

SLAED EXECUTIVE CONFERENCE CALL

Tuesday 12th March 2024

Attendance

Ishabel Bremner, Argyll & Bute Council (CHAIR)
Rory Young, Dundee City Council (VICE CHAIR)
Allan Conry, North Lanarkshire Council
Ruth Cooper, Renfrewshire Council
Andrew McKean, Renfrewshire Council
Kenny Lean, South Lanarkshire Council
Diane Milne, Dundee City Council
David Boyle, Glasgow City Region
Lesley Walker, Angus Council
Robert Nicol, COSLA
Calum Lindsay, COSLA
Hugh Lightbody, COSLA
Hannah Brown, Improvement Service
Miriam McKenna, Improvement Service
Ruaridh Hayes, Scottish Government
Lewis Hedge, Scottish Government

Apologies

Pamela Stevenson, Fife Council

Action

1. Welcome and Introductions

IB welcomed members to the meeting and noted Lewis Hedge and Ruaridh Hayes are attending from Scottish Government to give an update on Fair Work First conditionality.

2. Minute of Previous Meeting

Members agreed this was an accurate record of discussions at the previous meeting. IB noted the intent to invite SE, HIE and SOSE to a future meeting and asked members to consider what the focus of discussions should be. HB will set up a meeting with IB, RY and PS to discuss this.

HB

HB confirmed the group updates newsletter is finalised and will be circulated. Updates to the SLAED website are ongoing and members were asked to highlight areas that need to be amended.

ALL/HB

MM noted Adaptation Scotland has approached Improvement Service with an offer to deliver a joint workshop on climate change. An initial meeting will take place on 20th March to discuss what this might look like. It has been proposed that the workshop will take place towards the end of April.

IB noted that Iseabail MacTaggart at DBT has been invited to return to a future meeting and HB will follow up on this.

3. Fair Work First Conditionality

Lewis Hedge gave an update and noted the importance of driving this agenda across the tiers of government, despite lots being reserved to UKG. He acknowledged the importance of local government in how Fair Work plays out in procurement, as well as the challenges faced. He noted the exceptions process has been developed to assist with this, and most have been for apprenticeships and trainees.

A BRIA is being undertaken to consider the developing evidence base, providing an opportunity to hear directly from local government. An evaluation of FWF as a whole will be launched as part of the review of the skills system, and consideration will be given to how this links with other policies such as NSET and the Bute House Agreement. Current focus is on getting this right and learning lessons. IB noted that SLAED was asked to participate in the BRIA but there are too many discrete issues at the local level to do this effectively. The information has been shared with all councils to allow them to engage individually.

The number of apprentices varies greatly across councils, impacting on the extent to which they are affected by exceptions. DM highlighted that, in areas with high numbers of apprentices, there is a knock-on impact of employees higher up the ladder expecting increased salaries, resulting in ongoing pressure on salary levels across the board with no budget to support this.

RY highlighted the complexities of the conditionality in relation to City and Growth Deals, and the issue of the inclusion of UKG money. Lots of projects are mid-delivery, and councils are trying to understand the implications of applying this. Lewis Hedge confirmed that this is being put in place for City and Growth Deal projects, but there is no certainty on whether this will be in grant offer letters. AC noted the costs of implementing the policy in full – erasing the first five wage levels in North Lanarkshire Council – meaning all wage bands must be raised substantially. He highlighted that one council implemented this in full using UKSPF but there was very little take up from businesses, resulting in underspend of UKSPF that will need to be returned.

HL highlighted that businesses drive the economy and, following austerity, Covid, Brexit, and the Cost of Doing Business crisis, they are not strong enough to absorb FWF. There is real concern around businesses being crippled by this when they need to be supported to grow and develop. Lewis Hedge noted SG is seeking to address the large number of workers in low paid jobs. Without powers to set the minimum wage, RLW is being pushed as the alternative, based on evidence such as the cost of living. There is acceptance that initial costs will be a big jump for councils, but focus is on increasing productivity and encouraging businesses to consider how to use their human capital to grow.

Lewis Hedge offered to provide councils with additional support in interpreting some of the guidance. Members noted that it would be helpful to get clarity on how this will work

in terms of City and Growth Deals as soon as possible. Projects are aligned to financial years, so they are always under pressure to spend funding. Clarity is needed on whether contracts already in place will be affected.

AC highlighted that nuances have started to come through in real-world scenarios, and there is a need for clarity around expectations. It would be helpful for SG to share notes on what everyone is doing and look at best practice. Lewis Hedge confirmed that the discussion will remain open, and he is happy to come back to a future meeting. IB confirmed it would be interesting to see the results of the BRIA, and ongoing dialogue is welcomed.

4. Economic Development Budget Savings 2024/25

AC highlighted a query from a Business Group member around potential for an analysis of council economic development budget savings proposals. It was noted that looking at a single year might not be fair due to the nature of previous and ongoing cuts, as well as variations in how councils are structured. Some of this information comes through the Indicators Framework, but this is limited.

Members agreed it would be appropriate to do a temperature check through the Business Group, rather than a formal process. Officers are often wary about what they share in relation to budget cuts. RC confirmed that roughly 50% of councils include employability in their Economic Development teams. The amount of funding currently coming through employability is underpinning several posts, often on short-term contracts. SG is supporting workers but not job creation, and investment is needed in all spheres of economic development. Councils should continue pushing the need to look at the whole policy area, with adequate investment across the board.

5. Review of Inclusive Business Models

IB highlighted a request from Neil McInroy in his role as Chair of a Review Group set up in response to the NSET commitment to undertake a review of how best to significantly increase the number of social enterprises, employee-owned businesses, and co-operatives in Scotland. A report and recommendations are being drafted, and feedback is being sought from SLAED in advance of publication. COSLA received the same request.

It was noted that SG funds Just Enterprise to support social enterprises, which was intended to be merged with Business Gateway, which hasn't happened. This has resulted in two separate services providing similar support. SE also has resource to do some of this, resulting in additional duplication and a need for simplification and merging.

It was agreed that this would sit best with the Business Group, and AC will add it to the agenda for the meeting on 11th April. IB will respond to Neil McInroy with an invitation.

AC
IB

6. Subsidy Control Legacy Schemes Reporting

DM highlighted several requests for support from SLAED members received recently. A spreadsheet for reporting on subsidy control schemes has been created and will be shared with SG. This has been circulated to everyone on the Funding Group. DM noted

that councils should be reporting on the use of the SLAED schemes but haven't been doing this. There is a risk of the financial limit being breached if councils do not record awards and there is a need for awareness raising around this. There is an option to extend the lifespan of the schemes by up to six years and DM questioned whether SLAED wants to do this, rather than having to set up new ones.

DM noted the Funding Group is looking to submit a briefing note to UKG re the future of UKSPF. This will highlight the number of jobs the funding is supporting and the outcomes these are leading to. Members of the group have been asked to provide comments by 14th March. The briefing note will be issued via IB as Chair of SLAED. COSLA would like to see the paper when it is finalised as it is useful to be aware of council experiences to inform ongoing discussions with UKG around possibilities.

IB
DM

7. People Group Update

RC confirmed that indicative allocations have been issued to all councils with a £75.2m employability budget across local authorities. There are concerns around the methodology used to calculate NOLB allocations, which is based on unemployment data from ONS. Council allocations vary from £327k up to £11.45m. Following the pandemic, unemployment numbers are considerably lower than claimant count in many areas, resulting in areas of highest deprivation missing out on funding due to the methodology. Councils were only made aware of the methodology at the last minute and were unable to influence this. Moving to claimant count would result in a large shift in where funding goes. Members noted there is no consideration of health-related benefits despite NOLB being aimed at the most disengaged and disadvantaged.

At the SLAED Employability Conference it will be suggested that the methodology should be reconsidered in terms of fairness, and this should be done well in advance of next year's allocations. It will also be noted that councils should have the opportunity to review papers and methodologies in advance so they can be challenged if necessary.

RC noted the Executive is a sounding board and a fuller presentation will be given to the People Group to gather thoughts before taking this further. The People Group is compiling a grant response letter to be submitted by the end of the week and will continue to keep an eye on this.

RC will speak to DB separately to look at the rationale for the use of certain datasets in developing methodologies.

RC/DB

8. Business Group Update

AC noted most local authorities have been in contact with STP around a request to review the Scotland Loves Local contract. AC had a meeting with the Chief Executive of STP who indicated there is much more that can be done with local authorities and will attend the May meeting of the Business Group to give an overview.

Invoices for local authority contributions to the development of BSP's Master Customer Record have now been issued. BSP is attending the Business Group meeting on Thursday

to provide a demonstration of this and how to interrogate the data. AC noted that an inward investment group has been set up on Teams to create a process for sharing enquiries. Members can let HB know if they would like to be added to this group.

ALL/HB

AC highlighted the Improvement Service's BisAccount which has been adopted by North Lanarkshire Council and makes it much easier for businesses to find and access information. This allows for all business services to be brought in and presented to businesses on a single dashboard. AC offered to demonstrate this at a future Executive meeting, and MM noted that someone from the IS team could be invited to assist.

9. AOB

AC noted an email received from Napier University regarding its Impact Investment Symposium and shared a link to this. It was agreed that this is relevant to both the Business and Funding groups in terms of how philanthropic investments are made, and that representatives from Napier should be invited to a future meeting to provide more clarity on this.

AC/HB

HB will send a poll around all members for the date of the next meeting to avoid Easter annual leave. There was agreement that the June meeting will be in-person and DB will book a room at GCC.

**HB
DB**

Actions

#	Action	Lead
1.	Arrange meeting to discuss inviting SE, HIE and SOSE to Exec	Hannah Brown
2.	Highlight areas of the SLAED website that need to be updated	All
3.	Follow up with Iseabail MacTaggart re attending Exec meeting	Hannah Brown
4.	Add Review of Inclusive Business Models to Business Group agenda	Allan Conry
5.	Respond to Neil McInroy with details of Business Group meeting	Ishabel Bremner
6.	Send UKSPF briefing note to SG on behalf of Funding Group	Ishabel Bremner
7.	Share UKSPF briefing note with COSLA when finalised	Diane Milne
8.	Speak to DB to look at the rationale for use of certain datasets	Ruth Cooper
9.	Let HB know if you want to be added to Inward Investment Teams Group	All
10.	Invite Napier representatives to future meeting to discuss Impact Investment Symposium	Allan Conry / Hannah Brown
11.	Send poll for date of next meeting to avoid annual leave	Hannah Brown
12.	Book a room at GCC for June meeting	David Boyle