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<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>3<sup>rd</sup> September 2015</b>
<b>Report By:</b>	<b>Corporate Director – Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>E+R/15/09/06/SJ/SL</b>
<b>Contact Officer:</b>	<b>Stuart Jamieson</b>	<b>Contact No:</b>	<b>Ext. 2402</b>
<b>Subject:</b>	<b>The Scottish Employer Recruitment Incentive (SERI)</b>		

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## 1.0 PURPOSE

- 1.1 Inverclyde Council has been allocated 45 of the 2,240 places available from the Scottish Employer Recruitment Incentive, and the purpose of the report is to provide details to Committee on this national programme, and on how it will be managed and delivered locally.

## 2.0 SUMMARY

- 2.1 Scotland's Employer Recruitment Incentive is an employer recruitment incentive which continues to deliver the Scottish Government's commitment to help unemployed young people with additional support needs aged 16-29 years into sustainable employment, including Modern Apprenticeships, and to encourage and support micro and small businesses to recruit and sustain young MAs aged 16-24 years into their workplace, and 16-24 year olds with specific barriers to employment.
- 2.2 The Incentive is available as a contribution to the additional costs of recruiting and sustaining a young person in employment for up to a minimum of 52 weeks. The incentive can be used in a variety of ways, including for example training, travel to work costs and wages. No single use is prescribed.
- 2.3 The incentive is available for job starts from 1 July 2015 and the last date for job starts will be 31<sup>st</sup> March 2016.
- 2.4 The SERI is fully funded by the Scottish Government, and the programme is managed and administered by Skills Development Scotland and all 32 Local Authorities.
- 2.5 On 30 June 2015, Inverclyde Council was awarded an indicative allocation from Skills Development Scotland of £200,835 relating to 45 SERI places.
- 2.6 The SERI will be managed by the Workforce Development Team, Regeneration & Planning Service. The Employer Engagement Team of Inverclyde Community Development Trust is contracted to provide Job Brokerage/Employer Engagement services and will be utilised to source eligible young people and eligible employers for the incentive.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee note the introduction of this new national Employer Recruitment Incentive.
- 3.2 That the Committee note the Corporate Director Environment, Regeneration & Resources accepted the terms and conditions of Inverclyde's offer on 9<sup>th</sup> July 2015.
- 3.3 That the Committee agree to an update report being submitted March 2016.

**Aubrey Fawcett**

**Corporate Director – Environment, Regeneration & Resources**

## 4.0 BACKGROUND

- 4.1 Scotland's Youth Employment Strategy sets out how the Scottish Government will implement the recommendations from the Commission for Developing Scotland's Young Workforce to drive the creation of a world class vocational education system to reduce youth unemployment by 40% by 2021.
- 4.2 Within the implementation plan a commitment was made to develop an employer recruitment incentive (ERI) that would simplify the delivery and compliance arrangements of existing Scottish Government funded ERI schemes and provide a financial contribution to the additional costs of recruiting and sustaining a young person in employment, including a modern apprenticeship.
- 4.3 The Incentive has been developed to integrate and link fully with the Scottish Government's existing employability and skills programmes.
- 4.4 The Scottish Government has made up to £10 million available for this programme.
- 4.5 SDS, CoSLA and SLAED agreed that Local Authorities would be allocated an agreed volume of starts based on Employability Fund methodology. 2,240 places have been allocated and will be funded through the programme.
- 4.6 Local Authorities will draw down funding from Skills Development Scotland on confirmation that the participant has commenced employment and has remained in employment at 12, 26 and 52 week periods.

## 5.0 CURRENT POSITION

- 5.1 In Inverclyde good progress has been made and, by end of August 2015, 12 eligible young people will have been recruited by 11 eligible employers. Inverclyde is forecasting that all 45 places will be utilised by 31<sup>st</sup> March 2016.

## 6.0 IMPLICATIONS

### Finance

#### 6.1 Financial Implications:

##### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					Fully funded by Scottish Government.

##### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

### Legal

- 6.2 There are no legal implications arising from this report.

## **Human Resources**

6.3 There are no human resource implications arising from this report.

## **Equalities**

6.4 There are no equality implications arising from this report.

## **Repopulation**

6.5 The outcomes identified in this report support the Council's repopulation agenda

## **7.0 CONSULTATIONS**

7.1 Consultations with Finance Department were conducted prior to acceptance of grant.

## **8.0 LIST OF BACKGROUND PAPERS**

8.1 Information Sheet on Inverclyde's SERI.

Scotland's Employer Recruitment Incentive continues to deliver the Scottish Government's commitment to help unemployed young people who are facing significant challenges. The aim is to encourage employers to recruit young people aged 16-29 into sustainable employment, including Modern Apprenticeships. Scottish Government, Skills Development Scotland and all 32 Local Authorities are working in partnership on this programme.

The incentive is available for job starts from 1 July 2015 – 31 March 2016. All applications for employees starting within the incentive period must be completed and approved by 31 March 2016.

The incentive will be available to use as a contribution to the additional costs of recruiting and sustaining a young person in employment for at least 52 weeks. It could be utilised in a number of ways including additional supervisory costs, training, initial travel to work costs or wages. No single use is prescribed.

Where an Employer commits to a new job for at least 52 weeks, or new modern apprenticeship for at least 52 weeks or longer where needed to ensure the MA can be completed, it will receive **up to** £3,963. If the Employer pays the young person the living wage there will be an additional payment of £500.

The young person must receive a written contract of employment which must be a permanent contract; a fixed term contract for 52 weeks or more; or a fixed term contract for 52 weeks or more where the Modern Apprenticeship will require longer than 1 year to complete. Zero hour contracts will not be eligible.

Businesses can access the fund as follows:

- Where a Young Person aged **16-24** enters a Modern Apprenticeship with a small/micro business of fewer than 50 employees.
- Where a Young Person aged **16-29** with **Additional Support Needs** (see below) enters employment or a Modern Apprenticeship with any size of employer (excluding Public Sector).
- Where a Young Person aged **16-24** with **Barriers to Employment** (see below), enters employment or a Modern Apprenticeship with any size of employer (excluding Public Sector).

The payment amounts and time periods are set out below:

1. An activation payment on employment commencement and following submission of the young persons Contract of Employment - **£350**
2. Payment after 12 weeks of continuous employment with the employer on submission of evidence that the job has been sustained for this period of time.  
**£903.25.** No payment for less than 12 weeks.
3. Payment after 26 weeks of continuous employment with the employer on submission of evidence that the job has been sustained for this period of time.  
**£903.25.** No payment for less than 26 weeks.

4. Payment after 52 weeks of continuous employment with the employer on submission of evidence that the job has been sustained for this period of time.  
**£1,806.50.** No pro rata payment between 26-52 weeks.
5. Additional payment if participant is paid the living wage **£500**, at the end of the 52 weeks, to be paid on completion and on submission of evidence that the Living Wage has been paid and that the job has been sustained for this period of time.

**Inverclyde Council are operating this incentive in partnership with the Employer Engagement Team of Inverclyde Community Development Trust, who should be the first contact for employers interested in finding out more:-**

Employer Engagement Team,  
Inverclyde Community Development Trust,  
3<sup>rd</sup> Floor Nicolson Street, Greenock  
e-mail: [recruitment@the-trust.org.uk](mailto:recruitment@the-trust.org.uk) Tel: 01475 553344

### **Additional Support Needs & Barriers to Employment Definitions**

#### **Group 1 (Age 16 – 29) - Eligibility list for those with additional support needs:**

- Care leaver or looked after young person or care experienced young person
- Carer (ie has a significant role in looking after someone else who is experiencing illness or disability. Or a young parent. Such a person shall be referred to as a 'carer'.);
- Person with a disability or long-term health condition
- Ex-offender (ie has been convicted or cautioned for a criminal offence and has completed their sentence) or person who has completed a Community Payback Order.
- Ethnic minority groups;
- Person who has failed their ESA Work Capability Assessment;
- Work Programme completers who remain unemployed;
- Long-term unemployed (6 months or over) who are not on the Work Programme or Community Work Placements;

#### **Group 2 (16 – 24) - Eligibility list for those with barriers to employment:**

- Early leaver from the armed forces, veterans, ex-Armed Forces personnel;
- Partner of current or ex-Armed Forces personnel;
- Person requiring support with language, literacy or numeracy, including those for whom English is an additional language;
- Lone parent;
- Gypsy/travelling community;
- Person with lower than SCQF Level 5 qualification;
- Young person who was receiving additional support for learning in school due to one or more of the following factors which presented a barrier to their learning; learning environment; family circumstances; disability or health need; social or emotional factors; and which may also present barriers to entering the workplace;
- Refugee or other granted leave to stay in the UK;
- Homeless person (including temporary or unstable accommodation);
- Person affected by substance misuse.

