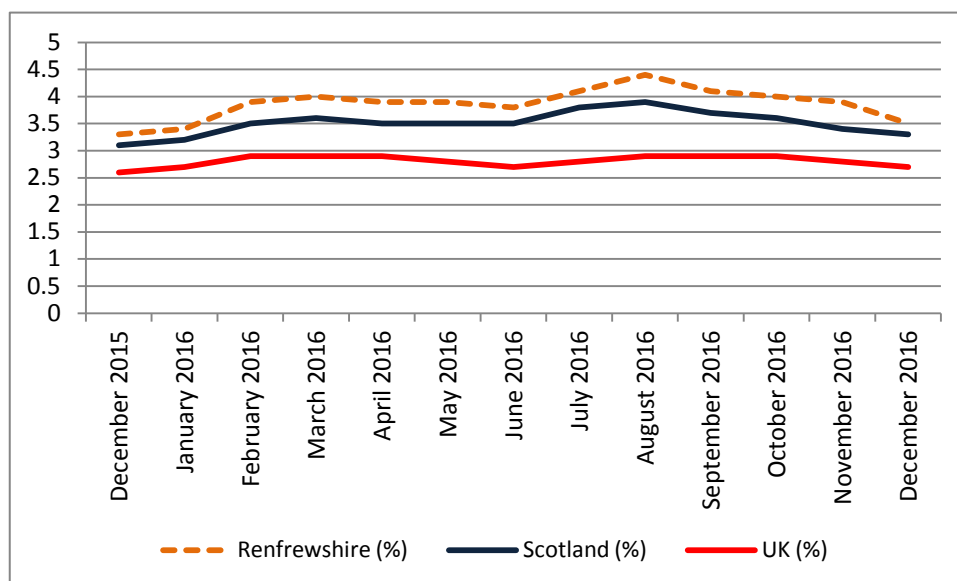
All Ages(16+): Claimant count rate 2014-2016



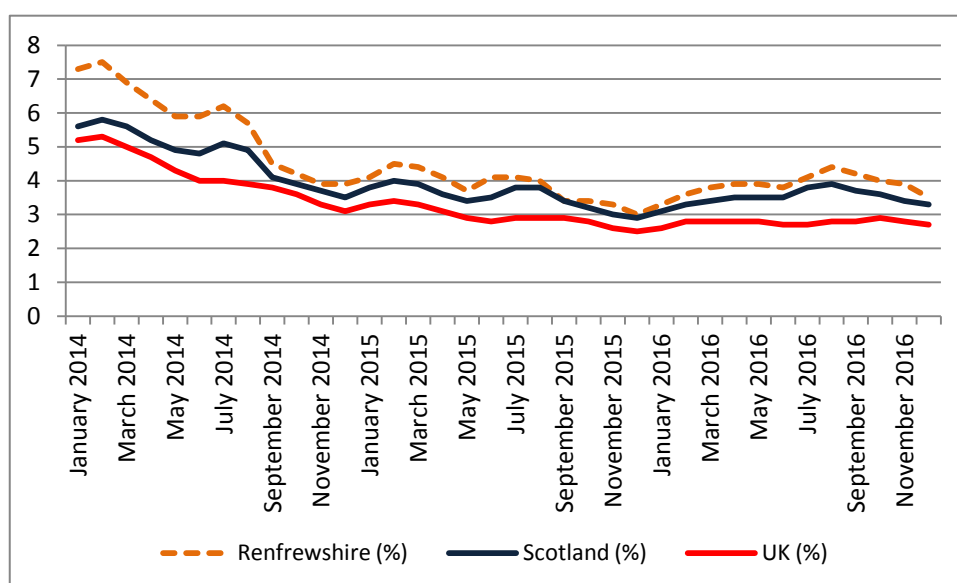
Claimant Count: Youth (18-24)

- The claimant count rate for Renfrewshire for December 2016 was 3.5% with claimants totalling 530.
- This month the rate has decreased, by 0.4%.
- The rate this time last year was 3.3%
- Renfrewshire is currently ranked 19th out of the 32 local authorities.

Youth (18-24): Claimant count rate 2015-2016



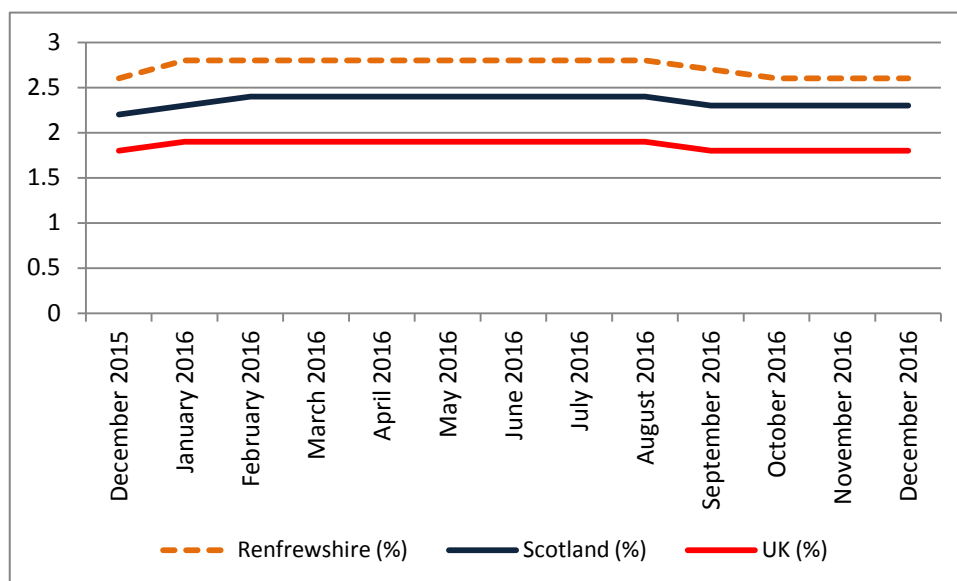
Youth (18-24): Claimant count rate 2014-2016



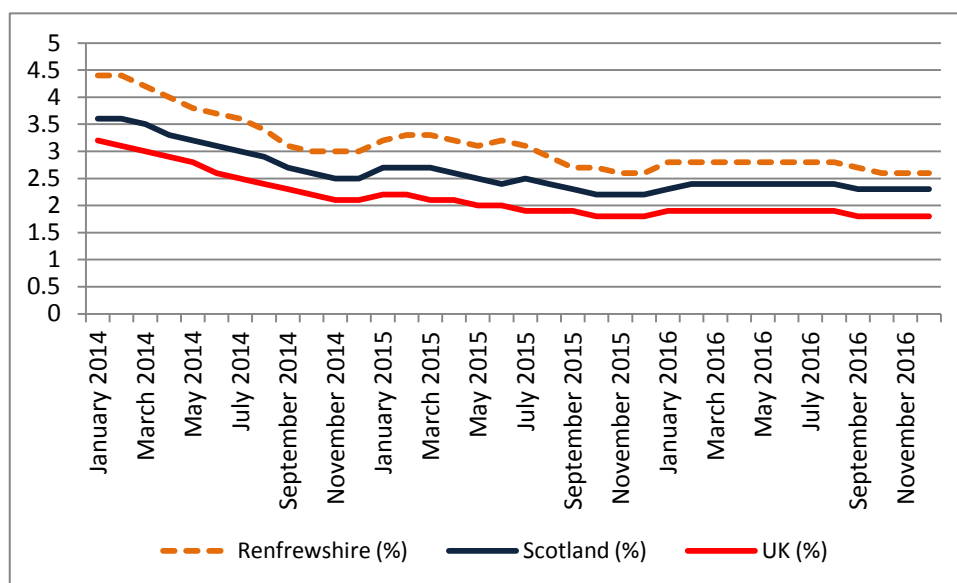
Claimant Count: 25-49

- The claimant count rate for Renfrewshire for December 2016 was 2.6% with claimants totalling 1,465.
- This month the rate has marginally decreased.
- The rate this time last year was 2.7%

25-49: Claimant count rate 2015-2016



25-49: Claimant count rate 2014-2016



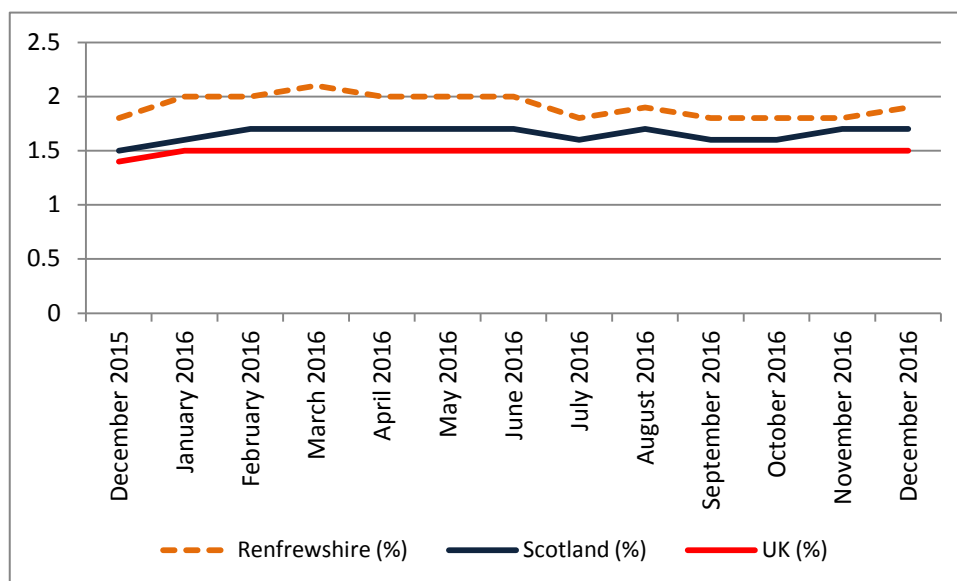
Claimant Count: 50+

- The claimant count rate for Renfrewshire for December 2016 was 1.9 with claimants totalling 665.
- This month the rate has marginally increased, by 0.1%.
- The rate has increased by 0.1% from this time last year at 1.8%

Source: ONS claimant count by sex and age

Note: % is number of claimants as a proportion of resident population of the same age

Ages 50+: Claimant count rate 2015-2016



Ages 50+: Claimant count rate 2014-2016

