

## ECONOMY, JOBS AND FAIR WORK

### COMMITTEE DRAFT BUDGET 2019-20

#### SUBMISSION FROM **Aberdeenshire Council**

#### Draft Budget for 2019-20

#### Employment support and fair work

For further context, please see: [Employability in Scotland](#), [Fair Start Scotland](#), the [No One Left Behind](#) strategy document, Scottish Enterprise's [business plan](#), Highlands and Islands Enterprise's [operating plan](#), and the UK Department for Education's guide to [Apprenticeship funding](#).

*How Scotland's new employment support budget is helping people into work*

- What are your views on how contract awards are decided and how “payment by outcome” works?
  - Longer lead in times would be helpful for complicated consortium bids, local consortiums are at a disadvantage, compared to national organisations, as they don't have employed bid writers but use existing members of staff (with day jobs) and this can make the process complicated when working to tight timescale.
  - Paid by outcomes is a good idea if processes are in place ensuring organisations are paid as quickly as possible.
- How can the Scottish Government ensure “guaranteed service standards” and avoid “[parking and creaming](#)”?
  - Robust quality assurance processes in place, perhaps pass governance/audit over to LAs with an administration payment for the service being carried out.
- How well do the newly devolved services work with reserved Job Centre Services?
  - There are issues with clients being pointed in the direction of the interventions by JCP when the person is actually nowhere ready or suitable;
  - JCP Is not informing all clients that the FSS programme is voluntary which is leading to clients upon finding out, dropping out.
- What can be done to ensure high levels of participation when the programme is voluntary?
  - A wrap around service with clear information, (i.e. travel, childcare, support);
  - A warm handover is not being fully implemented;

- Interesting and achievable programmes tailored to the client (within reason) to create/maintain enthusiasm;
  - A clear pathway with achievable milestones to keep the client's momentum moving forward;
  - Practical work experience elements to build real skill and self-esteem;
  - Work experience must be meaningful to both client and organisation.
- How are delivery agents and the Scottish Government helping people move into sustained and fair employment?
    - Too early to gauge in terms of FSS;
    - SERI programme is working well and as a delivery agent, Aberdeenshire Council, deem it a successful programme seen by employers as a catalyst for job creation.
  - How should success be measured?
    - More people closer to entering the labour market;
    - More people entering the employability pipeline as they move out of programmes e.g. FSS;
    - More people enter the labour market;
    - A workforce that has the skills to compete in the changing market place.

*The role of the enterprise agencies (Scottish Enterprise and Highlands and Islands Enterprise) in supporting and growing good quality employment*

- How are the budgets of the enterprise agencies used to help businesses employ more people?
  - No comment
- What are the examples of the enterprise agencies safeguarding jobs?
  - No comment
- How do the enterprise agencies use their budgets to attract foreign investment?
  - No comment
- How do the enterprise agencies use their budgets to improve job quality and ensure fair employment?
  - No comment

- What has been the impact of recent budget reductions on the enterprise agencies' ability to provide, maintain and safeguard employment within the areas they serve?
  - No comment
- How are the enterprise agencies' budgets being used to address productivity and employment gaps between Scotland's top and bottom performing local authority areas?
  - No comment

#### *Apprenticeship levy*

- How is Apprenticeship Levy money being used in Scotland?
  - Slowly and not advantageously, especially to high levy payers.
- Has this UK Government policy led to employers taking on more apprentices?
  - No there has been a reduction.

#### **Community and Locally Owned Energy**

For further context, please see: the [CARES](#) scheme and [Local Energy Scotland's](#) involvement in delivering the scheme.

- *What are your views on the Scottish Government's approach to financing and supporting community and locally owned energy?*

To date the CARES scheme has proven to be very effective in enabling communities to bring forward renewable energy schemes. CARES removes the majority of the financial risk associated with the pre-planning development stage of a project giving a community group (or rural business) the confidence to progress a scheme.

There is also equally important project support from CARES Development Officers - without this support the vast majority of the current community energy schemes would not have gone ahead.

From the Scottish Government's viewpoint this is relatively low financial cost and low risk, as the majority of schemes will be successfully completed, with the original CARES investment being repaid together with profits benefiting the local community.

The Renewable Energy Investment Find (REIF) (now EIF) has also been vital in providing early stage project development funding.

Competitive funds such as the Local Energy Challenge Fund work well in bringing forward large scale and innovative energy projects. However great care must be taken to allow sufficient time for projects to develop, without onerous reporting, and with appropriate professional help. It is unreasonable to expect a six million pound project to be completed from scratch in a twelve month time frame as the Energyzing Insch project found out to its cost.

- *Is there adequate funding to hit the 2020 [target](#) of 1GW of community and locally owned energy by 2020 and 2GW by 2030?*

No Comment.

- *Which technologies (heat and/or electricity) have the most potential to transform community and locally owned energy, and are resources being adequately targeted?*

Electricity generating projects are still the simplest and easiest for a community to progress. Unfortunately reductions in the Feed-in Tariff (FiT), which is due to end completely in April 2019, have meant that it is very difficult to make wind and hydro projects financially viable. There may however still be scope for Solar PV projects (both rooftop and large scale freestanding).

Heat projects would be harder to implement, with higher risk, and would probably require setting up an Energy Service Company (ESCo). Lessons could be learned from existing heat networks such as Lerwick. Scope for partnership working with local and national government agencies, third sector community support organisations such as Community Energy Scotland and the private sector.

- *Are the organisational structures adequate to enable this?*

There are very few community groups that have people with the requisite skills and time to develop and carry forward an energy project. (The mix of skills would include project management, financial management, public relations as well as a knowledge of the technologies concerned). There is certainly a need for capacity building and support within communities, with larger projects requiring a full time project manager or development officer.

Closer co-operation and joint working between agencies such as Local Authorities, Local Energy Scotland and third sector organisations such as Community Energy Scotland is required to continue to bring forward new community energy projects.

- *Is the joint focus on community and locally owned energy the correct approach? How might support for community energy be better targeted? What are the benefits and potential drawbacks of different ownership models?*

Both community and locally owned energy projects provide local economic benefit. Both types of ownership (and co-ownership) should be encouraged to bring forward as many projects as possible. Many farmers and land owners bring an entrepreneurial approach that is to be encouraged and supported.

The Development Trust Model provides a well-structured organisation for the development and management of community owned projects, as well as providing a mechanism for the disbursement of funds. Increasing support for Development Trusts will enable new projects to be brought forward.

Locally Owned (as opposed to Community owned) projects are not obliged to provide any direct community benefit unless they have taken advantage of CARES funding for early stage development.

- *Are there any other issues in relation to Scottish Government support for community and locally owned energy that you would like to highlight?*

Co-operation and partnership working between different agencies involved in the development of community energy projects needs to be promoted. This includes Local Energy Scotland, Community Energy Scotland, Local Authorities, The Development Trust Association and any other agencies involved in community capacity building.

Allow sufficient time for community projects to advance and provide appropriate professional support where required.