

REPORT TO: CITY DEVELOPMENT COMMITTEE – 26 OCTOBER 2015

REPORT ON: EMPLOYABILITY SUPPORT – SCOTTISH GOVERNMENT CONSULTATION

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 389-2015

1 PURPOSE OF REPORT

- 1.1 To advise Committee that the Scottish Government has undertaken a consultation on how employability services in Scotland should be designed in the future and that a Council response has been prepared.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee notes the response to the Scottish Government consultation contained in Appendix 1.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications for the Council arising as a result of this report.

4 BACKGROUND

- 4.1 The Scottish Government have undertaken a consultation on how employability services in Scotland should be designed in the future, with delivery from 1 April 2016. This is, in part, in response to the proposed devolution of existing Department for Work and Pensions programmes, the Work Programme and Work Choice, to Scotland.
- 4.2 The consultation raised a total of 20 questions concerning employability which are addressed in the response. The consultation included questions on the types of employment support services that work best, key improvements that could be made, how a national contracting strategy can align with effective regional and local delivery, who the contracting authority should be, payment models and performance management.
- 4.3 The deadline for the submission of responses was 9 October 2015. This timescale precluded consideration of the consultation response by Committee therefore this report was approved by the Head of Planning & Economic Development in consultation with the Convener, Labour Group spokesperson, Conservative Member, Liberal Democrat Member and the Independent member.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. An Equality Impact Assessment is attached to the report.

6 CONSULTATIONS

- 6.1 The Chief Executive, the Executive Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 There are no background papers of relevance to this report.



EQUALITY IMPACT ASSESSMENT TOOL

Part 1: Description/Consultation

Is this a Rapid Equality Impact Assessment (RIAT)?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is this a Full Equality Impact Assessment (EQIA)?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Date of Assessment: 01/10/2015		Committee Report Number:	
Title of document being assessed: EMPLOYABILITY SUPPORT – SCOTTISH GOVERNMENT CONSULTATION			
1. This is a new policy, procedure, strategy or practice being assessed (If yes please check box) <input type="checkbox"/>		This is an existing policy, procedure, strategy or practice being assessed? (If yes please check box) <input type="checkbox"/>	
2. Please give a brief description of the policy, procedure, strategy or practice being assessed.		This is a response to a Scottish Government consultation.	
3. What is the intended outcome of this policy, procedure, strategy or practice?		To inform and influence the Scottish Government's policy making in relation to the design of employability support	
4. Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.			
5. Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.		No	
6. Please give details of council officer involvement in this assessment. (e.g. names of officers consulted, dates of meetings etc)			
7. Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy? (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)		No	

Part 2: Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People with a disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part 3: Impacts/Monitoring

<p>1. Have any positive impacts been identified?</p> <p>(We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>Services that support people into work will have a positive Socio Economic impact. Employment is generally the most important means of obtaining adequate economic resources, which are essential for material well being and participation in society and there is strong evidence that work is generally good for physical and mental health and well-being.</p> <p>It is likely that the design of employability services in future will take cognisance of the higher risks associated with particular groups including people with a disability, younger and older age groups and people experiencing Socio-economic disadvantage</p>
<p>2. Have any negative impacts been identified?</p> <p>(Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>No</p>
<p>3. What action is proposed to overcome any negative impacts?</p> <p>(e.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. See Good Practice on DCC equalities web page)</p>	<p>N/A</p>
<p>4. Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</p> <p>(If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>N/A</p>
<p>5. Has a 'Full' Equality Impact Assessment been recommended?</p> <p>(If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required. Seek advice from your departmental Equality lead.)</p>	<p>No</p>
<p>6. How will the policy be monitored?</p> <p>(How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	<p>N/A</p>

Part 4: Contact Information

Name of Department or Partnership	Gregor Hamilton, City Development
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Type of Document	
Human Resource Policy	<input type="checkbox"/>
General Policy	<input type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Manager Responsible	Author Responsible
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Email: gregor.hamilton@dundeecity.gov.uk	Email: allan.millar@dundeecity.gov.uk

Signature of author of the policy:	Allan Millar	Date:	01 October 2015
Signature of Director/Head of Service:	Gregor Hamilton	Date:	01 October 2015
Name of Director/Head of Service:	Gregor Hamilton		
Date of Next Policy Review:			

APPENDIX 1

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

Views and comments can be made to EmployabilityinScotland@scotland.gsi.gov.uk by 9th October 2015.

1. Name/Organisation

Organisation Name

Title Mr Ms Mrs Miss Dr Please tick as appropriate

Surname

Forename

2. Postal Address

3. Permissions - I am responding as...

 Individual

/

 Group/Organisation

Please tick as appropriate

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate

Yes No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick ONE of the following boxes

Please tick as appropriate
 Yes No

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

- (d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate

Yes

No

CONSULTATION PAPER QUESTIONS

QUESTION 1

What types of employment support services work best in Scotland, reflecting the very different needs of individuals who are unemployed?

Comment

Employment support services work best when they are responsive to client need and employer demand.

To facilitate engagement, clients should be able to access services quickly and easily.

Colocation of workers from different employment support agencies has worked well in Dundee, resulting in better partnership working, better communication, less competition, easy access for clients to a range of partners and a more supportive environment for clients.

As employability services deal with individuals with a range of different needs and circumstances that impact on their employability, employability services need to either have specialist supports embedded in them or have access to these supports through other agencies. For example mental health, homelessness, alcohol and addictions.

Dundee City Council operates an Employment Support Service which, whilst focussed on people with physical disabilities, health issues and learning disabilities has developed extensive experience in what does and does not work.

The Employment Support Service operate in line with the five stage process and principles of supported employment: (Client engagement , Vocational profiling, Job finding, Employer Engagement, On/Off the job support). This model of supported employment is well developed, tried and tested and is widely adopted throughout Europe.

It's important that providers are trusted by service users.

QUESTION 2

How best can we ensure the needs of different businesses and sectors in Scotland, are aligned with employment programme outcomes?

Comment

By ensuring that business is consulted on their recruitment needs this can and should be done at national **and** local level.

A consistent, national framework with sufficient flexibility to match the needs of the local labour market, clients and employers could prove useful.

Strategic partners should work together to share Local Labour Market Information and their plans for local services to minimise gaps and duplication. By organising and selling the "local offer" to employers, i.e. what all the agencies can offer, as an integrated, easy to navigate source of support.

Pulling together information from existing sources, for example Skills Development Scotland information, Further Education Industrial Advisory Boards, College destination returns, Jobcentre Plus vacancies, Business Gateway advisers, Chambers of Commerce etc.

Local Authorities and local partners can potentially develop excellent local labour market information which is very specific to their areas which can inform the development of local solutions.

Our experience of delivering the Scottish Government Employer Recruitment Incentive shows that labour market interventions can be attractive to employers and support business development. Consideration could be given to the provision of wage subsidies or recruitment incentives to other disadvantaged groups including disabled people and older workers.

If provided with the right kind of support (e.g. Human Resources, legal) employers, especially micro businesses, have the potential to grow their businesses and add to the total stock of jobs in a locality.

QUESTION 3

What are the strengths and weaknesses of existing employment support programmes and delivery mechanisms in Scotland?

Comment

Services that work best are flexible, client focussed and incorporate an assessment and ongoing reassessment of client progress. Case Management type approaches have the advantage of ensuring that a named individual is responsible for ensuring the client's requirements are addressed and progression made.

Employability pipelines are a strength as they have the ability to flex to meet local needs and are managed locally. Other advantages of the pipeline approach can include ownership from local providers and expertise / knowledge of the local market. Pipelines are, however, better developed in some parts of Scotland than others.

Many organisations, particularly Local Authorities, have extensive experience of providing employment support and have well trained, motivated and extremely experienced staff who have worked with and developed employment services over a number of years.

Lack of alignment between funding rules increases the obstacles to integrated support and the administration (e.g. paperwork, different methods of claiming and reporting) required of service providers, taking away resource and funds from front line provision.

A significant weakness is the lack of integration generally across programmes, for example, the Work Programme and Work Choice is not integrated into local employability pipelines and there is a lack of information about the services actually being offered to and received by clients. However, to compare and understand what has and hasn't worked, and suggest improvements, there is a need to understand the current provision, content and the support being provided.

Black box approaches (which give providers a payment for the delivery of job outcomes but do not specify in any way what services should be delivered) should in theory allow providers to be flexible in their approach but there is a concern that the approach has resulted in a lack of transparency and knowledge, locally, about what support to clients is delivered.

A Scottish delivery framework with minimum service standards would make services more consistent in terms of standards, outputs, quality and availability of provision.

The benefit system is not aligned with making work pay for all individuals.

A weakness in Scotland may be that we do not know what the quality of the employment support workforce is, a national framework for training and staff development would go some way to addressing this.

Securing specialist services can be a challenge. In Dundee, for example we have tried unsuccessfully on three occasions to procure services to support people with mental health issues.

QUESTION 4

Where are the current examples of good practice in relation to alignment of services to most effectively support a seamless transition into employment?

Comment

A national review currently being undertaken by Glasgow University on behalf of Scottish Government involving all 32 LAs which will provide information on good practice and recommendations on improving the pipeline framework across Scotland.

There are many good examples of good practice within local authorities.

Examples of good practice that have been identified in Dundee include:

- Academy for Health and Social Care and Construction
- Work with cared for young people
- Development of volunteer team for Library based welfare support
- College engagement with employers
- Maximising community benefits
- Employment Support Service

QUESTION 5

What are the key improvements you would make to existing employment support services in Scotland to ensure more people secure better work?

Comment

Key improvements that could be made to existing employment support services or further developed include:

- Enabling individuals to have easy and rapid access to employment support services that are person centred and responsive to employer demand
- Ensuring client assessment is of high quality and results in an action plan that is co owned by the client and regularly reviewed
- Ensuring that there is a case management approach built in so that there progression is monitored and there is co ordination between services
- Co location of appropriate services to improve client access to services and services' understanding of what the respective organisations do is improved
- Ensuring that the right person is matched into the right job
- Developing in work progression and workforce development interventions to address sustainability and business development issues. There is also a need to develop understanding the impact of low skills, tax credits and Universal Credit on individuals and in work poverty.
- How employability interventions link with living wage employers is an area that would be worth exploring.
- The appropriateness of a distance travelled model approach to move people towards employment should be considered
- Consideration to extending wage incentive/recruitment schemes to groups that are particularly disadvantaged and tying this into business development activity.
- Ensuring that employability forums and representative groups continue to feed in their knowledge and expertise
- Financially rewarding attendance and engagement

QUESTION 6

How best can we assess the employment support needs of an individual and then ensure the support they receive is aligned with their requirements?

Comment

There are many examples of assessment systems and the discussion on employability support provides an opportunity to identify good practice and minimum standards. The quality of the assessment is critical in identifying the clients that require the most assistance/those furthest from the labour market.

Other services also carry out client assessments (for example housing, health, welfare rights, criminal justice, community learning and development, voluntary organisations). The discussion on employability support may present an opportunity to look at a common integrated assessment across a number of services.

Assessment should be complemented by an action plan. Who is responsible for reviewing the action plan with the client and when the review(s) are undertaken should be explicit and clear. Action plans should be developed along with the client's Jobcentre Plus work coach to ensure that all activities are compliant with the client commitment and other the Department of Work and Pensions requirements.

There should be sufficient flexibility in funding and delivery arrangements to ensure that support clients receive is aligned with their requirements The Activity agreement programme provides an example of how this can be done over stages one and two.

Staff undertaking assessments should be trained and supported to have a consistent approach.

Assessments should be aligned with the pipeline but also with the Department of Work and Pensions..

The Dundee Partnership's pipeline arrangements ensure that an assessment and case management approach to pipeline clients is built in from the earliest stage of engagement. This ensures that client eligibility is checked at the initial stage and that a good quality initial needs assessment is undertaken which informs the action plan that is agreed with the client.

QUESTION 7

How best can the employability pipeline framework help providers best assess and deliver services people need?

Comment

The pipeline framework can help providers:

- By showing what services and resources are available within a locality, what their role is, where they fit and how they connect.
- By helping providers understand the flow of clients into and out of their services.
- By raising awareness of all providers of all of the services that might be available to the client.
- By using the pipeline framework to ensure that any additional services or service reviews are mapped against the pipeline framework.
- By ensuring that commissioners of services consult with the Local Employability partnership at the beginning of their commissioning process.
- Commissioners of services should build in incentives to ensure that appropriate referrals and progressions are made. The Pipeline framework enables progression (stages) to be recognised and paid which supports the delivery of services that people need.
- By ensuring that there is a, good quality meaningful assessment and flexibility to provide services that are responsive to client need.

QUESTION 8

How can early intervention best be integrated into employment support and the design of future programmes?

Comment

Tools are available that identify those young people most at risk of a negative destination. There is scope to try out preventative approaches with these specific group of young people.

The Scottish Government is financially supporting the Dundee Partnership to look at how prevention can be used to solve employability problems. When completed this work may provide useful insights into how early intervention can best be integrated into employment support

Early intervention can be integrated into employment support by ensuring that clients from early interventions are captured and ensure that they progress to the next stage

Consideration could be given to how funding rules and eligibility could be better aligned to allow early intervention (e.g. ESF, current Work Programme entry points)

People going into Work Programme are generally already long term unemployed and are mandated to attend. Consideration should be given to what potential exists to use some Work Programme/Work Choice successor programme funds to invest in existing pipeline structures to increase capacity and allow people to enter provision earlier on a voluntary basis.

This proposed earlier intervention should provide a strong local package of support, backed with strong employer input so clients would be more motivated, knowing that real employers are involved.

For those hitting mandatory points, the service should continue/be reassessed/intensified if early intervention hasn't worked.

Multiple agencies (for example, health, criminal justice, housing) could also be encouraged and supported to view early intervention as part of their responsibility. Early intervention for individuals who have acquired a health problem or disability could open up the potential for employability issues

to be integrated as part of an individual's rehabilitation, health professionals could have a significant and critical part to play in an early intervention strategy.
The Department for Work and Pensions are the first point of contact for individual and they are therefore central to any early intervention approach.

QUESTION 9

What is the optimal duration of employment support, in terms of both moving individuals into work, and then sustaining their employment?

Comment

The time taken to move into work is dependent on the individual their barriers and circumstances, and local labour market conditions. It is difficult, therefore, to define an optimal duration and there is a question whether this is necessary. A person centred service whereby a person can return to a named person for support at anytime would support sustainability but may not be compatible with set periods of time to work with an individual.

In the experience of the City Council's Employment Support Service, individuals, particularly with learning disabilities or mental health issues, may require on-going support over a number of years.

Time limiting support may be appropriate for some people, but not all.

Having a set duration introduces an impetus to move into work both from a service provider and client perspective. Individual providers would have to make decisions around the around the cost and value of lengthier periods of support.

Specially designed programmes, for example, mandatory community work placement, may still have a role for those who do not demonstrate significant progression or a positive outcome after a lengthy period of support, for example, two or three years.

QUESTION 10

What are the benefits and challenges of a national contracting strategy for Scotland's future employment support service(s)?

Comment

If a national contracting strategy was to be developed a challenge would be how to attract bids that were flexible enough to respond to local needs which built into one (or a number of large) contract(s). Another challenge would be how bids would be assessed for their responsiveness to local need.

There is a question over how a national payment structure would align with payments that are more aligned to the real cost of services locally – i.e. a national contract may pay much more for an outcome than another locally procured contract, yet providing the same services and outcomes, this is already an issue that creates inequity within local programmes and pipelines.

If a national contract was developed there may be potential for a regional payment framework to be applied that would provide a better approximation of local cost.

Benefits would include a national standard and framework, consistency of support, economies of scale, ease of administration, simple set of procurement rules, ability to utilise existing expertise in the commissioning organisation and capacity to undertake the work and individuals' ability to access the support they require regardless of where they actually live

Challenges would include integration with local services, lack of alignment and lack of flexibility, getting the funding structure right and allowing flexibility to meet client and employer needs and restrictions around the development of local solutions to local issues.

QUESTION 11

How best can we secure effective regional and local delivery of employment support in future?

Comment

If national contracting is undertaken it should be done in a way that allows for a high degree of local responsiveness.

Effective local delivery could be achieved through devolution of planning and resources to the Local Authority/Community Planning Partnerships or appropriate local level (this could be a local labour market across more than one LA areas) where this is agreed by the respective local authorities. There should be an element of local discretion about what the regional and local delivery should be to suit local circumstances

For example, where they have been or are being developed, City Deals might be an appropriate vehicle for the local delivery of employment support services, if this was agreed by the respective local authorities.

The academy approach, in growth and skill shortage areas, provide a clear illustration of the advantage of identifying and delivering activity locally.

The availability of providers that are suitable for the delivery of services locally would be an important factor in the success of local delivery. Local contracts would be ideal however the procurement model would need to allow for this.

Sharing of best practice to promote effective regional and local delivery should be encouraged.

QUESTION 12

Do national or more localised employment support programmes work better for different client groups? If so, which ones and why?

Comment

Whilst national employment support programmes have the merit of, in theory, providing a consistent approach to clients and employers, there is a risk that they do not align with local employability support infrastructures.

Another apparent attraction of national programmes might be that they are perceived as more likely to deliver outcomes than localised programmes (where there is a risk of local variations in performance). However, national programmes do not guarantee success. The Work Programme, whilst it has performed as well as previous national programmes for JSA recipients, has not worked as well for Employment Support Allowance recipients. Performance in Dundee has been particularly poor and has compounded the city's long term joblessness problem.

There may be a cost argument that national programmes may bring more value for money if they perform well, due to economies of scale. However they may also pay "over the odds" in some localities where services are cheaper (pay variations, cost of living, etc.). Local programmes often involve smaller or even one-of providers, and the cumulative on-costs of a high number of small, local providers can be significantly higher.

Localised programmes have the merit, because they are designed locally, of fitting better with the local infrastructure and being more responsive to local conditions and are better able to integrate with other local services.

Dundee City Council supports the SLAED (Scottish Local Authority Economic Development) policy position that new devolved powers and resources should be integrated into local employability pipelines as this will improve the ability to plan and co ordinate interventions, reduce duplication, improve alignments and improve the clients experience and outcomes.

QUESTION 13

Who should be the contracting authority for devolved employment support provision?

Comment

The advantages of a Local Authority as the contracting authority, on behalf of Local Employability Partnerships, for devolved employment support provision have been articulated throughout this response. There is a strong case therefore for supporting local involvement in the design, commissioning and delivery of these programmes.

Local Authorities/CPPs also have the added advantage of being able to identify local good practice models and align provision with additional support services as necessary.

However, there are a number of issues that need further clarification

The Work Programme is mandatory with the Department of Work and Pensions determining client entry in line with benefit status. Local employability pipelines are voluntary services and local government may wish to seek maximum flexibility in terms of how these programmes are managed

and who they are targeted at.

Benefit sanctions are currently imposed for non-attendance on Work Programme and local government may want to be satisfied that this would not be a requirement before taking on a greater role in the management of the successor programme.

If Local Government assumes a direct role in terms of commissioning / managing the successors to these programmes, assurance needs sought regarding resources available to meet these management costs. Whilst there is a strong argument for locally delivered and aligned service provision, there is a danger that local commissioning / management will not achieve the economies of scale needed to keep management costs within budget. Cross-border cooperation between neighbouring Councils/CPPs on a voluntary basis may help overcome this. However, these arrangements are the exception rather than the rule in terms of existing local employability pipelines

QUESTION 14

Which client groups would benefit most from future employment support in Scotland and why?

Comment

The client groups that would benefit most from future employment support are those that are least likely to secure and sustain work. If the policy objective is to support client groups that would benefit most employment support should be targeted at these groups.

However, because those that are furthest from the labour market are by definition furthest from employer demand and require additional support to move into and sustain work, within any given budget a focus on these groups will mean fewer outcomes.

Targeting should be based on a robust analysis of those that are less likely to find work without additional support. The client groups may be different in different parts of the country. In Dundee for example, in addition to the client groups one might expect (e.g. Young people, Care Leavers, those with criminal convictions, people with any type of health problem or disability, Lone Parents, Workless families) labour market analysis reveals local characteristics such as the rate of claimants who are male, aged 50 – 64 with a claim duration of over 1 year is more than twice the Scottish average.

However, the approach of targeting those that would derive most benefit needs to be balanced against early interventions that fit with prevention principles.

For example, where the provision of a fairly simple and quick intervention can make the difference to someone moving into work quickly, thus avoiding them becoming long term unemployed, this should be considered as part of a balanced approach.

There are also individuals who will fall outwith specific target groups that, none the less, require support to progress towards and into work

QUESTION 15

What should be our ambitions for these client groups?

Comment

We should be aiming to improve on the current baseline. Ambitious but realistic outcomes should aim to be comparable with the best results achieved elsewhere in comparable economies.

Sustained employment and progression in work should be included in our ambitions for clients supported through local employability pipelines.

In addition our ambitions should be to ensure that recipients of our services are valued and receive a good quality person centred service and who understand the intrinsic benefits from being in employment.

QUESTION 16

How can we maximise the effectiveness of devolved employment support in Scotland, in relation to the broader range of resources and initiatives available in Scotland?

Comment

By ensuring that a genuine partnership approach to employability is planned for and implemented in localities. Services that do not have employability as a core function (for example health, housing, financial inclusion) should work collaboratively with employability partnerships to identify how their resources are aligned with and used to contribute to the delivery of employability objectives and services.

The NHS and health based charities have a growing focus on employability which would usefully be better aligned with other employment support in localities.

Employability is a preventative spend. Successful outcomes for employability clients helps reduce spend in other services, for example health and policing, and should therefore be accorded priority.

Consideration should be given to the impact and potential effectiveness of financial reward for clients who willingly engage, progress and achieve a positive outcome rather than a punitive system that only affects them negatively when they fail to engage.

Coordination between the Department of Work and Pensions and Local Authorities around assessment of the appropriate supports for clients, for example. if a client has particular needs that prevent them from engaging, the Local Authority should be able to work with the Department of Work and Pensions on these, or if a client is engaging well in voluntary provision that is likely to lead to a job, devolved employment support should be used to ensure they are enabled to continue with this activity and not, for example, mandated into other, less relevant, provision.

Encourage co ordination between Local Authorities and the Department of Work and Pensions to reduce the funding barriers that clients and providers face when sourcing the best package of support for each individual.

QUESTION 17

What are the advantages, or disadvantages, of payment by results within employment support? What would form an effective suite of outcomes and over what period for Scotland? What does an effective payment structure look like?

Comment

Disadvantages include a cash flow risk for smaller organisations which may put off small organisations from bidding. Risks to smaller organisations could, for example, be mitigated by monthly payments and an advance or a core service payment

It is difficult to get a national pricing schedule that takes account of local costs and doesn't over or under finance

Advantages include value for money. Payment by results should act as an incentive to perform well. Although payment by results should incentivise providers to achieve outcomes it does not guarantee outcomes. However a key advantage of payment by results arrangements is the flexibility, when a provider is underperforming, to reinvest financial resources into other activity.

A risk is that outcome based funding will result in contractors concentrating on through putting a high volume clients with low support needs. However this can be addressed by ensuring the payments reward stage progressions and completion of provisions as well as job outcomes.

The funding model for Employability Services in Scotland should promote the "right" behaviour that is responsive to client need and employer demand, avoids cherry picking and supports work with clients that are disadvantaged. Payments for progressions and achievement of milestones as well as job and sustainability outcomes should therefore form a part of the suite of outcomes. The "right" behaviour may be influenced by a providers the way of working and the ethos as well as the payment regime.

The Pipeline framework enables progression (stages) to be recognised and payments to be made.

Consideration should be given to making contracts more prescriptive than a pure black box approach, perhaps through specifying minimum required types of services e.g. debt and health support, childcare and training.

Whilst progression payments can incentivise a provider to progress clients it may also be useful to consider making payments, to clients for achieving milestones, dependent on whether this would be allowable under benefit rules.

QUESTION 18

What are the advantages, or disadvantages, of payment for progression within employment support? What measures of progression and over what period? What does an effective payment structure, which incentivises progression, look like?

Comment

The Council has taken the view that there is merit in progression being recognised and rewarded. Accordingly the contracting arrangements that the Council has put in place provide a significantly higher level of payment for progressions than for registrations.

There is a strong argument to link progressions into the national 5 stage pipeline approach. However, mechanisms need to be in place to ensure that this is genuinely to the benefit of clients and not driven only by a financial incentive for providers. Linking the payment for the progression of clients back to the initial assessment, diagnosis and action plan may be a safeguard that would mitigate against inappropriate progressions. In our current model payments are only made once the organisation to which the client has been referred to accepts the referral.

Linking progression into timeframes for clients (target groups) in a prescriptive way is problematic as each individual within a target group will have individual needs. Requirements and the timescales for making progressions should be individual and reflected in the client's Action Plan.

Although payment progression/distance travelled is a model of support to ensure individuals receive the right support whilst they progress towards employment, regard needs to be taken that providers do not work with the same individuals indefinitely.

A further advantage of payment for progression is that it would show which providers were best & worst at supporting clients achieve progression.

QUESTION 19

What are the key aspects of an effective performance management system, to support the delivery of employment support outcomes in Scotland?

Comment

It is imperative that the performance management system produces management information that is completely accurate and agreed between all system users to avoid disputes over outcomes and payments..

There is scope to develop a system is that is an operating, management information and finance system all in one that is user friendly, makes it easier to engage users in working collaboratively and facilitates a pipeline approach. The development of this type of would avoid providers having to use multiple systems. .

An effective performance management system has to be of benefit to all stakeholders. For a system to work to best effect individual users need to see the benefit for using the systems. It should not just be a financial tool. It should also be able to track people's progress which would identify their distance travelled.

It would be useful if the management information system has the capacity to distinguish between clients that require more intensive support to address issues of "cherry picking"

We would recommend that in the development of any new system the Scottish Government ensures that there is a high level of user input from the outset to help inform the development of the system that has maximum utility for users.

QUESTION 20

Collectively, how best do we encourage active participation and avoid lack of participation on employment support programmes?

Comment

Staff, across a range of organisations, have a role to play in promoting work as good for health, good for a fairer society and as the only realistic route out of poverty.

Ensuring that the service is of a high quality that is responsive to the needs of clients and employers so that there is credibility that the service will meet need and that there is a realistic prospect of good

employment at the end of the process. Individuals will need to be given the opportunity to engage on terms which incentivises them to participate.

Employment opportunities need to be attractive, supportive and meaningful with the benefits clear to see, not only financial. Evidence suggests that an approach based on voluntary participation in high quality employer and client responsive provision is more effective than conditionality and mandation to attend employment programmes.

Ensuring that services are available and accessible to people is important in maximising participation. This might include for example co location and community based services.

Through working in partnership with services such as health, housing, community learning and development and financial inclusion professionals.

Evidencing a clear alignment with the benefit system and that work does genuinely pay and ensuring that people have information available on the affordability of employment.

Fundamental to encouraging active participation is winning people's trust so that they believe the provision they are being offered has their best interest at heart.

QUESTION 21

Do you have any other comments/views in relation to future employment support that have not been covered in the questions above?

Comment

Designing employability services for the future should take into account the value that can be achieved through pooling resources locally and adopting effective partnership approaches – with the agencies that provide direct employability support and with those agencies with an indirect contribution to make e.g. housing, health, debt/money advice, community learning and development, youth work, criminal justice.

The skills and quality of the staff that deliver services is critically important.

The design of services in the future should assess the capacity of the “employability sector” to deliver high quality provision across Scotland and whether there are skill shortages in the sector.

There may be a question to be addressed about how the employability sector in Scotland attracts and retains sufficient levels of appropriate staff and the skills development and training infrastructure that is required by the sector.

The third sector have a key role to play in the delivery of employability support. However, the sectors capacity to deliver varies from area to area. Consideration should be given to how the third sector can be supported to develop it's capacity to deliver employability services across all areas.

End of Questionnaire

Thank you for participating