OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 26 January 2017

Session 5

The Scottish Parliament
Pàrlamaid na h-Alba

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SOCIAL SECURITY COMMITTEE
1st Meeting 2017, Session 5

CONVENER

*Sandra White (Glasgow Kelvin) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)
*Mark Griffin (Central Scotland) (Lab)
*Alison Johnstone (Lothian) (Green)
*Gordon Lindhurst (Lothian) (Con)
*Ben Macpherson (Edinburgh Northern and Leith) (SNP)
*Ruth Maguire (Cunninghame South) (SNP)
*Adam Tomkins (Glasgow) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Marion Davis (One Parent Families Scotland)
Tommy McDade (Barnardo's Scotland on behalf of the Young Persons Consortium)
Rhiannon Sims (Citizens Advice Scotland)
Pamela Smith (Scottish Local Authorities Economic Development Group)
Rachel Stewart (Scottish Association for Mental Health)
Dr Sally Witcher (Inclusion Scotland)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Security Committee

Thursday 26 January 2017

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Sandra White): Good morning, everyone, and thank you for turning up at such an early hour and managing to get in, regardless of the traffic. It is a cold morning, but it is bright, and there is a warm welcome for everyone at the Social Security Committee. This is the committee's first meeting in 2017, and I remind everyone to turn off their mobile phones, as they interfere with the sound system.

Agenda item 1 is a decision on taking items 3 and 4 in private. Are we agreed?

Members *indicated agreement.*

Employability and Sanctions

09:30

The Convener: Item 2, which is the main item on our agenda, is an evidence-taking session on employability programmes, including sanctions. We have two panels of witnesses, with 45 minutes each for questions and answers. I welcome our first panel: Rachel Stewart, senior public affairs officer at the Scottish Association for Mental Health; Dr Sally Witcher, chief executive officer at Inclusion Scotland; and Tommy McDade, assistant director of employment, training and skills at Barnardo's Scotland, who is here on behalf of the young persons consortium.

I will open with a general question to the panel, and then other members will come in with questions. What is your view of the Scottish Government's proposals for schemes for those with disabilities? I should say that Mr McDade should feel free to respond more generally on the issue of the long-term unemployed. Who wants to go first?

Dr Sally Witcher (Inclusion Scotland): Our starting point is that, to deliver successful schemes for and with disabled people, we first need to really understand what prevents disabled people from getting into employment. The basis of our case is that the barriers are often understood as having something to do with the individual—for example, an individual's lack of skills or lack of confidence, their health condition and how they self-manage it and so on. That might be so for some people but, for a lot of disabled people, none of that applies, because those are not the reasons why they cannot get into employment.

Down the years, employability support services for disabled people have been based on the—we feel—limited understanding that the problem is something to do with the person. If that is what is meant by a person-centred or whole-person approach, we have a bit of a problem with that. Disabled people can also be stopped from getting into employment by, for example, employer attitudes, the fact that employers do not have the information or the support to know how to advertise roles in an accessible way or to frame job descriptions in a way that does not inadvertently discriminate, and the fact that employers do not know where to go for information. Employers can create a whole load of barriers, but employers can also experience barriers when it comes to employing disabled people. Unless equal weight is given to that part of the jigsaw, quite a lot of the point will be missed.

Alongside that, people often talk about employment as the route to inclusion. However,

we suggest that inclusion should be dealt with before getting to the issue of employment, because it is about things such as the environment in which a person lives—the inaccessibility of buildings and transport—and all kinds of attitudes. It is also about other services. If someone does not have the personal assistance support that they need through social care to get up at the right time in the morning, they will not be able to get into work at the right time. It is therefore really important that we look at how those services come together. I am not necessarily suggesting that they should be integrated, but they should certainly be co-ordinated and aligned.

Our starting point is therefore the need to take a wider lens to the issue and to go beyond a sole focus on the person to look at the variety of different players and the different barriers that will never be resolved by the person themselves and which lie beyond their power to do anything about. An individual disabled person cannot change employer attitudes or put accessible transport in place. That, in a nutshell, is why sanctioning disabled people is unjust. They are being penalised for barriers that are not of their making and which they have no power whatever to do anything about.

Tommy McDade (Barnardo's Scotland on behalf of the Young Persons Consortium): I will start with a wider description of the young persons consortium, which is essentially a partnership between Action for Children Scotland, Barnardo's Scotland and the Prince's Trust across Scotland. The original driver was having the ability to deliver across local authorities quite a large-scale European programme that had—as is obvious, given what the three charities are about—a focus on helping young people.

As about 25 to 30 per cent of the young people whom we support have declared some kind of disability, we welcome the focus on a disability-specific programme. However, such a programme does not provide the whole answer to the question of how we help young people and adults who present with a disability of some sort. Someone might describe themselves as having a disability, but that can mean a wide range of things.

I echo Sally Witcher's point about support. In any of our programmes for supporting young people, whether they have disabilities or whether they have particular disadvantages or needs—they might have been in the care system or be ex-offenders with convictions—we ensure that the right level of support is available not just to the young person but to the employer. Some employers might have a certain attitude to recruiting young people with disabilities or from particular vulnerable backgrounds, but we find that the vast majority of employers do not think it a bad idea to take on a young person, regardless of any issues or capabilities that come with them. Employers really appreciate the huge level of support that comes with that. That is not just about supporting the young person to gain employment; it goes beyond helping them into the initial phase of employment to helping them to stay and grow in employment and develop their skills. We see that as one of the key tools in improving the economic vibrancy of the Scottish economy.

We therefore very much support a specific focus on disabled people, but there needs to be a wider look at what is out there to support disabled young people and other young people from underrepresented groups. We have seen the data in the developing the young workforce strategy reports on, for example, participation in modern apprenticeships, and we have been encouraged by what looks like an increase in participation by underrepresented groups. However, there is more to do.

Rachel Stewart (Scottish Association for Mental Health): I very much echo my colleagues' remarks about the structural discrimination that people with disabilities experience and the need to ensure that all aspects of society are mindful of not having a blinkered view in respect of, say, a certain person getting a certain job or of it all being on the person themselves to do this.

We very much welcome the language that the Scottish Government has been using since it started consulting on its fairer Scotland employability programmes and wider social security benefits. We hope that, with the use of terms such as fairness, dignity and respect, those ideas will be realised by the new programmes. That will mean taking a much more holistic approach to an individual who starts on a programme. For example, any initial assessment should take into account all the barriers that they face, whether they be a result of their disability or another reason—or multiple reasons—why they are not in employment.

People with mental health problems make up an enormous cohort of those who will be supported in the new programmes and, as far as people with disabilities who are out of work are concerned, their rates tend to be among the highest. As a result, we were really pleased by some of the language that the Scottish Government used about the 2018 programmes, including the use of individual placement and support for individuals with fluctuating conditions or severe and enduring mental health problems. Such support will require quite a lot of co-ordination with the national health service and a lot of integrating with, talking to and working with employers both before and after an individual has been placed.

We look forward to seeing more detail when the tender information comes out in March, which the Minister for Employability and Training referred to in the letter that the committee received from him last night. We welcome the proposals for a more specialist disability service in the third and most intensive tier, but the devil will be in the detail.

The Convener: That issue will be raised in a number of our questions.

Alison Johnstone (Lothian) (Green): I thank the witnesses for their comments on the need for specialist support. The current programmes run for relatively short periods and focus on getting a person into work and ensuring that they stay for as long as the provider gets sustainment payments. However, a lot of people are not in work after three or six months. There is a difference between getting folk into a job and getting them into a long-lasting and meaningful career. To what extent should employability services focus on the longer career path?

Rachel Stewart: That element is crucial. When we start to support someone through our individual placement and support programmes, we carry out a rapid holistic assessment of the individual, which considers their skills, their desires for work and where they want to be. That is not about finding a job for someone that will do them and get them off the books; it is about finding a career and something that they will be able to sustain. Our employability staff spend 60 per cent of their time with employers, trying to find the right employer to fit the person. That ensures that the individual gets support in the workplace, that there are opportunities for progression and that the employment can be sustained.

On the timescales for support, IPS is not for a fixed time. With previous Department for Work and Pensions programmes such as work choice, there was a six-month contract to support people with disabilities. There can be a challenge with such programmes, because that means that the people who are closest to the workplace can be the most desirable for providers. We welcome the language about not necessarily focusing on those who are closest to the workplace but helping those who are hardest to reach, too. However, with that come challenges. As we said in our written evidence, the challenges are to do with the volumes, funding and the process that people go through.

The main challenge is to ensure that people invest in the process and make them feel that they have the power to steer towards their goal of finding a job. Everybody wants to find a job. Last week, we spoke to people who are getting our employment services. One person told us that, had they gone through the Jobcentre Plus route rather than having their meetings in a health setting with an occupational therapist, they would have taken every single job that was going and then, two weeks later, their mental health would have deteriorated to the point where they were unemployed again. However, because they were with an employability adviser and an occupational therapist, there was a three-way conversation round the table and those people were able to say, "Do you think this is right for you? Can you manage it with your medication?" That person has ended up getting a job recently. That approach has been much more successful, because it involves working in partnership, and the person at the centre has been co-producing her support.

Alison Johnstone: Perhaps the other witnesses can touch on that. You are suggesting that there is hope that the culture of creaming off those who are closest to work and perhaps parking those who face more barriers may be tackled.

Rachel Stewart: There is hope. As I said in my opening statement, we await a lot of the information on how the services will be delivered from 2018, which will be crucial. We hope that there will be more information about how people can be supported and what the ratios will be for the people who go through the core, advanced and intensive programmes, because that will determine the amount of money that is spent and the case loads. I do not know what forecasting has been done to work out how many people will be supported in each group, but those ratios will have an impact on how services are provided.

09:45

Tommy McDade: When it comes to supporting people into work, there is always a risk that funding will drive behaviour. One of the programmes is to be called work first Scotland. The evidence is conflicting, but some evidence suggests that if we take a pure work first approach and get a person into a job, everything else that is going on in their life falls into place and everything is fine. That may be the case for some people, but the young people who we work with tend to have lots of external factors going on in their life that can get in the way of even beginning to think about taking a job and starting work. A lot of the people who we work with have not experienced the world of work.

We tend to describe our approach as more of a capability approach. We ask what issues are going on in someone's life. Do they have housing, money or substance abuse issues? Can we support someone to address them? We are not here to solve someone's issues, but we can help someone to cope with them. If we do that, the person is more likely to move into work and succeed in the workplace.

One issue that we have in the labour market is that, although we are seeing high employment rates, which are positive, about 27 per cent of people are in part-time employment and significant numbers of people would like to work more hours but maybe do not have the opportunity to do so. We have an opportunity to recognise that the issue is not just about getting into and keeping any job. Is there anything that we should be doing to support someone who is in a job to grow, develop skills and gain more skills, and then, as a result, increase their hours or develop a worthwhile career? It is in all our interests to encourage as many people as possible to do those things, rather than just tell them, "We've found you a job—away you go."

With the devolved powers, we have an opportunity to create our own bespoke programme. We need to link what we are trying to develop under the devolved employability programmes with what we already have on skills and modern apprenticeships. That is about in-work support and development opportunities.

Dr Witcher: I agree with a lot that my colleagues have said, which I will not repeat. It is indeed the case that, for some disabled people, it can take a very long time to get anywhere close to the labour market, for a range of reasons that may be health or barrier related—as I have said, all kinds of multiple barriers get in the way.

It is important not to look at being in employment as the starting point. A focus is needed on the trajectory—on the journey that people take and all the interim phases that people might go through as they inch their way towards paid employment. Although some people never get there, they may be able to do useful work, such as unpaid volunteering and work-related activities that enable them to feel valued and productive and which contribute to the economy and society, even though they are not branded as the paid work that employability schemes generally require to be the intended outcome. That is the first point.

My colleague Tommy McDade referred to the second point, which is that much of what happens is driven by funding regimes. If the funding regime is predicated on payments being made not so much when people are being supported to get into work as when they get work and stay in it, that will drive behaviours such as creaming off and will set in place dynamics that mean that the focus is on getting people into work as fast as possible. It will also mean that smaller and specialist third sector organisations will not have the funds to maintain the necessary level of intensive and long-term support, even though they might be the right and best-placed organisations to provide it. Such dynamics prevent innovation, because people do not have the space or time to do that.

That is a key part of the picture. Let us focus on the intermediate, small-scale steps, while bearing it in mind that some people take two steps forward then one step—or even three steps—back. There is not a straightforward linear progression.

I draw attention to other things that might get in the way, such as the permitted work rules. Basically, they say that if someone works more than about two days, their benefits will start to be affected. There is an awful lot to think about in considering how employability support services, the goals that we have and the recognition of gradual progress interface with other areas of policy that, in fact, prevent the gradual trajectory or journey from taking place and which, beyond a certain point, require people's benefits to be suddenly affected, which means that they cannot move slowly towards their destination.

Alison Johnstone: Just to be clear, are you saying that part of the solution might be to pay for progression towards work, which may involve specific intermediate goals such as securing a job interview or completing a course?

Dr Witcher: Yes—that might be the case. Again, I come back to what we want to do. Paid employment is an important way for people to contribute to Scottish society, but it is not the only way. Work-related activities such as volunteering, work trials and all sorts of intermediate activities can be important ways for people to contribute to the economy and society.

Our approach is partly driven by our overall vision of what we are trying to do, but it is also driven by a recognition of the reality of the situation for many disabled people and of the resource that might be required to make the adjustments that they would need to get into work and how realistic that is, while bearing it in mind that adjustments sometimes do not cost a lot, if anything. However, expensive equipment and all the rest of it will sometimes be required. For some disabled people, a gradual process is needed, which can take a long time. The right organisations should be available to support that progress and they need to have the funding to enable them to do that.

The Convener: Gordon Lindhurst has a quick supplementary question.

Gordon Lindhurst (Lothian) (Con): On the points that have been talked about, I have had discussions with individuals who have dealt with the system and who have had concerns about how their cases were treated. How important is it that someone who has special needs or mental health issues has those identified at the beginning of their contact with the system? Secondly, if that

is important, what key, practical steps do the panel members think could be put in place to ensure that it takes place right at the outset?

Tommy McDade: Our experience is that, if we are fully aware of the issues that get in the way of a young person obtaining employment, it is hugely beneficial for support to be put in place and agreed with them. The disclosure of such issues is something that we work on from the outset. However, our experience is that, perhaps understandably, the issues are often not disclosed at the initial engagement stage, purely because relationships might not be as well developed as they could be. It is sometimes only after three or four weeks of working with and supporting a young person that they disclose issues around mental health or disability, or other issues that might get in the way of their progressing to employment.

In an ideal world, it would be great to get that information. However, focusing on the work first Scotland programme or the work able Scotland programme, the conduit for referrals is JobCentre Plus and we rely on information that it might hold on a person being shared in full so that we can understand what the person needs. It is important that we get right that partnership working with JobCentre Plus to ensure that all information is shared. Again, there is evidence to suggest that young people and adults do not disclose relevant information right away to JobCentre Plus, which means that it cannot put in the right level of support. Quite often, people do not disclose that information because they feel that they will go to the back of the queue if they do so and will not get support right away. In our experience, that is why a lot of young people are reluctant to disclose right away any issues that they have. However, those issues come out pretty quickly once relationships develop. In terms of taking practical steps, it is about strengthening the relationship with JobCentre Plus.

One of the biggest problems with the devolution of employability powers is the fact that the vast majority of welfare powers remain reserved. Evidence from throughout the world has shown that a welfare system that is closely aligned with and joined up to an employability system is most effective and that a disjointed system could get in the way of, for example, information sharing.

Rachel Stewart: As Tommy McDade says, it depends on the route that people use to arrive at an employability support service. When service users who have been supported through homelessness or social care come to us, there is an automatic awareness that they have a mental health problem, which allows for disclosure and trust because they already have a relationship with the organisation.

Our IPS services are very much integrated in a community mental health team, which means that anyone who is getting support and is asked whether they would like to find a job is supported by occupational therapists, community psychiatric nurses, psychiatrists and social care staff, who are able to link up with the employability worker and phone them if the person does not attend an appointment. For example, if the person had had an episode the night before and was not well enough to attend, instead of their being made to go to the back of the queue or the support being withdrawn, there would be flexibility and awareness, which would allow the relationship and trust to be built up and continue over time to a much more successful end result, whether that was progress towards volunteering, a training course or something softer than a job outcome.

It is crucial that staff are trained to ask the right questions and know where to signpost people for help if they seem to have a mental health problem. Whether those staff work for a mental health organisation or in a job centre, it is important that they have that awareness at the back of their minds. We hope that the voluntary nature of the programmes will be beneficial, as the threat of sanctions should be removed. Our service users tell us that that threat looms over them, which has a cumulative effect on how they engage with the service. Neither work choice nor IPS carries the threat of sanctions.

The Convener: You have mentioned IPS on a number of occasions, and your submission suggests that IPS is the way forward as the best programme.

Rachel Stewart: It is the most evidence-based way in which to support people with mental health problems into work because it is voluntary and it has a link with health, occupational therapy and other services, which takes away some of the barriers for those who are getting support. The approach is very much that the person gets a place and then training—people are rapidly supported into competitive employment. Our staff help people to meet employers and they are then supported for a period after they start work. The employer will have confidence in taking a person on because they will know that SAMH or another IPS provider will support them to put in reasonable adjustments and ensure that the person's mental health stays on an even keel.

In the context of mental health training, I wanted to talk about the need to consider how a person's disability impacts them if they have to take medication, as that can have an impact on their participation in the job-seeking process. For example, it could mean their having appointments in the afternoon rather than in the morning because their medication has an impact on them

first thing in the morning. We need to take a much broader view and try to make the small, reasonable adjustments that will lead to a greater success rate.

Dr Witcher: The more that we know at the start of the process about the individual and the kinds of barriers that they face, the better placed we will be to develop something that will be appropriate and effective. However, in order to get to that point, we must first engage with the unbelievable stigma that exists about disability and the fact that disabled people themselves often reject that label. As my colleague said, it is therefore critical that the relationship between the person providing the service and the individual is built on trust. Further, that relationship needs to be repositioned or reframed so that is not so much about coach and client as it is about partners and co-production. It is a different, more equal relationship.

10:00

Bearing in mind the stigma and the fact that anything that is described as being for disabled people is intrinsically likely to deter a lot of people for whom it is designed to cater—because they will not accept that label—there are implications for mainstream programmes. The more accessible the delivery of mainstream programmes, such as modern apprenticeships, the less need there is for specialist intervention. The strategy is to look at the standard way in which employers go about things and make it is as widely accessible as possible so that a person does not first have to self-identify as disabled in order to access that support.

While it is about impairment and getting to a place where people can explore their needs and so on, in some ways an even bigger problem is that, where the impairment is visible, the overriding focus is likely to be that that is the thing that needs to be sorted. We need to be aware that that might not be the case; it might be the fact that the person cannot find any childcare support. We need to look beyond the impairment. We are talking about the whole person, who has many characteristics and roles. It will not work if we deal with just part of the picture.

Those are probably my main points on that issue. It comes back to understanding that the individual is best placed to know what they need to get around that barrier, what gets in the way, and what will and will not work. A lot of that is about the nature of the relationship and, potentially, the time that is required to build that relationship, if it is to be effective.

Adam Tomkins (Glasgow) (Con): Clearly, this is an incredibly complex area. We have touched on occupational therapy, health and education. On the back of Alison Johnstone's questions about the difference between sustained job outcomes and high-quality job outcomes, I want to try to understand the relationship between employability and skills training.

The devolution of employability support is new but the devolution of skills training is not—it has been with the Parliament since its establishment in 1999. One of the bits of the picture that a number of us are struggling to understand is the relationship between employability support programmes and Skills Development Scotland. We debated those issues in the chamber in the autumn. In preparation for that debate, we had a helpful briefing from the Scottish Council for Voluntary Organisations, which said that 90 per cent of new jobs require digital skills, yet more than 800,000 people in Scotland still do not or cannot access the internet. Will you help us to understand the specific relationship between employability support programmes and skills?

Tommy McDade: On the skills landscape, there is the skills-focused work that SDS commissions, of which a flagship programme is the modern apprenticeship programme. SDS also commissions the employability fund, which is principally aimed at 16 to 24-year-olds.

You mentioned confusion. It could be argued that the programmes, funding and support out there create a bit of a cluttered landscape. I know that there is a desire to align a lot of that funding going forward, post-2018.

Barnardo's delivers the employability fund—it has a contract with Skills Development Scotland—and we find that our focus is very much on a combination of employability skills and the development of skills for work. We combine our offer, which recognises the development of soft skills and access to specific certification that allows the young person to move into a job.

There is currently a muddied landscape—that may be the best way to describe it. To go back to the employability fund, the programmes that are on offer in the skills sector offer us a degree of flexibility so that we can offer things that suit the individual with whom we are working, but they also have a set structure. Similarly, the employability programmes have a set structure. In an ideal world, funding could be aligned to allow a more flexible and bespoke offer for individuals that combined enhanced employability skills and the skills that are needed for a specific job.

Adam Tomkins: With the devolution of employability programmes, is that likely to be easier to achieve—I am not saying that it would be easy to achieve—than it was before?

Tommy McDade: Yes, absolutely. In the past, the offer that was made was quite often adjusted,

depending on what came down the line through Department for Work and Pensions provision. The work programme is a prime example of the landscape in Scotland shifting quite significantly. If a person was on the work programme, they could not access any of the other funding through Scottish Government-funded programmes. I understand the rationale for that, but that does not help to join up support and facilities to help people to move into work.

We still potentially have that issue. Jobcentre Plus's intention seems to be to take on more of a job-search support role, particularly in the first six months. I am not clear about how the youth obligation will land in Scotland through Jobcentre Plus. There is still shifting about within the landscape to ensure that there is no duplication of what we offer. With the devolved employability programme, we have the opportunity to have a bit more alignment, but we do not have complete control of what is on offer, as some reserved matters will still sit in Jobcentre Plus.

The Convener: People should keep their questions and answers succinct, as a couple of other members want to come in.

Tommy McDade: I am sorry.

The Convener: I am not talking about you specifically, Tommy; I am talking about all of us.

Dr Witcher: I will not say much about the cluttered landscape, other than that it is clear that it is cluttered and that the devolution of powers provides scope for greater co-ordination and alignment.

For many disabled people, the accumulation of discrimination through education and so on means that they may need to develop skills. If a person becomes disabled or acquires an impairment while they are in work, the focus may need to be on reskilling or redesigning work. There are particular implications for disabled people in different situations.

The one thing that is not devolved but which could have usefully been devolved is the access to work scheme. Its devolution would have helped us hugely.

Adam Tomkins: I was struck by something that the House of Commons all-party Work and Pensions Committee said about that recently when it looked at welfare-to-work programmes quite broadly. Its report was unanimous, saying:

"One of the clearest conclusions we draw from the evidence to our inquiry is that employment support for long-term unemployed people with complex needs relies on effective integration with other locally-run services, including health, housing, education and skills, and support for alcohol and drug addiction".

My question is similar to the previous one, which was about the relationship between employability and Skills Development Scotland. Are you as confident or optimistic about the future relationship between devolved employability programmes and locally run services as you are about the possibility of aligning skills training with employability support because of devolution?

Tommy McDade: Are you referring to non-employability services that are locally run or to something else?

Adam Tomkins: It is a reference to the complexity of the picture. We are talking about healthcare, occupational therapy, drug and alcohol addiction services and so on. All those things touch on employability but none of them is uniquely about employability.

Tommy McDade: Absolutely. Again, to an extent, there is evidence of employability issues not being joined up with services such as health, transport, childcare and so on. I am talking about the need to ensure sufficient availability of those services in local areas. I think that more work can be done to join areas together, particularly with regard to the challenge of helping disabled people into employment. However, again, my general point is that taking employability support in isolation does not work in relation to particularly vulnerable people. They will be known to health services and possibly to social work services, too, and joining up those areas is a challenge that we still have. However, with the further devolution of powers, we have an opportunity to ensure that they are joined up.

Rachel Stewart: We are waiting for more details on how the 2018 programmes will run. On the face of it, however, it seems that the pathway into that support will still be through Jobcentre Plus, which, other than some benefits, is the only reserved element of the programme.

In our response to the fairer Scotland consultation, we said that there should be pathways into employability support from the NHS, including from primary care. If someone goes to their general practitioner and says that they are struggling with their mental health and struggling with debt and are becoming quite upset because of that, there should be a pathway from there into an employability support programme, because those issues are what is leading to—or, at least, contributing to, to a great degree—their mental health problems.

It would be helpful if some of the other agencies and organisations had a much more strategic focus on employability. Employability should be seen as being to do with people's housing, mental health, disabilities, education and skills needs. Other organisations and Government departments

need to be thinking about how dealing with issues around jobs, work, skills and progression can help them to achieve their own outcomes, including health outcomes. We look forward to seeing the mental health strategy when it is published shortly, and we hope that, particularly with regard to the NHS, it will take a comprehensive view of and have a strategic outlook with regard to employability.

Pauline McNeill (Glasgow) (Lab): Adam Tomkins's question is the critical one. You have described the progress that we have made, the employability schemes that will be designed for more people, and you have made the case for wraparound services that take into account the individual needs of a person and support them through the process. However, other than that, I am not crystal clear about what is contained in an employability programme in relation to skills. I will develop that point before anyone responds.

Given what has been said about employer attitudes to mental health issues, and the stigma and everything else that is associated with that, if we are serious about ensuring that we increase the employment rates for people with mental health conditions or disabilities, there must be a much greater connection with the agency that has had the overall responsibility for skills, which is Skills Development Scotland. I presume that Skills Development Scotland already has programmes that are designed to work through the modern apprenticeship scheme and so on—I do not know that; that is an assumption.

It seems to me, though, that that is the bit that is missing. If we are going to tackle the question of how we can get those who are furthest away from the labour market much closer to the labour market, our efforts must be based on the provision of serious support around the skills that any one of us would need, regardless of whether we are in any of the groups that you represent. I think that it was Adam Tomkins who drew attention to the fact that 90 per cent of jobs require the holder to have information technology skills that many of the population probably do not have.

How would you respond to that? If you agree, it seems to me that, when the committee considers its work programme, we will have to push a lot harder for there to be a stronger connection between employability services—when they eventually get commissioned—and Skills Development Scotland.

10:15

The Convener: Who wants to go first?

Tommy McDade: What do we describe as skills? In the programmes that we deliver, when we talk about skills, we are talking about softer skills, such as confidence, interview skills and digital skills such as the ability to search for jobs online. The other side of the skills issue, which is supported by Skills Development Scotland in the programmes that it procures, is about formally recognising the employability skills that have been developed. The certificate of work readiness that we deliver is a prime example of that, but people also gain other employability certification through the programmes that we deliver. That ensures that a young person has recognition. For many young people, it will be the first time that they have had any recognition of what they have achieved, and they use that to move on into employment.

As far as the links to the devolved employability programmes are concerned, those soft skills are delivered, but we might have to push for a key feature of that to be some form of certification and recognition to help the person to move on into employment.

There is perhaps an issue with on-going skills development in the workplace. Mention has been made of the number of underemployed people that we have in the country who want to gain more hours of work. We need to think about what we are doing to improve the skills of people who are already in work and to increase their earnings potential.

Dr Witcher: There is certainly a case for connecting where there are currently no connections. That includes how local authority employability services connect with national employability services, which, at the moment, is extremely unclear. There is a lot of scope for us to do so much better in joining up services than we are doing at the moment.

The issue is not just about skills; it is about ensuring that mainstream programmes on skills development are delivered in such a way that they are properly accessible. I would wish to be assured that that was the case. We must ensure that we reach disabled people in the first place. If there are communication barriers, the starting point is that disabled people will not know about any of this and it will not be possible for them to be reached. If the way in which things are advertised is not clear and accessible, the whole thing will fall down. If we do not deal with all the barriers, all that it takes is for one thing to fall down at any stage of the process and the whole thing will just collapse.

As we have said previously, it is important that we have a clear focus on skills and that our approach is joined up, but it is also necessary for a wider view to be taken of the other services and support that might be available at local level. There is scope for greater alignment with health and social care integration at local level, but all of that needs to be done within a national framework

of rights, clarity about what needs to be delivered and local flexibility with regard to how that is done.

The Convener: Rachel, would you like to respond?

Rachel Stewart: I do not have much to add to what has been said. Many of the people we support are in poverty, so as well as not necessarily having digital skills, they will not have a computer in their house. There needs to be some investment in local access to the internet and in libraries, where people can access time on a computer. It is not all about the individual; there needs to be investment across society to enable people to gain those skills.

Ruth Maguire (Cunninghame South) (SNP): Good morning, panel. I was struck by the finding in SAMH's submission that even though people with mental health problems are the biggest cohort of people who are unable to find work because of ill health, they had the poorest outcomes from the DWP work programme. I think that it would be helpful for us to understand what factors cause those poor outcomes and what role sanctions play in that.

Rachel Stewart: We know that 50 per cent of the people who qualify for employment and support allowance do so on the grounds of mental and behavioural disorders. As Sally Witcher mentioned, we know that, historically, there has been stigma against people with disabilities. Some of the invisible disabilities of people with mental health problems have been poorly understood by employers and there has been a reluctance by employers to take people on. The see me programme has done some excellent work to shine a light on the stigma and discrimination faced by people who are seeking work or who are in the workplace. They do not get the support that they need and they are often afraid to ask for help in case that puts them first in the line for redundancies.

People with mental health problems have suffered from stigma and discrimination, and the fluctuating nature of their condition can also make their route into work very challenging. They could be making progress, but something could happen so that they end up hospitalised. That could remove them from the programme or they could end up taking three steps backwards, which could also have an impact.

I am delighted that there will be a voluntary element to the new programmes, because many of our service users have been sanctioned. The cumulative effects of the sanctions have been punitive and destructive to the people we support and to the thousands of other people in Scotland who have been sanctioned through the work programme since it began. Of all the sanctions that have been issued to people who have been claiming ESA, we know that around 73 per cent have been to people who have registered a disability. The sanction means that they lose a huge amount of money every week for a number of weeks, depending on whether they have had a sanction before or it is their first offence. The impact of the loss of the money, of the stress and of not being able to pay their bills, to feed themselves or to heat their houses has a very poor effect on mental health and it is not a way to get people into work.

The National Audit Office report that was published before Christmas, which showed that there has been an inconsistent approach to sanctions and a lack of evidence for their use, was very welcome. I hope that that will be explored further by the Public Accounts Committee in Westminster.

People with mental health problems have been disproportionately affected by sanctions and they are not well able to cope with that. Many people self-stigmatise with their mental health problems; they do not necessarily want to ask for help or to say, "I have a mental health problem," because they might not be believed. There is also stigma about the employability support that they might get through other agencies where staff are not trained, so they might think that people are at it or that they are just using their mental health problems as an excuse. That is not helpful.

We can all have mental health problems. We can all go through ups and downs in our lives and we are getting better as a country at acknowledging that. All the political parties are very committed to improving mental health care. We are hopeful that there will be a stronger, better and fairer approach to mental health problems in the new programmes.

The Convener: We have extended this session by 10 minutes, which will impinge on the other sessions, so we must finish by 10.25.

Dr Witcher: It is fair to say that the process of going through an employability service programme can be incredibly stressful—that can be the case down south, certainly. Therefore, having a process that is based on dignity and respect is not just morally right, but entirely practical, because it is much more conducive to achieving the goal of getting people into work that everybody wants to achieve.

There is a difference between people who are disabled through ill health, and those who are disabled but not unwell. It is important that the service understands that distinction, but we should bear it in mind that measures such as flexible employment practices will decrease the impact of either of those things.

The Convener: Thank you for being so succinct. Ruth Davidson—sorry, Ruth Maguire, I was thinking of another party there. Do you want to come back in on any issue for a couple of seconds?

Ruth Maguire: The only other thing that jumped out at me was from Inclusion Scotland's written evidence. It said that disabled people on the work programme were three times more likely to be sanctioned than to find a job—that was shocking, to be honest. Do you want to comment further on that?

Dr Witcher: I agree with you. It is indicative of the nature of the process and how utterly counterproductive it has been. The fact is that we now have the chance to do something so much better that will really work for disabled people and employers, and get the most out the resources that Scottish people can contribute to our society.

The Convener: Thank you for that succinct answer, Sally. I thank the panel for coming along.

10:25

Meeting suspended.

10:26

On resuming—

The Convener: Good morning, everyone. Please help yourselves to a glass of water. Thank you for coming along today. The previous session ran on by 10 minutes, so you will get another 10 minutes for this session.

I welcome Marion Davis, who is senior manager at One Parent Families Scotland; Rhiannon Sims, who is policy officer at Citizens Advice Scotland; and Pamela Smith, who is people group chair at Scottish Local Authorities Economic Development—that is a long title.

As I did with the first panel, I will start by asking a general question of everyone. How should the Scottish Government translate into practice its stated vision for assistance for the long-term unemployed? Who would like to answer first?

Pamela Smith (Scottish Local Authorities Economic Development Group): I am happy to kick off by pulling out a couple of key points from our submission. The first is that local government already makes a substantial contribution to the local employability landscape with £85 million per annum, of which £65 million is prioritised within councils' own budget processes and the remaining £20 million comes from European social funds.

Those moneys are primarily targeted at the harder-to-help groups—those who are furthest from the labour market. That does not take into account the additional resources that are available in social work, education, community justice, social care and so on, through which work is done with some of the individuals who are likely to be the key client group for the new devolved programmes.

The councils, as employers and service providers, have a range of relationships with individuals who are likely to participate in employability programmes, including those that are devolved, as well as with individuals who are in receipt of benefits. We believe that, under the current approach and the previous one, the whole-system approach has been overlooked. We believe that we have not put sufficient focus on looking at the root causes, and that we tend to deal with the symptoms and the consequences rather than with why people have multiple barriers and so on.

10:30

There is a lot of local good practice on integrated assessment, and I think that such an assessment is essential if we are moving to a needs-based service rather than one that is based on benefit type or entitlement. An important question is who carries out that assessment, because you will want an integrated action plan that covers housing, money advice, debt, health, skills and a range of other factors that affect people's ability to obtain, sustain and progress in employment.

There has to be a recognition that, when we talk about employment, we are talking about good jobs. We support the Government's fair work ambitions, but that aim has to be clear when we look at job outcomes. Poor jobs can affect people's health and wellbeing, and we need to look at how we achieve good and fair work for the target group.

We were encouraged by the Government's consultation, and we participated in it individually as local authorities and collectively through SLAED, the Convention of Scottish Local Authorities and the Society of Local Authority Chief Executives and Senior Managers. However, we are disappointed, because we feel that we have lost an opportunity for greater collaboration, greater alignment and greater integration at a local level. We are also disappointed that the Government has chosen 100 per cent open procurement, which in our view militates against not only innovative and collaborative approaches but the scope and potential for co-investment approaches with local government. There is a £20 million budget for the devolved programmes and local government is already putting £85 million into this agenda across the country.

We fully endorse, welcome and support the voluntary nature of participation, but we remain slightly concerned about the continuing compliance regime and sanctions. We await the outcome of the youth obligation and what it will mean for 18 to 21-year-olds. One example of a voluntary programme that is already devolved is the employability fund, which is procured through Skills Development Scotland and is open to DWP-eligible benefit claimants. Although the programme is totally voluntary, the DWP can determine through the benefits system what benefit claimants can undertake and participate in. As a result, the freedom to fully design and deliver a programme might, as we have seen with programmes that have already been devolved and are in operation, be affected by the compliance conditions. That is also a slight concern.

You have already heard from colleagues in the previous session about the payment model with its proposed 30 per cent service fee and 70 per cent job outcome fee. We know that job outcomes for the target group have been particularly poor; our expectation is that the figure might be in the realms of 30 per cent, so there will be issues for those who are trying to do the pre-work activity out of the 30 per cent service fee. We do not yet know how the group will be segmented and how much weighting there will be in the fees from the £20 million budget when there are different groups attracting different funding rates and so on.

There are other issues such as skills and the opportunity for transformational change that I will be happy to talk about when we begin the questioning. As you can imagine, I could go on for hours, but I am aware that we are short of time, so I will cut my remarks there.

The Convener: Thank you very much.

Marion Davis (One Parent Families Scotland): Thanks very much for the invitation to give evidence today. Employability is a very important area for single parents. One Parent Families Scotland works with around 8,000 families in Scotland—8,000 single parents. We are mainly talking about women—most single parents are women—with an average age of about 36. There is a myth that single parents are all teenagers, but in fact when we talk about single parents we are in a sense talking about women returners.

We are pleased to see that the work programme and the focus of the work programme are now being devolved to Scotland. Lone parents' experience of the work programme was that it was not very beneficial. The work programme was very generic and there were not a lot of tailored programmes for single parents. We are therefore pleased that in Scotland we have an opportunity to come up with something that is modelled more on the needs of people who are looking for employability support.

On the Scottish Government's proposals, our submission mentions that we were a bit disappointed—I reiterate what Pamela Smith said—about the funding model and payment by results, which mean that payments are very small at the beginning and are made later on in the pathway. Because the programme is voluntary it will be important that the engagement part at the beginning is resourced. There is no conditionality, so people will not be required to be involved in the programme—they need to want to be involved in it. We think that a lot of agencies that work on the ground with single parents and disabled people are very good at doing that engagement work.

Over the years, One Parent Families Scotland has worked on various employability programmes, some of which originated from the DWP, such as employment zones and the new deal for lone parents. We have recently been involved in working for families, which was a Scotland-specific programme, and a programme called making it work, which is funded by the Big Lottery Fund. What all those programmes have in common is that they had a tailored approach to the needs of single parents and recognised that single parents have a unique role as they have sole responsibility for their children and for the economic wellbeing of the family. All those programmes connected into different services and were holistic. The importance of childcare was also central.

To build on what the other panel members have said, it is very important that the new programmes are connected into other services and programmes that are already running. For example, Glasgow has just been funded—through an ESF programme—to have employability programmes, and it decided to have a specific lone parents package, which is tailored to the needs of lone parents and which we were pleased to be involved in.

We mention the positive aspects of the new proposals in our submission. We would like to discuss and progress some of the concerns that other panel members have expressed.

The Convener: Thank you very much.

Rhiannon Sims (Citizens Advice Scotland): Citizens Advice Scotland is not an employability support provider and never has been in Scotland, but we are one of the biggest providers of benefits and employment advice. We advised on more than 220,000 benefits issues last year. That made up about 40 per cent of the advice that we provided and employment advice accounts for about 15 per cent of our advice, so we see people on both sides of the employability support programmes.

The main point that we would like to get across is that we welcome the approach that the Scottish Government has taken to voluntary engagement in the Scottish programmes and also welcome the fact that the United Kingdom Government has confirmed that participation will be voluntary, but we are concerned about how that might interact with reserved benefits. People who are on universal credit are expected to look for work for 35 hours a week. We recognise that the engagement in employment programmes will probably be treated as fulfilling that requirement to seek work, but we would like to make sure that people are not at risk of sanctions. For example, if someone engages in an employment programme for 15 hours a week, we would like to ensure that they will not be at risk of sanctions relating to the remainder of the 35 hours.

We recognise the value of having a mixed approach to provision that involves small and medium-sized enterprises, the third sector and larger providers that have experience of providing employability services. There is value in that, because a lot of charities and other third sector organisations know their client base and specialise in particular groups who have particular barriers to employment.

As was said by the previous panel and as my colleagues have said, it is important to recognise that we need more than just a narrow focus on skills and qualifications, because many of the barriers that people face are to do with much broader issues. Often, people's financial situation is a barrier. Increasingly, people presenting at our bureaus are in acute financial hardship and need referrals to food banks and other forms of crisis provision. The picture is one of people who are unable to afford even the basic necessities, such as food and heating their homes, or priority payments such as their rent and council tax. It is important that the approach that is taken recognises that, at that early stage of engagement, people need access to other services in their local area that will help them to sort out some of the more basic issues on which they need help and advice.

Ben Macpherson (Edinburgh Northern and Leith) (SNP): I had a number of points on the written evidence from Citizens Advice Scotland, but Rhiannon Sims has covered a substantial number of them. However, I want to pick up on a point about sanctions and conditionality. We want to ensure that there is an integrated approach. What problems do you foresee if there is not collaborative data sharing, collaborative working and collaborative thought between the two systems?

Rhiannon Sims: One thing that is on the horizon, although we do not know yet how it will play out, is in-work conditionality under universal credit. The idea is that those who are in part-time or low-paid work might be required by the jobcentre to seek additional employment or to try to increase their hours up to full-time employment. The first problem with that is that it is a completely new approach that has not been tried anywhere else in the world, so there is not a lot of evidence on how it will work. Basically, it involves a completely different client group. By definition, people who are already in part-time work are not reluctant to look for work. It is likely that they are experiencing other barriers, which might be more to do with their employer than with them, or they might be to do with issues such as the availability of work in their local area. There are concerns about how that will play out.

It is important that, in designing the new medium-term and long-term programmes, the Scottish Government engages with the UK Government on what in-work conditionality will look like. Ideally, we would like confirmation that people are not going to be sanctioned if they engage with a Scottish employability programme. People need to focus their energy on building up their skills and receiving the available support, rather than on doing that as well as meeting the additional requirements that are put on them by the jobcentre.

10:45

Ben Macpherson: Is there potential for mixed messaging within that—

The Convener: I am sorry to interrupt, but I wonder whether anyone else wants to answer your question before you ask a follow-up.

Marion Davis: There are cases to cite in that regard. We have had parents working part time who have been sanctioned because they have not increased their hours when the jobcentre thought that they should have but they had reasons not to do so. As Rhiannon Sims said, there are issues other than the job itself. Is childcare in place? A lot of single parents support not only their children but other family members. A lot of issues are coming down the line with in-work conditionality. It is a new approach and even Jobcentre Plus staff are affected by it. It brings in a group of people who might not have been brought into the conditionality regime up until now.

Pamela Smith: I reiterate that we must be mindful that voluntary participation does not mitigate sanctions and conditionality. They are not the same thing.

Ben Macpherson: In her written statement—she made the same point in her opening statement, too—Rhiannon Sims said that improving outcomes would involve the

"concentration of resources at an early stage of the 'employability pipeline' and ensuring that employability services are well integrated with other local public, private and third sector support services such as debt, housing and benefits advice."

As we move to a different way of approaching the employability programme, with conditionality removed, how should those services be tailored? An emphasis on such services in an environment in which there is no conditionality might have a more beneficial impact and move people towards more positive outcomes and employment.

Rhiannon Sims: Citizens Advice Scotland provides a holistic service. If someone comes with an issue to do with their benefits or debt, we look at the situation in the round, including housing and employment, and at how all the areas interact. That is a good model to use for any early engagement and support at the first stages of the so-called employability pipeline. Whoever is best placed in the local area to provide those specialist supports on debt, financial inclusion or housing, especially if someone's tenancy or whatever is at risk, should do so, but the approach needs to be holistic at that early stage.

Ben Macpherson: Perhaps I need to put my question another way. I know from my constituency casework that a lot of the services and advice are about mitigation and providing support to individuals who are under pressure because of the sanctions and the conditionality that are placed on them. In the more supportive paradigm that is coming, will the support services have extra capacity to do more positive and constructive work, rather than having to deal with the negative pressure of maintaining the status quo in the current system?

Rhiannon Sims: I think so. We have not seen the previous employability support that was provided by the work programme as being particularly helpful in supporting people into work. In fact, sanctions and conditionality are more likely to hinder people's efforts to get into employment.

Perhaps I can highlight a case to demonstrate that. A west of Scotland citizens advice bureau has submitted a report about a client who had received another jobseekers allowance sanction. The jobcentre adviser had told him that he had not telephoned enough times the previous week, but the client said that, although he had a mobile phone, he could not afford to keep it topped up to call five or six times a week. He had been to the library every day to send emails and apply for jobs online, but the adviser did not think that that was sufficient and, instead, thought that he could have come into the jobcentre, even though it was a 3-mile walk. The client had no food, gas or electricity. That case demonstrates how the sanctions regime really hinders people's efforts to find employment instead of supporting them into jobs.

The Convener: I see that Marion Davis wants to come in, but I will take a supplementary from George Adam first. I am sure that Marion will be able to respond later.

George Adam (Paisley) (SNP): With regard to the case that Rhiannon Sims has just highlighted, I note that she also said that a concern for Citizens Advice Scotland was how the new structure would sit alongside the current punitive regime. Basically, work programme providers have to report absolutely everything that they regard as non-compliance, but as we have heard, such an approach does not provide the required flexibility. After all, a disabled person might have transport issues or, as with the gentleman in the case that Ms Sims mentioned—I assume that the person was a male—they might be unable to phone because they do not have the money to do so.

As Rhiannon Sims has said, the work programme provider should be supporting people instead of monitoring conditionality. In that respect, is the whole programme not back to front? It might be good to treat people with a bit of dignity and respect—to coin a phrase—because we seem to be in a situation in which humanity and the normal way in which people live their lives are being taken out of the process, and everyone is just suffering. We see it in our case loads all the time; people end up coming into our offices as the last best hope of getting something sorted. Surely we need a system that is better than that.

The Convener: I know that the question was directed at Rhiannon Sims, but I am sure that Marion Davis and Pamela Smith will be able to highlight cases in that respect. Did you want to come in, Marion?

Marion Davis: I think that conditionality sets the context for the relationship between the person who needs advice or support to do an employability programme and the provider. Knowing that the person who is supposed to be supporting you also has the power to cut your benefit does not result in a positive relationship. We are therefore really pleased that the conditionality and sanctions part has been removed.

The level of benefit is low enough as it is. For people on income support or jobseekers allowance, the fact that it is so low is actually a barrier to their moving into work or taking part in employability programmes. When you have holes in your shoes and you are having to spend all your money on giving your kids a decent standard of living, it is very difficult to move into work, and if you are sanctioned and lose even more than that—to the extent that you end up having to visit

a food bank—that just does not match with being able to focus on what you have to do to look for work or on the basic things that you need to do at the very beginning of the pathway, such as improving your confidence and meeting other people. That becomes difficult, too, but it is very important.

As was said at the start of the session, this is a voluntary programme, and it seeks to encourage people to become involved and see the positive side of that involvement. That is much more likely to happen than it would have been had there been a sanctions regime.

The Convener: Did you want to comment on that point, Pamela?

Pamela Smith: Not on the sanctions issue, but I wanted to highlight the important point about access to local services and support. I think that that underlines the need for integration and alignment, but I come back to the point that the size of the contract package areas and the procurement militate against that added value at a local level. Providers might have to cover seven local areas, and they might not necessarily know all the local connections and support services.

The Convener: Did you want to make a final point on that, Rhiannon?

Rhiannon Sims: I want to add a quick point, which is that the individual will not necessarily know the difference between services that are the responsibility of the UK Government and services that are the responsibility of the Scottish Government. We might see a good cop, bad cop situation, and people might be a bit confused about the different approaches that are being taken. I do not know what the answer is to that, but it is worth consideration by the committee and the Scottish Government in the development of the long-term approaches.

The Convener: That is an interesting point—thank you.

George Adam: My colleague Ruth Maguire mentioned the fact that disabled people are three times more likely to be sanctioned than others, which is concerning and absolutely shocking. Disabled people will present to Citizens Advice Scotland on many occasions. That goes back to the issue about people having flexibility to get about and get things done. Do the witnesses have any further opinions on that point, which I find incredible?

Rhiannon Sims: I do not have statistics on the number of disabled clients who we see who have been sanctioned but, last year, we carried out an analysis of clients who presented at bureaus who had some kind of gap in their income, and the majority of the reasons given were to do with the benefits system—they were to do with delays in payments, people waiting for payments or benefit sanctions. We found that one in three of those people had a disability and that a similar proportion had a long-term health condition. That shows the dire straits that people who have additional health conditions and other concerns are in.

Mark Griffin (Central Scotland) (Lab): I have a couple of questions on the evidence from local authorities. The first is on the funding that local authorities provide for employability support. Pamela Smith said that £20 million of that comes from the European social fund. Will that be impacted on as a result of the European Union referendum?

Pamela Smith: Yes, it will be. We currently have underwriting from the UK Government up to 2019, which ensures that programmes that are already legally agreed and committed to will be funded. Beyond 2019, who knows? That is part of the discussions and negotiations. However, that money is currently match funded at 60 per cent—it is a 40 per cent intervention rate. Also, that is only the money that has been allocated to local government. Other employability and support money is allocated to the third sector, and the Scottish Government delivers some directly ESF-funded support.

Mark Griffin: The Scottish Government has talked about a £20 million fund that it has created for the devolved powers. Losing the £20 million from the EU would seem to wipe that out entirely. Has there been any discussion with the Scottish Government about what the plans are for beyond 2019 in the event that that funding drops off completely?

Pamela Smith: We have been talking to the Scottish Government on the alignment and integration agenda. We have an aspiration on that, because we think that we could get more value out of the system if it was decluttered and streamlined and it worked in a more integrated and aligned fashion. We are therefore keen to look at quality rather than quantity. The money is assigned against X number of places, but the focus should be on the outcomes and the quality. There will certainly be a risk because, with austerity year after year, there is less money in the system. There is less money for employability overall this year than there was last year, because that £20 million from the Government has obviously been brought in from other resources.

We touched on the apprenticeship levy; there is money in other parts of the system to support jobseekers, but how aligned and integrated it is needs more investigation.

11:00

Mark Griffin: My other question is about the written evidence that you have given on the contract package areas. You said that you feel that the four large contracts cannot be as responsive or as localised as they should be. Can you expand on that point? Given that the minister will be coming to the committee to talk about the issue, perhaps you can set out what you feel the ideal contract package award would be and what benefits it would bring.

Pamela Smith: From a local government perspective, irrespective of it being up for debate whether we should have 32 local authorities, the local authorities are a respected tier of our local democracy and governance. Our starting point is always the 32 local authorities. Albeit that we have a national framework, we want local delivery of it because, as well as local authorities, we have community planning partnerships, the Community Empowerment (Scotland) Act 2016 and a lot of other structures, such as health boards and colleges, that have particular geographies.

Our pragmatic response to the Government's proposal was that four contract package areas would make each area too large. For example, the contract package area for the Forth valley, Fife and Tayside covers seven different local authorities. In the options for 2018 that the Government consulted on, there were between five and eight contract package areas. We would still say that that is too few, because we do not feel that they would be local enough to provide integration and added value. We recognise that the Government is working on economies of scale and viability, but we think that there is more of an opportunity cost than an efficiency gain from going larger rather than smaller. We contend that even eight contract package areas with sensible geographies would still be too many—and that is the higher end of what the Government consulted on.

Mark Griffin: Thank you.

The Convener: I thank Pamela Smith for raising the issue of geography, because Marion Davis referred in her written submission to the employability support services programme being

"divided into lots by geography."

Can you say more about that point?

Marion Davis: Yes. In our written submission, we touch on the challenge for a specialist organisation of there being so many lots to bid for. We were involved in the bidding for Glasgow's ESF employability process, but the size of some lots was so huge that only a big organisation could bid for them. In that situation, smaller organisations have to sell their wares to bigger organisations with regard to the benefits of a smaller organisation offering a specialist service. Somebody earlier in the discussion touched on the link between that and the new funding model, given that so much of the funding will come in at the end of the process.

The Convener: Yes. About 30 per cent of the funding will be for the provision of a service, but 70 per cent of the funding will be based on results.

Marion Davis: Yes. Going back to the work programme, we were involved with a lead organisation but were cast aside near the beginning of the process because the funding model meant that the organisation was under pressure as a profit-making organisation. For an organisation to protect itself against deficits and so on, it needed to secure funding to cover its costs. That meant that specialist providers such as One Parent Families Scotland fell by the wayside in the process, and single parents who were involved in the work programme from the two big providers did not get a specialist service but were dealt with as generic jobseekers.

Such an approach goes very much against what the history of working with single parents on employability has shown, which is that providing a range of specialist services is more successful. Unfortunately, however, Westminster and the DWP have gone down a very generic route; they are doing away with all the specialist staff and instead have generic work coaches. We had lobbied very hard against such a move, which was why we hoped that in the Scottish model there would be a recognition that certain groups—not just single parents but others—require a different, extra approach. However, that is just not in the model at the moment.

The Convener: I have just found that point in your written submission, which, in that respect, is not dissimilar to the submission from Pamela Smith's group.

Alison Johnstone: Gender-sensitive employability services will obviously impact on one-parent families, the huge majority of whom are women. Engender has said that current programmes that take generic approaches to employability

"are likely to replicate gendered patterns of skills acquisition and employment",

entrenching occupational segregation and widening the gender pay gap. I presume that you want us to take forward the message that we really need to tackle this, because it might have really positive implications if we get it right. I also note the concerns that Pamela Smith expressed about the procurement process that might make moving towards that different model less likely.

Marion Davis: Gender is at the core of the issue of employability and single parents. Because 92 per cent of single parents are women, the whole issue of gender and the gender monitoring of programmes is very important. With regard to single parents, what we feel—and what they have told us—is that it is sometimes very difficult for them to take part in generic programmes because those programmes do not take into account the experiences that women have had. Many of the single parents with whom we work have been affected by domestic abuse or other things in their lives that have led to their completely lacking confidence and self-esteem, and we have always felt that it was very positive to have something that brought women together and allowed them to support each other. From what we have read so far, I think that that might be missing a bit in the proposed programmes.

Linked to that is the issue of co-production. A lot of work has been done on participation and co-production in respect of devolved benefits and social security, with panels of participants commenting on the new benefits, but the same element of touching base with and talking to people who will go through these programmes does not seem to have been built into the employability proposals. The approach seems to be quite a commercial one, which disappointed us. A few other submissions that I have read also suggest that it is in some ways replicating the model that we already have. We do not have the conditionality aspect, which is fantastic, but it is perhaps not as innovative an option as we might have hoped for.

Alison Johnstone: Can I ask one more tiny question, convener?

The Convener: Just a tiny wee question. We need to finish, and I know that Adam Tomkins wants to come in.

Adam Tomkins: It is fine, convener. The issue has been covered.

Alison Johnstone: I suppose that people will hear by word of mouth about the effectiveness and impact of the employability programmes. Do you think that their voluntary nature might lead to changes in their quality and approach?

Marion Davis: All the programmes that we have been involved in have been voluntary, and the working for families programme, in which other organisations have taken part, has been evaluated by Napier University as being incredibly successful with high success rates. The making it work programme, in which we have been involved and which is also voluntary, has incredibly high into-work success rates. We were recently involved in the Marks and start programme, in which we supported single parents into working with Marks and Spencer. It, too, is voluntary, and it has a 60 per cent into-work success rate.

We have no worries about this. Research shows that single parents want to access employability and move into work, and the new approach will be a vast improvement. Indeed, I think that people will enjoy it more. If it is something that they want to do—and if they do not have a cloud over their head that they might have their benefit cut because they have been late for an appointment or cannot attend a training programme through lack of childcare—it will be a much more positive experience.

Rhiannon Sims: Can I come in on that, convener?

The Convener: Yes, for about six seconds.

Rhiannon Sims: There is no doubt that this is going to improve the quality of the programmes that are delivered, but I must point out that even voluntary schemes are not necessarily without their problems. I do not want to be overly critical, but I heard a story about the community jobs Scotland programme, which is delivered by SCVO, has fantastic results and helps a lot of people. A colleague of mine who works in a bureau had a placement on it for 25 hours a week, and she received the national minimum wage. I do not know whether the situation has changed now—whether the living wage is being paid these days—but, because she was under 25, she had to survive on a very small amount of money, and she was unable to increase her hours from 25 hours a week. Although it was a step into employment, she really struggled to pay her rent and for other things that she had to pay for. It is worth remembering that whatever programmes we put in place and whatever options we offer people must be adequate to cover people's basic needs.

The Convener: Thank you very much for your contributions. I am sorry that the session has been so rushed. It has been very interesting, and we could have spent a lot more time on it. Unfortunately, because it is a Thursday morning, there is First Minister's question time to consider, and we also have to discuss business in private.

We will now move into private session.

11:11

Meeting continued in private until 11:30.

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