

**SCOTTISH FUTURE EMPLOYMENT SUPPORT SERVICES ADVISORY GROUP
NOTE OF MEETING HELD ON 13 JANUARY 2016
Scottish Government, 150 Broomielaw, Glasgow, G2 8LU**

Present:

Professor Alan McGregor, Director of the University of Glasgow's Training and Employment Research Unit (Chair)
Nick Butler, Labour Market Interventions Strategy Unit, Department for Work and Pensions (DWP)
Alastair Cameron, Chair of TSEF
Liz Cameron, Chief Executive, The Scottish Chambers of Commerce
David Coyne, Policy Advisor, Skills Development Scotland
Joanne Farrow, Employability Implementation Lead, Scottish Government
Andy Lobban, Employability Implementation, Policy Officer, Scottish Government
Stephen McConnachie, Group Partnership Manager, Jobcentre Plus (Scotland)
Mike McElhinney, Head of Employability and Skills, Scottish Government
Kirsty McHugh, Chief Executive, Employment Related Services Association (ERSA)
Katherine Peskett, Scottish Government
Neville Prentice, Senior Director of Service Development & Delivery, Skills Development Scotland
Colin Robertson, Employability Policy Lead, Scottish Government
Laurie Russell, Co- Chair ERSA Scotland
Pamela Smith, Chair of Scottish Local Authority Economic Development (People) Group, Scottish Local Government
Sally Witcher, Chief Executive, Inclusion Scotland

In attendance for Consultation Presentation Agenda Item:

Clare Hammond, Rocket Science
Richard Scothorne, Rocket Science

Apologies:

John Kemp, Director of Strategic Development, Scottish Funding Council
Ross Martin, Chief Executive, The Scottish Council for Development and Industry
Dave Moxham, Deputy General Secretary, The Scottish Trades Union Congress
Stuart McKenna, Scottish Training Federation

Welcome and Introductions

Prof. Alan McGregor welcomed everyone to the fourth meeting of the Future Employment Services Advisory Group.

Minute and Actions from Last Meeting

Alan then introduced Nick Butler to the Group and explained that Nick was Laurence Martindale's replacement from the DWP. Alan received confirmation from members that there were no issues arising from the previous minute (of 4th November 2016).

Presentation:

Alan welcomed Richard and Clare from Rocket Science and asked them to give a presentation on the analysis of the recent stakeholder consultation: Creating a Fairer Scotland: Employability Support.

Rocket Science explained to the Group their analysis and key findings from the consultation broadly grouped under the following four themes:

- Focusing on those furthest from the labour market – services for people that work is a reasonable objective but need help to get there. Taking the Scottish Approach
- Importance of local integrated design and delivery.
- Sustainable fair work, quality of jobs – long term futures.
- The preferred Scottish approach – a flexible, tailored 'whole person' approach which is designed and delivered in partnership and drives towards real jobs.

Members discussed the findings in some detail. Key points emerging from the consultation analysis and subsequent discussion on current policy work included:

- Agreement that focus needs to be given to those further, rather than furthest from the labour market.
- Consensus on focussing devolved resources on those for whom work is a reasonable objective/with the greatest prospect of work.
- Balancing key issues such as consistency vs flexibility/personalisation, and what providers need to deliver vs what works best for clients (progression being a good example of this).
- Quality of jobs is important and that key factors would be pay, sustainability, and progression .
- The need to reduce the risk of a postcode lottery by ensuring the quality of providers and access to services is consistent.
- The balance between service fee/progression and outcome payment needs to be reflective of the clients you are trying to support. Given severe difficulties in measuring progression, including an element of service fee with a focus on minimum service standards it looks like a good approach.
- In-work support and meaningful engagement with employers is important. In terms of employers, members agreed a more focussed communication and engagement agenda on the needs of the programme is required.

Mike thanked Rocket Science for their work in analysing the consultation responses and explained that it reinforced the current policy thinking within the Scottish Government.

General Update

Katherine provided an update on current activity and the progress being made by the Scottish Government.

Katherine talked about the recently announced spending review by the UK Government and the impact it would have on the Scottish Government's plans. An 80% reduction in spending at UK level had led to a re-assessment of the current work plan with decisions to be made on procurement dates in 2016. The 2020 Scottish Government vision for employability integrated with health and social care remains valid. Work with the Advisory Group members will be critical in assisting the Scottish Government to develop a proposition for Cabinet in February. It was also mentioned that there were a number of important upcoming milestones on the policy, programme and procurement side of things.

Nick Butler added that the UK Government was going through a similar re-assessment as a result of the spending review and that DWP would be happy to provide updates on the progress of their policy development.

Fiscal Framework

Colin advised that work on the Scotland Bill and fiscal framework remains on track. Scottish Ministers expect the Fiscal Framework to be agreed by 14th February 2016 to allow pre-election scrutiny by the Scottish Parliament. Colin shared details of the Secretary of State for Work and Pensions letter of 16 December, and the indicative funding settlement included. Key actions are developing an understanding the client group, defining the shape of procured devolved services and the scope for broader alignment.. Colin called on Advisory Group members to use their influence and expertise to support this work.

Programme Management

Mike advised members that Scottish Government have agreed additional resources to support delivery of the programme. This includes DWP secondees who would help with the delivery framework and strengthen relations with other departments. Work will continue on aligning with SDS on programme design and delivery from

2017, with further alignment needed with DWP and Job Centre Plus. There is now a clear idea on delivery from 2020 with flexing needed to meet restrictions as a result of the spending review. A Programme gateway review is planned at the end of the month which will review the work plan, but Mike believes the programme to be robust. There is still a clear steer from Ministers to incorporate fair work, equality and respect in any future services.

Action

CESI Report to be published on Employability in Scotland website.

Cabinet Secretary for Fair Work, Skills and Training

Alan welcomed Roseanna Cunningham, Cabinet Secretary for Fair Work, Skills and Training to the Advisory Group. The Cabinet Secretary thanked the Group for inviting her and advised that she had been involved in some of the recent consultation events, meeting individuals and organisations from across Scotland. Childcare and transport were some of the big challenges that individuals highlighted as being needed to be resolved. There is now a clear understanding of what needs to be done with the replacement programmes in Scotland. The Cabinet Secretary talked about recent Cabinet discussions on the future of employability services in Scotland and outlined the implications of the recent UK spending review and what it meant for Scotland. The members of the Group were advised that all the good work done under the consultation was now under threat because of the 80% reduction in spending at UK level and that this was against the spirit of the Smith commission. It was explained by the Cabinet Secretary that the change in support for unemployed people increasing from 1 year to 2 years would result in more Scots being with DWP and JobCentre Plus programmes longer and being subjected to a more intensive conditionality and sanctions regime. The Cabinet Secretary explained that Scottish Government is now seeking urgent discussions with UK Ministers.

Members of the Group commented on the fact that additional resources were being given to JobCentre Plus to support people from day 1, and that the Mandatory Intervention Regime developed for post Work Programme returners would start at the 18 month stage.

The Cabinet Secretary noted the challenges around transitioning and aligning the various programmes in existence to secure integration and make best use of funding. Advisory Group members were asked to work with the Scottish Government, to determine how the limited resources would be most effectively targeted.

AOB

Mike introduced Chris Shoukry to the Group and explained that Chris would be the lead of the Gateway review team. Chris explained about the Gateway review process and that there would be an independent group who would be suggesting recommendations and looking for examples of good practice. The review would give a health check of Scottish Government work plan to date.

It was noted that the date of the next meeting is 24th February 2016.