

WORKING FOR GROWTH

A REFRESH OF THE EMPLOYABILITY
FRAMEWORK FOR SCOTLAND



WORKING FOR GROWTH



Joint Foreword by John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth and Cllr Harry McGuigan, CoSLA Spokesperson on Community Wellbeing and Safety

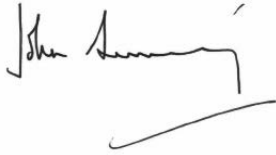
As we seek to secure Scotland's recovery following the 2008 global financial crisis, economic growth and employment are the twin goals we are determined to pursue. This means ensuring effective joined up provision both for people experiencing unemployment and for employers seeking to grow their business.

It has long been recognised that a strong partnership approach is essential to providing a successful and sustainable range of services for individuals and employers. If anything the economic turbulence of the past few years, coupled with the UK Government's Welfare Reform agenda, intensifies the need for such an approach. It is on that basis that we must continue to work together to grow our economy and reduce unemployment in Scotland.

This refresh of Scotland's Employability Framework lays out how we will do this. We are clear that strong and coherent political leadership is critical to support and enhance the progress that has been made nationally and within our network of local employability partnerships. That is why at all levels of government Scotland's political leaders on this agenda will come together within the Scottish Employability Forum to provide clear strategic direction and support for employability in the coming years.

Given the complex barriers clients often face, employability services can take a wide range of forms. In order to produce better outcomes for those seeking work and employers seeking to recruit, it is essential that all parts of government work together effectively to remove duplication and improve the alignment of services. As we seek to do so, there is much to learn from the work that has been done and the progress that has been made since the publication of Workforce Plus in 2006.

Reducing unemployment is a national challenge which requires a cohesive response. We must therefore prioritise what has been proven to work and redouble our efforts. There is determination across all partners in Scotland to improve how we work with and learn from each other to deliver better outcomes. None can surely be more important than tackling unemployment and ensuring that our future economic success can be supported and shared by all the people of Scotland.

A handwritten signature in black ink, appearing to read 'John Swinney', with a long horizontal flourish underneath.

John Swinney

A handwritten signature in black ink, appearing to read 'Cllr Harry McGuigan', with a long horizontal flourish underneath.

Cllr Harry McGuigan

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EXECUTIVE SUMMARY

Introduction

1. During a period of rising employment levels, Workforce Plus (2006) had a particular focus on helping those most disadvantaged in the labour market. The Framework recognised the disconnected nature of much of Scotland's employment services at that time and set out the importance of greater alignment of those services at a local level backed by leadership and support at a national level.
2. While significant progress has been made since 2006, the context for employability in Scotland has radically changed. Key factors include:
 - the difficult economic conditions;
 - ongoing changes to the UK Welfare system;
 - the reform of public services as envisaged by the Christie report; and
 - the package of measures being introduced through Post-16 Reform of Education and Skills.
3. In an environment of slow economic growth and higher levels of unemployment, we now consider what more can be done to support those out of work within the wider context of Scotland's economic recovery.

The Way Ahead: Strategy and Effective Leadership

4. For success in helping clients, we must first of all be clear on our shared strategic priorities. In particular:
 - the importance of stimulating economic recovery through bringing the employability and economic development agendas closer together
 - the continuing social and economic value of a skilled, educated and creative workforce
5. To ensure that these priorities are properly addressed, we will take a range of actions to promote effective leadership in employability. At the national level, this includes refreshing the membership and remit of the Scottish Employability Forum and working more closely with the Strategic Forum and Economy Board. We will also continue to support the development of the National Delivery Group and Third Sector Employability Forum.

Greater Integration and Partnership Working

6. At its core, Workforce Plus is about effective partnership working and this continues to be a guiding principle. Firstly, at the national level, it is essential that we continue to work to ensure an effective fit between the range of employability services funded at the Scottish level and those funded by the UK Government through the Department for Work and Pensions (DWP). This includes liaison with the Work Programme providers for Scotland.

7. Next, we aim to encourage the further alignment of employability and skills services for the benefit of both individuals and employers. For those seeking work, we identify a range of actions for local employability partnerships to consider, such as improving data-sharing and seeking opportunities for the co-location of services.
8. For employers meanwhile, a new online and contact centre service – Our Skillsforce – will provide easy access to national, regional and local information on recruitment, training and workforce development. This can and should be complemented wherever possible by the development of collaborative ‘employer offers’ at a local level.
9. We further recommend that partnerships strengthen their involvement in economic development by (a) exploring opportunities locally to align with this agenda more closely and (b) considering where cross-boundary working with other partnerships can serve to better reflect the realities of travel to work areas and the recruitment practices of employers.
10. Finally, we make suggestions for the strengthening of local partnerships through appropriate engagement with colleges and the third and private sectors.

Towards Prevention – Tackling Inequality

11. Overcoming barriers to work remains at the heart of employability. First and foremost, we consider that person-centred delivery is essential for success and explore ways to enhance this at the national and local levels.
12. From age and gender to skills, physical ability, and addiction, the factors that help or hinder one’s chances of employment can take a great many forms. With the help of our partners we are taking a range of actions to help individuals effectively address these factors and ultimately progress into sustained employment.

Improving Performance

13. To improve performance we must first of all be motivated to learn from each other. This was one key reason behind the establishment of the Employability and Tackling Poverty Learning Network, which we look to enhance and make greater use of going forward. We are also keen to encourage deeper levels of continuous improvement informed by national and international examples.
14. As a Government, we are committed to exploring and promoting ways in which better outcomes can be achieved for all against a backdrop of reduced public finance. Some of these ways include: the promotion of joint employability outcomes within Single Outcome Agreements (SOAs); the review of strategic skills pipelines; making our national training offer work better; better use of procurement to secure community benefit; enhanced funding arrangements; and the exploration of different delivery models with the third sector.

INTRODUCTION

In June 2006, the then Scottish Executive launched [Workforce Plus: An Employability Framework for Scotland](#). Although employment was rising, a significant number of people - particularly those on health related benefits - were out of work and struggling to find and sustain employment. The aim of Workforce Plus was to help those most disadvantaged in the labour market through improved, more tailored employment support. The Framework recognised the disconnected nature of much of Scotland's employment services at that time and set out the importance of greater alignment of those services at a local level backed by leadership and support at a national level. Working initially in seven key areas with the highest rates of unemployment, local employability partnerships (which in some instances were already in place) developed three year plans to support people, particularly those most disadvantaged in the labour market, into work.

The Scottish Government believes that the basic principle of pursuing a national strategy supporting local employability partnerships remains sound. However, we also recognise that the Framework was published at a time when there was an assumption of continued growth in employment at a Scottish, UK and European level. This assumption has proven false and it is in an environment of slow economic growth and higher levels of unemployment that we now consider what more can be done to support those out of work within the wider context of Scotland's economic recovery.

In updating Scotland's Employability Framework, we have taken account of both the [Christie Commission on the Future Delivery of Public Services](#) in Scotland and this Government's subsequent response. The 4 key pillars set out in [Renewing Scotland's Public Services](#) - Prevention; Integrated Local Services; Workforce and Leadership; and Improving Performance - have guided our many discussions with those who have contributed their views and expertise in the preparation of this document. We have also taken account of emerging evidence from the Scottish Parliament Finance Committee's ongoing inquiry into employability.

Workforce Plus achievements since 2006

It is important to recognise the significant progress made since 2006, resulting in a much higher profile for employability at a Scottish level. In particular, the formation of employability partnerships in all 32 local authority areas, from the seven key areas initially targeted, has raised its importance within Community Planning Partnerships and the Single Outcome Agreements against which they report. There is also a recognition that employability can support broader social outcomes, with health and other local services now also included in partnerships.

Other significant milestones since 2006 include:

- The establishment of **national stakeholder groups** to drive forward this agenda. These include: the Scottish Employability Forum (SEF), to offer national leadership; the National Delivery Group (NDG), to drive improved performance; and the Third Sector Employability Forum (TSEF) to offer a collective voice to the many third sector organisations delivering employability services in Scotland.

- The development of an **Employability and Tackling Poverty Learning Network (ETPLN)**. Supported by a range of resources including a dedicated website¹, a monthly e-bulletin and social media, the ETPLN gives practical help to local partnerships, and wider community planning partners, to improve the way they work to increase the employability and income levels of the most disadvantaged.
- **Effective partnership level client tracking systems**. The ability to track clients through services and to follow their progression towards and into work is a key element of joined up and effective local provision. A number of local partnerships now have tracking systems and require their use by those they fund to deliver. The systems enable performance monitoring, as well as helping partnerships to plan, develop and align the range of services they offer.
- **The Strategic Skills Pipeline**. A key element of Workforce Plus was the recognition that people enter the labour market at different stages along a 'pipeline' and that this should inform policy direction and operational delivery. What has now emerged as the Strategic Skills Pipeline (See **Annex A** for a representation of this) is seen as underpinning employability and skills policy and delivery. It enables all of those who plan and develop services at a national or local level to determine where duplication and gaps exist, to address those against an easily understood common definition and to ensure that at each stage clients are progressing toward sustained employment.

The context for a different approach

i. The impact of the economic downturn

It is important to recognise how the Scottish economy, particularly the labour market, has changed since 2006. At that time, the economy was strong and the labour market was performing well with historically high employment rates. In 2006 the employment rate was the highest it had been for a generation at 73.6 per cent. The unemployment rate was also relatively low at 5.8 per cent and economic inactivity stood at 22 per cent of the working population, the majority of which was accounted for by students, the retired, the long term sick or carers. Although there were ongoing systemic challenges, such as the significant level of young people aged 16-19 not in education, employment or training, overall the situation was positive.

By 2012 this has changed markedly. Employment rates are lower than in 2006 and unemployment is significantly higher. The most recent data available, from 2011, showed that the overall employment rate was 70.7 per cent and the unemployment rate 8 per cent. At 23 per cent, economic inactivity has changed little since 2006.

The scale of the deterioration is particularly apparent when looking at how the situation has changed for young people, who have been hit hardest by the recession. In 2006 the employment rate for those aged 16 to 24 was 63 per cent. By 2011 this had dropped to 54.6 per cent, a drop of nearly 10 percentage points. However, it should be noted that a fair proportion of young people not in employment have entered full-time education, perhaps partly as a result of their failure to find

¹ Go to: <http://www.employabilityinscotland.com>

employment. From January to March 2012, 27 per cent of 16 to 24 year olds who were seeking work were also in full-time education.

Global economic conditions remain challenging, with Scotland not immune to these pressures. The recovery that began in late 2009 remains fragile and the IMF has recently revised down forecasts for global output to 3.5 per cent in 2012 and 3.9 per cent in 2013. The revisions have been especially significant for the UK economy, which is now expected to grow by just 0.2 per cent in 2012, well below the forecast of 2.3 per cent from when the refreshed Government Economic Strategy (GES) was published in September 2011. Given that employment growth tends to lag growth in output this means that we are likely to face a challenging labour market situation for some time.

ii. Welfare reform

The UK Government is currently implementing sweeping reforms to the welfare system which affect both income levels and benefit conditions for those who are out of work. As a result, more people are being required to either seek work or to undertake some form of work-related activity as a condition of receiving benefit. In the longer term, the introduction of Universal Credit aims to ensure that more people are better off in work than receiving out of work benefits.

The Scottish Government agrees that the benefits system should be simpler and that people should be financially better off in work. However, we remain concerned that the changes and cuts will impact on some of the poorest and most vulnerable people in Scotland. It is essential to provide the right level of tailored support for those who have been economically inactive for a number of years and who will require intensive help over a period of time to enter and sustain employment. We will therefore work closely with the DWP and local partnerships to ensure that employability services are able to continue to work effectively within the context of these reforms.

iii. Christie

The Christie Commission on the Future Delivery of Public Services notes (p.62):

“In the post-devolution era of buoyant public expenditure, many of the design shortcomings of public services - for example: complexity, duplication and weak accountability for outcomes - were manageable. To a large extent, they were masked by rising inputs and the willingness of staff to work around system imperfections...In this new and more challenging environment, it is essential that maximum value is wrought from every pound of public money spent in Scotland and, furthermore, that the public can be assured that this is so”.

As noted, this Refresh is shaped around the response to the Christie commission report, which identified four key objectives for a programme of public service reform. Their aim is to ensure that:

- public services are built around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience;
- public service organisations work together effectively to achieve outcomes;

- public service organisations prioritise prevention, reducing inequalities and promoting equality; and
- all public services constantly seek to improve performance and reduce costs.

It is our view that all strategic decisions on employability should from now on take account of these objectives. We will work closely with national and local partners to ensure that they do.

iv. Reform of Post 16 Education – Putting Learners at the Centre

In September last year the Scottish Government launched [Putting Learners at the Centre](#), setting out its proposals for developing a post 16 education system which is more aligned to the needs of both learners and employers. The aim of these reforms is to improve the life chances of individuals by supporting their progression through education into work while also ensuring that our systems support our ambitions for jobs and growth.

Over the last year we have made inroads into realising these objectives by starting a significant process of college reform. The launch of ‘Opportunities for All’, guaranteeing the offer of a place in education or training to all 16-19 year olds who need one, has also been an important marker of our progress and we have developed our existing training options through, for example, the introduction of higher level professional and technical apprenticeships. Looking forward, the next year will see us take measures to:

- improve the mechanisms for employers to influence the post-16 system;
- align provision more closely to the needs of growth areas within the economy; and
- better align pre-employment support with the needs of clients and the current and emerging demands of local and regional labour markets.

Strategic implications for employability services going forward

The economic challenges outlined above, alongside major constraints on public spend across Scotland and the UK, mean that it is now more important than ever to improve employment outcomes in relation to the resources invested. In the current economic conditions, many of those who already struggle in the labour market are being further displaced by those who perhaps have more recent work experience or higher skill levels and are therefore more attractive to employers. Action needs to be taken to prevent the creation of a new generation of long-term unemployed who may never find or sustain work.

CHAPTER 1 The Way Ahead: Strategy and Effective Leadership

This section examines the key strategic themes for the development of employability policy in Scotland and identifies the agencies and forums that will drive developments in the field.

We will:

- **ensure through the Strategic Forum that activities at a national level to support the unemployed into work align with the efforts of Government agencies to increase economic growth;**
- **work through the Economy Board to achieve more strategic integration of employability and economic development policy and delivery;**
- **develop the Scottish Employability Forum to provide senior political leadership on employability priorities across all levels of government; and**
- **continue to support the National Delivery Group and Third Sector Employability Forum to build delivery capacity and drive forward the employability agenda.**

1. Key Strategic Priorities

For success in helping individuals, we must first of all be clear on our shared strategic priorities. These priorities, and our work to address them, are highlighted below:

i. Economic Development

We believe that stronger economic growth and job creation will be key to helping those affected by the downturn into work. The [Government Economic Strategy](#) (GES) gives clear priority to accelerating economic recovery, with a range of measures to tackle unemployment and promote employability. In refreshing our Employability Framework, we seek to emphasise and develop the premise that employability policy and investment across Scotland should have the twin purpose of supporting economic recovery and ensuring that those who struggle most in the labour market are not left further behind in the competition for jobs.

Delivering faster sustainable economic growth, particularly in relation to employment, presents a number of challenges for employability policy and delivery. This in turn demands strong political and strategic leadership at both the national and local levels. Ministers have been clear that the Government's strategy in relation to responding to increasing unemployment relies on:

- creating the right economic and business environment to encourage private sector job growth;
- an 'All Government' approach, considering where other public spending and activities connect and where there is potential to make a contribution through, for example, regeneration, procurement, and service delivery;
- ensuring individuals are equipped through the education and training system to move into the jobs that are created; and

- ensuring that all agencies working to support employers to recruit do so in a cohesive, efficient and effective manner.

As pressures on public funding increase, partnership working needs to be stronger than ever, with more effort to reduce the gap in employment outcomes between those furthest from the labour market and the rest of the working age population.

Our work to create an environment for economic growth seeks to support businesses in Scotland with growth potential, regardless of size. Within this it is crucial that we help smaller businesses to maximise their contribution in offering jobs and training to those facing particular barriers, such as young people. It is also important that larger businesses are supported to maximise their contribution through their own recruitment and through partnership with their supply chain. Finally, those seeking to start up their own business need access to the support and advice available at both a UK and devolved level to help them develop and implement their plans successfully.

We understand the frustrations expressed by businesses of all sizes in Scotland at the complexity of the employability and skills landscape and how this can make it difficult and time-consuming to access relevant support. In developing policy and processes, we must simplify the access to this system and make the offer one which fully meets their needs. In response to this, a key element of our partnership project on the Better Alignment of Scotland's Employability Services (BASES - see Chapter 2) focussed explicitly on simplifying and enhancing the public sector employer offer, as well as making it easier for smaller businesses to access.

Beyond the BASES project, we look to continue our work with key agencies such as the DWP, Skills Development Scotland (SDS), Business Gateway, local authorities and the enterprise agencies to maximise the integration of employability and economic development. In particular, we are conscious of the need to offer employers 'lighter' and more flexible options for contributing to employability. Ideas such as a light-touch mentoring scheme for young unemployed people could, for example, be appealing to many smaller or more hard-pressed employers at this time.

Our efforts to develop greater links between those driving economic development and employability services will be taken forward through the reformed Scottish Employability Forum (see discussion on p.13).

ii. Skills

A skilled, educated and creative workforce is essential to our goal of delivering faster sustainable economic growth with opportunities for all to flourish. Making more effective use of the skills of that workforce is likewise of fundamental importance to improving levels of productivity and achieving sustainable economic growth.

Improving the skills and qualifications of the Scottish workforce in the long-term requires both a flexible and responsive education system and an increased level of investment by employers in the skills of their workforce. It is also vital to productivity that workplaces provide encouragement, opportunity and support for workers to develop and use their skills effectively.

Increased productivity will result in more competitive and faster growing businesses in Scotland, creating more and higher quality employment. By the same token, highly skilled, highly productive, healthy workplaces enable people to perform at their best and lead to improved economic performance and employee well-being.

Through the creation of SDS in 2008, Scotland now has a national agency which focuses explicitly on the development of skills linked to current and future economic needs. As well as responding to increasing and changing demands for training opportunities, SDS has since its inception made significant progress in leading the modernisation of Scotland's careers services. The innovative web service My World of Work (<http://www.myworldofwork.co.uk>) represents one notable element of this.

Collaboration is increasingly important to ensuring the effectiveness of skills interventions and SDS has worked closely with the DWP in recent years to better align the delivery of skills and employment services in Scotland. Service Delivery Agreements with local authorities have also been introduced to ensure that the provision of pre-employment training programmes is as focussed as possible on the needs of local labour markets.

Skills Investment Plans

One of the areas in which SDS has played a key role, in partnership with the private, public and third sectors, is the development of Skills Investment Plans (SIPs). As clearly articulated statements of industry skills development needs, the plans should allow key agencies to play their part in the delivery of wider industry-led growth strategies. This in turn should help to attract new talent to key sectors, enhance workforce productivity and enable achievement of ambitious growth objectives. SIPs will be developed for all key growth sectors. Two – for Energy and Food and Drink - have already been launched.

2. Enhancing Leadership

Shared and unequivocal political leadership is critical to ensuring that those responsible for the delivery of employability services work together at the appropriate national and sub-national levels to align services, remove duplication and ultimately to deliver better outcomes for clients and employers alike. Below we describe how we will work with, and where appropriate reform, existing forums to make sure this kind of leadership is provided.

The Strategic Forum

Chaired by the Cabinet Secretary for Finance, Employment & Sustainable Growth, the Cabinet Secretary for Education & Lifelong Learning and the Minister for Enterprise, Energy & Tourism, the Strategic Forum brings together the key Scottish Government bodies which contribute to economic development. Its function is to promote more effective collaboration and alignment between those bodies and to enable Ministers to provide strategic direction in line with the GES.

We will work through the Strategic Forum to ensure that at a national strategic level the issue of employment is at the heart of collective efforts to grow the economy.

The Economy Board

Led by senior Scottish Government officials, the Economy Board provides strategic direction across all levels of government and the public sector on driving sustained economic growth. It will oversee the implementation of the GES through the delivery of a number of priority workstreams. Membership consists of senior Scottish Government officials, the Convention of Scottish Local Authorities (COSLA) and the chief executives of relevant agencies including SDS, STUC, the enterprise agencies, Visit Scotland and the Scottish Funding Council (SFC).

We will work through the Board to consider the development of joint strategic approaches to economic development and employability at a regional level.

The Scottish Employability Forum

Formed in 2009 to oversee approaches to increasing sustained employment for the people of Scotland through a focus on the participation, cohesion and solidarity targets, the Scottish Employability Forum (SEF) has, until now, been jointly chaired at official level by the Scottish Government and the DWP.

In order to drive change in policy and delivery at all levels, it has been agreed that the governance of this group should change. The aim is to provide stronger political leadership and a single forum where all parts of government can come together, with key stakeholders and delivery bodies, in order to address unemployment within the context of economic recovery. Jointly chaired by Scottish, UK and local government, the refreshed SEF will be pivotal in:-

- setting a national direction for employability services which takes account of economic development;
- overseeing implementation of the Government's employability and youth employment strategies;
- providing political leadership on the greater alignment of employability services and funding;
- setting a strategic direction on the targeting of funds to address need;
- ensuring employability services operate effectively within the context of welfare reforms; and
- monitoring the performance of, and providing clarity to, delivery agencies in areas of shared interest.

The National Delivery Group

The National Delivery Group (NDG) is a strong network of partnerships and delivery organisations who contribute significantly to the ongoing improvement of employability services in Scotland. Originally made up of the local partnerships, the DWP and SDS, it has developed in recent years to include other delivery organisations and their representatives. The Scottish Government is committed to continuing to support the NDG in its valuable work. As part of this, we will regularly review the group's membership to ensure that it can play an effective role in enhancing the joined-up delivery of employability services across Scotland.

The Third Sector Employability Forum

An estimated 400 third sector organisations are active across the employability agenda in Scotland. Recognising this, the Third Sector Employability Forum (TSEF) works to develop the capacity of the sector in relation to both policy development and the delivery of employability services funded by the Scottish and UK Governments and by local partnerships.

We will continue to work with the TSEF to:

- help establish an effective, collective voice for the third sector on employability issues;
- utilise the experience and expertise of the third sector in the development, design and delivery of services; and
- create an effective forum where the third sector and the Scottish Government can engage on emerging and existing policy.

CHAPTER 2 Greater Integration and Partnership Working

At its core, Workforce Plus is about effective partnership working, noting that:

‘Local partnerships are essential to deliver appropriate services at a local level. They have the expertise and knowledge of their own area and we recognise that one size will not fit all’ (p.2).²

This remains as true now as in 2006 and we recognise the significant progress that has been made in establishing and strengthening partnership working both locally and nationally since 2006. At the same time, we know that this is an ongoing challenge and that there are still many areas that need to be improved. This section therefore considers what more can be done to create a more effective and seamless service for individual clients and employers.

We will:

- **work with local authorities, Skills Development Scotland and the Department for Work and Pensions to implement the recommendations of the Better Alignment of Scotland’s Employability Services project for both individuals and employers;**
- **work with local employability partnerships to identify appropriate opportunities for cross-boundary/regional working linked to economic development; and**
- **promote the strengthening of partnerships through their appropriate engagement with colleges and the third and private sectors.**

1. Partnership with the UK Government and its Providers

With employment policy being reserved to Westminster, job search and support services are delivered in Scotland through the UK Government’s Department for Work and Pensions (DWP). As such, a strong and mutually supportive partnership between the DWP, the Scottish Government, Skills Development Scotland (SDS), local authorities and Community Planning Partnerships is essential to the successful delivery of effective employability services. The changes we intend to implement to the Scottish Employability Forum (see page 13) should further strengthen the partnership approach with the DWP at all levels.

Better Integration within Districts

The effective alignment of DWP funding and services with that of local partnerships is crucial and we continue to work at both the Scottish and local levels to achieve this. Changes enabling greater flexibility across DWP Districts offer the opportunity for the DWP to target its resources more effectively to meet local need. In particular, the District Managers’ Flexible Support Fund has been used effectively in its first year in a number of areas to add value to the local support for individuals. We welcome these changes, and hope that partnerships will continue to work together positively.

² See: <http://www.scotland.gov.uk/Publications/2006/06/12094904/0>

The Role of the Work Programme

Without doubt one of the biggest changes in UK Welfare to Work policy in recent years has been the introduction of the DWP's Work Programme in June 2011. Delivered in Scotland by two Prime Contractors, Ingeus UK Ltd and Working Links, this is the UK Government's flagship employment programme for the longer-term unemployed, i.e. anywhere between 3 and 12 months unemployed depending on age and benefit status.

Recognising both the scale and ambition of the Work Programme, the Scottish Government has been mindful from the start to ensure that the Prime Contractors for Scotland have a good understanding of the Scottish employability and skills landscape and vice versa. One of the ways we have addressed this is by giving the Prime Contractors representation on the National Delivery Group.

We have been clear that our own employability and skills provision is focussed on the period prior to the Work Programme. However, this still leaves a question over those individuals who, from June 2013, will start to leave the Work Programme without having gained a job. The DWP has been testing services to support these individuals. Local employability partnerships will also have to consider what support they can provide over and above anything funded by the DWP.

2. Better Alignment of Scotland's Employability Services (BASES)

As part of the reform to post 16 education and training, delivery partners involved in the Better Alignment of Scotland's Employability Services project have been working to develop proposals to enhance the experience for both individuals and for employers. This builds on previous work at a national level, between the DWP and SDS, to better integrate employability and skills services in Scotland. Scottish Ministers have been clear that only the devolution of employment services to Scotland will enable a fully aligned and integrated service to be realised. In the meantime, BASES represents a step towards the achievement of that vision.

BASES for those seeking work

It is essential that customers can quickly and easily access services which effectively meet their needs. To make sure this happens, Community Planning/Local Employability Partnerships should:

- have a **strategy to address local employability needs**. As part of the strategy the Community Planning/Local Employability Partnership should have a responsibility to analyse the existing local customer offer (mapped against the strategic skills pipeline), identify gaps (or duplications) in provision, and identify which agencies should commission, decommission, or deliver services to address these;
- pro-actively support **data sharing** between partners, to help provide a seamless service to customers. Data drawn from partner sources can make a difference in planning, commissioning and targeting services and evaluating the difference employment programmes and services have made to outcomes for clients;

- ensure that there are robust systems and processes in place for **effective assessment and referral** of individuals. These should be common to the local area to allow assessment by one partner to be shared and progressed by other partners to ensure a seamless journey;
- seek opportunities for **co-location of services**. Experience shows that co-location is beneficial in supporting individuals, and can speed up an individual's journey towards work. The most effective services are those designed with a 'no wrong door' approach, so they are accessible via a wide range of sources; and
- continue to foster a **partnership approach** to the planning and delivery of services. Developing relationships between staff in all delivery organisations operating within a local area encourages regular informal information sharing. Services are strongest when the front-line workers within an area have a clear understanding of their respective roles and are thus able to wrap services around clients.

BASES for employers

As with services for individuals, there is also a diverse range of support available across Scotland to support employers. Whilst the existing breadth of support is certainly welcome, we recognise it can frequently result in confusion and frustration amongst those seeking to expand and develop their workforce. Conversely, we hope that by simplifying access to the right kinds of information and support we can not only strengthen our service to employers but make it easier for them, where they wish, to fulfil a wider social role.

'Our Skillsforce' is a new online and contact centre service which will provide information on national, regional and local services related to recruitment, training and workforce development. Hosted by SDS, the website will act as a portal to other sites, signposting complementary services. Local employability partnerships will have a presence on the site, allowing the diversity of services available to be communicated more effectively. We are hopeful that the facility will act as a platform for improving our overall service to employers and look forward to feedback on how it can be further enhanced.

Complementing this, we would further encourage all local employability partnerships to develop and articulate their own **collaborative offer to employers**, pulling together both national and local elements of support. As demonstrated by existing examples in Scotland, such an offer might include support and advice on, for example, recruitment, training, kite marks and charters, and the promotion of healthy working lives. As in Midlothian (see case study on p.18), it could even include the provision of joint HR services for businesses lacking capacity in that area.

While some partnerships in Scotland already have, or are developing, collaborative employer offers along these lines, we believe there is scope for further development in this area. The contacts and expertise of local Chambers of Commerce and other employer organisations operating locally could be especially helpful to partnerships in that respect.

Case Study: Skills for Midlothian Businesses

The Skills for Midlothian Businesses (SFMB) initiative is designed to help companies to up-skill employees in a cost-effective way and to provide free Human Resources advice and guidance. Partially funded by European Structural Funds, the purpose of the project is to support small to medium sized organisations in being competitive and profitable through staff development and by assisting with practical Human Resources support.

The project was inspired by an understanding that since SME business owners and managers need to focus on achieving bottom line results they often find it difficult to devote time and resources to forming effective personnel practices, including the development of their staff. In marketing its free HR service, SFMB is also able to highlight to employers the business case for up-skilling their staff and the range of support that is available for recruitment and workforce development.

3. Better Partnership Working at the Local Level

i. Promoting economic development

As part of a major restructure of the roles of Scottish Enterprise and Highlands & Islands Enterprise, local authorities took over responsibility for local economic development in 2007. In November 2011, an Audit Scotland report on [The Role of Community Planning Partnerships in Economic Development](#) noted that:-

'Economic development covers a wide range of activities from local training initiatives to major investment. CPPs have an important role in planning and co-ordinating improvements to local economies. Other aspects of economic development are better planned at a national or regional level. This means a more joined up approach is needed to deliver the Scottish Government's overall purpose of achieving sustainable economic growth' (p.4).

As part of the Community Planning Partnership structure, the local level of responsibility for economic development presents a huge opportunity to better integrate employment and economic development services. Indeed, employability often already sits within the economic development function of local authorities, potentially making it much easier for partnerships to connect their clients with new and ongoing job opportunities in the local area. We would encourage all partnerships to review their links to economic development services locally and to explore opportunities for greater alignment.

At the same time, it is important to consider how the horizons of those moving through the journey toward and into work broaden as they do so. For example young people furthest from the labour market often remain in very narrowly defined geographic areas where job opportunities are severely restricted. As they successfully engage in post-16 education and training they may begin to move beyond these areas and, by the time they move into employment, they may be working in a different local authority area altogether.

Just as those seeking work often widen their search beyond local authority boundaries, employers do not specifically think at local authority level when recruiting. Large organisations in particular will operate and recruit from across a sometimes sizeable travel to work area.

The development of employability services and its alignment with economic development needs to take account of these patterns. In the drive for greater efficiency within and between CPPs a number of examples of cross-boundary working already exist. We are keen to work with partnerships to develop increased levels of cross-boundary working where it is appropriate and in particular to encourage regional level work to support economic development.

ii. **Strengthening Local Partnerships**

The constitution of local employability partnerships varies across Scotland. It is for each partnership to agree which strategic partners they need to achieve the best positive outcomes for the unemployed and employers in their area. However, in developing and strengthening local partnerships to reflect their role for both employers and the unemployed, the following groups should be considered for increased levels of strategic involvement:

- While **employers** are key to achieving successful job outcomes, private sector engagement with local partnerships is patchy. Where they are involved, they can offer an invaluable insight into the challenges employers are facing in the current economic climate. They can also potentially contribute to partnerships' efforts to connect their customers with new and hidden vacancies in the surrounding area. Business representative organisations such as Chambers of Commerce are key members of some partnerships and may, in other respects, offer a useful bridge between employability and the private sector.
- **College regionalisation** presents a major opportunity for a more integrated and responsive skills delivery system in Scotland. In particular, the requirement for college regions to develop regional outcome agreements linked to local economic and labour market needs suggests that local partnerships may benefit from working collectively to influence decisions on college provision in their areas. As college provision covers every stage of the Strategic Skills Pipeline, opportunities for more of those supported by partnerships to access and benefit from college provision should be sought wherever possible.
- We believe the **third sector** can offer unique added value as a result of its capacity for innovation and ability to engage with communities that traditional public service providers can sometimes find hard to reach. Through the local Third Sector Interface the connection between the third sector, local authorities and CPPs is being improved to help ensure that Single Outcome Agreements are delivered in the most effective way.

CHAPTER 3 Towards Prevention – Tackling Inequality

When Workforce Plus was launched in 2006, its key purpose was to support those most disadvantaged in the labour market into work. Alongside [More Choices, More Chances](#), the strategy published at the same time to reduce the proportion of young people not in education, employment or training, the document was clear that some individuals struggle to find and keep work regardless of how well the labour market is performing. In times of economic downturn, these people can be pushed further away as employers choose from a larger, more experienced and better skilled pool of unemployed people.

The need to support those who struggle has not diminished and the improved structural and partnership recommendations made earlier in this document should support this priority. However, we recognise that the barriers people face can be multiple, complex and difficult to overcome. This section considers some of the main factors in a person's employability and sets out the work we will do to ensure that everyone seeking work is able to access the appropriate support for them.

We will:

- **work with the Poverty Alliance and other stakeholders to put in place an effective system of service user engagement at a Scottish level;**
- **implement our Youth Employment Strategy taking an all-Government, all-Scotland approach;**
- **develop and implement an action plan from the recommendations made at the Women's Employment Summit;**
- **support the commitment in the [Mental Health Strategy for Scotland: 2012-2015](#) to publish a guidance document for Individual Placement and Support which sets out the evidence base, identifies practice that is already in place and working, and develops data and monitoring systems;**
- **consider with local partnerships how best to further promote supported employment services for disabled people and integrate supported employment with mainstream employability services in each area;**
- **pilot and evaluate the Professional Development Award in Supported Employment;**
- **complete a review of Scotland's supported businesses to share good business practice and help ensure future sustainability;**
- **work alongside the Reducing Reoffending Throughcare and Services Project to ensure that employability services at a national and local level are part of an integrated model of support for people exiting the Justice system; and**
- **support the development of a Scottish Prison Service employability strategy which will aim to align employability support in prisons with those in communities.**

1. Person-centred Delivery

The emphasis on improving outcomes and achieving greater value for money does not diminish the need to improve the value of provision for the customer. On the contrary, all the evidence suggests that person-centred delivery is fundamental to ensuring that our investments of time, money and energy do not go to waste.

One useful way to start thinking about this is represented by the assets-based approach. In simple terms, this is about enabling people to take control of key decisions which affect them and to draw on their own strengths, resources and networks in the community. As such, it clearly complements Christie's assertion on the need to build around the needs of people and communities. For those interested in finding out more, the Annual Report of the Chief Medical Officer 2010³ offers a useful introduction to the subject.

Meanwhile, national and international best practice can offer us further help and inspiration in bringing customer perspectives to life. The Dutch Client Councils model (see Case Study below) offers just one tangible example of what can be achieved.

Case Study: Client Councils in the Netherlands

In the Netherlands it is written in law that there should be a National Client Council on employment services and that there should be a local equivalent to this in every municipality, i.e. local authority area. These councils advise on everything from policy to the effectiveness and utility of new or proposed services.

Though they vary in their precise makeup, evidence suggests that the most effective councils generally feature a mix of individual customers and people from customer representing groups. This helps to ensure both continuity and an effective mix of skills and experience. Besides helping to improve service delivery, experience suggests that involvement in Client Councils can also be an effective way of increasing the confidence and skills of individual participants.

More details can be found on the the Employability in Scotland website:
<http://www.employabilityinScotland.com/employability/policy/international-perspectives>

We would be interested to work with local partnerships on the introduction of this or any other models of client engagement that they consider appropriate. We are also interested to improve client engagement at the national level. In developing this document, a short life working group of service users was established with the help of the Poverty Alliance, acting on behalf of the Tackling Poverty Stakeholder Forum. As the perspective offered on a broad range of provision was particularly helpful, we now intend to explore with the Poverty Alliance and other stakeholders how we can engage more regularly with service users in future.

³ See Chapter 5: <http://www.scotland.gov.uk/Publications/2011/12/14120931/6>

2. Key Barriers and Enablers

From age and gender to skills, physical ability, and addiction, the factors that help or hinder one's chances of employment can take a great many forms. With the help of our partners we are taking a range of actions to help individuals effectively address these factors and ultimately progress into sustained employment.

i. Age as a barrier

There is no question that people of all backgrounds have been affected by the economic downturn. However, some have clearly been affected more than others.

In appointing a Minister for Youth Employment, the Scottish Government has recognised the severity of impact it has had on young people in particular. Our Youth Employment Strategy [Action for Jobs](#) sets out short, medium and long term actions to help young Scots into work, including the allocation of an additional £30m over the three years to 2014/15.

Enabling young people to stay in learning beyond compulsory education is the best means of improving their long term employability. Opportunities for All is a key pillar of this and builds on progress made through improved post-16 transitions as part of Curriculum for Excellence. Opportunities for All will guarantee an offer of a place in learning or training to every 16-19 year old who is not already in employment, education or training. It supports those at risk of disengaging and will reengage all young people appropriately in learning or training until their 20th birthday.

The Scottish Government is supporting locally led multi-agency partnerships to provide the most suitable interventions to help young people progress towards and into work. This brings together the efforts of national and local government and agencies to enable individual young people to access the services they need.

ii. Gender

While Scotland's female employment rate is the highest of all UK countries at 67.3 per cent (Labour Force Survey ONS May-July 2012), there still remains significant divergence between the labour market outcomes of men and women in Scotland. Over the year, female employment has decreased in Scotland while the rate for men has increased slightly to 75.6 per cent. Women are much more likely to be economically inactive. However, men are more likely to be unemployed.

On 12th September this year the Scottish Government, working in partnership with the STUC, held a Women's Employment Summit to raise awareness of the difficulties women experience in the labour market and to identify a range of actions to help overcome them. Attendees at the Summit considered the short term problems resulting from economic downturn, but also discussed the longer term challenges women face, for example, as a result of childcare responsibilities, occupational segregation, the pay gap and other workplace issues. Recommendations from the Summit will be developed into an action plan and implemented wherever possible.

iii. Childcare

Early learning and childcare have a vital role in supporting the development and wellbeing of children, in allowing parents to work in order to provide economic security for their families, and, in cases of workless families, in offering routes out of welfare and poverty. In order to fully reap these benefits, children and their parents must have access to early learning and childcare which is high quality, affordable and delivered in a flexible way to facilitate work, training and work-life balance.

That is why we are taking action to increase the available level of funded early learning and childcare provision. A major step towards this will be the introduction, from 2014, of an expansion of the current entitlement to 475 hours per annum of pre-school education to a minimum of 600 hours per annum of early learning and childcare for 3 and 4 year olds, and 2 year olds who are looked after. This will be enshrined within the 2013 Children and Young People Bill. As well as increasing the hours of free provision, this legislation will require local authorities to offer a range of uptake options to parents, and to consult with them regarding their needs.

There is also work underway to develop family support and family centres, as well as Public-Social Partnerships (PSPs), which will pilot early learning and childcare services in areas of particular or unmet need, such as: parents on low income or in poverty; parents who work shifts; out of school care; and rurality issues.

Work following the Women's Employment Summit (see p.22) will help to determine what further steps may be needed to develop childcare support in Scotland.

iv. Health Conditions

Workforce Plus recognises that the right work can be good for an individual's health and that often, the first discussions regarding a return to work will take place with their healthcare provider. Local health boards are already members of employability partnerships and since 2006 many healthcare workers, particularly those in Primary Care, have received employability training to help them understand how to refer their patients for support to get into work.

Employers too may need support when recruiting staff who have health problems. Some partnerships routinely check their work against health outcomes. Where the partnerships have a local employer service in place, links to Healthy Working Lives would add value to this service. Some already include this and we would encourage all partnerships to do so as part of a broader exercise to consider the full range of available local services when developing a collaborative service for employers.

Mental Health

In August this year, the Scottish Government published its [Mental Health Strategy for Scotland: 2012-2015](#). The strategy references evidence of the benefits of supported employment for those with severe mental health problems and highlights the benefits of a 'place and train model'. Individual Placement and Support (IPS) is a well-established model of place and train and there are examples across Scotland of this working successfully.

The Strategy commits to building on previously published work on vocational rehabilitation and to prepare and publish a guidance document which sets out the evidence base, identifies practice that is already in place and working, and develops data and monitoring systems. It further notes that change will require redesign both within health systems and the wider employability system to refocus practice on more effective approaches and to realise mental health care savings.

We will work proactively with local partnerships to support the production of this guidance and its promotion across health and employability services in Scotland.

v. Disability

Although employment rates for disabled people have risen in recent years, they remain significantly lower than for non-disabled people. In light of this, activity to promote the recruitment and retention of disabled workers in public bodies needs to continue and be supplemented by work to raise awareness more generally of the benefits of a diverse workforce. We also need to work with delivery partners to improve the quality, variety and availability of support for disabled people to enter and remain in the workforce.

Working with the UK Government

We remain committed to the view that disabled people should be assisted wherever possible to work in mainstream employment. As such, we welcome the UK Government's decision to ring-fence employment funding for disabled people and to use the savings to increase the budget for Access To Work. At the same time, we are concerned by recent statistics showing a reduction in the number of people accessing the fund and are keen to support DWP efforts to address this trend. For example, the fund could be promoted more to SMEs through Business Gateway and others or to young disabled people through bodies like SDS.

Supported employment and the challenge to local partnerships

In 2010, the Scottish Government published [A Working Life for all Disabled People: The Supported Employment Framework for Scotland](#), which set out our commitment to a more consistent, person-centred approach to supporting those who want to work. Supported employment is a general term for place and train models (see mental health, p.23) whereby people learn on a job with support from colleagues and a job coach. The Framework lists the actions to be undertaken to raise awareness of the model and enable more people in Scotland to take advantage of this type of support.

While the majority of these recommendations have been implemented, it is clear that more work is needed to see supported employment delivered as an integral part of locally funded employment services. We need now to consider, alongside employability partnerships, how supported employment can become a more integrated element of the local menu of services for those seeking work. More generally, we look to employability partnerships to increasingly work with bodies representing and supporting disabled people as they seek continuously to enhance their support for both individuals and employers.

Professional Development Award for employment support workers

A key enabler for building capacity and achieving a more consistent approach to supported employment services in Scotland is the development of its workforce. In the Supported Employment Framework, the Scottish Government committed to the development of a Professional Development Award (PDA), with the aspiration that all existing Employment Support Workers should be encouraged and given the opportunity to complete and gain accreditation within three years of its development. We also hope that new Employment Support Workers will be required to work towards accreditation or demonstrate relevant experience or alternative qualifications.

The PDA has now been developed by a qualifications development team in consultation with the Scottish Union of Supported Employment, South Lanarkshire Council, the Scottish Government and the Scottish Qualifications Authority (SQA). In the coming academic year (2012-2013), we will pilot and evaluate delivery of the qualification in at least two colleges in Scotland.

Supported Businesses

While the Supported Employment Framework highlights the importance of helping disabled people into mainstream employment, we recognise that supported businesses can also play a valuable role either as an intermediate step or for those who feel unable to progress further. Supported Business is defined under Regulation 7 of the Public Contracts (Scotland) Regulations as a service where more than 50% of workers are disabled persons, who, by reason of the nature or severity of their disability, are unable to take up work in the open labour market.

Against a backdrop of the UK Government's planned withdrawal of funding to Remploy, and cuts in other funding routes, the Scottish Government is undertaking a review of Scotland's supported businesses. The aim of the review is to identify challenges and opportunities and to make recommendations on future practice and business models that will enable supported businesses to achieve greater sustainability. The review will complete in the Spring of 2013.

vii. Ethnicity

People of Black and Minority Ethnic (BME) background also tend to have much lower employment rates than the general population. According to the latest statistics, the BME employment rate in Scotland is 58.3 per cent compared to 71.4 per cent for the White ethnic group (Source: Annual Population Survey 2010).

At under 4 per cent of the population, the proportion of BME people in Scotland is relatively low. However, we recognise that higher concentrations exist in certain parts of the country, particularly our major cities. In those areas in particular, we expect local partnerships to continue to consider the need for specific research-based interventions and to regularly review the effectiveness of their approaches. Good practice is available to help with this on the Employability in Scotland website⁴.

⁴ See: <http://www.employabilityinscotland.com/toolkits/client-assessment/working-with-ethnic-minority-clients>

viii. English for Speakers of Other Languages (ESOL)

In 2007, the [Adult ESOL Strategy for Scotland](#) recognised “the vital contribution which New Scots and settled minority ethnic communities make to our society and in the Scottish labour market” (page 4). National resources such as the ESOL Curriculum Framework⁵ have subsequently been developed which encourage providers and practitioners of ESOL to consider the motivations for English language learning including employability. Continuous engagement with the field ensures that this resource is embedded in practice and that provision is centred on learning goals such as employability.

Employability remains a key focus in the learning and teaching of ESOL in Scotland and requires strong partnership working between ESOL providers, training providers, employability services and employers. Effective practice in this area is highlighted and promoted through practitioner networks and the national website for ESOL – <http://www.esolscotland.com>. More work still needs to be done in this area and the possibility of setting up a national advisory group to focus on ESOL and employability is being considered.

ix. Employability Support to Reduce Reoffending

Moving from the justice system into quality, sustained employment can be a profound challenge for many. With a range of partners we aim to make that transition easier and thus help reduce the chances of reoffending.

The Reducing Reoffending Programme

Since it was established in 2008, the Reducing Reoffending Programme (RRP) has been one of the Scottish Government’s major change initiatives in the Justice sector. It has delivered a range of cross-organisational projects aimed at reducing rates of reoffending, and so reducing levels of crime and victimisation, and reducing the resultant costs to society and the economy. The Reducing Reoffending Programme recognises that an individual’s ability to get and retain employment can be a significant contributing factor in reducing their risk of re-offending.

The second phase of RRP (RRP2) will run from 2012 to 2015, and is undertaking a number of initiatives which will focus on ensuring that there are effective and efficient adult community justice services in place across Scotland. In particular, the RRP2 Throughcare and Services project will be examining the effectiveness of various forms of support and guidance available to offenders as they complete custodial and community sentences.

Earlier this year, an event for employability partnerships highlighted the work already being done by local partnerships to help ex-offenders into work. Building on this event and RRP2, we will work to ensure that employability services at a national and local level are part of an integrated model of support for offenders⁶.

⁵ Go to: <http://www.educationscotland.gov.uk/esolcurriculumframework>

⁶ See good practice guide at: <http://www.employabilityinscotland.com/key-themes/key-clients/offenders>

The Scottish Prison Service

The Scottish Prison Service (SPS) continues to develop its employability and learning strategy in a way that maximises the scope for partnership working and, importantly, helps offenders develop employability skills. In particular, the service is working closely with the Scottish Government, Skills Development Scotland, the Department for Work and Pensions, third sector agencies and its contracted learning providers to progress a range of key strategic aims. These include:

- strengthening strategic partnerships to promote key Scottish and UK Government objectives;
- ensuring that employment, education and training continue to be considered as key features of an individual's case management considerations;
- increasing the number of prisoners undertaking purposeful activity and work during their custodial sentence;
- strengthening links to employer organisations and increasing the number of prisoners gaining work experience placements prior to release; and
- developing a comprehensive package of wider ranging and accredited employability skills including life skills and communications that will have external currency with employers and training organisations.

We are committed to supporting SPS in this work, and in particular the efforts to strengthen links with employers, who are crucial to successful job outcomes for those with a criminal record.

The Role of Community Justice Authorities

The Scottish Government currently allocates over £100m each year to support community justice activities via a network of eight Community Justice Authorities (CJAs). Action to address the employability of ex-offenders is one aspect of a broad range of factors that CJAs will take into account when considering how best to respond to the community's overall needs.

x. Drugs and alcohol

As a Government, our focus is on ensuring that people with drug and alcohol problems are able to access the right services at the right time in order to facilitate their journey towards sustained recovery, self sufficiency and employment. For this reason we have been working, and will continue to work, with the DWP in Scotland and local Alcohol and Drug Partnerships (ADPs) to ensure that people seeking help with drug or alcohol problems are always able to receive swift referrals that are appropriate to their needs.

In addition to simplifying referral routes for these clients and ensuring that staff are educated and confident in dealing with issues of addiction and recovery, we consider that strong relationships between the relevant staff of the DWP and local addiction services is vital. Crucially, in line with our commitment to person-centred care, the clients should at all times play a central role in the planning of their own treatment and support.

At a local level, it is clearly vital that local partnerships continue to give full consideration to the varying needs of people with drug and alcohol problems within their pipelines of support. More broadly, we recognise the DWP's efforts to develop a tailored conditionality regime for such clients, taking account of individuals' ability to comply with any work-related requirements. As we move towards the introduction of Universal Credit, we will continue to work with the DWP to ensure that people with drug and alcohol problems are treated with fairness and respect.

xi. Regeneration: support for disadvantaged areas

Where you live remains one of the strongest indicators for the ability or otherwise to find employment. The Scottish Government's national Regeneration Strategy [Achieving a Sustainable Future](#) sets out our vision for a Scotland where our most disadvantaged communities are supported and where all places are sustainable and promote well-being. The Strategy emphasises the need for regeneration to be delivered in an holistic way and sets out the outcomes and actions that are required to deliver economically, physically and socially sustainable communities.

Tackling worklessness and supporting job creation is a key part of our regeneration approach. We recognise that people need to have the right employment options available to their communities, as well as the right skills to be able access them. The right conditions also need to be in place to foster growth and investment through the private sector and social enterprise.

The Regeneration Strategy sets out a range of actions and interventions which offer support to communities in disadvantaged areas. This includes targeted support through capital spend, including the £50m SPRUCE fund, a £75m Capital Grant Fund and £26m to tackle vacant and derelict land. It also includes the £24m People and Communities Fund which is available to Community Anchor Organisations (such as Community Development Trusts) and funds employability and preventative action at a local level in accordance with local needs.

Local authorities and CPPs have an important role to play in delivering economic development and regeneration activity in a local context. Linking opportunity and need is an important part of this and we discuss the key role of Community Benefit Clauses later in Chapter 4.

xii. Skills

The 2010 Annual Population survey⁷ highlights the difference in work status between those with no, low, intermediate and degree level skills. Whereas 52 per cent of those with no qualifications were workless, this fell to 20 per cent for those with intermediate skills levels and 11 per cent for those with degrees. While other factors will inevitably have contributed to the high level of worklessness among those who have no qualifications – such individuals will often face a range of barriers to employment – it is clear that skills levels are increasingly important in moving into, staying in and progressing in work.

⁷ See: <http://www.scotland.gov.uk/Publications/2011/08/09172458/7>

Between 2004 and 2011 there have been changes in the skills levels of people employed in Scotland. There has been an increase in the number of people employed in both medium-high skill and high skill level occupations, particularly across the banking, finance and insurance sector and the public administration, education and healthcare sector. At the same time there has been a decrease in the number of people employed in medium-low skill level occupations, particularly in manufacturing and construction. As a result it appears that people require higher levels of skills to enter and progress in these sectors.

Literacies

The need for literacies support remains pressing for many adults in Scotland either seeking work or struggling to stay or progress in employment. As the Scottish Survey of Adult Literacies in Scotland 2009 reminded us, low literacies are often linked to poverty, poor health and low participation in society.

The Final Report and Recommendations of ALIS 2020 Working Group A: Literacies for Employability and the Workplace⁸ was published in February of this year. The report helpfully defined literacies for employability and the workplace as: 'the reading, writing, speaking, listening and numeracy capabilities needed to handle information, express ideas and opinions, make decisions and solve problems, in order to move towards, gain, keep or progress in paid or unpaid work.' It further made a series of recommendations around (a) improving employer and employee engagement; (b) raising awareness of, and access to, funding opportunities; and (c) supporting individuals who are furthest from the labour market.

As literacies needs can emerge at any point in the employability journey, we would encourage local partnerships to take full cognisance of the report in reviewing their pipelines of support.

The Certificate of Work Readiness

Skills Development Scotland's Certificate of Work Readiness at SCQF level 4 has been developed in response to the requests from Scottish employers and their industry leadership groups to have a national set of generic competencies that indicate that an individual is ready to join the workplace in an entry level job. The principal aims of the award are to enable young people to:

- Identify the skills, behaviours and personal attributes that employers seek in their employees
- Understand and **demonstrate** the responsibilities and demands of the employee in the workplace
- Understand and **demonstrate** the skills to interact with other employees and customers in the workplace
- Develop and **demonstrate** core skills in communication, numeracy, ICT, working with others and problem solving to a work ready standard
- Identify and reflect on their own strengths and experiences in relation to the world of work

⁸ Report published at: <http://www.employabilityinScotland.com/key-themes/skills/adult-literacies>

The product is currently being tested in five pilot areas across Scotland (Fife, North Lanarkshire, Glasgow, Highland and Borders/Midlothian) and will be fully evaluated in advance of decisions regarding roll-out.

National Training Programmes

The Scottish Government is confident that it will again meet its target to deliver over 46,500 training opportunities in 2012/13. This includes a minimum of:

- 25,000 Modern Apprenticeships (MAs);
- 14,500 training places to support the unemployed; and
- 7,000 Flexible Training places for small businesses.

There is increased demand for MAs from both individuals and employers. The Scottish Government has put in place support for another 25,000 apprenticeship opportunities for 2012/13 and in each remaining year of the parliament. This is the highest ever number of MA opportunities in Scotland.

The Adopt an Apprentice Initiative, launched in June 2009, offers employers a £2,000 incentive to employ a redundant apprentice. This is the only scheme of its kind in the UK. Since it began it has supported over 1,350 redundant apprentices in Scotland. In addition, in December 2011 we announced that we would support 1,000 of the most disadvantaged young people, including care leavers and young carers, to enter the labour market over the next three years. An Employer Recruitment Incentive of £1,500 is available to support this during 2012/13.

xiii. Volunteering – the value of experience

As testified by feedback from employers and unemployed people alike, having experience of the workplace is amongst the most critical factors in getting a job. More than ever during these difficult economic times, volunteering remains one of the best and easiest ways that such invaluable experience can be obtained.

In 2012/13 the Scottish Government is providing funding of £8m to the 32 Third Sector Interfaces across Scotland to deliver four key functions, one of which is the promotion and development of volunteering across Scotland. Interfaces can help to develop quality volunteering opportunities. They can also help organisations build their capacity to effectively involve volunteers.

The Scottish Government is also providing funding of £800k in 2012/13 to Volunteer Development Scotland (VDS) to develop, promote and enhance volunteering across Scotland. VDS's Volunteering Scotland Website⁹ is the national portal for volunteering and offers thousands of volunteering opportunities from small, local organisations to large scale international agencies.

Finally, the Voluntary Action Fund, on behalf of the Scottish Government, delivers grant funding (£1m) to local community grass-roots organisations to support and promote volunteering among a variety of groups, including young people.

⁹ See: <http://www.volunteerscotland.org.uk/>

CHAPTER 4 Improving Performance

Improving performance has never been more important. While budgets are in many places contracting, the expectation of helping customers into work has increased. This section therefore considers ways in which we can work, and already are working, to drive up performance in employability to the benefit of customers, funders and strategic partners alike.

We will:

- **as part of the CPP review, seek to test the development of joint employability outcome targets within Single Outcome Agreements;**
- **encourage every partnership to undertake a review of its Strategic Skills Pipeline to determine the level of value achieved against agreed outcomes and to ensure current provision covers all stages of the pipeline;**
- **continue to encourage national agencies to share up-to-date relevant performance information with local partnerships;**
- **continue work to develop an Employability Fund to move away from the funding of specific programmes of learning toward provision tailored to the needs of clients and local labour markets; and**
- **seek to make better use of European funding in support of employability and economic growth.**

1. Learning from Each Other

Compared to many countries, Scotland already has a strong infrastructure in place to address questions of employability. However, these advantages can only be realised in so far as we remain ‘teachable’ – willing to learn not just from each other but from the experiences, good and bad, of people outside of our accustomed realms. If we do not, the danger is that we just keep on recycling past approaches, without necessarily seeing any long-term improvement in performance.

This was the thinking behind the establishment of the Employability and Tackling Poverty Learning Network (see Introduction), which offers a range of media through which partnerships can share information about what works and what doesn’t and otherwise discuss and explore ways to improve performance at the national and local levels. Though relatively new, the network has already proven to be a valuable tool for partnerships seeking to respond to a wide range of pressures and demands. Building on this, we would be interested in feedback from partnerships and others on how the Learning Network can be further enhanced. We would also be interested to work with partnerships on other more in-depth ways of facilitating a culture of continuous improvement in the employability field.

One potential model for this is suggested by the Visitation process (see Case Study, p.32) introduced in recent years in Norway. This has proven to be very effective in reducing the isolation and pressure experienced by some local “Jobcentre” managers in that country. More importantly, it has become their preferred and established method for identifying practical ways in which their performance issues can be addressed.

Case Study: the Visitation process in Norway

Following a study visit to the Netherlands to learn from the success of that country in reducing benefit dependency, members of the Norwegian employment service (NAV) developed a process to enable the managers of their system to work through and solve a variety of strategic and practical issues as they emerged. This was inspired by a model that had been successfully used in the Netherlands for some years.

As subsequently implemented by the Norwegians, Visitation involves a group of peers (i.e. managers) from different areas meeting on a regular basis to work through a particular issue being faced by one host area. The process is entirely controlled by the host, who is free to accept or reject any advice received. When complete, the other areas get the opportunity to play host and thus receive the support of their peers.

The Visitation model has become indispensable to parts of the employment service in Norway. It is now being trialled in some other public services there as well.

On the basis that it could also be transferrable, with adaptations, to Scotland a detailed summary was prepared of the Visitation model, its advantages and how it had been implemented in Norway. This information is available on the Employability in Scotland website¹⁰. We would also be interested to facilitate direct engagement with Norway for any local partnerships who are interested in exploring the idea.

2. Finding Local Solutions

Local authorities, CPPs and local employability partnerships are and must remain at the heart of efforts to improve performance in employability. This reflects the fact that they are in the best position to know the needs of their customers and make the links that will enable them to find work. This section therefore looks at ways in which the effectiveness of local employability strategies can be enhanced.

Community Planning and Single Outcome agreements (SOAs)

A review of community planning partnerships and SOAs was carried out this year by the Scottish Government and CoSLA. Following this review, a [Statement of Ambition](#) was published on 15th March, with agreement that new SOAs would be put in place after the local government elections in May this year. Proposals for CPPs following this review include:

- a new statutory duty on individual partners to work together to improve outcomes for local communities through participation in community planning and the provision of resources to deliver SOAs;
- placing formal requirements on CPPs to ensure that collaboration is made as effective as possible; and

¹⁰ See: <http://www.employabilityinscotland.com/employability/policy/international-perspectives>

- establishment of a joint national group to provide strategic leadership and guidance to CPPs.

In discussing with local employability partnerships how employment outcomes could be improved, there was strong support for the development of joint employability outcomes within the SOAs, which would be agreed across partners. New guidance on SOAs will be published later this year. In the meantime, we will seek to test the development of joint outcome targets with a small number of partnerships.

Sustainable Procurement and Community Benefit Clauses

The public sector contracts for goods and services to the value of £9bn per year across Scotland. There is a duty to ensure that best value is achieved and, as part of this, it is incumbent on all public sector buyers to consider the impact and leverage of their purchasing power. This should be used to support increased contracting, either directly or through a supply chain with small businesses across Scotland, and to stimulate job creation within the context of economic recovery.

Community Benefit clauses are now an established and proven approach to securing local added value to public sector contracting. To further promote their use, the Scottish Government will introduce a Sustainable Procurement Bill within the present Parliamentary term. Amongst other things, the Bill will set an expectation that Community Benefit Clauses will be considered for all major contracts across the Scottish public sector.

Case Study: Falkirk Council's procurement policy

In order to achieve Falkirk Council's strategic objective of "increasing jobs, income and enterprise for all its citizens through promoting economic prosperity and reducing poverty", the council's procurement policy states that community benefit requirements should be embedded into the procurement process as a "business as usual" approach. Falkirk Council focuses primarily on Targeted Training and Recruitment Clauses to support the corporate priority of "developing the skills and employability of young people and workless parents most disadvantaged in the labour market." The community benefit requirements are developed as part of the tender preparation stage and included as part of the core purpose of the contract, ensuring they are proportionate by taking into account the value, duration and scope of the work involved in the contract. This approach has been successfully applied in all procurement for goods, works and services in Falkirk, helping to deliver a number of apprenticeship, training and employment opportunities for young people.

Examples of good practice in securing training and employment outcomes in contracting exist across Scotland and in different parts of national and local government. We are currently supporting the Improvement Service to work with local authorities through the Scottish Local Authorities Economic Development (SLAED) Employability Group to develop good practice case studies to enable further promotion. These should be complete this year.

Review of Support Against the Strategic Skills Pipeline

A key element of Workforce Plus was the need for every partnership to map each service it funds against the individual and employer needs it aims to address. Over the last six years it is clear that partnerships have improved the delivery of services through this approach. At this time, however, there is a greater need than ever to understand not just which services are funded by whom and where they are on the Strategic Skills Pipeline (see **Annex A**), but to know what value is derived from those services against clearly defined outcomes.

In reviewing their Strategic Skills Pipelines, we consider that partnerships should:

- aim to remove unnecessary duplication
- address any gaps in provision
- address any blockages
- ensure appropriate incentives are in place to improve performance
- recognise different kinds of outcomes
- build around the views of service users

In support of the above, we further consider that national agencies should strive as far as possible to make up-to-date relevant performance information available to local partnerships. This is something we will continue to encourage.

3. Targeting National Resources

While local efforts in employability are crucial, they must be supported by equal efforts to improve performance at the national level. This section looks at what we are doing to enhance the responsiveness of our skills and funding systems in particular to better match the needs of partnerships, clients and the labour market.

Making Training Work Better

The Making Training Work Better project - as part of post 16 reform - undertook a coherent policy review of the training offer delivered by Skills Development Scotland. A key aim was to ensure that policy principles behind training in Scotland best meet the needs of trainees and businesses and contribute to both the employment and business growth ambitions of the Scottish Government.

The work allowed us to consider the best ways of reducing duplication of funding whilst focussing on the provision of skills development for young people and maximising support for low paid, low skilled and unemployed people across Scotland. The key outcomes of the project are listed within the Youth Employment Strategy. Those specifically relating to people 18 and over are listed below:

- **Flexible Training Opportunities (FTOs)** were introduced by Government as a way of supporting business development within Scotland's small and micro businesses. In order to support this aim and ensure that this intervention is focussed on smaller businesses, from 1 April 2012, only employers with 100 employees or fewer will be eligible for funding through FTOs.

- **Individual Learning Accounts (ILAs)** support individuals to improve their skills and gain qualifications. The review identified the need to better prioritise ILA spend and to ensure that there is no duplication of funding for a single episode of learning. Therefore, from 1 July 2012, ILA funding has been fully focussed on low paid, low skilled and unemployed individuals.

Exploring the benefits of a new approach to Employability Funding

The development of an Employability Fund will see existing Scottish Government investment in pre-employment training through Skills Development Scotland and the Scottish Funding Council brought together in 2013/14 through a simplified skills commissioning process led by SDS.

In summary, the objective is to develop a new approach to Scottish employability funding which will make more effective use of public sector resources. This approach moves away from the funding of specific programmes of learning or training toward provision tailored to meet the needs of participants and local labour markets. The aims of the Employability Fund fit well with the wider post-16 education and training reform aims of economic growth, improving life chances, and sustainability.

The concept of developing a single Employability Fund gained in principle support from a range of stakeholders in the consultation responses to Putting Learners At The Centre. Also as part of Making Training Work Better during Autumn 2011, there was general support for the greater alignment of employability training budgets to reduce potential duplication of services and to improve outcomes for participants.

In 2012/13 SDS piloted the New College Learning Programme, which seeks to align college activity closely with employment outcomes. As we move forward with the development of a single Employability Fund we will seek to learn from this pilot programme to ensure that the colleges' contribution to employability services can be better supported and developed.

European Structural Funds

European Structural Funds are vital in helping partnerships, the third sector and national organisations such as SDS and the SFC to deliver more and better services to help people into work. During the current programme (2007-2014), we have seen a significant shift away from the challenge fund model traditionally used in Scotland to a more strategic approach to the distribution of the funding. This has enabled partnerships to develop and deliver services which can be mapped against the Strategic Skills Pipeline (see p.34).

In developing the new programme, which will see funding to Scotland reduce significantly, it is crucial that we maximise our employability and job outcomes. Work is underway to develop proposals for the new programme to commence in 2014. Key to this development is the need to drive economic growth through Scotland's small and medium sized enterprises, while increasing employment rates among those who require the most support into work.

4. Working with the Third Sector

The Scottish Government recognises that social enterprises and other third sector employability organisations are well placed to contribute to new models of public service delivery. Working as they do across different policy agendas, such organisations can play a key role in identifying, developing and delivering new options which meet a range of clients' needs. In a time of reducing public finances, approaches such as this will become increasingly important to delivering the outcomes we seek.

Public-social-partnerships (PSPs) build on the Italian model of co-planning by involving the third sector in the design and then the piloting of a service alongside a public sector body. PSPs typically consist of 3 stages:

- Design - third sector organisations work with a public body to design how a service can be delivered and how social benefit can be maximised. This is commonly referred to as co-production.
- Piloting - the service is delivered by third sector organisations (potentially in a consortium that could include public and private sector partners) for a limited time. During this period how the service is delivered can be changed in order that maximum social benefit is achieved.
- Longer term delivery - if the pilot meets the outcomes set out for it then the public sector partners commit to delivering the service over the longer term. This will typically involve putting a contract out to tender. As the service specification for any contract will build on the pilot, it will maximise social benefit, which could include the inclusion of Community Benefit clauses.

Going forward, we look to explore the merits of PSPs further and to share that learning with partners through the Learning Network and other means.

WORKING FOR GROWTH – Our Action Plan

What will happen?	How will it be achieved?
Chapter 1 – The Way Ahead – Strategy and Effective Leadership	
Ensure through the Strategic Forum that activities at a national level to support the unemployed into work align with the efforts of Government agencies to increase economic growth	In partnership with Scottish Ministers and other Scottish Government colleagues.
Work through the Economy Board to achieve more strategic integration of employability and economic development policy and delivery	In partnership with other bodies represented on the Economy Board.
Develop the Scottish Employability Forum to provide senior political leadership on employability priorities across all levels of government	In partnership with CoSLA and Scotland Office. A first meeting of the refreshed SEF will be convened for Autumn 2012. This will agree role and remit.
Continue to support the National Delivery Group and Third Sector Employability Forum to build delivery capacity and drive forward the employability agenda	By continuing to provide the relevant Secretariat and administrative functions including management of the Employability and Tackling Poverty Learning Network.
Chapter 2 – Greater Integration and Partnership Working	
Work with local authorities, Skills Development Scotland and the Department for Work and Pensions to implement the recommendations of the Better Alignment of Scotland's Employability Services Project for both individuals and employers	In partnership with the bodies and interest groups represented on the project.
Work with local employability partnerships to identify appropriate opportunities for cross-boundary/regional working linked to economic development	Through the National Delivery Group and Employability and Tackling Poverty Learning Network.
Promote the strengthening of partnerships through their appropriate engagement with colleges and the third and private sectors	Through the National Delivery Group and Employability and Tackling Poverty Learning Network.
Chapter 3 – Towards Prevention – Tackling Inequality	
Work with the Poverty Alliance and other stakeholders to put in place an effective system of service user engagement at a Scottish level	In partnership with Poverty Alliance and other stakeholders to be agreed.
Implement our Youth Employment Strategy taking an all-Government, all-Scotland approach	In partnership with a range of national and local agencies.

Develop and implement an action plan from the recommendations made at the Women's Employment Summit	In partnership with a range of national and local agencies.
Support the commitment in the Mental Health Strategy for Scotland: 2012-2015 to publish a guidance document for Individual Placement and Support which sets out the evidence base, identifies practice that is already in place and working, and develops data and monitoring systems	In partnership with the National Delivery Group and NHS Scotland.
Consider with local partnerships how best to further promote supported employment services for disabled people and integrate supported employment with mainstream employability services in each area	Through the National Delivery Group and Employability and Tackling Poverty Learning Network.
Pilot and evaluate the Professional Development Award in Supported Employment	In partnership with the developers of the award and pilot colleges to be agreed.
Complete a review of Scotland's supported businesses to share good business practice and help ensure future sustainability	The review has been commissioned and will complete in Spring 2013.
Work alongside the Reducing Reoffending Throughcare and Services Project to ensure that employability services at a national and local level are part of an integrated model of support for people exiting the Justice system	In partnership with the project leads and the National Delivery Group.
Support the development of a Scottish Prison Service employability strategy which will aim to align employability support in prisons with those in communities	In partnership with the Scottish Prison Service and National Delivery Group.
Chapter 4 – Improving Performance	
As part of the CPP review, seek to test the development of joint employability outcome targets within Single Outcome Agreements	In partnership with selected local authority areas to be agreed.
Encourage every partnership to undertake a review of its Strategic Skills Pipeline to determine the level of value achieved against agreed outcomes and to ensure current provision covers all stages of the pipeline	Through the National Delivery Group and Employability and Tackling Poverty Learning Network.

Continue to encourage national agencies to share up-to-date relevant performance information with local partnerships	Through the Scottish Employability Forum, the National Delivery Group and other forums as appropriate.
Continue work to develop an Employability Fund to move away from the funding of specific programmes of learning toward provision tailored to meet the needs of clients and local labour markets	In partnership with Skills Development Scotland and the Scottish Funding Council.
Seek to make better use of European funding in support of employability with economic growth	In discussion with Scottish Ministers, colleagues and delivery partners.

Annex A: Strategic Skills Pipeline

Pipeline	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Client Status	Not Job Ready	Not Job Ready	Job Ready	Job Ready	In Work
Examples of Eligible Activities	<p>Early Engagement Activity</p> <p>Identification of needs</p> <p>Development of Action Plans</p>	<p>Barrier Removal and Confidence Building activities</p> <p>ESOL</p> <p>Literacies</p> <p>Specialist and non-traditional employability provision (e.g. debt/financial, homelessness)</p> <p>Vocational rehabilitation</p>	<p>Vocational activity</p> <p>Job search advice</p> <p>Work Experience Placement</p> <p>Activities to raise awareness of enterprise and entrepreneurship</p> <p>Accredited pre-employment training for core skills (eg ICT)</p>	<p>Employer engagement and job matching activities</p> <p>Training, mentoring and supporting men and women into occupations or sectors where their gender is under-represented</p>	<p>Support to help employee retention, including upskilling/workforce development</p> <p>Initiatives to encourage development of vocational skills among low-skilled and low-waged individuals</p> <p>Apprenticeships</p> <p>High level business and management skills</p> <p>Training to support business start up (particularly for groups under-represented at managerial levels)</p>
	Referral/Engagement activity	Barrier removal	Vocational activity	Employer Engagement & Job Matching	In-Work/Aftercare

National organisations and delivery bodies

Confederation of Scottish Local Authorities (COSLA)
Education Scotland
Skills Development Scotland (SDS)
Scottish Enterprise & Scottish Development International
Scottish Funding Council (SFC)
Scottish Trades Union Congress (STUC)
The Department for Work and Pensions (DWP – both Scotland and UK)

Local partnerships/Employability and Tackling Poverty Learning Network

The National Delivery Group
The SLAED (Scottish Local Authority Economic Development) Employability Sub-group
The Third Sector Employability Forum,

Employer/client representative bodies

The Confederation of British Industry (CBI) Scotland
The Federation of Small Businesses (FSB)
The Poverty Alliance (who facilitated a short-life working group with service users on the Refresh)
The Scottish Chambers of Commerce
The Scottish Council for Development and Industry (SCDI)
The Scottish Council for Voluntary Organisations (SCVO)
Scottish Investment Operations (SIO)

Scottish Government Policy Teams

Adult and Community Learning
Business Directorate - various
Creating Health/Mental Health
Curriculum for Excellence
Early Years (Childcare)
Employability and Skills - various
Equality Unit
European Structural Funds
Justice
Regeneration
Third Sector



The Scottish
Government

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