

Cabinet Secretary for Fair Work, Skills and Training  
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Hugh Henry MSP  
Convenor  
Welfare Reform Committee  
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22 March 2016

Dear Hugh

I am writing to make you aware of my announcement regarding the future of employability support in Scotland.

As you know, the UK Government cut the budget for employability services by an estimated 87 per cent in the first year of devolved employability services in Scotland - from an anticipated £53m to £7m. Scottish Ministers have therefore stepped in to provide up to £20 million in additional funding to replace the UK Government's Work Choice and Work Programme schemes. This trebles the funding being made available to exercise new devolved powers on employability from 1 April 2017 to provide employment support for disabled people and those at risk of long term unemployment.

Following an extensive period of consultation, I have today outlined this government's vision for employability support in Scotland, together with transitional arrangements for 2017-18 only.

In the first instance, for the period 2017-2018, we will ensure continuity of service for those who need it most by delivering a phased approach as follows:

- We will replace Work Choice with a 1 year contract between Scottish Ministers and current third sector providers of Work Choice in Scotland, investing up to £20m to support unemployed disabled people into work.
- We will ask Skills Development Scotland to use the mechanisms currently in place for the Employability Fund to deliver a new 1 year employability service

for clients with a health condition and at risk of long term unemployment who want to enter work.

This approach will allow us to continue to work collaboratively with stakeholders to redesign the more enduring approach to employability support in Scotland from 1st April 2018. During this phase we will take forward a programme of integration and alignment of existing employability services in Scotland, whilst beginning to differentiate the Scottish offer over and above that available in the rest of the UK.

I am sure that the Committee will be interested in this information. I have also sent a copy of this letter to the Presiding Officer, Committee Conveners and Business Managers.

A handwritten signature in black ink that reads "Roseanna". The signature is written in a cursive style with a large, prominent initial 'R'.

**ROSEANNA CUNNINGHAM**

Cabinet Secretary for Fair Work, Skills and Training

CC:

Presiding Officer

Bruce Crawford MSP - Devolution (Further Powers) Committee  
Murdo Fraser MSP - Economy, Energy and Tourism Committee  
Stewart Maxwell MSP - Education and Culture Committee

John Finnie MSP  
James Kelly MSP  
John Lamont MSP  
Alison McInnes MSP