
**ARGYLL AND BUTE COUNCIL EMPLOYABILITY FINANCIAL AND SERVICE
PROVISION UPDATE**

1.0 HEADLINES

- 1.1 The purpose of this paper is to provide members of the Policy and Resources Committee with an update on the current financial position of Argyll and Bute Council's Employability Team aligned to current and proposed service provision across the region.
- 1.2 A summary of the latest financial performance for the first quarter and forecast spend for the rest of 2022/23 is outlined in **Appendix 1, Table 1**. It should be noted that the forecast figures does not include the proposed allocation for 2022/23 for employability interventions that have been submitted to the UK Government within the Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan.
- 1.3 At present the Council's Employability Team, along with partners in the Argyll and Bute Employability Partnership (ABEP), delivers a plethora of interventions funded by the Scottish Government under the No One Left behind (NOLB) policy direction. In addition the Employability Team delivers Fair Start Scotland on behalf of PeoplePlus. In short, Argyll and Bute Council's Employability Service, which sits under Economic Growth, unlike other local authority Employability Services, has never been core funded and successfully delivers and manages partner employability activity through receipt of external revenue funding. These interventions are as follows:
- Fair Start Scotland, 16 to 67 year olds (managed by PeoplePlus on behalf the Scottish Government);
 - Argyll and Bute Employer Recruitment and Training Incentive (ABERTI), 16 to 67 year olds;
 - No One Left Behind: Employer Recruitment Incentives (ERIs) 25+ years;
 - No One Left Behind: Pre-employment support for 25+ year olds (partner delivery);
 - Parental Employability Support Fund (PESF), 16 to 67 year olds;
 - Parental Employability Support Fund (PESF) for Employer Recruitment Incentives (ERIs) 25+ years;
 - The Young Person's Guarantee, 16-24 year olds (ERIs)
 - The Young Person's Guarantee (ERIs), 16-24 year olds (partner delivery) and
 - NOLB Long Term Unemployed (LTU) 25+ years (partner delivery).
- 1.4 The team is also concluding the delivery of the UK Government's Kickstart Scheme for 16 to 24 year olds. The Scottish Government has also indicated that additional Child Poverty monies may be allocated to local authorities in the autumn of this year. However, the exact detail of this funding allocation has yet to be confirmed.

2.0 RECOMMENDATIONS

The Policy and Resources Committee are asked to note the content of this report.

3.0 DETAIL

Background of Argyll and Bute Council's Employability Team

- 3.1 At present the Council's Employability Team, along with partners in the Argyll and Bute Employability Partnership (ABEP), delivers a plethora of interventions funded by the Scottish Government under the No One Left behind (NOLB) policy direction. In addition the Employability Team delivers Fair Start Scotland on behalf of PeoplePlus. In short, Argyll and Bute Council's Employability Service, which sits under Economic Growth, unlike other local authority Employability Services, has never been core funded since its inception in 1999, and successfully delivers and manages partner employability activity through receipt of external revenue funding.
- 3.2 Along with input from the Economic Growth Manager the Employability Team comprises of 5.7 FTEs (7 employees) which is a considerable cut from a team that comprised of circa 26 externally funded employees when delivering previous policy packages such as New Deal.

Financial Performance

- 3.3 A summary of the latest financial performance for the first quarter and forecast spend for the rest of 2022/23 is outlined in **Appendix 1, Table 1**. As shown in **Table 1**, employability provision, including that delivered by the Argyll and Bute Employability Team, has had adequate income over the first quarter of 2022/23 and forecast to do so for the rest of this financial year to cover known expenditure.
- 3.4 It should be noted that the Argyll and Bute Employability Team will be in receipt of other revenue funding in 2022/23 (an allocation of £78,997) for interventions that have been submitted to the UK Government within the Argyll and Bute UK Shared Prosperity Fund (UKSPF) Investment Plan subject to approval by the UK Government, early autumn 2022. Furthermore, subject to approval, the Employability Team will also receive a further allocation of £444,711 to deliver employability interventions, as outlined in the Argyll and Bute UKSPF Investment Plan, until the end of March 2025.
- 3.5 For 2023/24 there will also be projected contingent liability spend of circa £214,000 for the Argyll and Bute Employability Team with respect to Employer Recruitment Incentive (ERI) payments to employers, where this money has been allocated by the Scottish Government in 2022/23 (as per **Appendix 1, Table 1**). This is due to the duration of the 12 month ERI intervention, so activity will be required into 2023/24 from 2022/23. There will also be a further single grant offer allocation from the Scottish Government, under NOLB for 2023/24, which is not yet known. There are ongoing discussions with the Scottish Government on the potential to introduce multi-annual funding for employability activity, but nothing has been decided to date.

- 3.6 The Scottish Government has also indicated that additional Child Poverty monies may be allocated to local authorities in the autumn of this year. However, the exact detail of this funding allocation has yet to be confirmed.

Employability Delivery through Argyll & Bute Employability Partnership

- 3.7 At present the Employability Team, along with partners in the Argyll and Bute Employability Partnership (ABEP), delivers a plethora of interventions funded by the Scottish Government under the No One Left behind (NOLB) policy direction. A summary of current activity by the Employability Team and partners is provided below in **Appendix 2, Table 2**; more detail can be found in **Table 3b** within the [ABEP Delivery Plan, 2022-25](#).
- 3.8 The ABEP Delivery Plan, 2022-25 is a working document that provides a platform for partners and stakeholders delivering employability services across Argyll and Bute to work together to identify opportunities, align priorities, learn from each other, develop valued services and ultimately add value to every engagement with supported individuals.
- 3.9 Argyll and Bute Council is the accountable body for the ABEP. All intervention outcomes and associated spend is monitored and reported to the Scottish Government by the Employability Team.

Performance Challenges

- 3.10 The Employability Team, as a key member of the ABEP, recognises that stronger and more collaborative partnership working, focused on a place-based person-centred approach, is helping to ensure suitable opportunities for individuals of all ages and capabilities through tackling socio-economic disadvantage, inequalities and removing multiple barriers to securing sustainable employment. However, there are still performance challenges as follows:
- Failure to recruit additional suitable staff has had a major impact on the Employability Team's ability to deliver the desired level of support whilst maximising the funding allocation from the Scottish Government.
 - Late issue of grant offer letters (during year of service delivery) and hard stop spends imposed by the Scottish Government has resulted in underspends due to extremely tight timescales.
 - The delay of Scotland Excel's procurement process to allow services to be commissioned for 2023/23. Discussions are taking place with the Council's Procurement Team to focus on compliant and continuity of current service delivery to ensure no one is left behind due to delayed processes.
 - COVID-19 had reduced the number of expected participants and employers accessing support. However, this situation is beginning to ease with the uptake starting to increase.

4.0 CONCLUSION

- 4.1 This paper provides members of the Policy and Resources Committee with an update on the current financial position of Argyll and Bute Council's Employability Team and delivery partners aligned to current and proposed service provision across the region.
- 4.2 By working together with external contractors and partners, the Employability Team strives to offer a robust and financially sustainable approach to the delivery of the employability provision across Argyll and Bute. Combining staff's skills, strengths and experience will allow for maximum benefit to be delivered to vulnerable individuals across the whole of Argyll and Bute's urban, rural, remote rural and island communities.
- 4.3 In such a challenging environment, the Employability Team is constantly aware that contractual performance in terms of starts and job outcomes needs to be sustained on a month-by-month basis going forward to enable income streams to continue to cover service costs. Current funding from the Scottish Government and the proposals in the UKSPF Investment Plan takes account of the capacity / management fee funding to support delivery. This approach is really welcomed, particularly as the Employability Team is fully funded externally.

5.0 IMPLICATIONS

- 5.1 Policy - the current employability service provision fits and contributes to *Outcome 3: Education, skills and training maximises opportunities for all* and *Outcome 5: People live active, healthier and independent lives* in the Local Outcome Improvement Plan (LOIP). The service also fits and contributes to the Argyll and Bute Council priority: *'Argyll & Bute Council will be a mental health champion, promoting good health and helping people back into employment when necessary'* and the inclusive *'skills for work'* focus outlined in the Council's Economic Strategy.
- 5.2 Financial - the Council's Employability Team is funded on a commercial basis through the delivery of challenging service delivery contracts. The team also provides an accountable body function for the ABEP in terms of monitoring financial spend and outcomes.
- 5.3 Legal - all appropriate legal implications will be taken into consideration.
- 5.4 HR - difficulty in recruiting for posts where funding was sourced externally.
- 5.5 Fairer Scotland Duty - the Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in April 2018. The duty places a legal responsibility on particular public bodies in Scotland, such as Argyll and Bute Council, to pay due regard to (actively consider) how they can reduce inequalities of outcome, caused by socio-economic disadvantage, when making strategic decisions and how this has been implemented. This is a core function of the Council's Employability Team.
 - 5.5.1 Equalities - all activities will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations.
 - 5.5.2 Socio-economic Duty - all project activities will comply with the council's socio-

economic duty.

- 5.5.3 Islands - employability services are delivered across the whole of Argyll and Bute including the island communities.
- 5.6 Climate Change – the current telephone and online delivery has decreased travel and the Employability Team’s carbon footprint.
- 5.7 Risk – cost of living crisis may result in more vulnerable people needing support across Argyll and Bute within finite resource constraints.
- 5.8 Customer Service – None.

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Appendix A: Latest Financial Position - Employability Provision under NOLB

Table 1: Latest Financial Position for Argyll & Bute Employability Team and Partner Employability Provision (£)				
Income	Position at 31st March 2022	Apr-June 22/23	Projected July-Mar 22/23	Totals
Balance brought forward from 2021/22	415,492.94			415,492.94
Employability Income				
Fair Start Scotland Service Fee @ 7,330 per month (June 22 to March 23 outstanding - current funding contract will cease 31/03/2023)		25,659.83	73,300.00	98,959.83
Fair Start Scotland Projected Job Outcomes June 22 to March 23 outstanding (based on current participants in work)		8,248.57	53,664.04	61,912.61
Management/Admin Recharge Employability Team		37,288.61	104,099.69	141,388.30
Scottish Government - 2021/22 General Revenue Grant (GRG) - NOLB, PESF, YPG, LTU (not yet credited to Employability ledger)		238,404.50	715,213.50	953,618.00
Scottish Government - Single Grant Offer General Revenue Grant - NOLB			228,017.65	228,017.65
Scottish Government - Single Grant Offer General Revenue Grant - PESF			149,219.53	149,219.53
Scottish Government - Single Grant Offer General Revenue Grant - YPG			237,851.01	237,851.01
Scottish Government - Single Grant Offer General Revenue Grant – LTU			280,000.00	280,000.00
Kickstart Scheme		20,005.08	7,350.89	27,355.97
Total Income	415,492.94	329,606.59	1,848,716.31	2,593,815.84

Table 1: Latest Financial Position for Argyll & Bute Employability Team and Partner Employability Provision (£) (continued)

Expenditure	Position at 31st March 2022	Apr-June 22/23	Projected July-Mar 22/23	Totals
Employability Expenditure				
Staffing Costs Employability Team (to include latest pay offer)		41,311.78	166,035.93	207,347.71
Running costs Employability Team (e.g. staff travel, premises, etc. but excluding salaries)		1,905.77	7,600.00	9,505.77
Payments to ABERTI Employers		8,500.00	17,500.00	26,000.00
Payments to NOLB 25+ ERI Employers		1,500.00	25,500.00	27,000.00
Payments to PESF ERI Employers		55.00	14,945.00	15,000.00
Payments to CLD/LEP Partners for delivery of NOLB/YPG		107,028.98	204,133.76	311,162.74
Proposed PESF Work Placements - GRG monies			80,000.00	8,000.00
Proposed commissioning/grant offer to deliver NOLB - 22/23 monies			177,251.29	177,251.29
Proposed commissioning/grant offer to deliver PESF - 22/23 monies			76,566.26	76,566.26
Proposed commissioning/grant offer to deliver YPG - 22/23 monies			214,065.91	214,065.91
Payments to CLD/LEP Partners for delivery of LTU - 22/23 monies			280,000.00	280,000.00
Payments to CLD/LEP Partners for management and admin of LTU - 22/23 monies			28,000.00	28,000.00
Management/Admin Recharge		37,288.61	104,099.69	141,388.30
Payments to YPG Employers		46,268.80	66,500.00	112,768.80
Payments to ABC YPG Apprentices		25,060.72	4,195.93	29,256.65
Payments to Kickstart Employers		17,668.33	7,350.89	25,019.22
Participant Costs - Travel/Training/PPE		2,908.91	44,000.00	46,908.91
Scottish Government - 2019/20 and 2020/21 NOLB/PESF recovery (underspend due to late receipt of grant offer letters, COVID and failure to recruit suitable additional staff)			237,960.85	237,960.85
Total Expenditure		289,496.90	1,755,705.51	2,045,202.41
Overall Balance	415,492.94	40,109.69	93,010.80	548,613.43

Appendix 2: Summary of Provision through the Argyll & Bute Employability Partnership

Table 2: Summary of Current Provision through Argyll & Bute Employability Partnership				
Intervention	Description	Delivery Partner	Source of Investment and volume	Outcomes to date
Fair Start Scotland, 16 to 67 year olds (see: Fair Start (argyll-bute.gov.uk))	Fair Start Scotland helps people who want to work but find it difficult based on their circumstances,	People Plus and Argyll and Bute Council's Employability Team	Scottish Government	302 participants, aligned to JobCentrePlus locations: <ul style="list-style-type: none"> • 67 Helensburgh • 72 Campbeltown • 34 Rothesay • 49 Dunoon • 80 Oban Across the Highlands and Islands area starts continue to be low Through the preparation of a Marketing Action Plan the team continues to encourage people to sign up, with a reduced unemployment rates and increasing cost of living this is proving to be a challenge.
Argyll and Bute Employer Recruitment and Training Incentive (ABERTI), 16 to 67 year olds	Applications for this fund ceased at 31/03/22, but activity still being delivered.	Argyll and Bute Council's Employability Team	Approval to accrue all 21/22 underspent monies to 22/23 has been granted by the Cabinet Secretary and the Memorandum of Understanding received	A total of 37 participants and 28 employers were supported. To date 29 participants have completed the 52 week funded period or left early, 22 (76%) are in employment; 15 (68%) of which retained by the employer accessing the funding and 7 (32%) have moved to another employer.
No One Left Behind (NOLB) - Employer Recruitment Incentives (ERIs) 25+ Years (see: https://www.argyll-bute.gov.uk/helping-people-work and https://www.argyll-bute.gov.uk/sites/default/files/1_employer_information_leaflet_nolb_-_eri.pdf)	Applications are now invited in respect of the ERIs of up to £6,000 per person. This allows unemployed people aged 25+ years the opportunity to move into permanent or a fixed term employment contracts of up to 18 months or more.	Three of our Local Employability Partners now support 46 NOLB pre-employment participants aged 25+.	2022/23 grant funding NOLB ERIs. 2021/22 General Revenue Grant (GRG) funding pre-employment support.	This ERI funding has attracted 2 employers who have recruited one employee each. A further 2 places will commence by 30 th September 2022 and 6 places remain. 32 of the 46 places available have commenced support. Partners have encountered a lack of referrals in this age group.

Table 2: Summary of Current Provision through Argyll & Bute Employability Partnership (continued)

Intervention	Description	Delivery Partner	Source of Investment and volume	Outcomes to date
NOLB: Pre-employment support	The Scottish Government through Scotland Excel is currently undertaking the first stage of a procurement exercise in relation to the selection of providers for all 32 local authorities, who will then run a local procurement/offer of grant exercise to deliver future service provision.	The Scottish Government has indicated there is a delay in the process which will not allow us to proceed to the next stage to enable delivery until the early autumn 2022.	A further grant allocation of £228,017.65 in respect of 22/23 has now been received.	Delays experienced by Scotland Excel are now impacting on support available to participants. Potential alternative methods to procure services are currently being explored to ensure support is available as soon as possible.
Parental Employability Support Fund (PESF), 16 to 67 year olds (see: Parental Employability Support Fund (PESF) (argyll-bute.gov.uk))	Designed to support low income families to increase their income through work, both through supporting parents to access paid employment and in helping those in lower paid jobs to progress to higher income.	Argyll and Bute Council's Employability Team Our two part time PESF Engagement Workers deliver intensive in and out of work employability support, including person centered support to upskill, apply for jobs, gain progression whilst employment, money advice, health support, motivational support, etc.	A further grant £149,219.53 in respect of 2022/23 has also been received. Support will partially be delivered in house by the Employability Team and the remainder will be subject to a local procurement process	A total of 57 parents have now joined the service Delays experienced by Scotland Excel are now impacting on support available to participants. Potential alternative methods to procure services are currently being explored to ensure support is available as soon as possible.
Parental Employability Support Fund (PESF) - Employer Recruitment Incentives (ERIs) 25+ Years (see: https://www.argyll-bute.gov.uk/sites/default/files/1_employer_information_leaflet_nolb - eri.pdf)	Applications are now invited in respect of the ERIs of up to £6,000 per person. This allows unemployed people aged 25+ years the opportunity to move into permanent or a fixed term employment contracts of up to 18 months or more.	Argyll and Bute Council's Employability Team	Given the late receipt of 2021/22 grant offer letters the Scottish Government have approved £147,000 to be carried over to 2022/23.	To date no one has accessed this funding, so all 10 places remain available, our PESF Engagement Workers continue to promote this funding to parents they support along with regular social media posts.

Table 2: Summary of Current Provision through Argyll & Bute Employability Partnership (continued)

Intervention	Description	Delivery Partner	Source of Investment and volume	Outcomes to date
Kickstart Scheme: 16 to 24 year olds - DWP	Fully funded 26 week work placements.	Argyll and Bute Council's Employability Team acting as a Gateway Provider	£237,925.23 (£52,200 start payments and £185,725.23 wages payments)	32 employers applied for 66 work placements. Due to employers not proceeding/DWP failure to fill advertised work placements these placements reduced to 38. Only 1 young person is currently on a work placement as the majority have now completed. This young person is placed with Amenity Services.
The Young Person's Guarantee - 16-24 year olds (see: Young Person's Guarantee (YPG) - Information for Employers (argyll-bute.gov.uk) and Helping people into work (argyll-bute.gov.uk))	<p>Created to help young people combat the effect of COVID, all young people not in education, training or employment can access support.</p> <p>A total of 90 Employer Recruitment Incentive (ERI) are available. ERIs allow unemployed young people the opportunity to move into permanent or a fixed term employment contracts of up to 18 months or more.</p> <p>Pre-employment support including volunteering opportunities was available to young people to commence support up to August 2022.</p>	Argyll and Bute Council's Employability Team Three of our Local Employability Partners	<p>Given the late receipt of 2021/22 grant offer letters the Scottish Government have approved £684,906 be carried over to 2022/23.</p> <p>A further grant allocation of £237,851.01 in respect of 2022/23 has also been received, which will be subject to a local procurement process.</p>	<p>56 ERIs have commenced, a further 34 will be available until 31st March 2023.</p> <p>Phase 1 pre-employment support successfully supported 74 young people. Of those 74 young people, 28 are in employment, 8 are carrying out volunteering opportunities with TSI, 2 have returned to school and 1 has entered further education.</p> <p>Phase 2 pre-employment support is currently supporting 52 young people.</p> <p>Delays experienced by Scotland Excel are now impacting on support available to participants. Potential alternative methods to procure services are currently been explored to ensure support is available as soon as possible.</p>
NOLB Long Term Unemployed (LTU)	Created to combat the effect of COVID for those aged 25 plus years and experiencing long term unemployment. 28 fully funded work placements available.	One of our Local Employability Partners	A further grant allocation of £280,000 in respect of 2022/23 has been received.	To date 10 work placements have commenced, a further 18 are predicted to commence by 30 th September 2022.