

Report To:	Regeneration Committee	Date:	8 March 2012
Report By:	Corporate Director Regeneration & Environment	Report No:	RC/12/03/03/SJ
Contact Officer:	Stuart Jamieson	Contact No:	01475 712402
Subject:	Budget Proposals – Youth Employment and Business Development		

1.0 PURPOSE

1.1 The purpose of this report is to provide Members with the details of the Youth Employment and Business Development projects following the decision by the Council to allocate £600,000 to each initiative from reserves as part of the 2012/13 budget.

2.0 SUMMARY

2.1 In the Council's budget, an allocation of £600,000 has been made for a Youth Employment Initiative, and a further £600,000 has been allocated for a Business Development initiative

2.2 Details of the proposal can be found in the background section of the report.

3.0 RECOMMENDATIONS

3.1 It is recommended that Members agree the details of the Youth Employment and Business Development projects following the decision by the Council to allocate £600,000 to each initiative from reserves as part of the 2012/13 budget.

3.2 It is further recommended that Members agree to the non-standard intervention rate associated with the property initiatives at Dubbs Road and West Station

Stuart Jamieson
Head of Regeneration and Planning

4.0 BACKGROUND

- 4.1 As part of the budget setting process allocations have been made for a youth employment initiative along with an allocation for a business development initiative. Details of the proposed spend are covered in the following paragraphs.
- 4.2 Modern Apprentices - Inverclyde Council currently has a total of 50 apprentices in a range of occupational areas. Generally these are hosted by participating Services, however, in addition there are external employers working with the training team. Inverclyde Council manages a contract with Skills Development Scotland to provide placements, drawing down the funding associated with training costs. The MA route has very positive outcomes, with the young people going on to Higher Education or Employment. Costs vary dependent on occupational areas, for example, a 1 year MA in Business Administration or IT will have a wage of around 12k, whilst a four year joinery apprenticeship will attract more over a longer period. The initiative will see three additional places created over the funding allocation.
- 4.3 Graduates - Typically, local graduates will work in short term low paid work while trying to develop their careers although it is known that some graduates also leave the area due to not finding the right opportunity. The previous Graduate Programme recruited 25 local graduates with 23 having since secured permanent employment or additional post graduate learning. Of those employed, 2 have gone down the route of self employment. Participants on the programme worked for 6 months on a range of community projects, based on the FJF model the average cost per participant was 8k. The initiative will see five places created per annum.
- 4.4 Future Jobs Fund - Since 2009 the Council as main contractor and the Trust have delivered a future jobs programme. A total of 580 young people have participated, positive outcome rates are around 50% (reflective of the fact that for many young people on the programme, this was their first experience of working) and where appropriate the young people obtain specific training. The initiative will see 15 places created per annum.
- 4.5 Wage Subsidy - An allocation be made of £10,000 per annum to provide a wage subsidy to employers.
- 4.6 Physical Property - Increase budget by £250,000 to facilitate £200,000 worth of streetscape/shopfront works at Dubbs Road and West Station shops, the allocation is £100,000 in each location. The intervention rate will be up to 100%. The remainder of the allocation will be used within the general property improvement scheme at normal intervention rates.
- 4.7 Business Development - Two additional Business Development advisors. One with focus on Business Development and Tourism Liaison and one on disadvantaged areas. Posts required for 2 years.
- 4.8 Start up grant - To promote businesses taking the first step on the property ladder – one off grants for administrative costs.
- 4.9 Marketing support - To provide additional marketing support in order to develop business profile and markets.
- 4.10 Aftercare programme - To provide tailored support to the existing business base, including support for business development, job rotation etc.

5.0 FINANCIAL IMPLICATIONS

5.1 Financial Implications – One off Costs

Financial Implications – Annually Recurring Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Earmarked reserves Earmarked reserves	Youth Employment Business Development	2012/13 2012/13	£600,000 £600,000		To be spent over 2012/15 To be spent over 2012/15

6.0 CONSULTATIONS

6.1 The Chief Financial Officer has been consulted with regard to the content of this report.