

Item: 12

Development and Infrastructure Committee: 4 June 2019.

Training Grant Pilot Scheme.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider establishing a one year pilot scheme, to be administered by Business Gateway, offering a small discretionary grant to businesses towards staff development and training.

2. Recommendations

The Committee is invited to note:

2.1.

That there is currently a dearth of financial support available in Orkney that is open to all businesses towards staff development and training.

2.2.

The proposal to establish a one year pilot scheme offering grant assistance to eligible businesses towards non-statutory staff development and training.

It is recommended:

2.3.

That a one year pilot scheme, providing grant assistance to eligible businesses towards non-statutory staff development and training, up to a maximum sum of £1,000 to any single business during the period of the pilot scheme, and at a maximum rate of 90% of total eligible costs, be approved.

2.4.

That an allocation of up to £40,000 be used from the Economic Development Grants budget towards the pilot training grant scheme.

2.5.

That powers be delegated to the Executive Director of Development and Infrastructure to determine applications from eligible businesses in respect of the pilot training grant scheme.

3. Background

3.1.

A current gap in grant funding available to businesses locally has been identified towards staff development and training costs.

3.2.

Skills Development Scotland previously offered a Flexible Training Opportunities grant scheme for businesses, but this was disestablished due to budget pressures several years ago. In addition, Skills Development Scotland offer Individual Training Accounts of up to £200 seeking to incentivise personal development, however this is currently not open for application due to oversubscription for the current, and limited, allocation and is anyway not focussed on business nor staff development.

3.3.

The Council's Flexible Business Development Grant currently offers funding support up to a maximum of 50% of project costs, up to a maximum of £5,000, towards training costs. However, to be eligible for an award, businesses must be able to demonstrate how the grant will develop the business in terms of job creation, increasing turnover and/or access to new markets outwith Orkney. In addition, businesses that only serve the local market are unlikely to be eligible for support from the Flexible Business Development Grant scheme.

3.4.

The Orkney Business Survey, carried out in 2016, found that 38% of respondents highlighted the cost of training and that lack of finance available has restricted or prevented them from undertaking staff training.

3.5.

Anecdotal feedback from Economic Development Officers and Business Gateway Advisors has highlighted the current dearth of funding support available to businesses in Orkney towards staff training. Businesses requiring specialist training available only on the UK mainland have the additional travel costs acting as a disincentive.

3.6.

Further anecdotal feedback from industry has also highlighted that businesses are experiencing challenges in attracting suitably qualified staff to fill specialist positions. If employers can apply for funding support towards staff training and development this may help stimulate the local recruitment market. Employees can potentially gain further qualifications in their roles through training programmes, funded through this pilot scheme.

4. Proposed Pilot Scheme

4.1.

It is proposed to run the scheme through the Council's Business Gateway function, which will provide additional benefits to the existing service delivered.

4.2.

The proposed scheme would be open to all Orkney-based businesses that generate economic activity and that can demonstrate the business benefit of the training.

4.3.

A budget allocation of up to £40,000 would be designated for the scheme, with a maximum grant award of up to 90% of eligible training costs, up to £1,000 per applicant. Training fees, travel and accommodation would be considered eligible costs, however, subsistence/expenses would not be eligible for funding support.

4.4.

A minimum contribution of 10% of eligible project costs is required from the applicant, in order to ensure a level of commitment, without discouraging business participation due to financial constraints.

4.5.

The grant would not be available to contribute towards the costs involved in statutory training, general continuous professional development, where training is judged as vocational or without demonstrable business benefit.

4.6.

A key aim of the scheme is for the application process to be straight-forward, with a quick turnaround period regarding a funding decision. A business plan would, therefore, not be required as part of the application – a short narrative outlining the proposed training course and how it would benefit the business would be required.

4.7.

In limiting the maximum award to £1,000 for any single business but allowing up to 90% of training costs to be covered, it is hoped this will encourage several local businesses to apply for the pilot scheme, to incentivise skills development.

4.8.

A brief follow up/monitoring note will be required from any business that receives funding as part of the pilot scheme. This feedback from businesses will help in the subsequent review of the pilot scheme, at the end of the one year pilot period.

4.9.

After the one year pilot period, an assessment of the scheme will be completed and a report presented to the Development and Infrastructure Committee regarding the success of the pilot. Depending on the success of the pilot, this may include a proposal to establish the grant within the existing suite of economic development grant schemes offered by the Council.

4.10.

A marketing plan would be developed to promote the launch of the scheme.

5. Equalities Impact

An Equality Impact Assessment has been undertaken and is attached as Appendix 1 to this report.

6. Links to Council Plan

6.1.

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Enterprising Communities.

6.2.

The proposals in this report relate directly to Priority 4.3. Reprioritise economic development activity and funding to focus on inward investment and facilitating projects and support programmes which will have the highest/transformational impact in relation to job creation, inward migration/retention of working age population and community enablement.

7. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priorities of Strong Communities and A Vibrant Economy.

8. Financial Implications

The recommendations to this report are that a budget allocation of up to £40,000 over a 12 month period be used towards this pilot project. This would be funded from within the annual Economic Development Grants budget.

9. Legal Aspects

9.1.

If grant assistance is to be provided by the Council, a legally-binding agreement will require to be entered into between the Council and the recipient setting out the terms on which the funding is being provided.

9.2.

In terms of potential state aid implications, any assistance awarded to businesses would fall under Commission regulation (EC) No.1998/2006 – on *de minimis* aid. There is a ceiling of €200,000 (approximately £170,000) (subject to certain sectoral restrictions, e.g. fisheries) for all *de minimis* funding provided to any single recipient over a rolling, three year fiscal period. There is a requirement to inform recipients that the aid being given is *de minimis*, and to keep records of aid given for ten years.

10. Contact Officers

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11. Appendix

Appendix 1: Equality Impact Assessment.



Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

1. Identification of Function, Policy or Plan	
Name of function / policy / plan to be assessed.	Training Grant Pilot Scheme
Service / service area responsible.	Economic Development
Name of person carrying out the assessment and contact details.	Jordan Low
Date of assessment.	22/05/2019
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	New

2. Initial Screening	
What are the intended outcomes of the function / policy / plan?	To provide grant assistance to eligible businesses towards non-statutory staff development and training.
Is the function / policy / plan strategically important?	No
State who is, or may be affected by this function / policy / plan, and how.	All Orkney based businesses.
How have stakeholders been involved in the development of this function / policy / plan?	Anecdotal feedback from Economic Development Officers and Business Gateway Advisors has highlighted the current dearth of funding support available to businesses in Orkney towards staff

	<p>training.</p> <p>In addition, industry has also highlighted that businesses are experiencing challenges in attracting suitably qualified staff to fill specialist positions.</p>
<p>Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise.</p> <p>E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	No.
<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise.</p> <p>E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Interim Guidance for Public Bodies for further information.</p>	N/A
<p>Could the function / policy have a differential impact on any of the following equality areas?</p>	
<p>1. Race: this includes ethnic or national groups, colour and nationality.</p>	No
<p>2. Sex: a man or a woman.</p>	No
<p>3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.</p>	No
<p>4. Gender Reassignment: the process of transitioning from one gender to another.</p>	No
<p>5. Pregnancy and maternity.</p>	No
<p>6. Age: people of different ages.</p>	No

7. Religion or beliefs or none (atheists).	No
8. Caring responsibilities.	No
9. Care experienced.	No
10. Marriage and Civil Partnerships.	No
11. Disability: people with disabilities (whether registered or not).	No
12. Socio-economic disadvantage.	No
13. Isles-proofing.	No

3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No
How could you minimise or remove any potential negative impacts?	N/A
Do you have enough information to make a judgement? If no, what information do you require?	Yes

4. Conclusions and Planned Action

Is further work required?	No.
What action is to be taken?	N/A
Who will undertake it?	N/A
When will it be done?	N/A
How will it be monitored? (e.g. through service plans).	N/A

Name:



Jordan Low

Date: 22/05/2019