WELFARE REFORM COMMITTEE

AGENDA

18th Meeting, 2015 (Session 4)

Tuesday 27 October 2015

The Committee will meet at 10.00 am in the Sir Alexander Fleming Room (CR3).

1. Decision on taking business in private: The Committee will decide whether to take item 3 in private.

2. 'Your Say' evidence session on the Work Programme: The Committee will take evidence from—

   Darren, Work Programme client;

   Diane, Work Programme client;

   Donna, Work Programme client;

   Jake, Work Programme client.

3. Work programme: The Committee will consider its work programme.

4. 'Your Say' evidence session on the Work Programme (in private): The Committee will review the evidence heard earlier in the meeting.

Simon Watkins
Clerk to the Welfare Reform Committee
Room T1.01
The Scottish Parliament
Edinburgh
Tel: 0131 348 5228
Email: simon.watkins@scottish.parliament.uk
The papers for this meeting are as follows—

**Agenda Item 2**

Note by the Clerk WR/S4/15/18/1
SPICe Briefing on Scotland Bill - Employment Support WR/S4/15/18/2
Evidence Summary WR/S4/15/18/3

**PRIVATE PAPER** WR/S4/15/18/4 (P)

**Agenda Item 3**

PRIVATE PAPER WR/S4/15/18/5 (P)
Welfare Reform Committee
18th Meeting, 2015 (Session 4), Tuesday 27 October 2015
‘Your Say’ on the Work Programme

1. This week the Committee will be taking evidence from a number of ‘Your Say’ witnesses who have been on the Work Programme. Next week the Committee will be taking evidence from Work Programme providers and bodies representing clients of the Work Programme.

2. It has proved difficult to access ‘Your Say’ witnesses on the Work Programme. A number of people do not recognise that they are on the Work Programme and there is a degree of anxiety amongst those who are in giving evidence. For this reason, all those who appear today will do so under the basis of their first name only.

3. Three of the witnesses are from Glasgow, but have been handled by both the Work Programme prime providers (Ingeus and Working Links) and have different experiences and stories to tell. The other witness is from Edinburgh. It is possible that not all witnesses will feel able to appear in front of the Committee on the day.

I. Annexe A to this paper contains the written submissions from the witnesses who will appear before you today.

II. Annexe B contains an additional evidence submission from COSLA.

III. Annexe C contains hyperlinks to all evidence submissions received to date.

4. As this is the first meeting on the Work Programme, three supporting documents are also contained within your committee pack:

I. A spice briefing on the Scotland Bill and employment support. You will note that the main employment support programme for people with disabilities, Work Choice, is also being devolved. However it was not possible to find any ‘Your Say’ witnesses who had been on this programme. As the briefing points out, there are also a range of other employability schemes not covered by the Scotland Bill.

II. A summary of the evidence submitted to the Committee in the area of employment support prepared by SPICe.

III. A private paper on the current operation of the Work Programme.

Simon Watkins
Clerk
Welfare Reform Committee
20 October 2015
Annexe A

Donna

My name is Donna. I am from Glasgow. I was made redundant a wee while ago and I have now been on the Work Programme for about 6 months under Working Links. I am dyslexic and had an accident that has led to some stresses.

The biggest thing for me about the Work Programme has been the advisers. The first one I had was terrible. I had 3 meetings with him and he made me greet twice. He was mean and a bit of a bully. It’s bad because all this takes place in an open plan office, so everyone can see you greeting.

The second adviser was much better, but I didn’t have them for very long. The third adviser was an amazing woman. She has given me lots of help in setting up my business, getting a webpage organised etc. She has been helpful in suggesting things that I might do in the business as well, like healthy eating classes. Now I can vary appointments if I am running a class at that time. I didn’t have this flexibility in the past.

When I first got sent to Working Links I had so much hope, but one of the first things I got sent on was confidence training. There were 31 people in the room - from old women to 18 year olds – we had nothing in common. The trainer took a few names and that was about it – it didn’t do very much for my confidence.

The other thing I don’t like is the atmosphere of the place. There is no privacy – you can hear all other people’s problems – and the whole place stinks of Red Bull and depression.

And they make you feel small – queuing up and filling out forms for £2 bus fare. I take my bike now.
Darren

My name is Darren. I stay in the Gorbals but grew up in Tollcross. I have been on the Work Programme for about 3 months under Ingeus. I had a few problems with drink and was homeless for a while. I have been sanctioned a few times, but won on appeal.

To my mind the work programme offers you four things:

- a CV
- a suit
- attitude
- a bank account

I have got the CV, the suit – more or less, a bit more confidence from doing some volunteering and a bank account with Barclays because Ingeus have some sort of arrangement with them.

My main issues are universal job match and the phone system. They replaced a freephone system with one that costs and it can easily take you 20 minutes to get a reply.

It takes about an hour to do a job application on universal job match and you probably have to do 15 a week to avoid sanctions. And it's not selective enough - you get to put down 3 things that you might apply for, but that can be very general. And of course loads of people are going for them. I am down for warehouse work. You find a job on universal job match and 108 people have already applied although it's only been up 2 days. Also, I discovered by talking to the agencies that CVs from long-term unemployed people are often held back - they are not even passed on to the employer, so how are you going to get a job from that? The other problem of course is that they are all low-paid jobs.

Also I got referred to jobs and business Glasgow – it's mandatory – but all they could offer me was training that I had already done.
Jake

My name is Jake, or Jacqueline and I live in Glasgow. I am no longer on the Work Programme but was about two years ago under Ingeus. I am part of a self-reliant group in Glasgow which originally set up a cafe and is now trying to run a laundry. I do all this as a voluntary thing, but it only seems to have caused problems with the Work Programme.

I have had 6 advisers during my time on the work programme. That’s one of the problems, you keep getting moved from one adviser to another. Sometimes they make you sit on the phone from 9 to 5 making calls for jobs, but you know you’re not going to get anything. It’s depressing.

I don’t like the fact it’s all open plan too. You get no privacy.

I went to the Business Gateway to see if we could get any help with the launderette, but they couldn’t help me until I had come off the Work Programme.

The only thing that’s really helped me has been the new enterprise allowance scheme where I have got some support for things I want to do through the Employability Fund. Some of the training days have been good too, such as the first aid course.

But the main problem has been the volunteering – I can only do so much and they look on it as a problem, but for me it may be my way out this.

A lot of my friends have been sanctioned, but not me.

In the end I’ve got a cleaning job from 5.30-9.00 a.m. to get them off my back.
Diane

I’ve been on the Work Program for since September 2014. I applied for a paid internship opportunity because I was hopeful it would be the next step in my journey towards recovering enough to go into more substantial long-term employment. I was giving up a volunteering placement which had been running very successfully to do this.

I have a generalised anxiety disorder and once I get anxious about things (whatever the trigger, and no matter how minor they seem to other folks) this becomes increasingly difficult to manage and I engage in self harming behaviors and have persistent overwhelming suicidal thoughts which are very difficult to cope with. I also get very upset and very agitated very easily which is difficult for others to cope with. It takes ages for me to regain some sort of equilibrium. To have made the move from doing voluntary work to sustaining this paid internship I really needed things to go smoothly. I also have a vestibular condition which means I can be badly affected by certain types of movement and activity on computer screens.

I wanted to get Access to Work help for equipment to help me with my vestibular condition, which means I really need an especially wide screen so that I have enough space to have everything on screen rather than swapping between windows all the time. Unfortunately my Work Programme advisor did not seem to really know anything about applying for Access to Work. With the support of the internship project staff I got an application started and was hoping for a quick assessment that would get the equipment I need. In order to make it easier for me I attempted to authorise ATW to communicate with the support staff member from Inclusion Scotland on my behalf.

However, it turned out that my claim could not be processed until DWP reset a flag on my benefit claim, which was to say that the internship could be seen as Permitted Work and would not affect my benefits (I Work 12 hours a week and earn £7.85 an hour). Because the application was not proceeded they didn’t process the third party permission form so I had to deal with them directly. There had to be a process of the permitted work being approved by a different decision maker in the DWP, separately to both my Work Programme advisor and my Job Centre Plus advisor.

Communication between them all did not go smoothly at all and was very stressful, at one point even leading to one member of DWP staff saying they would be submitting a complaint about another’s handling of the matter. When I asked my Work Programme advisor about support for me to sustain this internship and said that his role was mainly to ‘signpost’ me to funding streams. He seemed, however, not to know about Access to Work funding.

By the time it was sorted out, over six weeks had passed since I began the placement. Not only did this mean a long period of me trying to manage without the right equipment and support I needed, but it meant we missed the normal six week time-frame for applying to Access to Work. This could mean that Project Scotland (the hosts for my internship) could end up footing some of the bill for any equipment their assessors recommend, or at least there would be negotiations with Access to
Work about it. I have been very anxious about causing Project Scotland additional costs in this way.

I have been off sick because my anxiety has been so bad recently, and this issue regarding the equipment has been a major barrier to me returning to work. Both the actual difficulty in getting the right equipment and the anxiety I have felt about causing an expense/difficulty to Project Scotland. It is not at all Project Scotland’s fault that this has happened.

I did also want Access to Work to fund a support person for me who is an employability specialist to help me sustain this internship. This was eventually funded from a different source via my Work Programme provider, for which I am tremendously grateful. But. I had to really push for this help to be provided, and in the meantime there were issues in the workplace that I really needed help with, but had no real support.

There were also two times that my housing benefit was suspended, unnecessarily, both related to this change in my circumstances. In both cases they were sorted out quite quickly but both caused a lot of stress and distress at the time. In neither case was there any warning that this would happen and in each case the shortfall was more than £500 which is a considerable sum when my total income a month is about £1100 (including the PS salary), and my rent is £650. I live in the Private Rented Sector, and frankly I just cannot afford to be late with my rent as this could lead directly to an eviction.

So you see, there have been a lot of issues which have impacted on how sustainable this internship has been for me, and I have really been very unwell as a result. It has been a complete nightmare and my GP has been very concerned about me. In fact the only positive thing to come out of all of this is that I have been ‘fast tracked’ onto an NHS treatment program which was first recommended by my consultant in November 2013.

How is that being on the Work Programme, which is meant to help me get into work, means that when I get offered work and want to do it as “permitted work” as part of a gradual process towards coming off benefits and gaining sustainable employment, means that I can’t even apply for the very support that I needed to be put in place right away until a complicated process of getting permission takes place? How is it that nobody seemed to be particularly clear with me about what was needed, promptly, and ensure that the right things were done? How is it that my earnest efforts to get into work should result in my being financially punished, twice (albeit temporarily) through incorrect automatic suspension of benefits payments? The very system that is meant to be helping me into work has set me back greatly in my process of doing so. It is hard not to feel like the system is deliberately designed this way in the hopes of encouraging people like me to just go away and give up. I have had to do everything for myself – my Work Program advisor was not aware of these disability internships. I have sought out and arranged voluntary work with very little guidance from my advisor, though he is very kind and sympathetic.

I feel that had I been referred to Work Choices instead of the Work Program, more specialist help may have been available. The referral to the work program was made
at a time when I had just moved, and so had changed job centres. I turned up for an appointment, but no-one at the new job centre was expecting me. There had been some changes on my claim record to do with the prognosis but no-one really understood what these were or why they had been made. It seemed to me at the time that the referral should have been delayed to get better information, and maybe if that had happened I would have been referred to Work Choices instead.

A further issue has been the difficulty in accessing medical support and treatment to enable me to recover sufficiently and engage productively with the work program. I am now more than half way through my time on the work program and am even now not really well enough to try to move myself off of benefits and into permanent paid work. It does not seem right that you are expected to engage with the work program while the medical care and treatment is not in place to help you manage your condition.

Throughout the whole of my engagement with the work program I have lived in fear of sanctions. This has also not been helpful to my health. And now following the unnecessary suspensions of my benefits I live in fear every fortnight that again there will be problems with my benefit. None of this is at all helpful to my health, and recently I have been very unwell again.
Background

1. Local Government has a strategic interest in employability because of its relationship to the wellbeing of their communities and economic development in their areas. It is recognised that the collective strength and wellbeing of any community will be heavily influenced by the level and quality of employment enjoyed by its citizens.

2. Employment is recognised as the main route out of poverty, inequality and disadvantage and Local Government already makes a significant contribution fully exploiting their powers and responsibilities as corporate bodies to maximise the economic footprint delivering local employment. However, there is potential for councils to do much more with additional powers and levers. The value of local discretion, accountability and financial flexibility in the design and delivery of employment support services to meet local needs should not be underestimated.

3. A reduction in bureaucracy and de-cluttering of the landscape would help to deliver additional efficiencies. This could help to re-focus resources towards the preventative approach promoted by Local Government as there are significant correlations between unemployment, low income and health outcomes. The better alignment with other Council services targeting those receiving other local government services would enable a whole person whole system approach to tackling the root cause of poverty, inequality and disadvantage not only dealing with the consequences/symptoms.

4. “Local by default, national by design,” seeks to ensure that Local Democracy is respected and empowered but with a clear aim of improving outcomes and that the Community Planning Structures through the duties included in the Community Empowerment (Scotland) Act 2015 become the main vehicle for the delivery of employability support services.

Response to Consultation

Delivery Structure

5. Employability Pipelines - Local Government has significant experience and expertise in delivering employability and advocates that a new employment support service should be built on an all age 5 stage approach to delivery as adopted in the Local Government Employability Pipelines. Services should be based on a consistent assessment of need with appropriate data sharing agreements to enable a single system approach. Employability pipelines have been successful to date in supporting the hardest to help job seekers but have been hampered by the existence of national

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1 This submission was also made to the Scottish Government Fairer Scotland Consultation.
initiatives which don’t integrate locally. We are calling for the integration of new
devolved powers and resources into the Local Employability Pipelines as this will
reduce duplication, increase alignment, improve data sharing, reduce silo funding
and ultimately improve outcomes. Young jobseekers should be included in this
universal approach as there has been an artificial separation of employment support
based on age when it should be provided based on needs. There is a consensus that
silo funding is a major drag on performance in Scotland – Scottish Government must
avoid this with the new resources.

6. Third Sector - We believe that the third sector have a key role to play as part of a
Community Planning Partnership approach and there is good evidence of their
contribution to local employability pipelines. The scope and potential of third sector
involvement should be locally determined and based on ability to deliver a quality
service, imposed by a centrally designed and implemented programme. The role of
national third sector organisations needs greater clarity as we believe
decentralisation is the key to effective delivery.

7. Menu of Support - The “black box” approach to the work programme was an attempt
to allow providers the flexibility to design individualised interventions for the
unemployed. We would support this principle but believe that in practice this has
resulted in a lack of transparency and accountability. What we believe is required is
a “grey box” where providers can design local and individualised solutions but there
are core service offerings and standards which are clear to the service users.
Councils are not convinced that mandating people to programmes on the basis of
length of unemployment or benefit group is an appropriate approach. The
introduction of Universal Credit is likely to make this approach more problematic. We
believe consideration should be given to independent common assessment of need,
which could fit into the pipeline approach in Scotland and ensure people received
support appropriate to them.

Services must be based on clear and common quality standards and definitions - A
system based on entitlement in response to identified needs rather than on
mandating and conditionality. There is little evidence that the current approaches
work. As this is reserved matter, we call on the UK Government to listen to the
concerns from Scotland and maximise the flexibility available to Scotland to apply a
different approach.

9. Payment Models and Targets - We believe we should be learning lessons from the
current UK Work Programme in relation to funding models moving forward. Targets
and payment methods often drive the wrong behaviours and work against a client
centred approach therefore we believe that a new payment model and targets must
recognise progression, milestone outputs as well as outcomes. The payment model
should incentivise work with the most disadvantaged. Differential pricing is supported
but only in a not for profit delivery landscape, where providers can “afford” to support
those most disadvantaged and avoid the “parking and creaming” of jobseekers that
has been evident in other payment by result models. Rather than continuing to offer
higher and higher prices, which we don’t believe will every truly address this issue –
we believe now is the time to accept that customer needs should be prioritised above
commercial interests. We recognise that this is challenging in a period of reducing
public sector finances and we call for programmes aimed at the hardest to help to be
devolved to Local government to ensure maximum effort is supported and aligned with the EU Employability pipeline approach for those with multiple barriers.

10. **Delivery Areas** - Current Scotland wide contracts for Work Programme and Work Choice have failed to adequately address differences in local labour markets and infrastructure. The most significant investment in employability provision over the next 5 years is through the ESF programme, and this is being managed at local authority level – we believe this is the right approach and any new programmes should follow this approach. While our position is that management of devolved powers and resources should by default be managed at local authority level, we recognise the benefits of economies of scale and cross border co-operation and we fully expect that local government would work together on managing new resources. (We note, for example the difficulties that might exist for local authority areas bordering England or the need to adapt service delivery to the particular circumstances of the Island authorities).

However such joint working should be voluntary and should emerge focused on travel to work areas, rather than arbitrary administrative geographies centrally imposed.

11. **Contract Duration** - We believe the 5 year contracts pioneered through the UK Work Programme, do have benefits in terms of long term planning and creating infrastructure that is embedded locally. We would advocate that any new funding and programmes should be at least 3 years in length, with significant flexibility to extend built into arrangements. However, we would question the need for national contracting and would call for due consideration of a grant settlement approach with local government within a national agreed framework again for a minimum 3 year period with a fair and transparent allocations and distribution methodology based on need.

12. **Branding** - Our objectives outlined throughout this position statement in response to the consultation on the future of Scotland’s Employment Support Services are aimed at creating a local, coherent, responsive and effective employability pipeline. A single branding in each area is vital to reduce confusion, providing a single gateway for job seekers. This can incorporate a nationally recognised branding with local application.

13. **National Agreement** – Finally in concluding our position we reference our starting point “local by default, national by agreement” and as such it is important Local Government makes clear where it believes there is scope for national agreements to be put in place which will give Scottish Government confidence and assist councils in implementing a consistent and coherent approach. We believe there is scope and potential and in response to the needs identified by the Cambridge Policy Consultant’s report to better understand what works for who and what cost it would be important to develop and agree:

- National performance framework
- National IT reporting and payment system
- National approach to audit
- National definitions
- National programme management board
Conclusion

Local Government in Scotland is clear that devolution of employability spend from UK Government to Scotland provides an opportunity for transformational change, we recognise that this will take time and that we will require a clear route-map for change. We advocate that this should be “local by default, national by agreement”. Evidence demonstrates that centralised approaches have failed and a fundamental new approach is required. With the co-operation of UK and Scottish Government in partnership with Local Government a new approach and improved system is possible – Local Government is keen to be at the heart of this new approach in the spirit of participative democracy asks Scottish Government to respect, empower and strengthen local democracy by accepting that new programmes should be “local by default, national by agreement”.
Annexe C

- Aberdeen City (128KB pdf)
- Aberdeenshire Council (131KB pdf)
- Aberlour (185KB pdf)
- Action for M.E. (187KB pdf)
- Age Scotland (160KB pdf)
- Alzheimer Scotland (330KB pdf)
- Angus Council (150KB pdf)
- Anonymous written submission 1 (11KB pdf)
- Anonymous written submission 2 (87KB pdf)
- Anonymous written submission 3 (65KB pdf)
- Argyll & Bute Council (205KB pdf)
- Barnardo's Scotland (222KB pdf)
- Butterfly Trust (70KB pdf)
- Carers Scotland (215KB pdf)
- Carers Trust Scotland (371KB pdf)
- Castlerock Edinvar (96KB pdf)
- Chartered Institute of Housing (CIH) (296KB pdf)
- Children 1st (163KB pdf)
- Citizen's Advice Scotland (CAS) (399KB pdf)
- Citizen's Advice Scotland - Supplementary (1067KB pdf)
- Claire Schiavone (81KB pdf)
- Cornerstone (69KB pdf)
- COSLA (157KB pdf)
- COSLA - supplementary submission (151KB pdf) (new submission)
- CPAG Scotland (464KB pdf)
- Crisis (113KB pdf)
- Dundee City Council (277KB pdf)
- East Ayrshire CPP (135KB pdf)
- East Dunbartonshire Council (128KB pdf)
- Edinburgh City Council (144KB pdf)
- ENABLE Scotland (210 KB pdf)
- Falkirk Council (185KB pdf)
- Glasgow Council of Voluntary Services (268KB pdf)
- Health and Social Care Alliance Scotland (214KB pdf)
- Highland Council (258KB pdf)
- Horizon Housing Association and Blackwood Care Home (88KB pdf)
- Housing Support Enabling Unit & Coalition of Care Providers Scotland (379KB pdf)
- Ian Wallace (6KB pdf) (new submission)
- Inclusion Scotland (372KB pdf)
- Inverclyde Health and Social Care Partnership (138KB pdf)
- Jennie Kermode (136KB pdf)
- John Cunningham (73KB pdf)
- Joseph Rowntree Foundation (JRF) (235KB pdf)
- Lesley McDade (106KB pdf)
- Louise Smith (73KB pdf)
- Low Income Tax Reform Group (174KB pdf)
- Macmillan Cancer Support (66KB pdf)
• Marie Curie (162KB pdf)
• MND Scotland (175KB pdf)
• Moray Council (299KB pdf)
• MS Society (111KB pdf)
• Mydex CIC (147KB pdf)
• National Deaf Children’s Society (213KB pdf)
• NHS Lanarkshire (181KB pdf)
• Norman Gray (70KB pdf)
• North Ayrshire Council (159KB pdf)
• North Lanarkshire Council (154KB pdf)
• One Parent Families Scotland (458KB pdf)
• Parkinsons UK (245KB pdf)
• PCS Scotland (165KB pdf)
• Perth & Kinross Council (298KB pdf)
• Policy Scotland Welfare Reform Network (232KB pdf)
• Poverty Alliance (97KB pdf)
• Professor David Bell (652KB pdf)
• Professor Kirstein Rummery (263KB pdf)
• Professor Paul Spicker (207KB pdf)
• Prospect Community Housing (71KB pdf)
• Psychologists Against Austerity Scotland (8KB pdf)
• Quarriers (226KB pdf)
• Reed in Partnership (33KB pdf)
• Renfrewshire Council (172KB pdf)
• Rights Advice Scotland (153KB pdf)
• Salvation Army (162KB pdf)
• Scottish Association of Mental Health (SAMH) (294KB pdf)
• Scottish Borders Council (133KB pdf)
• Scottish Women’s Convention (134KB pdf)
• Scottish Council Voluntary Organisations (SCVO) (393KB pdf)
• Scottish Disability Equality Forum (141KB pdf)
• Scottish Federation of Housing Associations (SFHA) (173KB pdf)
• Shelter Scotland (78KB pdf)
• Shetland Islands Council (82KB pdf)
• South Lanarkshire Council (160KB pdf)
• VocalLink (97KB pdf)
• West Dunbartonshire Council (121KB pdf)
The Smith Commission proposed further devolution of employment programmes. The Scotland Bill, as introduced, would in effect, devolve the Work Programme (which is aimed at those at risk of long term unemployment) and Work Choice (for disabled people). This briefing sets out the current provision for employment support in reserved and devolved areas before summarising the progress of proposals for further devolution.
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EXECUTIVE SUMMARY

There is a complex mix of provision, including both reserved and devolved programmes, to help people who need extra support to get a job.

The Scotland Bill provides for further devolution of such programmes. While there is on-going debate about the exact scope of the Smith Commission’s recommendations, both administrations agree that two current Department of Work and Pensions (DWP) programmes will be devolved from April 2017. These are: the Work Programme for the long term unemployed and Work Choice for disabled people.

The Scotland Bill does not provide for the devolution of benefits conditionality and sanctions requirements. This would mean that, where a claimant refuses to take part in the Scottish replacement for the Work Programme, their benefit could be cut by DWP.

There are already a number of programmes supported by the Scottish Government with the general aim of assisting people into employment, with a particular focus on youth unemployment. A wide range of organisations is involved in funding and delivery, including charities, local government, training and qualification providers, Scottish Government and the European Union.

There is a range of partnership arrangements at national and local level. Often these include representatives of Jobcentre Plus or DWP as well as devolved organisations. Partnerships include the Scottish Employability Forum and the National Delivery Group which bring together representatives at a national level and Local Employability Partnerships which oversee local delivery.

In terms of participation, the Work Programme is the largest of the employability programmes covered in this briefing. The next largest is a devolved programme - the Employability Fund the majority of which is administered by Skills Development Scotland.

The Scottish Government is currently consulting on how it will re-shape the Work Programme and Work Choice in the context of existing employment support in Scotland.
WHAT IS EMPLOYMENT SUPPORT?

There is a very wide range of policy areas that contribute to supporting individuals in obtaining and sustaining employment. Vocational education, careers advice and economic development support employability. However, there are more specific employment programmes aimed at helping adults not in work to gain employment through job matching, advice, personal development and work experience.

These types of programme are run at both devolved and reserved levels. The largest is the 'Work Programme' run by the Department of Work and Pensions (DWP). At a devolved level the largest is the Employability Fund, which is administered by Skills Development Scotland (SDS).

The Scottish Government has developed an ‘employability pipeline’ as a framework for policy. This has five stages from initial engagement activity, to support, to sustaining employment. The support offered by employment support programmes can be mapped to the different stages of the pipeline.

- stage 1: referral and engagement activity for those furthest from the job market
- stage 2: needs assessment. eg careers advice
- stage 3: vocational activity, including confidence building and core skills
- stage 4: employer management and job matching
- stage 5: in-work/aftercare including supported employment and further career development.

LABOUR MARKET DATA

Employment programmes are designed for those who need extra help to get a job. In early 2015, there were 162,000 unemployed people in Scotland, around half of whom had been unemployed for less than six months. However, around a fifth (32,000 people) had been unemployed for 2 years or more.

Unemployment by duration, Jan to Mar 2015, Scotland:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 6 months</td>
<td>80,000</td>
</tr>
<tr>
<td>6 to 12 months</td>
<td>30,000</td>
</tr>
<tr>
<td>1 to 2 years</td>
<td>20,000</td>
</tr>
<tr>
<td>2 years +</td>
<td>32,000</td>
</tr>
</tbody>
</table>

(Table Q2, Scottish Government 2015a)

Some groups tend to have more difficulty than others in gaining employment, in particular disabled people and young people. In April to June 2015 the unemployment rate for disabled people in Scotland (using Equality Act definition of disability) was 12%, compared to 5% for non-disabled people (Table Q4, Scottish Government 2015b). In 2014/15 the unemployment rate for young people (16 to 24 year olds), excluding those in full time education, was 16.3% (Table Y6b, Scottish Government 2015b).
The Scottish Government has a particular focus on youth employment. See for example its [Youth Employment Strategy](#), published in December 2014 which responds to the ‘Wood Commission’ on developing Scotland’s young workforce (Scottish Government 2014a).

In Scotland in November 2014 there were around 78,000 Job Seekers Allowance (JSA) claimants, and around 67,000 claimants of Employment and Support Allowance who were in the 'work related activity group' (ESA-WRAG) (DWP Tabulation tool). These are the main groups subject to DWP mandatory employment programmes.

**KEY ORGANISATIONS**

A wide range of organisations is involved in the delivery of employment support. The following lists some of the key organisations and partnerships.

- **Jobcentre Plus** is part of the DWP. It is the frontline administrator of welfare benefits, provides job search support and advice as well as a recruitment service for employers. It provides some employment support directly (eg advice and assistance with job search) and refers clients to other, contracted out provision.

- **Skills Development Scotland** (SDS) is an executive non-departmental public body which provides a range of careers advice and skills development. Its two largest programmes are Modern Apprenticeships and the Employability Fund. Their total grant in aid from the Scottish Government is £184m for 2015/16 (Scottish Government 2014b). They also access European Union Funding. A recent Scottish Government discussion paper stated that: "SDS will play a leading role in developing and implementing Scotland's future employability services." (Scottish Government 2015c)

- **Scottish Funding Council** is a statutory public body which funds further and higher education on behalf of the Scottish Government. Its funding for further education includes funding colleges to make provision for courses aimed at improving employability skills.

- **Scottish Qualifications Agency** is a statutory public body which develops, administers and approves qualifications in Scotland. Its catalogue includes qualifications aimed at improving employability skills.

- **Local Authorities** deliver both DWP, SDS and European Union funded provision, as well as making their own provision. They lead local employability partnerships.

Many employment programmes contract out their provision, and sometimes also sub-contract. As a result there is a large range of different organisations involved in the actual delivery of support including small and large private, voluntary and public sector providers.

For a more in depth discussion on the different types of employability support available in Scotland and the issues involved in developing estimates of spend see Cambridge Policy Consultants 2014.

The need for partnership working is well recognised and there is a variety of partnership arrangements including:

- **Scottish Employability Forum**, chaired by representatives from the DWP, Scottish Government and COSLA, aims to bring together government and delivery bodies.

- **National Delivery Group** brings together local authorities, their partners and national organisations.
Local Employability Partnerships involve local authorities, Jobcentre Plus, SDS, local colleges, the third sector and the NHS. They oversee local delivery of employment support. This includes programmes funded from a range of sources such as DWP, SDS, Scottish Government and the European Union.

Third Sector employability forum meets twice a year and 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. There are an estimated 400 third sector organisations active in the employability agenda in Scotland (employability in Scotland web site)

Welfare Reform, Health and Employability Delivery Group brings together NHS policy staff with an interest in employability.

The next section of this paper gives a short summary of the main reserved and devolved employment programmes before considering proposals in the Scotland Bill.

DWP PROGRAMMES

Mandatory Work Activity

This contracted programme consists of a four week unpaid work placement for Job Seekers Allowance (JSA) claimants. A claimant can be referred to the programme by Jobcentre Plus and once referred, participation is mandatory. It is intended to help people: "move closer to the labour market by helping them re-engage with the system, refocus their job search and gain work-related disciplines, whilst also contributing to the local community" (DWP policy description in MWA statistics). The contractor for MWA in Scotland is Learndirect Ltd. Between May 2011, when the scheme started, and February 2015, over 10,000 people in Scotland undertook Mandatory Work Activity (DWP 2015a).

Youth Contract

This programme provides help and support primarily targeted at 18- to 24-year-olds. There are currently two elements: work experience and sector based work academy. Until recently it also included a wage incentive scheme. Once a person is referred to the programme, attendance is mandatory.

- Work experience placements last from 2 to 8 weeks and are designed for those with little or no work experience. It is organised by Jobcentre staff. In Scotland, 18,280 18 to 24 year olds undertook these placements between April 2012 and November 2014.
- A Sector Based Work Academy offers pre-employment training, work experience and a guaranteed work interview. It is designed for those on JSA and ESA (Work related activity group). Between April 2012 and November 2014 8,550 18 to 24 year olds in Scotland have participated. It is also available to people over 24, outwith the youth contract.
- Wage incentive payments finished in 2015. These were available to employers if they employed someone who had been claiming JSA for at least 6 months.

(DWP 2015b)

The July 2015 budget included proposals for a Youth Obligation. From April 2017, young people will participate in "an intensive regime of support from day 1 of their benefit claim, and after 6 months they will be expected to apply for an apprenticeship or traineeship, gain work-
based skills or go on a mandatory work placements to give them the skills they need to move into sustainable employment." (HM Treasury 2015).

**New Enterprise Allowance**

This provides help for JSA and ESA-WRAG claimants who want to start their own business. Between April 2011 and March 2015 in Scotland 12,830 people received mentoring under this programme, and 6,580 started their own business. The scheme provides participants with £1,274 in total over 26 weeks (DWP 2015c).

**Help to Work**

This programme was introduced from April 2014 for those who were still unemployed after completing the Work Programme. It provides

- Mandatory Community Work Placements for up to 6 months.
- Daily signing on at the Jobcentre until they find work; or
- For claimants with more complex barriers to work, such as literacy or numeracy issues, to take part in “intensive support to address their problems”.

The contractor in Scotland for the Community Work Placement element is Learn Direct Scotland Ltd.

**Access to Work**

Access to Work is a fund for disabled people for assistance with work related costs. A range of support can be applied for, such as adapting premises to meet an individual's needs, or paying a support worker. It can also pay towards the cost of getting to work if an individual cannot use public transport. Across Great Britain as a whole, nearly 37,000 people were supported through this scheme in 2014/15 (DWP 2015d). In March 2015 the UK Government announced changes to this scheme, including capping the maximum available award (DWP 2015e).

**Work Choice**

This is a voluntary scheme for disabled people who need extra help to find and sustain employment. There are three levels of help:

- Work Entry Support – advice and guidance for up to 6 months.
- In-work support – help to start and stay in work for up to 2 years
- Longer-term support – moving towards working without support. This is not time limited.

People are referred to Work Choice by a Jobcentre Plus Disability Employment Advisor who then works with contractors for the area. Since it was introduced there have been nearly 12,000 referrals to Work Choice in Scotland, leading to 9,510 starts on the programme and 4,370 job outcomes (i.e moving into supported or un-supported employment) (DWP 2015f).

The main contractors in Scotland are Momentum Skills and Shaw Trust who in turn sub-contract to 19 suppliers (Scottish Government 2015c).

Providers receive a service fee for each individual who starts Work Choice. They receive a further payment if that individual obtains a job and a final payment if that job is sustained unsupported for at least 6 months.
Work Programme

This is the largest contracted employment support programme run by the DWP. Between June 2011 and March 2015 around 39,000 people in Scotland have been supported into work through the Work Programme out of 167,000 referrals (DWP 2015g).

The elements of support provided in the Work Programme vary, but typically include regular contact with an adviser, an assessment of the employment needs of the individual, help with searching for suitable jobs and preparing for interview, and IT support and training.

The Work Programme is delivered in Scotland by Ingeus and Working Links. These prime contractors sub-contract to 49 suppliers. The Work Programme is based on payment by results. The detail of provision is decided by the contractor, and they get paid for achieving certain outcomes (Scottish Government 2015c).

Current Work Programme contracts throughout Great Britain expire in March 2017. In addition to the planned devolution in Scotland, the UK Government has committed to working with a number of areas through City Deals\(^1\). For example, there is an agreement that Greater Manchester will co-commission the next iteration of the Work Programme with DWP (Greater Manchester Combined Authority 2014).

Other Jobcentre support

Jobcentres also have flexibility to vary the timing, length and number of more in-depth, work-focused interviews in which advisers offer support and advice and can refer claimants to external sources of support where appropriate. They can also use the ‘flexible support fund’ to help clients with expenses and refer them to training as part of skills conditionality.

Flexible Support Fund

This Jobcentre Plus fund can be used to cover expenses such as travel and childcare costs of attending job interviews, and to purchase external provision, such as education and training courses. Payments are made at the discretion of local Jobcentre Plus managers.

Skills Conditionality

Jobcentre staff have discretion to refer clients to training which includes basic skills (English, numeracy, literacy), occupational skills, employability skills and the English Language Requirement. Once referred, participation is mandatory and applies to JSA claimants and ESA claimants that are in the ‘work related activity group’. Between June 2012 and February 2015, 5,130 people started training under ‘skills conditionality’ in Scotland (DWP 2015a).

There is a separate scheme in Scotland which is not mandatory – English for Speakers of Other Languages (Scottish Government personal communication).

The table below provides information on various DWP employment programmes, indicating whether they are:
- mandatory or voluntary,
- contracted or non-contracted, and
- how long they last.

---

\(^1\) These are agreements between the UK Government and cities/regions see: https://www.gov.uk/government/policies/city-deals-and-growth-deals?page=1 In Scotland, the Scottish Government is also part of the agreement. There are City Deals in Glasgow and Clyde Valley and Inverness.
<table>
<thead>
<tr>
<th>Scheme</th>
<th>Clients</th>
<th>Participation</th>
<th>Contract</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory Work Activity</td>
<td>JSA, some UC</td>
<td>Mandatory</td>
<td>A4E</td>
<td>4 weeks</td>
</tr>
<tr>
<td>Youth Contract:</td>
<td>JSA, ESA-WRAG, some UC, focus on 18 to 24 yr olds</td>
<td>Mandatory once referred</td>
<td>n/a</td>
<td>2 to 8 weeks for work experience</td>
</tr>
<tr>
<td>Work Programme</td>
<td>JSA, some ESA, IB and IS</td>
<td>Mandatory for JSA and some ESA, voluntary for IB and IS.</td>
<td>Ingeus and Working Links</td>
<td>2 years</td>
</tr>
<tr>
<td>Work Choice</td>
<td>Disabled people</td>
<td>Voluntary</td>
<td>Shaw Trust and Momentum</td>
<td></td>
</tr>
<tr>
<td>Help to Work</td>
<td>Unemployed work programme completers</td>
<td>Mandatory</td>
<td>Community placements contracted to learndirect</td>
<td>Up to 6 months</td>
</tr>
<tr>
<td>Access to Work</td>
<td>Disabled people</td>
<td>Voluntary</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>New Enterprise Allowance</td>
<td>JSA, ESA-WRAG, some IS and UC</td>
<td>Voluntary</td>
<td>n/a</td>
<td>26 weeks</td>
</tr>
</tbody>
</table>

JSA: job seekers allowance
ESA-WRAG: Employment and Support Allowance Work Related Activity Group
IS: Income Support
UC: universal credit
IB: incapacity benefit

SANCTIONS AND CONDITIONALITY

Although the Work Programme will be devolved, the sanctions regime remains reserved. Claimants who fail to attend a mandatory programme have deductions made to their benefits. Around 110,000 sanction referrals were made in Scotland in 2014. Around a third of these related to the Work Programme (37,775). However, not all of these referrals resulted in a sanction being applied. In Scotland in 2014, a total of 55,864 ‘adverse sanctions’ were applied to JSA claimants of which around 16% were due to failure to participate in the Work Programme without good reason. In addition, there were 8,745 sanction referrals for those on ESA for failure to participate in work related activity resulting in 2,566 sanctions being applied\(^2\) (DWP statXplore, Scottish Government 2015d, Scottish Government 2015e).

DEVOLVED PROGRAMMES

Through the existing devolution of education, training and skills, the Scottish Government has been able to develop a range of programmes that assist people in finding and sustaining employment. While it could be argued that all vocational education and training meets this aim, the following focuses on programmes for those who need extra help in securing employment. It therefore does not include mainstream provision such as the Careers Service or Modern Apprenticeships.

None of the devolved programmes are mandatory, or form a condition for receiving welfare benefits. The devolved programmes are a mixture of:

\(^2\) Only those in the Work Related Activity Group are required to take part in job search activity. Around 27% of ESA claimants are in this group.
- core skills training, personal development and support to further training
- work experience – paid and unpaid
- recruitment incentives

In practice a local provider might access funding from a range of sources – DWP, European Union, Scottish Government and charities. For example, a training provider might be a subcontractor for the Work Programme as well as a contractor to SDS for the employability programme and provide services on behalf of the local authority. This creates a very complex mix of provision.

**Employability Fund**

This programme is administered mainly by SDS and the type of activity support includes:

- core skills development, personal and life skills
- work experience
- vocational training linked to the local labour market
- industry specific qualifications

Broad eligibility is people who have been unemployed for 13 weeks and those under threat of redundancy.

The Employability Fund has been £52m annually since it began in 2013/14. Of this, £18m is provided through the Scottish Funding Council for college places and £34m is administered through contracts by SDS. The £34 million SDS tranche delivers 17,150 individual training places in each year. The £18m is allocated by the Scottish Funding Council to college regions to deliver employability training with a particular focus on 16 to 19 year olds (Scottish Government personal communication).

The majority of the fund, administered by SDS, is delivered by a range of organisations under contract to SDS and payments are made when a participant:

- starts on the scheme (£750)
- achieves an outcome or an output

Outputs relate to completing certain levels of training and attract payments of between £200 and £850 depending on the stage in the skills pipeline and the type of qualification achieved. Outcomes include:

- registering as a Modern Apprentice (£1,000)
- achieving a job/self-employment, sustained for 4 weeks (£600), and then for 26 weeks (£400).
- progressing to the next stage of the ‘Skills Pipeline’ or more advanced learning (£100).

(SDS 2015).

**Scotland’s Employer Recruitment Incentive (SERI)**

In July 2015, the Scottish Government announced that it will provide up to £10m to support over 2,000 young people into employment and to support small employers to recruit Modern Apprentices. The recruitment incentive will offer employers a payment of up to £3,963 over the first 12 months to offset the additional costs of recruiting and employing a young person. This could be used to pay additional supervisory costs, training, initial travel to work costs or wage, but actual use of the incentive is not prescribed. An additional £500 supplement is available to encourage employers to pay the living wage. SERI replaces the Youth Employment Scotland
Fund which ran from 2013 to June 2015 and which supported 10,000 jobs (Scottish Government personal communication). SERI is administered on behalf of the Scottish Government by SDS and delivered by Local Authorities.

In addition, up to £500 per person is available for additional support for young people with a disability, care leavers, carers and young people aged 16 to 29 years with criminal convictions. This support will include: accredited training; enhanced monitoring and in-work support; job coaching and workplace reviews; purchase of basic workplace clothing; mentoring employers and their staff in support strategies; and benefit checks. Skills Development Scotland have contracted out the delivery of the programme to an expanded ‘Open Doors’ consortium which includes Action for Children, Barnardo’s, Young Carers Trust, Workers Educational Association and Cornerstone on delivering the support (Scottish Government 2015f, Scottish Government personal communication August 2015).

Community Jobs Scotland

The Scottish Government fund SCVO to provide work based training for disadvantaged 16-24 year olds. It provides at least £5,000 per person to create a job training placement in a third sector organisation. These are for up to 25 hours a week, for a minimum of 6 months and are paid at the National Minimum Wage. There is the option of paying the Scottish Living Wage where the employer already pays this for similar work and where this is affordable. Since August 2011 it has arranged nearly 6,000 placements (Community Jobs Scotland online).

Inspiring Scotland 14:19 Fund

The programme funds projects which support vulnerable young people, aged 14 to 19 years, who are struggling to make a successful transition from school into employment, education or training. The fund supports a variety of different projects, mainly in the third sector with a few local authority projects. Over its first six years, projects funded by the organisation have supported 16,981 young people into employment, education or training (Inspiring Scotland online).

Opportunities for All

This policy targets those at risk of not making a successful transition from school to employment. All 16 to 19 year olds are guaranteed an offer of either education, training or employment. It is monitored by SDS, and a range of organisations is involved in ensuring it is provided - in particular schools, colleges and local authorities. It includes Activity Agreements which are individual learning and employability programmes for those young people at risk of not progressing into learning, training or employment.

COMPARING SCALE OF RESERVED AND DEVOLVED PROGRAMMES

The above schemes provide a mixture of advice, personal development, training, work experience and recruitment incentives. Some of them, particularly the DWP schemes, are focused on getting people off benefit and into employment. Others consider progression in education and training to also be a successful outcome.

The chart below gives an indication of the scale of participation in different schemes and shows that the Work Programme is by far the largest scheme in terms of participation. The next largest is a devolved scheme - the Employability Fund which has similar numbers to the work experience element of the DWP’s ‘youth contract’. All other schemes, devolved and reserved, are much smaller scale.
There will also be a range of local and third sector provision not included here.

Statistics tend not to cover comparable periods, so the following takes an annual average. It does not therefore show actual participation in any particular year, but rather gives an indication of the scale of participation in the different schemes.

There is a bar chart showing average annual participation for different schemes. The chart includes:

- Work Programme
- Employability Fund
- Youth Contract: work experience
- Youth Contract: youth academy
- New Enterprise Allowance
- Inspiring Scotland 14-19 Fund
- Mandatory Work Activity
- Work Choice
- Community Jobs Scotland

The chart indicates that the Work Programme has the highest average annual participation, followed by the Employability Fund and Youth Contract: work experience. The other schemes have significantly lower participation.

Source and time period: see statistics under scheme descriptions above. N.B.: Shows 'attachments' for the Work Programme, 'mentoring support' figures for new enterprise allowance and 'starts' for Work Choice. Participation statistics over time are not available for 'help to work' or the Scottish Government's Employer Recruitment Incentive.

SCOTLAND BILL

The Scotland Bill would result in devolution of the Work Programme and Work Choice, although the Scottish Government argues that the Smith Commission provided for more than this. The Smith agreement stated:

"The Scottish Parliament will have all powers over support for unemployed people through the employment programmes currently contracted by DWP (which are presently delivered mainly, but not exclusively, through the Work Programme and Work Choice) on expiry of the current commercial arrangements" (Smith Commission 2014).

Timing of devolution

There has been debate about both the timing and extent of devolution. The Scottish Government argued that DWP's decision to extend the Work Programme contracts to 2017 did not match the provision in Smith that devolution would happen at the expiry of the then, current contract. At the time Smith was agreed the DWP contracts lasted to April 2015, although the extension to April 2017 was in the process of being implemented (Carmichael, 2015).
Scotland Bill provision

The Scotland Bill, as introduced, provides for the devolution of schemes for:

- assisting disabled people to select, obtain and retain employment
- assisting people claiming reserved benefits who are at risk of long term unemployment to select, obtain and retain employment, where the assistance is for at least a year.

These provisions were unchanged from the draft clauses, which the Devolution Committee concluded: "do not fully implement the Smith Commission recommendations." The Committee recommended that the restriction to programmes lasting more than a year should be removed. It also recommended that Access to Work Programme should be devolved (Scottish Parliament Devolution (Further Powers) Committee 2015).

The Scottish Government also argues that the Scotland Bill does not meet the Smith Commission agreement. In particular, it objects to the restriction to schemes which last for at least a year, thus removing from devolution a number of short term schemes contracted by the DWP, such as Mandatory Work Activity and Help to Work.

The Scottish Government published alternative clauses for the Scotland Bill which would provide for full devolution of job search and support (Scottish Government 2015g). More broadly, it would also like to see devolution of "the full range of services contracted by DWP, over welfare powers and over Jobcentre Plus" (Scottish Government 2015c).

Amendments put forward at Committee stage in June 2015 to extend the devolution of employment support were not successful (Hansard 30 June 2015). These sought to devolve:

- arrangements for employment support programmes
- employment programmes where assistance is for less than a year
- Access to Work scheme

The UK Government has argued that the Scotland Bill does meet the terms of Smith. In a letter to the Devolution (Further Powers) Committee the Secretary of State for Scotland explained the UK Government’s approach to turning the Smith Commission recommendation into legislation:

Clause 26 does not differentiate between contracted and non-contracted support. Instead it sets out the “space” in which the Scottish Government will be able to create new support and does this by giving statements around the functions that are discharged by the Secretary of State or by a party acting on behalf of the Secretary of State. I therefore believe that clause 26 delivers a substantial transfer of powers to the Scottish Parliament and delivers on the Smith Commission Agreement.

This clause creates clear lines of accountability between those claimants that Scottish Ministers are able to create employment programmes for and those claimants that will continue to be supported through Jobcentre Plus. In particular, it makes it clear that the Scottish Parliament can only provide employment support for claimants who are at risk of long-term unemployment where the assistance lasts at least a year, or for those with disabilities that are likely to need greater support. Help for long-term unemployed and disabled people currently makes up 95% of DWP’s budget for centrally contracted employment support delivered through providers. It therefore draws a line between such
schemes and the core functions of Jobcentre Plus. This enables the smooth delivery of an integrated benefit system, and will result in a better service for claimants.” (Mundell 2015)

**Planning for Work Programme and Work Choice Devolution**

While discussions continue about the final extent of the Scotland Bill, the Scottish Government is starting to prepare for the expected devolution, in April 2017, of the Work Programme and Work Choice. In July the Scottish Government published a discussion paper on how the expected devolution of the Work Programme and Work Choice could be developed in the context of existing Scottish employment support provision.

The discussion paper asked for views on a wide range of issues including:

- scope for integrating services
- how to ensure services meet individuals' needs
- the balance between local and national provision
- scope for flexibilities in conditionality and sanctions regime in Scotland

(Scottish Government 2015c).
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Introduction

1. In July, the Welfare Reform Committee issued a call for evidence on the Future Delivery of Social Security in Scotland. The Committee sought views on how the new welfare powers proposed in the Smith Agreement should be used. The Committee held a session on disability and carers’ benefits on 15th September and a further session on housing, top-ups to benefits and new benefits on 6th October. The session on 3rd November will be on employment support, which is the focus of this paper. In addition, the Committee is holding a ‘your say’ session on employment support on 27th October.

Opportunity

2. A major theme in submissions is that the devolution of the Work Programme and Work Choice is an opportunity to improve these programmes as well as rationalise the currently complex landscape of devolved and reserved provision.

3. “Opportunity” was referred to in many submissions including Argyll and Bute council, Barnardo’s, Citizen’s Advice Scotland, COSLA, Crisis, Falkirk Council, Highland Council, Inverclyde Council, One Parent Families Scotland, Professor Paul Spicker, Reed in Partnership, Renfrewshire Council.

4. The complexity of current provision across devolved and reserved services was referred to by: North Ayrshire Council, NHS Lanarkshire, Renfrewshire Council and South Lanarkshire Council. For example, NHS Lanarkshire referred to the: “current complex operating environment which can confuse both clients and employer.”

Quantity or quality

5. Devolution presents an opportunity to take a different approach. With reference to the experience in Netherlands and Australia, The JRF considers that:

"a critical decision for Scotland ahead of further devolution is whether to stick with a ‘thin’ employability regime (known internationally as the Labour Force Attachment model) which has been described as “continuing to throw claimants at the job market until they stick” or shift towards a ‘broad’ approach (the Human Capital Development model) which involves greater
expenditure on skills development and thus an investment in the longer term earning potential of jobseekers.”

6. JRF conclude that: “achieving better long-term job outcomes can’t be done on the cheap.” Similarly Barnardo’s recommend moving away from the ‘work first’ approach towards a ‘capability approach.’

**Personalised Support**

7. One of the major criticisms in the submissions of the current Work Programme is that it is unable to provide support that meets the needs of different jobseekers. Submissions considered that devolution will be an opportunity to re-design the programme so that it can offer personalised, tailored support. (Action for ME, Age Scotland, Barnardo’s, Crisis, Glasgow Council of Voluntary Services, Health and Social Care Alliance, Falkirk Council, Inclusion Scotland, Poverty Alliance, Quarriers, Reed in Partnership, Renfrewshire Council, SCVO).

8. Personalised, specialist support was necessary even though some noted that it is more expensive (see for example, Crisis, Barnardo’s, JRF).

**‘Direct Payments’**

9. Three organisations suggested that jobseekers should be given an allocation of funds to enable them to choose the training and support that suits them. (ENABLE, JRF, Glasgow Council of Voluntary Services). JRF referred to the Australian “jobseeker account.”

**Specialised support**

10. There was a general theme that provision needed to be tailored to the individual and particular groups of people would need more specialised support. Specific groups mentioned included the following:

- those with ME (Action for ME)
- lone parents (OPFS)
- disabled people (Aberdeen City Council)
- people with long term conditions
- older people (Age Scotland)
- women (Scottish Women’s Convention)
- women in rural areas (Scottish Women’s Convention)
- parents
- carers
- homeless or at risk of homelessness (Crisis)
- recovering addicts (JRF)
- ex-offenders (JRF)
- people with mental health problems (SAMH, Housing Support Enabling Unit and Coalition of Care Providers Scotland)
• learning disabilities (Housing Support Enabling Unit and Coalition of Care Providers Scotland)

Localised Provision

11. One of the main advantages of devolution was considered to be the opportunity to take better account of local circumstances. There was a very consistent message across the submissions which is summed up by CPAG:

“Devolution of employment programmes such as the Work Programme and Work Choice will allow for initiatives to be developed that are more suited to the local labour market, local skills and local employers. This could help to minimise the imposition of arbitrary and inappropriate job-seeking tasks that can undermine claimants’ efforts to move into work and increase the individual’s chance of being sanctioned.”

12. Local authorities in particular consider devolution as an opportunity to develop more localised services, noting that there is already considerable local provision and expertise in place. Many local authorities referred to the existing infrastructure delivering employability support under the Scottish Government’s employability pipeline approach.

13. Some submissions, for example Aberdeen City Council, specifically suggested devolution to local authorities. Most however referred to ‘local delivery’ or ‘locally contracted services’ but were not absolutely explicit whether they meant devolution to local authorities. For example Falkirk Council warns that: “new centralised bureaucracies should be avoided.” Dundee City Council and North Ayrshire Council recommend: “a national framework with a focus on local delivery.” Similarly, local delivery but with some level of national oversight was referred to by COSLA, who set out their position as follows:

• “Local by default, national by agreement” underpins our approach to the devolution of employability programmes.
• We need to maximise the scale and scope of devolution to ensure there is a meaningful prospect of policy improvement compared to the British programmes.
• Replacing one centralised system with another would represent an opportunity loss
• Integration of new devolved programmes with local skills pipelines is key.
• A number of aspects would make sense to be progressed and agreed nationally.

14. Reasons given for local delivery include:

• existing expertise and infrastructure of local authorities and local third sector in this area – in particular through the Employability Pipeline approach (eg COSLA)
• understanding of the local labour market (eg Argyll and Bute Council, COSLA
• accountability to local people (eg COSLA, North Ayrshire, Highland Councils)
• allows more tailored approaches and better co-ordination of services (eg Renfrewshire Council)
• integration with other locally delivered services (eg Highland, Shetland)

15. However, based on reviews of the international evidence, JRF consider that “there is no automatic relationship” between decentralisation and better provision. It “depends on managerial, fiscal and delivery capacities or lower tiers of government and/or local delivery partnerships.” JRF warn of the potential for “wide variations in cash benefits, services and user experiences” particularly where there are differences in the strength of local networks of services for employability programmes to draw on. JRF are of the view that:

“Policy makers will need to deliver flexible, localised strategies within a coherent and equitable policy framework with clearly defined minimum standards across Scotland.”

16. PCS Scotland oppose localised provision fearing a postcode lottery.

17. The Policy Scotland Welfare Reform Network describe three geographic models:

• national
• four JCP districts
• 32 local authorities

18. However, they consider that provision based on local authority boundaries would risk a postcode lottery and query the capacity of smaller local authorities to deliver.

19. East Ayrshire Community Planning Partnership agree with many that a locally focused approach is needed but note that this doesn’t necessarily mean it should be based on local authority boundaries:

“some towns and villages having a stronger links with nearby towns in other local authority areas. A possible solution would be for a local Work Programme agency to be based around the boundaries of two or three local authority areas, e.g. Pan Ayrshire. However flexibility would be required to afford claimants the opportunity to utilise the services of neighbouring ‘agencies’ if they lived within a reasonable ‘travel to work’ area which could be set at one hour via public transport?”

Integration with other devolved services

20. The potential to link with existing devolved employability provision was referred to above. In addition, there were suggestions that devolution would enable better links to be made with other services – such as health, social care and housing. The role of the third sector was also something that could be enhanced. For example, Dundee Council referred to a community based approach with dedicated outreach services.
Interface between devolved and reserved functions

21. A common concern was the implications of some functions continuing to be reserved – in particular with regard to sanctions. Reflecting this there were calls for further devolution and requests for clarity about how the devolved and reserved elements would work together (e.g., ENABLE, South Lanarkshire). The Health and Social Care Alliance Scotland referred to the Christie Commission’s conclusion that employability services should be devolved.

Conditionality and Sanctions

22. The single biggest concern about the interaction between devolved and reserved areas was the effect of sanctions remaining reserved.

23. SAMH consider that: “the current ideological approach of DWP which is penalty-driven rather than supportive is counter productive.” One Parent Families Scotland consider that sanctions; “seriously restrict Parliament’s opportunities to develop effective employability services” and that therefore the direct link with benefits should be removed. Similarly Glasgow Council of Voluntary Services would like to “sever the link with sanctions if possible”.

24. SCVO consider that sanctions remaining reserved will create unnecessary complexity. The Scottish Women’s Convention and Citizen’s Advice Scotland worry it will result in tensions between Governments. In common with many submissions, Citizens’ Advice Scotland considers that: “work programme providers should be there to support people into work rather than monitor conditionality.” Aberdeen City Council suggests that the Third Sector and local authority should be involved in agreeing the claimant commitment.” Renfrewshire Council are also concerned about sanctions, but say that “there is some current practice which shows that working in partnership can overcome some of these issues.” They refer to the City Deal ‘Working Matters’ partnership between Glasgow City Region and the DWP.

25. SAMH are concerned that people may be assigned to inappropriate programmes by Job Centre Plus, which devolved providers then have to administer. They say that many of the problems of the work programme stem from the inappropriate and inadequate work capability assessment and hope the Scottish Government will lobby for significant changes to this process in order to correctly identify individuals for each employment programme.

Further devolution

26. Apart from sanctions and conditionality, there were views that Job Centre Plus and Access to Work should be devolved. Barnardo’s and SCVO would like Job Centre Plus to be devolved. SAMH, Carers Scotland, Housing Support Enabling Unit and Coalition of Care Providers Scotland and ENABLE would like Access to Work to be devolved.

27. In addition, Falkirk, NHS Lanarkshire and South Lanarkshire would like all ‘non-core’ Job Centre Plus functions to be devolved (e.g., flexible support fund, youth contract) and OPFS object to the restriction to devolution of support for the unemployed to programmes that last more than a year.
Contracting approach

28. The Work Programme and Work Choice are currently contracted out to ‘prime providers’ who are paid by results and sub-contract to other providers.

29. While Angus Council was in favour of payment by results, Barnardo’s was opposed, saying it resulted in ‘parking’ (i.e helping those who were easiest to help). Policy Scotland Welfare Reform Network thought that payment by results favoured large companies that could absorb the ‘up front’ costs. Crisis wanted ‘up-front’ payments for those working furthest from the labour market. NHS Lanarkshire thought that the ‘black box’ approach (where particular approaches are not specified, only the outcomes required) “is unhelpful to partnership working.”

30. Dundee Council wanted to move from a ‘commissioning’ approach to one based on partnership. The PCS thought employment support programmes should not be contracted out at all, but delivered by civil servants. The Policy Scotland Welfare Reform Network consider that contracting out has failed to save money, reduce bureaucracy or encourage innovation. They recommend the ‘Working for Families Fund’ as an alternative approach. The Scottish Federation of Housing Associations were critical of big firms sub-contracting “on a diminishing returns model of agreement.”

31. The JRF paper emphasised the importance of “good design of performance/contract management frameworks, targets and payments.” They noted that:

“Evaluation evidence is mixed, but well designed contracts can cut delivery costs, offer access to specialist support and bring innovation to service delivery. The consistent risk is that providers ‘cherry-pick’ more job ready claimants, park those facing greater barriers to work and exploit other weaknesses in contract design.”

32. Suggestions in the JRF paper include:

- the remit of the SPSO should be extended to include commissioned employment services.
- a greater diversity of providers and choice for service users
- stronger incentives for providers to improve participant work experience
- develop in-work support as an integral feature
- focus on the duration and quality of employment outcomes
- initially run a mix of direct service provision and commissioned services, to enable comparison
- service user choice should exist between sub-contractors, not just prime providers

Timescales

33. The Work Programme and Work Choice are due to be devolved by April 2017. The Policy Scotland Welfare Reform Network and South Lanarkshire Council note that this timetable is very tight, the former recommending that:
“[If] the Scottish Parliament/Scottish Government wishes to do things differently in the next contractual round, it should urgently move forward discussions with providers on the basis of a PQQ followed by an invitation to negotiate rather than an invitation to tender”

Camilla Kidner
SPICe
20th October 2015