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FINANCE & GENERAL PURPOSES COMMITTEE REPORT

Subject: Department of Enterprise and Business Innovation Update	**Purpose:** **For Approval** ☐ **For Discussion** ☒ **For Information** ☐
Prepared by: Katharine Mathison, Director of Enterprise and Business Innovation	**Date:** 15/02/2021 (Figures at 31/12/2020)

Purpose: To update the Committee on the progress of the DEBI in relation to budget performance and planned activity

Linked to Strategic Ambition: We will proactively engage with our community and stakeholders to ensure our practice reflects their needs

We will create high quality learning and training opportunities which are relevant, enabling and flexible

Specific Aims:
Meet budgetary targets
Develop MA programme and the FWDF
Increase employer engagement – 5 potential new customers per month

Executive Summary:

G400	ANNUAL TARGET	TARGET TO DATE	ACTUAL TO DATE	VARIANCE
CANDIDATES	1500	625	733	108
CREDITS	3200	1333	1209	-125
NOTIONAL CREDIT INCOME	825600	344000	311842	-32158
CASH INCOME	706344	288834	273459	-15375
EXPENDITURE	1153863	483573	440238	-43335
SURPLUS/DEFICIT	378081	149261	145063	-4198

The table above does not accurately reflect our current position. In December we are unable to make as many claims from SDS so Non Full Cost Recovery (NFCR) income is down. However we have met our FWDF target for 2019/20 and we are beginning to work with employers on the 2020/21 fund. In addition we have been unable to commence work on some of the employability courses partly due to poor uptake and partly due to current lockdown which is having an impact on the ability to commence courses.

At present we are predicted to draw down 2900 credits against a target of 3200 for the year and we feel reasonably confident we will meet this target however we do not believe we will exceed this.

Vocational Learning

Continuing to see high levels of engagement with VQ's. New starts continuing and we are ahead of our contract for this year both in terms of starts and financial draw down. Marketing campaigns have led to 40 additional MA starts

Tenders

Tender for Tackling Child Poverty – unsuccessful – however applied for funding via SG tender instead (see belw)
Tender City of Edinburgh Council Social Services Children and Young People – unsuccessful – price
Tender to SDS for Pathway Apprenticeships successful
Tender to East Lothian Council – unsuccessful - price
SDS tender for phase 2 Pathway Apprenticeships submitted in January.
Currently considering tenders in Argyll and Bute and D&G.
Scottish Government Tender for Employability course - successful

Employer Engagement

August - 6 new businesses, 8 MA starts, Skills Accreditation Programme
September - 12 new businesses, 13 MA starts
October - 10 new businesses, 6 MA starts, 3 locksmithing courses, 2 first aid courses plus one World Host
November - 4 new businesses, 12 MA starts, mandatory training package for 30 employees.
December - 11 new businesses, discussion around FWDF, provision of employability course for ex-offenders, development of training in sales.

Businesses include: Glenrath Farms, Fleming Homes, RTJ Excavations plus SMEs in childcare, hospitality and youth work.

National Programmes

Modern Apprenticeships (MAs)

% MA starts against new contract (290)	86%
% MA funding against current target (£347,547)	100%

Original target for MA starts was 231 – now increased to 290
Contract funding target was £220,652 increased to £347,547 however we have requested a further £39k as have made all claims against contract.

Foundation Apprenticeships (FAs)

We have 44 enrolled for cohort 2020-22 across all 7 frameworks we have contract for.

Other Projects:

City Deal DDI – NPA Data Science – uptake very slow. Currently operating a roll on/roll off programme to encourage new starts. Marketing continuing and funding extended to July 2021.
National Transition Training Fund – Train to Gain course scheduled for January 2021 now postponed due to COVID. This was a joint project with the NHS. We are hopeful this will start before the end of March. Skills Boost Courses developed for age groups 16-24 and 25+.
Youth Guarantee – Apprentice Employer Grant now up and running. We have received a number of enquiries for this.
Driver Theory Testing – SQA were not successful in achieving this contract.
Advancing Manufacturing Challenge Fund – project team now in place and work beginning on purchase and housing of equipment. Borders College taking responsibility for robotics equipment and 3D printer – all to be housed in Hawick campus.
Energy Efficiency Project – first course now planned. DM taking lead on Introduction to STEM Hub
Boatbuilding Apprenticeships – 7 MAs commenced in November, currently supported by DEBI staff.

Flexible Workforce Development Fund

FWDF (Achieved draw down) 100% of target achieved for 2019/20 – some short courses still to complete but working with employers to facilitate this.
Work commenced on 2020/21 funding – this is £280k to include funding for SMEs. Currently in conversation with sufficient SMEs and levy payers to fulfil contract. We have identified enough employers to fulfil our contract and will develop a waiting list over the coming weeks to enable request for additional funding.

Recommendation:

The Director of Enterprise and Business Innovation will continue to review the budget and planned activity to ensure projected contribution achieved.

Previous Committee Approvals: n/a

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐