

**SCOTTISH FUTURE EMPLOYMENT SUPPORT SERVICES
ADVISORY GROUP
NOTE OF MEETING HELD ON 28 JULY 2015
Scottish Government, 150 Broomielaw, Glasgow, G2 8LU**

Present:

Professor Alan McGregor, Director of the University of Glasgow's Training and Employment Research Unit (Chair)

Roseanna Cunningham, Cabinet Secretary for Fair Work, Skills and Training (for Agenda Item1)

Colin Robertson, Employability Policy Lead, Scottish Government

Dave Moxham, Deputy General Secretary, The Scottish Trades Union Congress:

Greig Robson, Employability Manager, North Ayrshire Council (representing Pamela Smith)

Joanne Farrow, Employability Implementation Lead, Scottish Government

Kirsty McHugh, Chief Executive, Employment Related Services Association (ERSA)

Laurence Martindale, Labour Market Interventions Strategy Unit, Department for Work and Pensions (DWP)

Liz Cameron, Chief Executive, The Scottish Chambers of Commerce

Liz Catterson, Chair of Third Sector Employability Forum

Neville Prentice, Senior Director of Service Development & Delivery, Skills Development Scotland

Sally Witcher, Chief Executive, Inclusion Scotland

Stephen McConnachie, Group Partnership Manager, Jobcentre Plus (Scotland)

Apologies:

John Kemp, Director of Strategic Development, Scottish Funding Council

Pamela Smith, Chair of Scottish Local Authority Economic Development (People) Group, Scottish Local Government:

Ross Martin, Chief Executive, The Scottish Council for Development and Industry

Welcome and Introductions

Prof. Alan McGregor welcomed everyone to the first meeting of the Future Employment Services Advisory Group, advising that the Group has a critical role in shaping future employment support services in Scotland. Members bring with them a wealth of experience and will use this to provide advice, challenge and new ideas to promote the development of more effective employment services in Scotland. Members will be expected to represent the views and positions of their current organisations or sectors.

Opening Remarks

Roseanna Cunningham, Cabinet Secretary for Fair Work, Skills and Training added her thanks to all for participating in the Group, especially to Alan for agreeing to Chair. The Cabinet Secretary advised:

- That members expertise will be critical in assisting the Scottish Government as we work to develop our own Scottish services to replace the DWP Work Programme and Work Choice.
- That discussions remain on-going between the Scottish and UK Governments on the range and scope of powers to be devolved in the Scotland Bill.
- That, at last week's Joint Ministerial Working Group on Welfare, Scottish Ministers pressed for the UK Government to full their commitment to meeting the Smith Recommendations in full. That means making sure that the powers that will transfer

in relation to employment support are comprehensive and to ensuring that Jobcentre Plus is more integrated in Scotland. Our position continues to be that we require a coherent set of employment policy levers in Scotland – a view echoed by many stakeholders, indeed by some of you around this table today.

- That, in developing our future services in Scotland, we have the opportunity to develop a *Scottish Approach* to helping unemployed Scots find sustainable and fair jobs, regardless of the specific barriers they may face. This will involve putting support in place for people the length and breadth of Scotland to make the most of their skills and potential. A Scottish Approach will deliver more for those who have not benefitted from current programmes, particularly those furthest from the labour market.
- That our future employment support services will – while building on the strength of existing delivery in Scotland – contribute to our core principles of sustainable economic growth, fair work and social justice.
- That the *Creating a Fairer Scotland: Employability Support* consultation is now launched, and asked members of the Advisory Group, to encourage a robust response to this consultation, supporting their own networks of stakeholders and customers to participate in this crucial discussion.

Context and background: Current DWP Approach to Service Delivery

Laurence Martindale of DWP provided an update on DWP's approach to the existing Work Programme and Work Choice programmes. Key points to note:

- Tight commissioning timescales for the WP meant the first year was challenging
- Payment by results works, as the Department has reduced both costs and the risks of paying for poor performance
- Current UK Government Ministers remain supportive of Work Programme. Areas for exploration for future programme delivery however include:
 - Considering different segmentation approaches, based on customer characteristics and not benefit type
 - Exploring a more effective payment model
 - Simpler models
 - More impactful differential pricing
 - Accelerator payment model to drive performance
 - Integration and aligning support across Government, to include skills and health for example
 - Making the programme more efficient
- It was noted that the Spending Review will very likely impact on available budget for future delivery, but the extent of this impact is as yet unknown
- The transfer of claimants from Job Seekers Allowance to Universal Credit will bring more people into the conditionality regime
- DWP recognise the key importance of linking provision with future provision being delivered in Scotland

Context and background: Scottish Approach

Joanne Farrow and Colin Robertson provided some background on current areas of work in relation to the devolution of employability powers:

Current employability landscape in Scotland:

- Employment is reserved to the UK Government and the majority of those who are unemployed will engage with DWP services first as a requirement of benefit receipt.
- Currently Scottish and local government funded provision needs to align or wrap around core DWP services. In the case of devolved areas, there is an ambition for

more effective integration of services funded at all levels of government, which ensures better outcomes and a reduction of duplication or overlap of support.

- There are multiple sources of funding for the delivery of employability activity across Scotland and these in turn can be deployed in various combinations, funding a range of different types of activity and targeted on various priority client groups.
- In the face of this complexity, however, Scottish Government has a track record of successful delivery and positive labour market interventions – funding over 17,000 Employability Fund places a year, and over 25,000 Modern Apprenticeship Starts, in addition to recruitment incentives such as Community Jobs Scotland and Scotland's Targeted Recruitment Incentive. These, of course, are delivered with support from SDS, Local Authorities and third sector partners.
- Strong ethos of partnership working – supported by well-developed structures.
- Devolution, however, offers more scope for further integration and alignment of services, particularly in relation to the role of JCP

Legislation and Fiscal framework

- Scottish Ministers still await clarification of when the Scotland Bill will be passed and details surrounding the fiscal framework. Lack of confirmation for either is presenting challenges on both a legislative basis and for financial resources planning. This includes a range of issues – baseline transfer, indexing/ responsiveness of any settlement, administrative and transitional costs
- The Scotland Bill is silent on conditionality and sanctions, and Scottish Ministers continue to press for further information and flexibilities in this area.
- Legal advice is that Scottish Government can go to market before legislation is finalised, as long as this is in place at the point contracts need to be signed. It is anticipated that market engagement will commence in Spring 2016.

Actions

- Members agreed that it is critical to understand what's already working well in terms of existing delivery, and asked that the Work Programme evaluation link was circulated. This can be found at <https://www.gov.uk/government/publications/work-programme-evaluation-findings-from-the-first-phase-of-qualitative-research-on-programme-delivery-rr821>.
- Members noted the complexity of the current employability landscape in Scotland and it was agreed that it would be useful to draw up a high level overview of existing activity.

Advisory Group Reflections & Discussion

Key challenges and opportunities

Members discussed both the challenges and the opportunities that this work offers in a Scottish context. Key points from the discussion included:

- Two key client groups that must be considered. We need to ensure that we are listening, and hearing, the voices of **individuals** and of **businesses**.
- The work of the Advisory Group will require us to lift ourselves above the politics which are at play at the moment. In terms of future service delivery, evolution rather than revolution is required. We should look back at past UK programmes as well as gathering international evidence. There are lots of lessons learnt to date which can be fed into programme planning.
- A key opportunity must be in relation to 'pooling' resources and better aligning services.
- An offer from ERSA Members to share open book financial information with Scottish Government, with DWP approval as necessary.

- It was agreed that a Work Plan would be helpful in mapping out timelines and key milestones, and to aid prioritising discussion at future Advisory Group meetings.

Role of the Advisory Group and Terms of Reference

The draft Terms of Reference previously circulated were agreed. However, these should be reviewed after 6 months to ensure that they remain fit for purpose within the existing dynamic environment.

Secretariat

It was noted that the Scottish Government will provide secretariat for the Advisory group, and that Joanne will be the first point of contact. In order to be open and transparent, meeting notes will be published on the Employability in Scotland website.

Action

- Scottish Government to provide a page on the key principles which are driving policy development.
- DWP to circulate existing information on the journey for individuals moving through Work Programme/ Choice.
- Scottish Government draft Workplan to be circulated to Advisory Group to help with discussion planning for future meetings, and to assist with the Advisory group planning.
- Terms of Reference to be reviewed in early 2016.
- Meeting note to be published on the Employability in Scotland [website](#).

Update on Commissioned Research

Joanne updated members on the literature review which has recently been commissioned. This work seeks to bring together the available evidence on the best thinking across the sector, to help inform models of future employment provision for the long term unemployed and for disabled people. The research seeks to build upon the Cambridge Policy Consultants work, undertaken in 2014 for the Scottish Employability Forum, to better understand which programmes are impacting on which people, but also to understand what works, what's scalable and what's transferrable.

The Centre for Economic and Social Inclusion have been appointed to undertake this work, and an inception meeting has been arranged for 28th July. The Advisory Group will be kept informed of progress and will have the opportunity to feed into the work as it develops.

Action

- Commissioned research update to feature as an agenda item for the next Advisory Group meeting.

AOB

It was agreed that 6 weekly meetings should be diarised, with a schedule of suggested discussion topics for the next few meetings.

Action

- Meeting date schedule to be circulated, along with suggested topics for discussion.

Meeting Close