

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 14 January 2021

Scottish Government Funding for Employability Support

Executive/routine	Executive
Wards	All
Council Commitments	7 and 31

1. Recommendations

- 1.1 It is recommended that Committee:
- 1.1.1 Notes the funding which has been allocated by the Scottish Government for Employability support in Edinburgh, in response to COVID-19;
 - 1.1.2 Approves the planned activity set out in this report, in line with the Scottish Government's funding criteria and aligned with locally identified and evidenced priorities.

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Scottish Government Funding for Employability Support

2. Executive Summary

- 2.1 In response to the economic crisis arising from the Covid-19 pandemic, the Scottish Government has made funding available to local authorities to offer additional support to those whose employment or life chances have been affected. This report notes the amounts and purposes of each funding stream and seeks Committee approval for the swift award of these funds to organisations who are best placed to support these groups.

3. Background

- 3.1 Following the launch of Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020/21 in September 2020, several funding streams have been made available to local authorities to add capacity and develop new provision for those who have been affected by the current Covid-19 pandemic through redundancy, withdrawal of offer of employment or training opportunity, furlough or reduction to terms of employment or via any other impact caused by the economic uncertainty.
- 3.2 For Scotland, the total funding available to local authorities includes:
- 3.2.1 £60,000,000 towards a national Youth Guarantee (£30 million which will be allocated to local authorities to help partnerships deliver employability support for young people; £10 million to create additional opportunities in colleges; £10 million additional funding for Developing the Young Workforce; and £10 million to support pathways to apprenticeships);
 - 3.2.2 an extra £2,350,000 to boost Parental Employability Support;
 - 3.2.3 additional funding to support those who had been made redundant due to the pandemic; and
 - 3.2.4 £3,500,000 to be awarded to local authorities to assist with the Protecting and Continuing Employment (PACE) redundancy strategy.
- 3.3 In addition, the Scottish Government has announced funding of £25,000,000 for a National Transition Training Fund to support up to 10,000 people aged 25 and over

to develop the skills required to move into sectors with the greatest potential for future growth and job opportunities. Skills Development Scotland will be responsible for the first phase of this work (circa £11,000,000) to provide support up to March 2021.

- 3.4 A separate report is included on this Committee's agenda on the support for businesses as a result of COVID-19.

4. Main report

Local Labour Market

- 4.1 Unemployment figures in October showed that there were over 18,000 people in Edinburgh registered as unemployed and claiming benefits, an increase of almost 11,000 since February 2020.
- 4.2 In addition, a further 14,590 people still in employment are claiming Universal Credit (meaning they require some form of welfare support even though they are in employment, perhaps due to being on furlough or having their hours reduced).
- 4.3 In October, the applications for Coronavirus Restrictions Funding show 900 businesses in the city had staff on furlough (between 9/10/20 – 17/11/20). Anecdotal evidence suggests that many of staff currently on furlough will be made redundant or return on reduced hours when the Job Retention Scheme ends in March 2021.
- 4.4 Discussions with partners including Department for Work and Pensions, Skills Development Scotland, Capital City Partnership, the Youth Employment Partnership and neighbouring local authorities has identified the need to focus on employer support and incentives to help stimulate the economy and create much needed entry level jobs for young people.

Priorities

- 4.5 The City of Edinburgh Council allocation from the above funds is expected to be £2,256,581.
- 4.6 The Scottish Government has provided details of the criteria attached to each fund.
- 4.7 In administering these funds, it is intended that City of Edinburgh Council will ensure that the allocation of funding is aligned to the priorities set out in the Council's Economy Strategy, in particular:
- 4.7.1 Tackling inequality;
 - 4.7.2 Fair Work; and
 - 4.7.3 Achieving net zero carbon by 2030.

An integrated impact assessment has been carried out to identify and, where possible, mitigate any negative impacts and potential discrimination.

Youth Guarantee

- 4.8 The funding which has been allocated to local authorities under the Youth Guarantee is designated to provide employability support to young people, with the aim of addressing the reduced opportunities available to young people. It is targeted at those aged 16- 24 years old with most barriers to securing and sustaining employment.
- 4.9 Edinburgh will receive £1,904,191 for this programme. This funding must be used by 31 March 2021, although costs for staffing, in-work training and committed beneficiary costs can be carried forward into the new financial year.
- 4.10 Any funding not spent by 31 March 2021 will need to be returned.
- 4.11 It is intended to work with Capital City Partnership on the delivery of this programme, to ensure that the appropriate resources can be secured in time to make the best use of this funding. Very clear Key Performance Indicators and targets will be set for delivery against the Scottish Government's targets
- 4.12 This support can be delivered under two separate streams:
- 4.12.1 through the offer of an Employer Recruitment Incentive which can pay up to 50% of wages to Small and Medium-sized Enterprises (SMEs) who take on a young person for 12 – 18 months; and
- 4.12.2 as a six-month extension to the DWP's Kickstart programme.
- 4.13 The current Edinburgh Employer Recruitment Incentive supports SMEs to recruit those with additional barriers to employment. Depending on circumstances, employers can claim up to £6,000 per employee over the course of 52 weeks towards wages, Personal Protective Equipment or other support to help sustain employment. This model has been held up as a model of good practice and is being used as the basis to develop a minimum standard for a Young Person's Guarantee Employment Recruitment Incentive in line with Scottish Government recommendations.
- 4.14 Supporting young people to re-engage with services that help to build confidence and improve their mental health is another priority as anecdotal evidence from youth providers has indicated that the vast majority of young people who were receiving face to face support prior to lockdown have found it very difficult to remain motivated and engaged and have been particularly hard hit by lockdown and the effects of physical distancing.

Parental Employability Support Fund

- 4.15 As reported to Committee on [5 November 2020](#), City of Edinburgh Council has already secured £500,000 of funding from the Parental Employability Support Fund to support parents who are employed on low incomes to tackle in work poverty and to support those not yet in work to address barriers and support them to progress into employment.

- 4.16 From the additional funding allocated to local authorities in Scotland, the Council been awarded an additional £132,390 to be targeted at three specific client groups:
- 4.16.1 young parents;
 - 4.16.2 parents with a disability; and
 - 4.16.3 for parents accessing funded early learning and childcare hours.
- 4.17 This funding is in place for the current financial year and for 2021/22. It is intended to allocate this funding to the Council's existing well-established providers of Parental Employability Support (All in Edinburgh, the No-One Left Behind (NOLB) Activity Agreement Hubs (who work with young parents) and through the delivery of Maximise! under the City Region Deal Intensive Family Support Project (where parents are accessing funded early learning and childcare hours) working with this target group to expand or enhance the support already offered.
- 4.18 Planning is underway for the award of Parental Employability Support Funding by adding capacity to current provision.

Partnership Action for Continuing Employment

- 4.19 Partnership Action for Continuing Employment (PACE) is a partnership initiative which provides free advice and support for anyone facing redundancy. Led by Skills Development Scotland, PACE provides money and benefits advice, information on funding and advice on searching and applying for jobs.
- 4.20 Skills Development Scotland have been allocated funding of £220,000 for the Edinburgh area to work with partners (including local authorities, the Department of Work and Pensions, the STUC and Citizens Advice Scotland). has been awarded to support the PACE redundancy offer led by Skills Development Scotland (SDS) but delivered by a variety of partners. This funding can be used through to 31 March 2022.
- 4.21 Officers are working closely with Skills Development Scotland and other PACE partners to identify where the additional funding can best be utilised to add capacity to organisations who will support those who have been made redundant.

5. Next Steps

- 5.1 The plans to distribute Scottish Government funding which has been allocated to City of Edinburgh Council for employability support are set out above.
- 5.2 Officers will work with other partners to ensure that all planned activity is relevant and suitable for the very specific client group, doesn't duplicate any current funded service provision and builds on the existing partnerships and effective delivery across the city.
- 5.3 Officers will also continue to work with partners to identify where fully funded work placements and other opportunities could be provided across the Council and other public sector employers.

- 5.4 Processes will be set up for distribution and recording of all funds to employers and systems put in place to undertake and record quarterly reviews of participants to develop progression routes.
- 5.5 Work will continue to develop a marketing strategy to build awareness of the opportunities provided under this funding. Officers will ensure integration with Edinburgh Guarantee for All and begin to publicise the opportunities available to those who need them.

6. Financial impact

- 6.1 Each separate funding award, listed below, will fully cover all additional activity and provision delivered under the terms of the funding agreements. It will also offset the costs of officers' time for managerial and administration costs.
- 6.2 As set out above, the funding allocated is:

FUNDING STREAM	AMOUNT	DELIVERY YEAR/S
NOLB Youth Guarantee	£1,904,191	2020 – 2022*
Parental Employability Support Fund Boost	£132,390	2020 – 2022
Protecting and Continuing Employment	£220,000	2020 – 2022
TOTAL	£2,256,581	

**Only committed staffing, employer and beneficiary costs can be carried forward*

- 6.3 All additional funds will be awarded to add capacity through current contracts and funds to employers for the recruitment incentive or beneficiary costs. These funds will be managed by Council officers.

7. Stakeholder/Community Impact

- 7.1 This funding is specifically in response to those who have been affected by the Covid-19 pandemic by having their employment or life chances affected.
- 7.2 An integrated impact assessment is being prepared and evidences that impacts arising from the Council's approach to administering these funds are expected to be:
 - 7.2.1 Young people with additional barriers to employment are supported to remain economically active and build skills for future careers;
 - 7.2.2 Delivery of a more streamlined and integrated offer of employability services with a no wrong door approach for anyone who accesses the service; and
 - 7.2.3 SMEs are supported to offer sustainable fair work opportunities to young people.
- 7.3 Working with partners will ensure that there is support in place and options and opportunities to stop individuals becoming economically inactive over the next couple of years, to allow time for the economy to recover.

- 7.4 The longer-term future of these individuals should be less impacted as they build confidence, skills and qualification for the future. This will also reduce the future burden on services such as criminal justice, social work, health, benefits system and other statutory services.
- 7.5 Through the suggested activities, it is likely that this funding will offer support to approximately 800 individuals across the city, through 1-2-1 support and guidance, paid work placements, part funded employment opportunities and extended kickstart opportunities. Additional benefit will be seen in the strengthening of the city's strategic skills pipeline and better partnership working.
- 7.6 All key stakeholders have had input into aligning priorities, many of whom have received additional funding from Scottish Government to take forward their own priorities.

8. Background reading/external references

- 8.1 [Protecting Scotland, Renewing Scotland – The Government's Programme for Scotland 2020 – 2021.](#)
- 8.2 Scottish Government funded 'No One Left Behind' Employability – Small Grants Awards - Housing, Homelessness and Fair Work Committee on [20 January 2020](#)
- 8.3 Business Bulletin on Parental Employability Support Fund - Housing, Homelessness and Fair Work Committee on [5 November 2020](#)

9. Appendices

- 9.1 None.