

WELFARE REFORM COMMITTEE
THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND
ADDITIONAL WRITTEN SUBMISSION FROM COSLA CONCERNING
EMPLOYABILITY SUPPORT

“Local by Default, National by Agreement”

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 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.
8. Common Quality Standards and Definitions -The Future Employment Support 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”.