WISE GROUP RESPONSE TO THE SMITH COMMISSION AND FURTHER DEVOLUTION

INTRODUCTION

The Wise Group is one of Scotland’s leading social enterprises. It was established in Glasgow in 1983 to tackle long-term unemployment and now works across Scotland and the north east of England to realise people’s potential, create a fairer society and contribute to sustainable economic growth. The Chief Executive of the Wise Group represents the third sector on the Scottish Employability Forum. The Wise Group is a member of the Third Sector Employability Forum in Scotland and the representative body of the employment support sector in the UK, the Employment Related Services Association (ERSA).

WISE GROUP OVERVIEW

The Wise Group remains committed to providing support and services to some of Scotland’s most vulnerable individuals and communities. We welcome the opportunity for additional powers in Scotland to enhance and improve these services.

The opportunity for the Scottish Parliament to have all powers over support for unemployed people and decide how it operates the employment programmes currently contracted by DWP has the potential to allow a tailored, local and targeted approach to tackling unemployment in Scotland. It could ensure integration with Jobcentre Plus, Skills Development Scotland and other public agencies and funding in this area. This will assist individuals to access the most relevant, effective and ultimately life-changing support available.

The Wise Group feels that, although there has been progress made through the Smith Commission, there remains room for further devolution of powers in addition to the current DWP contracts that would increase the effectiveness of employment support services in Scotland. Principally these are the activities of Jobcentre Plus and the powers over out of work and in-work benefits. These would enhance the Scottish Parliament’s ability to innovate and implement policy on long-term support for unemployed people. It could allow better integration of funding and services delivered through Skills Development Scotland, further education and local authorities to provide a flexible, responsive, local and holistic approach.

CONTEXT

The Wise Group responded to the Smith Commission in November 2014, and the principles that underpinned our proposal were:
- Giving customers more control and the potential to introduce self-directed services to meet their employment and skills needs
• Ensuring that policies and programmes have a focus on the needs of the two sets of customers – businesses that require to recruit staff and people out of work and seeking employment
• Achieving a strategic approach that would support the Scottish Government’s core objective of sustainable economic growth
• Increasing fairness and equity by targeting services on those in greatest need to support access to and sustained jobs
• Achieve coordination of the priorities, funding streams and contracts currently delivered through the UK Department for Work and Pensions (DWP) with Scottish Government policies and programmes
• Better integration of employment support and skills and learning programmes to provide customers with better services
• Strengthen the role of social enterprises and third sector organisations in delivering services.

The ability of the Scottish Parliament to create innovative solutions to long term unemployment will focus on positive outcomes for individual customers, and allow the Wise Group and other third sector organisations in Scotland to continue to make a lasting, positive impact on society by changing people’s lives.

The power to split Universal Credit payments within households, to increase the frequency of payments and to make housing element payments direct to landlords will allow the flexibility in benefit payments to fit with the needs of some of the most vulnerable groups in society.

The Energy Company Obligation (ECO) contributions rate is also being devolved to the Scottish Parliament. This is another area which, in line with effective Scottish Government policy, can make a huge impact on the lives of people in Scotland. As the budget has reduced due to ECO cuts, the Scottish Government will now have the ability to increase the funds available. ECO funds can provide vital financial backing to a huge variety of social policies, including empowering people and communities to invest in sustainable energy and alleviate fuel poverty.

**AREAS FOR FURTHER ACTION**

There are other powers that the Wise Group would like to see devolved. Specifically, Jobcentre Plus staff and support services that currently are the main source of job seeking support for those on JSA and ESA is provided by Jobcentre Plus and powers over aspects of policy such as eligibility for programmes, conditionality and sanctions remain with the UK government.

This means that businesses seeking new employees and unemployed people seeking support into work would initially be the responsibility of a UK government service then move to the Scottish parliament contracted service then potentially would return to a UK government service. This is both confusing and ineffective. It also makes coordination of policy and service difficult and less likely to achieve value for money.

In the draft clauses addressing employability, the language used suggests that Welfare to Work schemes must be at least one year, only for those at risk of long term unemployment and/or disabled, and “includes work search, skills training and work placements in the community”. We welcome the devolution of
the DWP contracts (Work Programme, Work Choice and Community Work Placements) but would want to ensure that wording of the clauses clearly sets out that there is scope to design programmes that are innovative, evidence based and to be adapted in line with Scottish Government economic and social policies.

The key differences we would like to see in future employability programmes include:

- The commissioning of contracts by multiple agencies working together, such as, health, skills, unemployment, economic development and local authorities
- Programmes should be locally responsive and include the ability to react and adapt to the specific challenges faced in each local authority area. However, we do not support ‘double devolution’ to local authorities
- Innovative programmes should be well informed and evidence based and include regular opportunities to innovate and develop the evidence base, including a wide range of barrier removal methods, with the option to consult with recently unemployed or in work to evidence effective and successful interventions.

We also think that the increasing range of programmes and providers resulting from the current plans may confuse jobseekers and, critically, businesses. It is the aim of the Wise Group to work towards creating an integration of services and an avoidance of duplication at both service level and customer level.

Within the proposed legislation, there is a lack of any proposed method or programme involving Access to Work, which is a key lever for getting people into work. We would currently seek to clarify whether this will be devolved as part of the package of DWP contracts as it is an important programme which can be vital in the process of increasing employability for ESA customers.

**CONCLUSION**

In conclusion, the Wise Group welcomes the additional powers for the Scottish Parliament. We believe that there are some critical areas which would benefit from further discussion:

- Devolution and subsequent local integration of Jobcentre Plus information and support services
- Further devolution of Jobcentre Plus policy and increased leverage of local support, such as FSF schemes
- Assurance of Scottish Government’s ability to create, innovate and implement employability policies and provision, including the Work Programme or its replacement
- A return to focus on individual’s needs, with provision as local and bespoke as possible – strategic, well-placed and well-timed employability interventions will drive wider economic growth.

It is the belief of the Wise Group, supported by experience of delivery of services and evidence of what works, that further devolution should be used to integrate services, innovate delivery and improve employment prospects for Scotland’s residents seeking work and currently outside the labour market.

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