

**Report To:** Regeneration Committee                      **Date:** 2 September  
2010  
**Report By:** Corporate Director - Regeneration      **Report No:** RC/10/09/03/SJ/JH  
& Environment  
**Contact Officer:** Stuart Jamieson                      **Contact No:** 01475 712401  
**Subject:** Fairer Scotland Fund – SOA Initiatives - Employment

---

## **1.0 PURPOSE**

- 1.1 The purpose of this report is to seek endorsement for the implementation of the proposal for the SOA Initiative – Employment.

## **2.0 SUMMARY**

- 2.1 The Inverclyde Alliance Board approved an allocation of £4.78m of funding to projects previously funded through the Fairer Scotland Fund at the meeting on 21 December 2009. Within this funding stream, an allocation of £150,000 was made to the SOA Initiative – Employment and delegated authority was given to the then Corporate Director, Regeneration and Resources to administer all contract arrangements of the programme.
- 2.2 Subsequently, at its meeting on 4 June 2010, the Programme Board endorsed the approval for the SOA Initiative – Employment. Delegated authority was given to the Corporate Director, Regeneration and Environment to implement the initiative, following approval of the Regeneration Committee.

## **3.0 RECOMMENDATION**

- 3.1 It is recommended that the Regeneration Committee endorse the proposal for the SOA Initiative – Employment.

Stuart Jamieson  
Head of Regeneration and Planning

#### 4.0 BACKGROUND

- 4.1 Local and national research has indicated a need for closer engagement with business and many local authorities in Scotland are investing resources in this area. An Employment Framework (Appendix 1) has been developed which outlines a number of initiatives that will enable Inverclyde Council to provide support for business.
- 4.2 One such initiative is for a Business Development & Liaison Officer post to be situated within Economic Development and with a link to Planning and Building Standards. The remit of this post is to engage with local business through relationship management and raising awareness of business support initiatives. In addition, the post holder will liaise with Planning and Building Standards to support businesses through the planning process.

#### 5.0 FINANCIAL IMPLICATIONS

- 5.1 Financial Implications – Annually Recurring Costs N/A

Financial Implications – One Off Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Fairer Scotland Fund	SOA Initiatives	2010/2011	£146,300	N/A	N/A

#### 6.0 CONSULTATIONS

- 6.1 Consultations regarding the Fairer Scotland Fund have included appropriate partners.

## **BUSINESS EMPLOYMENT FRAMEWORK**

### **Context for Business Engagement**

Research undertaken at national level (Scottish Government National Delivery Group) and at the local level (MCM Associates) highlighted a need for closer engagement with businesses and many local authorities in Scotland are investing more resources in this area. Further, research by the DTI Small Business Service Annual Small Business Survey showed that over half the businesses surveyed would like support but often struggle to find out what is available.

A need has been identified for an SOA Business Development & Liaison Officer post to be situated within Economic Development and with a link to Planning and Building Standards.

The remit of this post is to raise the profile of the Service by engaging with local business through relationship management and raising awareness of business support initiatives. In addition, the Officer will liaise with Planning and Building Standards to support businesses through the planning process.

### **Purpose of the Framework**

The framework will enable Inverclyde Council to provide support for business by developing more constructive relationships. In doing so, businesses will become increasingly confident in our ability to deliver. This will help us work towards diversifying our business base.

The Economic Development Service will, in partnership, work jointly with local businesses to promote local economic prosperity. This will ensure that Inverclyde Council is able to deliver its corporate aims and objectives.

### **Objectives of the Framework**

1. To assist in identifying relevant issues for local businesses and provide appropriate business support;
2. To build effective relationships with partner agencies involved in the regeneration agenda;
3. To deliver a culture of co-operation and collaboration with businesses through networking; consultation and relationship management;
4. To support the development of mechanisms to allow the views of the business community to feed into economic planning;
5. To raise awareness of the employer offer to businesses.

The aim is to make it easier for business to access support, to use public money more efficiently and ensure value for money by measuring the effect of business support on the local economy and on corporate goals.

## **Resources**

Business engagement will be driven forward and delivered by existing staff resources within Economic Development and Planning and Building Standards:

- Economic Development Manager
- Business Development Team Leader
- Property Development Team Leader
- Marketing Officer

The additional temporary post of Business Development & Liaison Officer will be funded for one year from an SOA allocation of £150,000. The Business Development & Liaison Officer post will provide, not just an interface between the Economic Development Service and local businesses, but will extend to liaison with Planning & Building Standards to address business related planning matters.

Based on an assumed salary of approximately £38,720 (including on costs), the remaining balance of £111,280 could be allocated to initiatives which will raise the profile of the Service and, more importantly, help create employment.

The Officer will 'sell' or signpost businesses to a broad range of benefits provided either by Inverclyde Council or partner agencies from, for example, pre-recruitment training to a loan for capital investment.

To avoid duplication of effort and to ensure a holistic, co-ordinated approach, the Officer will link in to the Employer Engagement Sub-Group. This is a partnership of those agencies involved in the regeneration agenda:

- Chamber of Commerce
- James Watt College
- Skills Development Scotland
- Inverclyde Community Development Trust
- Regeneration & Planning

## **Non-Financial Initiatives**

Business engagement is a wide ranging agenda. In order to fully address it, this framework focuses on a series of key issues and interventions and why they are important to business engagement in Inverclyde.

### Visiting Business

Systematic business visiting is important to develop good relationships with local companies, ensure existing businesses remain within Inverclyde, gather key business intelligence and improve the ability of the Regeneration & Planning Service to develop policy to meet the needs of the local business community.

However, we must be mindful that Inverclyde companies are not being contacted by too many public sector agencies and this can be addressed via the Employer Engagement Sub-Group.

### Business Brokerage

Where required, Officers will signpost/broker in additional support for businesses from relevant external partners.

### Business Gateway

Business Gateway provides a crucial service to growing businesses and to encourage business start-ups. There are good working relationships and referrals to/from BG staff and the Council staff.

### Procurement

The local Construction Forum and Websites such as Supplier Development Programme allow companies to access business opportunities. Such sites have potential for encouraging business diversification.

### Key Companies

It is important that the needs of key companies within Inverclyde are met to ensure their continued location and economic growth within Inverclyde. This can only be effectively achieved through business engagement that aims to ensure business satisfaction with Inverclyde as a place in which to do business.

### Training & Skills Programmes

Such programmes can help businesses become more competitive through improving the skills of their staff. It is important that local businesses are aware of the opportunities to up-skill their workforce although training is often low priority during a recession.

### Aftercare

It is important to provide a co-ordinated aftercare service to businesses. This ensures Inverclyde Council has good relationships with local companies and is in a position to ensure companies want to stay and expand within the area.

## Raising the Profile

The successful marketing of Inverclyde is crucial to attracting new business and retaining existing business. This includes raising the profile of the new Regeneration & Planning Service through Business Networking Events e.g. 'How to Secure Contracts with the Local Authority'. Such events can encourage B2B, diversification and growth. The Employer Engagement Sub-Group and the Building One Inverclyde group will be a means to promoting a positive image and further raising Inverclyde's profile.

## **Financial Initiatives**

### Funding

There is significant funding available for the business community, which will enable local companies to grow. Therefore, it is vital that local businesses are made aware of the funding support available to them. The SOA resource allows for *additional* funding to assist business growth.

## ***Business Growth & Improvement***

### Innovation

Offer of 50% of ex VAT costs up to £2,500 to support companies in their infancy to explore ideas for new products, processes and to achieve quality standards.

Assume 10 businesses x maximum £2,500 = £25,000

### Business Start-Up in SIMD Areas

A grant of £5,000 each will be offered to two individuals, from disadvantaged communities, who are employed through Future Jobs Fund and who have demonstrated an interest in setting up in business in Inverclyde. In 2008/09, 46% of start-ups were from disadvantaged areas of Inverclyde.

2 x £5,000 grant = £10,000

Additional support costs = £1,000

***Business Growth Total - £36,000***

## ***Training***

2 Training Courses in Entrepreneurship for FJF clients in 2010/11 = £10,000

***Training Costs Total = £10,000***

## ***Job Rotation***

Job Rotation is an area-based approach to tackling unemployment and a means to support employers to invest further in training for their staff. It can provide an unemployed person with temporary employment, filling in for an existing employee who is away from work on a training course.

Rolling courses will be developed by Employment support services in partnership with local employers to train unemployed jobseekers. This will provide a small pool of skilled labour for employers to cover periods of staff training which can be supported through the Business Development budget. Smaller companies will be targeted to encourage employee development offering opportunities for both low-skilled workers and jobseekers. By targeting training in this way, Job Rotation can help to reduce local skills gaps.

Importantly, it will be employers who drive the success of the initiative – investing in staff development to increase retention, productivity and competitiveness. Meanwhile, the unemployed gain relevant on-the-job training and paid work experience, with support from trained workplace mentors and careers advice at entry and exit from the programme.

Adapting skills and experience will be key to economic recovery and Job Rotation demonstrates a three-way approach involving the unemployed, employment support services and the employer.

A contribution from the SOA allocation could be used to run a small pilot in Inverclyde, an area of high structural unemployment.

12 unemployed clients @ £160 per week for 26 weeks = £49,920

12 Company Training Needs Analysis @ £350 = £4,200

Contribution of up to £500 per client for essential job-related training = £7,000

***Job Rotation Costs Total = £61,120***

**Overall Costs**

<b>Business Development &amp; Liaison Officer Post -</b>	<b>£38,720</b>
<b>Business Growth</b>	<b>£36,000</b>
<b>Entrepreneurship Training</b>	<b>£10,000</b>
<b>Job Rotation</b>	<b>£61,120</b>
<b>Grand Total - (based on maximum uptake)</b>	<b><u>£145,840</u></b>