

AGENDA ITEM No. 19

REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: EMPLOYMENT GRANTS SCHEME 1999 PROGRAMME
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 26 November 1998	Ref: EB/REP494	

1 Purpose

- 1.1 The purpose of this report is to seek committee approval to continue to operate the Employment Grants Scheme and to seek agreement to the amendments to eligibility criteria, previously approved by committee. This programme operates from 1 January to 31 December each year to correspond with the European Social Fund's financial period.

2 Introduction

- 2.1 The Employment Grants Scheme is a programme which aims to assist SME's to expand through the provision of support for additional employment opportunities. Grants of between 40% and 60% of gross wages are paid to recruits who meet the unemployment criteria of the scheme in jobs which are additional and permanent.
- 2.2 The operational guidelines for the 1998 period are attached at Appendix 1.
- 2.3 During 1998 the Government introduced the New Deal - Welfare to Work programme which is targeted at companies of all sizes, young people, aged 18 to 24 years, who have been unemployed for six months and adults aged 25 years and over, who have been unemployed for two years.
- 2.4 The introduction of the Government programme had no significant effect on the Employment Grants Scheme during 1998. To eliminate overlap between these schemes and to demonstrate added value, the Employment Grants Scheme offered complementary assistance to employers by reducing the length of employment as qualifying criteria and including those participants on the New Deal programme who were on benefit plus (excluding rate for the job) as being EGS eligible.
- 2.5 The waiver of unemployment criteria for employees involved in large scale redundancies made a significant impact on the programme in 1998 and was invaluable when liaising with employers and employees in these situations. The actual take up of places through this criteria was 47 out of a total of 156 recruits.
- 2.6 It is proposed that the criteria relating to large scale redundancies and New Deal eligible recruits continues in 1999.
- 2.7 The proposed change to the scheme for the 1999 period are:
- a. that the minimum wage payable will reflect the Governments minimum wage to be applied from 1 April 1999.
 - b. that the length of unemployment be agreed after discussions with South Lanarkshire Council, ensuring a strategic approach to the programme on a Lanarkshire-wide basis. At present in North Lanarkshire a period of three months unemployment is the eligible period, which complements New Deal criteria.

3. Budget Allocation and Targets

- 3.1 The committee is asked to approve a budget of £222,150 to cover the period 1 April until 31 March 2000 subject to funding being available. This will lever £180,000 from the European Social Fund through Strathclyde European partnership. This will give a total budget of £402,150 which will enable a minimum of 152 jobs to be created between 1 April 1999 and the end of December 1999 and a further 50 jobs from January 2000 to the end of March 2000. Prior approval had been given for budget allocation to March 1999. The change in guidelines would come into force at the start of the programme period ie 1 January 1999.

4. Recommendation

4.1 That the Committee:

- a. Approve budget allocation of £222,150 subject to funding being available.
- b. Approve the proposed amendments to the scheme outlined for 1999.



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6 November 1998

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