

Scottish Government

# Creating a Fairer Scotland: Employability Support

## Analysis of consultation responses

December 2015



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## Summary of key messages

We have identified six key messages from the responses. Three relate to the features of a 'Scottish Approach' and three to the design and delivery of the replacement programmes within this.

### The 'Scottish Approach' to employability support should....

#### ...Provide a flexible, tailored, 'whole person' approach

- a) More than one hundred respondents expressed a desire for employability support that is flexible and tailored to each client's need rather than providing a standard set of interventions. Personal action plans should be developed that take into account the geographic/transport, health, cultural, economic and social circumstances of clients. Over 50 respondents said that employability support should provide holistic 'wrap around' support that covers a range of areas of wellbeing, such as health, social care, education and caring responsibilities, in order to address the barriers to employment.

#### ...Be designed and delivered in partnership

- b) Nearly half of all respondents explicitly stated that a multi-agency partnership approach should be part of the 'Scottish Approach'. Respondents wanted the Scottish Approach to be designed and delivered in partnership across employability, education, health and social care services, rather than in the current way, which is seen as a fragmented approach to strategy, funding and delivery.

#### ...Drive towards real jobs

- c) 108 respondents stated that in order to help clients find 'real jobs', employer engagement and up-to-date labour market intelligence need to be crucial components of employability support. This involves identifying the current and future skill needs of employers, frequent and in-depth engagement with employers about how employability services can meet these skill needs, aligning employability support with economic development plans, and the use of financial or non-financial assistance to support the recruitment of clients, particularly those with in-work health or disability support needs.

## The devolved replacement programmes should....

### ...Be designed nationally but adapted and delivered locally

- d) The replacement programme(s) should be designed at the national level to prevent significant geographical variation in approach, but should be adapted to local contexts and needs, and delivered locally.

*"Ideally some balance. A national agency setting standards but local decisions about delivery methods."* Local Employability Partnership

- e) Local flexibility was advocated by respondents in order to:
- Respond to the specific needs of clients: the profile and needs of clients vary across Scotland
  - Respond to the specific skills and recruitment requirements of local economies
  - Create local accountability, democracy and empowerment for the services delivered
  - Enable local integration with other services which engage with clients
  - Reduce the layers of bureaucracy.
- f) In terms of design and delivery, all the Local Authorities or Local Employability Partnerships that responded advocated either local design/delivery, or a combination of national and local design/delivery, with just over half preferring a national/local combination. On the other hand, just over 25% of service providers stated that they preferred a national framework, or that other factors mattered more than whether the programme was designed/delivered nationally or locally.

### ...Use contracts that combine payment by job outcomes and progression towards work

- g) Overall, most respondents advocated a combination of job outcome and progression payments to ensure providers focused on employment, while recognising the milestones achieved along the way. It was felt that this would reduce 'parking and creaming' and provide greater financial stability and flexibility for providers.

*"There should be a healthy mix of payment methods."* Private Sector Work Programme provider

- h) Of all the respondent types, providers most favoured payment by job outcomes. Most respondents think payment by job outcomes is not working in its current form because the current contractual arrangements:
- Create an incentive to place clients in low quality jobs and disincentivise progression into Further and/or Higher Education
  - Result in ‘parking and creaming’ with those closest to the labour market being prioritised for support
  - Do not provide sufficient financial security and flexibility for providers to invest upfront in innovative high quality services.
- i) Cautions expressed around payment by progression include a higher risk of people being kept in support longer than required, and difficulties in accurately measuring and attributing progression.

### ....Have a separate employability programme for those with high needs

- j) Almost all respondents felt that current services were failing higher needs client groups such as Employment Support Allowance (ESA) clients. The two most common points made were:
- The current Work Programme payment for outcomes model results in higher need clients being ‘parked’ and receiving very little support
  - The current Work Choice provision was better for higher need clients, but:
    - Many clients in need were not able to access Work Choice, with many inappropriately being placed on Work Programme
    - Within Work Choice the clients most in need were still not receiving adequate assistance.
- k) A large majority of respondents who expressed a view on whether a separate programme was needed for those with higher needs, advocated a separate programme for those with higher needs such as health issues and disabilities.

*"Retaining a separate programme will enable the Scottish Government to work alongside local authorities to join up health and employment support for disabled people, and will ensure that a person-centred service can be delivered in future employment service support in Scotland."*  
Third-sector provider.

A small number of individual clients – or families of clients – responded to the consultation. The size of this sample means that it is difficult to draw out any specific conclusions. However, overall, there are no noticeable differences between their views and the main points of relevance to clients set out above, particularly those describing the desired features of a ‘Scottish Approach’.

# Introduction

## Background

1. Department for Work and Pensions contracted employment provision is being devolved to the Scottish Government and this presents the Scottish Government with some important choices and opportunities.
2. The consultation document 'Employability Support: A discussion paper' set the design and contracting of the replacement programmes in the wider context of employability support in Scotland. This focuses attention on how the replacement programme(s) can be better integrated into the wider employability support service, for the benefit of both individual clients and employers, and stresses the intention to create a coherent 'Scottish Approach' to employability support.

## Consultation

3. The Scottish Government ran a consultation process (from 6<sup>th</sup> July to 9<sup>th</sup> October 2015) to seek the views of service users, providers, policy makers, employers and the general public. This involved:
  - A Discussion Paper with a request for written submissions answering around 26 questions. 179 organisations, businesses and individuals responded with a written submission.
  - A 9 question Survey Monkey questionnaire designed to seek the views of service users. There were 36 respondents to this Survey.
  - More than 70 events and meetings with user and stakeholder groups around Scotland, attended by the Cabinet Secretary for Fair Work, Skills and Training, Roseanna Cunningham; Annabelle Ewing, Minister for Youth and Women's Employment; and Scottish Government officials. The feedback from these events has not been included in this Report.
4. In carrying out our analysis of returns we have allocated all responses to a respondent category. This has allowed us to combine the analysis of the Survey Monkey and the Discussion Paper. Figure 1 (overleaf) outlines the total 215 respondents by type.

Figure 1 Respondent numbers by type

Typology	Individual		68
	Third sector other		38
	Councils and LEPs		25
	Public sector other		23
	Third sector provider		21
	Private sector provider		10
	Employers		6
	Research / influence body		6
	Professional body		4
	Trade union		3
	Training provider		3
	Cross sector body		3
	Employer representative organisation		3
	Public sector provider		2
	Total		215 <sup>1</sup>

5. 68 respondents were individuals, with 36 of them from the Survey Monkey, and 32 from the Written Submissions. Individuals were not asked to identify their status as respondents (eg service user, academic, etc). Some identify themselves in their submissions while others do not. This 'individual' category appears to be a combination of service users, family of service users, service providers, academics, and others who have an interest in employability. From the submission analysis we have concluded that it is likely that 33 of the Survey Monkey respondents, and 24 of the Written Submission respondents were service users.
6. 59 (27%) respondents were from the third sector. 21 of these we were able to identify as current employability service providers (not just Work Programme and Work Choice providers). A further 38, categorised as 'third sector other', include all other third sector organisations, for example, organisations that represent a particular client group.
7. Not all Councils and Local Employability Partnerships responded (a total of 25 Councils and LEPs responded). 2 public sector employment service providers responded. 23 'other' public sector organisations responded: this category includes organisations such as NHS and Local Authority representative organisations.
8. Most of the 6 employers that responded were providers of supported employment. The three cross sector bodies were organisations made up of a combination of public, private, and/or third sector organisations.

<sup>1</sup> This includes 36 individuals from the Survey Monkey, and 179 respondents of all types from the written responses

## Purpose of Report

9. This report summarises the messages arising from the written responses to the Discussion Paper and the Survey Monkey. It is important to note the following:
- The report doesn't follow the structure of the two questionnaires, because there were a lot of overlapping and duplicated responses. Instead it is structured around the messages which emerged, which often spanned a number of questions.
  - Not all respondents covered all the key messages. This report provides an indication of the number of respondents that referred to each of the issues discussed.
  - Where we refer to the proportion of respondents that had a particular view, this means the proportion of those who raised the issues, rather than the proportion of total respondents
  - Caution must be used when interpreting the frequency of an issue being raised by respondents. Some issues were raised more frequently because specific questions were asked about them.
10. When discussing the proportion of respondents we have used the following guide:
- |                      |               |
|----------------------|---------------|
| 'Large majority'     | More than 75% |
| 'Most' or 'Majority' | More than 50% |
| 'Many'               | More than 33% |
| 'Noticeable'         | More than 10% |
11. Where numbers are lower, or where appropriate, the number of respondents is specified.

## Report structure

12. This report is structured in two parts.
- **Part 1** (page 10) outlines the views of respondents on the desirable features of a Scottish Approach to employability support.
  - **Part 2** (page 27) outlines specific views on how the replacement programme(s) should be designed, contracted and delivered. Since the replacement programme(s) form part of the overall Scottish employability approach there are some messages which appear in both Parts.

13. There are five appendices:

[Appendix 1: Groups needing additional support and their specific needs \(page 50\)](#)

This appendix outlines respondent views on the client groups that need additional support, and what this support should be.

[Appendix 2: Services identified as important by respondents \(page 54\)](#)

This appendix outlines respondent views on what services are important for clients.

[Appendix 3: individual service user views \(page 56\)](#)

This appendix outlines the views of service users; the most significant feature is that service user views are consistent with the messages of the wider report.

[Appendix 4: Examples of best practice \(page 60\)](#)

This appendix lists the examples of current best practice mentioned by respondents.

[Appendix 5: Consultation questions \(page 62\)](#)

This appendix outlines the consultations questions asked across both the written submission request and the Survey Monkey questionnaire.

## Part 1 The ‘Scottish Approach’ to employability support

14. Respondents see the devolution of Work Programme and Work Choice as an “*opportunity for transformational change*” to develop a distinctive ‘Scottish Approach’ to employability support. Part 1 of this report outlines views on what the important features of employability support in Scotland should be. This covers respondents’ views on:

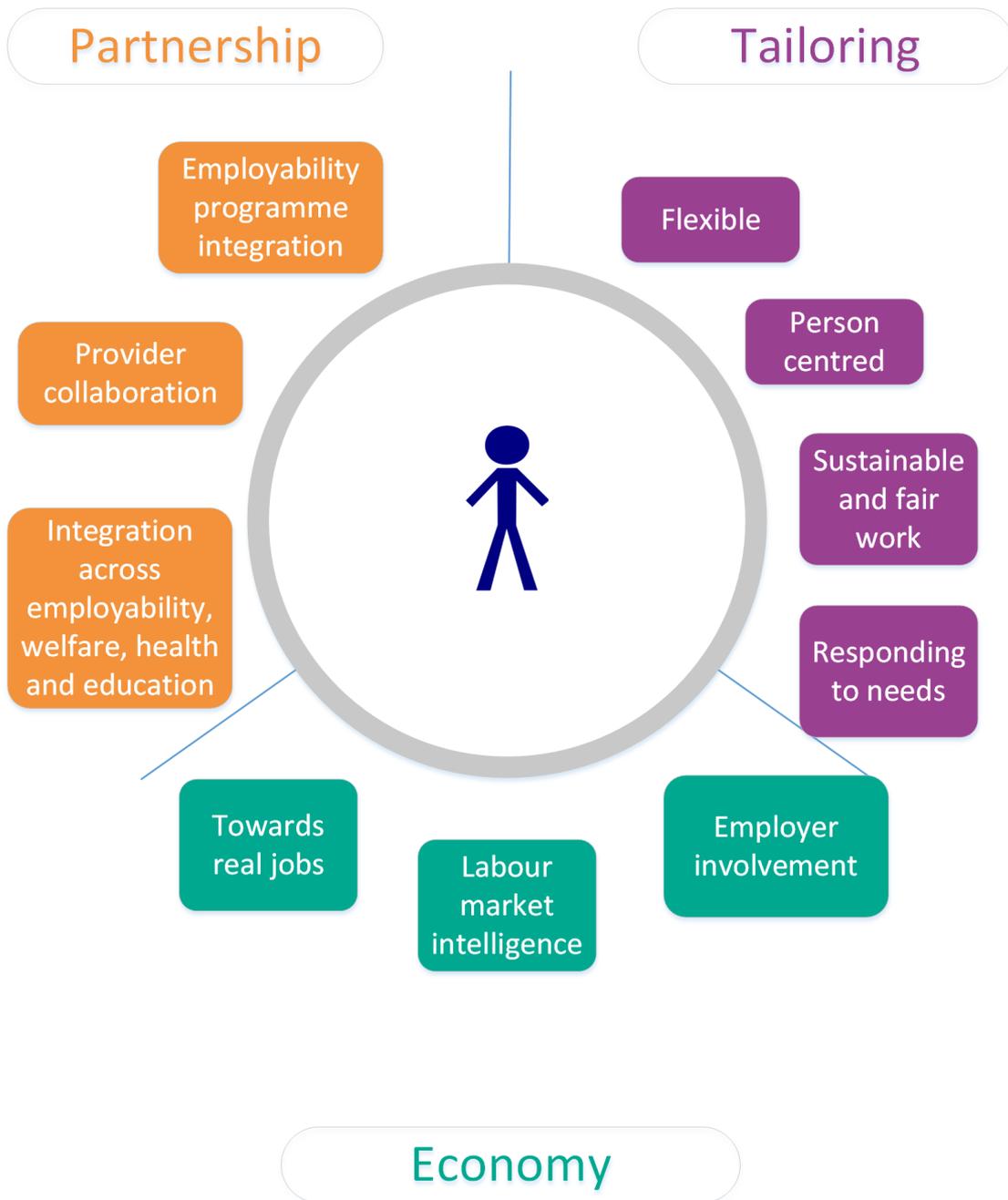
- The desired purpose of the employability services
- Design principles for a distinctive Scottish Approach
- How to implement these design principles
- What services should be offered
- Specific needs of different groups of individuals
- Issues with the current system
- Examples of current good practice.

15. The key messages are that the Scottish Approach to employability support should:

- Provide flexible, person-centred support to help individual clients make progress into sustainable and fair work. The support should be tailored to the specific needs of the client, rather than provide a standard set of interventions.
- Be designed and delivered in partnership across employability, education, health and social care services, rather than in the current way, which is seen as a fragmented approach to strategy, funding and delivery
- Drive towards real jobs by drawing on high quality labour market intelligence and involving employers in the design and delivery of services.

16. We have summarised the messages set out in the responses in the diagram overleaf.

## The Scottish approach to employability support



## Objectives of the Scottish Approach

17. Respondents were asked what Scotland's ambitions for employment support clients should be. Several clear themes emerged from respondents. These are discussed below.

### Sustainable employment

**Q15**

*"We should have a single ambition for all of our people - the required support and access to opportunities to become valued and to make a valuable contribution to Scotland."* Individual service user

18. The central purpose of employability support was identified by a majority of total respondents, and a large majority of those who answered this question, as being to help individuals achieve employment, with a strong emphasis on *sustainable* employment. They argued that a strong focus on achieving job outcomes was essential for the programme to be successful.
19. There was a preference for a longer-term approach to employment, rather than just a "work first" approach – in other words, the sustainability and quality of work is important and this may require longer journeys to work and additional time and investment. It was suggested that the focus should be on helping people onto fulfilling career paths. As a corollary, respondents suggested that unsustainable jobs or placements might cause disillusionment and harm the confidence of the most vulnerable clients.

### Employability

**Q15**

20. A smaller proportion, but still a majority of those who responded to this question, highlighted that employability encompasses a broader need to build capacity and resilience in individuals and communities so that they can prepare for and adapt to an ever-changing labour market. In other words, there is a need to create a talented and versatile workforce that will be able to respond to change. In the words of a provider, employability means the ability to *"access, achieve and sustain progress in employment"*.
21. A strong link between employability support and skills provision was considered important. As an example, a research body highlighted that *"the critical decision for Scotland is whether to stick with a 'narrow' employability regime (the Labour Force Attachment model) or shift towards a 'broad' approach (the Human Capital Development model) which involves greater investment in skills development and thus the longer-term earning potential of jobseekers."*
22. Another noticeable view – mainly by Third Sector organisations representing individuals facing health conditions or disabilities – is that volunteering and unpaid work can be an important part of the journey to work, and an appropriate destination for some clients.

## Equality

Q15

“Everyone is employable’ should be a mantra for Scotland.” Professional organisation

23. A majority of people who responded to this question supported the notion of equality. This encompassed equality of access to employment, “equality of opportunity”, and equal access to employability support. At least four references were made to the principles of Getting It Right For Every Child (GIRFEC) and their relevance to employability clients. This means ensuring that no one is left behind, and supporting individuals in their journey towards employment, regardless of their starting point, their age or the barriers they face. A system of entitlement to support, based on need, was identified as a possible way forward by some.
24. Respondents were also keen to ensure geographical equality. A noticeable number of respondents felt the current system involved a “postcode lottery” in terms of the quality and range of support available locally. It was felt that employability services formed part of the social inclusion response, given that inequality, poverty and disadvantage are linked to unemployment.

## Realistic expectations

Q15

25. A noticeable number of respondents consider that employability support should recognise that employment is not an option for everyone, or that a period of “pre-employment” support might be needed before conventional employment becomes a viable option. This was a view expressed particularly by organisations representing individuals with disabilities, supported employment or social firms. A Third Sector provider, for example, points out that *“whilst a paid job for some will be the ultimate goal, engaging in meaningful activity, contributing to a business’s success, and to society, represents huge progress for people with additional needs.”*
26. Respondents argued that employability support should encourage a wide range of routes, rather than trying to shoe-horn jobseekers into a few pre-set ones, which sets some up to fail. For young people in particular, vocational pathways should be encouraged when appropriate.
27. Respondents also stressed that there is often a mismatch between the demand for, and supply of, skills in an area, or between the number of jobseekers and the range and quantity of jobs available.

## Fair work

## Across all questions

28. There is broad support across all groups of respondents for the Scottish Government's Fair Work agenda, and the need to view employability support as an integral part of this. Suggestions for practical action to support this agenda include a system of accreditation or recognition for employers who meet pre-defined 'fair work' requirements, and a leading role for the public sector in championing fair work.
29. More specifically in relation to employability support, considerable concern is expressed about zero hour contracts (over twenty respondents) and the negative impacts these have on the objectives of sustainable and fulfilling employment for jobseekers.
30. Flexible working is seen as a means of overcoming barriers to employment for, among others, those living in remote areas, those with caring responsibilities or with fluctuating health conditions.

## Design principles

Across a range of the consultation questions, certain design principles of the desired 'Scottish Approach' came up regularly. These are discussed below.

### Flexible, tailored and person-centred support

### Q1

31. A majority of total respondents (over one hundred) expressed a desire for employability support that is flexible and tailored to the needs of each client. There was a strong feeling that access to services should be based on individual need rather than strict categories based on age or benefit group, and clients should be able to choose from a 'menu' of services to create a personalised route to work.
32. It was also felt that there should be more flexibility in the rules regarding access to support – for example, people on any replacement programme being able to access complementary services, or widening the access to specialist services for those facing complex barriers to employment.
33. Respondents believe that personal action plans should take into account the geographic/transport, health, cultural, economic and social circumstances of individual clients. Some argue that there should be a strong element of "co-production of solutions", to enhance client ownership and engagement: this was exemplified by one response which suggests the use of a "capability approach" as put forward by Amartya Sen.<sup>2</sup>

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<sup>2</sup> This respondent, a research body, states that "[a] Capability Approach informed employment support service would promote an individuals' freedom to choose the work they value. Jobseekers and stakeholders would have a voice in programme development, with programme staff having the flexibility in delivery to meet local labour market, and individual service, user needs".

## The need for holistic support

**Q1**

34. Over fifty respondents see a need for “wrap around” employability support covering a range of areas of wellbeing, and addressing a range of barriers to employment – such as health, mental health, caring responsibilities or economic hardship – rather than having a narrow focus on skills and qualifications. Some refer to this as “Stage 1 services” (referring to Stage 1 of the Employability Pipeline), or as “pre-employability” support. This is to be achieved through partnership working with wider and social healthcare support networks (explored below) as well as through involvement with families, peer networks and informal support structures.

## A universal or targeted service?

**Q14, Q15**

35. Though an important question, the character of this trade-off is not identified clearly in the responses. As pointed out earlier, equality of opportunity is an objective for many respondents, and there is also a recognition that clients facing complex barriers require more intensive support. Over forty respondents implicitly or explicitly support the notion of increasing the level of support available for clients with the greatest needs. Of these, 45% are Third Sector organisations, 38% are public sector bodies and 10% are trades unions. However, none of these respondents explicitly argues that this should be achieved by reducing support for those who are more “job-ready”.

## The significance and use of client feedback

**Across all questions**

36. Twenty-seven respondents suggested a greater use of client feedback in the design and/or delivery of employability support services. This includes co-designing action plans with clients, incorporating client views into the wider design of the programme, and systematically using client feedback for service evaluation, performance management and payment structures. The aim is to make services fairer and more accountable to clients by including “people’s voices”.

## Clarity and promotion of the service

**Q20**

37. Another 27 respondents believe there is a need for more awareness of the entire range of employability support – for clients, providers and employers. One commented: “*Before I worked in this sector I was unaware of the different courses that were available and would have had no idea how to access these services*” – and this rings true with many respondents.
38. Suggestions made in terms of raising awareness of available support include greater coordination with other services – such as schools, libraries, community centres, social and health services and even UCAS. A single directory encompassing all services could be produced for every local authority, and specific groups should also be made aware of the range of specialist services available to them. Finally, respondents wish to see more positive messages being spread through “success stories”.

## Length of support

Q9

39. The responses to Question 9 of the consultation (“What is the optimal duration of employment support, in terms of both moving individuals into work, and then sustaining their employment?”) cover a wide range. A majority of respondents who answered this question (93) felt reluctant to prescribe an optimal duration, and instead advocate a response that is flexible and responsive to clients’ needs, the barriers they face and the stage of the employability pipeline at which clients first gain access to support. Where respondents gave a concrete answer, the duration ranges from 13 weeks to 3 years, but these answers are not directly comparable as respondents are often implicitly or explicitly referring to specific groups with very different needs.
40. A small proportion of respondents who answered this question explicitly express differing views on whether programmes should be time-limited from the outset. Three respondents (a council and two providers) explicitly argue that the duration of the programme *should* be time-limited, particularly if there is a service fee involved. On the other hand, four respondents (an individual, two Third Sector organisations and a professional body) believe clients should be supported until they achieve a positive outcome. It is not clear where other respondents stand on this.
41. Many respondents made reference to in-work support when responding to this question, and there was a general consensus both that it should form an important part of employability services and that this has implications for the duration of support, as it needs to continue after a client finds work.

## How should the service be delivered?

### Partnership approach

Across all questions,  
particularly Q11

*"Joint-working protocols, co-locations of resources and better alignment of budgets and contracting timescales of funding bodies and key agencies, for example JCP and SDS and LA and ESF resources, would improve the effectiveness of devolved employment support."* Private sector provider

42. 99 respondents see multi-agency partnership as a necessary feature of the Scottish Approach, a figure that is notable given there is no specific question on this in the consultation. Several levels to this are identified in the responses:
- National agreements
  - Integration of national and local programmes
  - Collaboration between the replacement programme and the DWP.
  - Collaboration between providers: sharing best practice and avoiding duplication of services
  - Local integration of employability and other welfare services.

43. At the national level, it is felt important that a replacement programme should be designed in a way which attracts widespread support. There is a clear consensus about the need for nationally agreed objectives, standards and performance criteria.
44. One of the weaknesses of the current landscape of provision that is most often identified is its fragmented nature, in terms of “silo” funding streams and service provision. There is a strong desire for streamlining employability support by reviewing how all the different parts fit together at the national level. The stated benefits that would flow from this include:
- Improving the efficiency of the system as a whole by avoiding the duplication of services
  - Enabling the sharing of best practice and evaluation
  - Avoiding confusion (where to go, what service to use, next steps) for both individual clients and employers
  - Maximising the amount of resources spent on front-line delivery
  - Ensuring seamless and consistent support for individuals throughout their journey and across services.
45. Collaboration between providers and Jobcentre Plus (JCP) is seen as important, given concerns expressed by respondents that the partial devolution of welfare and employability “...is a recipe for confusion and complexity” Third Sector organisation.
46. 11 respondents see a need for more coordination in referrals between JCP and referral agencies. This includes clear referral pathways, “warm handovers” and feedback on the progress of referrals. More flexibility in referrals was also seen as desirable. For example, a current Work Choice provider commented “*the very narrow gateway of JCP, with limited use of statutory referral organisations or self-referrals, means the resources of providers have been focused on increasing JCP referrals.*” Another respondent wanted more flexibility in terms of how JCP referrals tie in with devolved employability support – for example, allowing a client “*to remain on [Job Seekers Allowance] JSA while taking up a Scottish Government Employability Fund training place*” (Third Sector organisation). This relates back to the overarching principle of flexibility in service provision.
47. A noticeable number of respondents who commented on the sanctions regime expressed concern about the reserved nature of conditionality, and/or wanted to see greater coordination with DWP in this area.
48. Another point made is the need to have more partnership working across providers to ensure that competition does not lead to duplication of services, and to enable the sharing of best practice and evaluation. Improved data-sharing is seen as playing an important role in supporting this.

49. Over 45 respondents mention a need for more co-ordination between employability support services and other welfare services. It is highlighted that this would have the benefits of furthering the prevention agenda, as well as meeting the objective for holistic employability support. It is pointed out that integrated services are particularly important for people facing multiple barriers. In the experience of a private provider,

*“...individuals appreciate collaborative working between organisations they trust and employment providers to offer stability and integrated support.”*

50. Specific suggestions were made for how this coordination could work:

- Including an “*employability question*” in health and social work interviews or questionnaires
- Establishing links with Community Mental Health Teams
- Co-locating employability advisors with other services, for example, in GP practices
- Better data-sharing.

51. 17 respondents from across all respondent types support co-location of providers and/or services at a local level, enabling a “*one stop shop*” service for clients.

52. 14 respondents support a key worker model in order to ensure seamless and consistent support for individuals throughout their journey and across services. Five of these are councils or LEPs, some of whom have already piloted a key worker, multi-agency consortium approach in their local authorities. A Local Authority comments:

*“...the key worker model appears to work well and understanding client confidence issues is important”.*

An individual respondent (no further information known) would like to see:

*“...regular Key Worker involvement provided by an agency outwith the delivery provider to ensure unbiased involvement, monitoring and support to the [client].”*

53. In the view of many respondents, local integration can be led by CPPs and/or LEPs, but cross-boundary collaborations, for example across Travel-to-Work areas, are also seen as options.

## Data-sharing

Across all questions,  
particularly Q19

54. Around 40 respondents see the need for data-sharing among all partners through a shared management information system (MIS), but this is likely to be an under-estimate, given that this is a requisite for a number of other points raised. They argue that effective data-sharing would allow continuous tracking of an individual's journey across providers and programmes, supporting the aim of ensuring a seamless service. Other benefits mentioned include:

- Facilitating the sharing of good practice
- Better coordination between service providers and referral agencies
- Improved performance management for the system as a whole.

## A standardised national assessment

Q6

*"There should be an aspiration to a single, portable assessment covering employment, health and social support needs as well as benefit entitlement."* Third Sector provider

55. Over 30 respondents suggest a national, shared assessment tool, used in the initial needs assessment and recorded in a national MIS system. This could be linked to specialist assessments as and when appropriate. It would have the benefits of:

- Ensuring greater consistency of support across the country
- Improving efficiency by preventing the need for each agency to conduct separate assessments
- Eliminating the "assessment fatigue" of users who would "own" their assessment and carry it with them.

56. Within these, five respondents suggested the assessment should be linked to the 5 stages of the Employability Pipeline (engagement assessment and referral; needs assessment and barrier removal; vocational activity; employer engagement; job matching and in-work support and aftercare).

## Employer engagement

Q2

57. At least 108 respondents believe that, in order to help clients find 'real jobs', employer engagement and up-to-date labour market intelligence should be crucial components of employability support, from the design stage through to increasing opportunities for work placements and incentivising recruitment for priority groups.

58. Amongst these responses, four main points can be identified:

- First, there is a need for high quality labour market intelligence to identify both current and future business needs. This information should be up-to-date and easily accessible in a single, simplified source for employability advisers, adults seeking work, parents and young people. It should also inform sector-specific approaches such as sector-based academies or early intervention when, for example, a number of redundancies occur in a specific sector.
- Second, there is a view that there should be frequent and in-depth engagement with employers when designing future programmes and identifying business needs. Some respondents point out that employers, too, have a key stake in the quality and effectiveness of employability support. Both employers and other types of respondents, however, highlight the need for a simplified employer engagement strategy, centralised through a single point of contact to avoid confusion and unnecessary bureaucracy. This is often at a local level – suggestions include Chambers of Commerce or Business Gateway – while other respondents point out the benefits of a national engagement strategy for certain sectors. Reference is made on several occasions to the need for greater engagement with SMEs in particular.
- Third, a noticeable proportion of total respondents see a need for either monetary or non-monetary means of incentivising the recruitment of those seeking work. 12 respondents, none of which is an employer, support an employer recruitment incentive scheme, although there is a view that it should be time-limited and carefully managed. A Local Authority comments:

*“We have found that recruitment incentives... have been extremely effective in creating new jobs for our younger and more vulnerable clients.”*

Other types of incentives identified are:

- The inclusion of Community Benefit clauses in construction and service provision contracts
  - More awareness of, and resources to, Access to Work (specifically for jobseekers with disabilities)
  - More public sector recruitment of individuals with complex barriers
  - Public recognition (perhaps through awards of accreditations) for employers who employ previously unemployed people
  - Supported employment
  - Improving understanding and tackling prejudice amongst employers.
- Fourth, employability support, the skills sector and employers should form better triangular partnerships.

59. There is a view that employability support should be aligned with economic development plans, in order to support the creation of quality jobs. Respondents – particularly individual users – saw the lack of available jobs as a major obstacle to successful employability outcomes, particularly in or close to deprived areas.
60. Additionally, Third Sector organisations express a desire to build more capacity in social enterprises and social firms, with a view to them becoming potential employers of people facing barriers to work. Again, the potential role of SMEs were mentioned here on several occasions.

## Early intervention

Q8

61. Suggestions for integrating early intervention into employability support, in response to Question 8 of the consultation, included:
- Supporting individuals across life transitions
  - Early intervention in key areas (schools, health and social care services, in-work support)
  - More funds to the earlier stages of the employability pipeline (ie outreach, engagement, assessment and tackling issues that provided fundamental barriers to work)
  - Earlier referrals from JCP to more intensive support where there was a risk of long term unemployment.
62. Continuity of support across life stages was seen as desirable by 24 respondents, with a particular focus on young people making the transition from school into employment. However, many respondents also expressed concern about an arbitrary cut-off point existing in support for those aged 25 and over.
63. The key area identified for early intervention by a majority of respondents who answered this question is that of schools and colleges. It is argued that it is essential to identify those who are facing multiple barriers and offer them effective support from an early stage. For example, a respondent points out the importance of supporting young people facing mental health issues at school, before these seriously affect their employability.
64. The second key area for early intervention, identified by a fifth of respondents who answered this question, is Stage 5 of the employability pipeline (in-work support and aftercare). In other words, there was for some clients a need to provide support after job finding to help them make a successful transition into work and reduce subsequent 'drop out'.
65. Other areas identified as important for early intervention include health and social care services for people whose health might become a barrier, or engaging actively with the criminal justice system in order to engage with offenders early on to facilitate re-integration into society. Many of these comments are closely related to the identified need for greater partnership across services.

66. Early intervention is also seen as relating to coordination between JCP and referral agencies, since earlier referrals and fast-tracking clients who are at risk of long term unemployment are also mentioned in response to Question 8.

### Quality of staff

### Across all questions

67. 62 respondents saw the relationship between staff and clients as important, and emphasised the need to ensure the quality and consistency of employability support staff. Aspects that are seen as important include:

- Adequate training and experience for staff
- Having sufficiently small caseloads to ensure an adequate quality of service
- Establishing a positive and supportive relationship with clients
- Continuity of the support relationship.

68. Of the respondents who referred to the quality of staff, an eighth of them support a move towards professionalising employability support staff, through a national qualification and registration system and a set of occupational standards, ethics and values. It is also noted that it is desirable to promote a career progression pathway in order to reduce turnover of staff and build capacity within the sector. Other points raised in relation to employability staff include:

- The need for cultural awareness of different communities/groups
- Experience in person-centred approaches
- Making sure there is no discrimination against minorities
- Creating a trusting relationship where individuals feel able to disclose sensitive but relevant problems.

### Performance management

### Q19

69. Respondents suggest that the purpose of a national framework for performance management should be to:

- Ensure that the outcomes recorded match the intended objectives of the programme
- Ensure that agreed quality standards are met
- Ensure greater local and national accountability of providers, through in-built review periods within contracts
- Support the sharing of best practice and promote innovation in the system as a whole
- Ensure robust evaluation of the programme as a whole, including an independent evaluation, which will serve to guide and justify future investments.

70. Many respondents agree that a performance management system should be agreed upon and implemented consistently at a national level. The “*Local by Default, National by Agreement*” position, quoted by a number of councils in their responses, means that a national approach to performance management should include:

- “*National performance framework*”
- *National IT reporting and payment system*
- *National approach to audit*
- *National definitions*
- *National programme management board*”.

71. Support for evidence-based performance criteria is provided by all types of respondents. However, some providers point out that consultation with providers would be appreciated when deciding these. The criteria should also be responsive to the economic context, and realistic – for example, acknowledging that a dip in performance is likely to occur at the start of any new programme.

72. In respondents’ views, the information gathered as part of an MIS system should include data on:

- Provider input (eg level of engagement, intensity and type of support, and case notes)
- Clear and consistent measures of progression, defined as:
  - Distance travelled in enhancing employability (measures suggested include attendance, recovering from or successfully managing a health condition, overcoming a skills or language barrier, voluntary work, qualifications)
  - Employment
  - Sustained employment (possibly using tax and NI data to provide evidence of sustained employment and/or Fair Work objectives)
- Feedback from service users
- Cumulative outcomes over a long period of time.

73. However, it is noted in at least 10 responses that the MIS should be user-friendly and not too onerous in its data capturing requirements, so as not to burden providers, and particularly small Third Sector organisations disproportionately. Providers note that there is already a substantial diversion of resources to administration and the creation of the “*evidence trail*” needed to ensure that the outcomes achieved are rewarded, which is felt to be to the detriment of front-line delivery.

### Responding to rural challenges

74. 12 respondents (7 individuals, 2 Councils and 3 others) stressed the need for a Scottish Approach to take account of the specific needs of clients in rural areas, and mentioned the additional barriers they could face, for example transport and the use of informal recruitment approaches. There was felt to be a need for access to provision in rural areas to be reviewed, with specific mention of more flexible funding and delivery models to deal with rural challenges as well as the scope to make more use of online solutions.

## Strengths and weaknesses of the current system

Q3

### Fragmented services and funding

*"There is a consensus that silo funding is a major drag on performance in Scotland – Scottish Government must avoid this with the new resources."* Public Sector respondent

75. Although Local Employability Partnerships are identified as best practice approaches to local integration, most respondents feel that the current delivery landscape is too complex and fragmented, with most employability support providers at local national and national levels working in silos. In other words, the key principle of partnership between service providers, as well as between providers and other services, is currently a long way from being implemented effectively.
76. Fragmented service delivery is part and parcel of respondents' views of the fragmented nature of the funding streams for different programmes and services (EU, Lottery, local government and Scottish Government). There is widespread support for joined-up funding to make more effective use of the resources available for employability support. Respondents also highlighted the need to explore ways of aligning funding for health and skills with employability support for each individual.

### Insufficient funding for the most disadvantaged groups

Q3

77. Almost all Third Sector providers and organisations representing individuals with complex barriers believe that current levels of funding for specialist services are too low. They call for increased funding for the most disadvantaged groups to be part of the new 'Scottish Approach'.

### The Employability Pipeline model should be retained and made sufficiently flexible

Q7

78. There were mixed views amongst the respondents who directly responded to the question on the Employability Pipeline. However, there were more positive responses than negative ones. 60 respondents thought the pipeline was a useful and/or successful model, whereas 30 respondents did not think it should be used. Another 4 believed it was useful, but not working well at present. Support was strongest amongst public and private sector respondents.
79. The most common argument in support of the pipeline model is that it serves "as a foundation on which to build a new Employability Support Service", in the words of a public sector provider. Moreover, by contributing to a shared strategic vision amongst providers it helps to better align services. For it to be successful greater awareness of the pipeline is suggested – in terms of a common vision and common definitions of the different stages.

80. 7 respondents see an accurate initial needs assessment that correctly identifies the relevant stage for each client, as necessary for the success of the pipeline as a common model. Some respondents also suggest that it could be used as a framework for client self-evaluation. Transparent criteria are desired for each of the stages.
81. Concerns are expressed (by a majority of respondents representing or speaking for groups with disabilities, health conditions or mental health problems) that the pipeline may not be as relevant as a model for these clients, if it is interpreted as an inflexible prescription of how the journey towards employment and/or employability should look like. They want a recognition that this journey is unlikely to be linear, and that clients are likely to require a mixture of services from all stages of the provision pipeline. They also a fear that too much attention on the pipeline detracts from a person-centred approach.
82. Amongst the respondents who express concerns about the pipeline, some point out that it should be used for reference, but should not form the basis for assessing outcome payments.
83. A large majority of those responding from the perspective of people with disabilities believe that the Scottish Government Supported Employment Model is much more useful as a framework for these groups, and should therefore be used alongside or instead of the Employability Pipeline.

## Priority groups

84. Figure 17 (in Appendix 1 on page 50) shows the specific groups most often identified as needing additional assistance (where a respondent has nominated more than one group for additional support, their view has been recorded under each of the relevant client groups).
85. The 5 main groups are (in order):
- Clients with physical health conditions or disabilities
  - Clients with mental health problems
  - Clients with learning disabilities
  - Young people (16 to 24)
  - Older people (roughly above 40/50).
86. Although many clients in these groups would be expected to also be long term unemployed people, this is often not made explicit. However, a key message that emerges from this consultation is that benefit type or duration of unemployment are not adequate indicators on which to base individually-tailored services.

87. The objectives identified for all groups are broadly the same as for everyone else; namely access to sustained and fulfilling employment that enables economic independence and dignity. Some of the challenges that are most often identified by all groups are lack of skills, lack of confidence and negative perceptions or lack of understanding by employers. Suggestions made for each of these groups is covered in Appendix 1. Specialised and highly-trained staff, with the skills and understanding to work with clients with a range of health issues or barriers, are seen as crucial. Training on mental health issues for all staff is suggested, as this is often a secondary issue even when it is not the main barrier.

## Part 2 The replacement programme(s)

88. This part of the report presents the views of respondents on the design and delivery of the current Work Programme and Work Choice and how the replacement programme or programmes should be designed, contracted and delivered in the future.

89. Overall, when designing and contracting any new employment programmes respondents thought that:

- The programmes should be designed at the national level to prevent significant geographical variation in approach, but should be adapted to local contexts and needs, and delivered locally
- Contracts should use a combination of payment by outcomes and progression in order to keep providers focused on employment, while recognising the milestones achieved along the way to prevent parking and creaming and provide greater financial stability and flexibility for providers
- There should be a separate employability programme for those with higher needs, such as clients with health and disability barriers with current programmes failing this cohort most noticeably.

90. The rest of this section is structured as follows:

- National versus local design and delivery
- The contracting authority
- Outcomes and progression in contracting
- Integration with other services
- Other contracting issues
- Work Choice and supporting those with the highest needs.

In each section we set out the issue to be discussed together with the Question or Questions that are most relevant to the issue.

## A national or local programme?

## Q12

91. Question 12 asked, “Do national or more localised employment support programmes work better for different client groups? If so, which ones and why?”
92. It was often not clear from responses whether respondents were referring to design or delivery of programmes when responding, with the issues often being conflated. In addition, in the large majority of cases it was not clear what respondents meant by ‘localised’. Respondents appeared to be referring either to local authority areas, or to broader areas that might make up a travel to work area.
93. Most respondents said that a combination of national and local programmes was needed to meet the needs of the full range of clients (see Figure 2).

Figure 2



118 respondents indicated their view on national versus local programme design

94. Figure 3 overleaf presents our detailed breakdown of responses by respondent type and theme.
95. 20 respondents explicitly said that there should be a combination of locally and nationally designed programmes. 15 said that locally designed programmes were better for those furthest from the labour market, with multiple barriers, while national programmes were good for those close to the labour market. Another 5 said that programmes should be designed/delivered locally by default, except where clients have specialist needs that can't be met by the current local provision.
96. 14 respondents said that replacement programmes should be designed at the national level with a clear national framework and national standards – but they should be capable of being adapted to local context and needs.

*“Ideally some balance. A national agency setting standards but local decisions about delivery methods.”* Local Employability Partnership

Figure 3 “Do national or more localised employment support programmes work better for different client groups? If so, which ones and why?”

Respondent Answer	Both		Local		National	Other	Total				
	National for clients close to work, Local for multiple barrier clients	Local programmes as a default, except for where needs can't be met locally	National programme tailored for local needs	National programme delivered locally	It will depend on the needs of the individuals	Unspecified		Local but larger than Local Authority areas	Unspecified	Unspecified	Quality is more important than national/local
<b>Respondent Type</b>											
Local Authority	4	2	2	1				9			18
Local Employability Partnership	1				1			1			3
Public Sector Provider				1				0	1		2
Public Sector (other)	4	1				1		5			11
Third Sector provider			4	4		2	1	3	2	1	17
Third sector representative	1				1		1	3		2	8
Third Sector (other)	2	1	2	1		1		6		3	16
Private sector provider		1		2				1	1	1	6
Individual service user								1			1
Individual (other)	2		3			3		6	1	1	16
Employer				1				3			4
Employer representative body								1			1
Professional body	1					1		1		1	4
Trade union					1	1			1		3
Research / influence body			1	1			1				3
Training provider								2			2
Cross sector organisation			2							1	3
<b>Total</b>	<b>15</b>	<b>5</b>	<b>14</b>	<b>11</b>	<b>3</b>	<b>9</b>	<b>3</b>	<b>42</b>	<b>6</b>	<b>10</b>	<b>118</b>

97. Local flexibility was advocated by respondents in order to:

- Respond to the specific needs of clients, ie the profile and needs of clients varies across Scotland
- Respond to the skills and recruitment requirements of the local economy
- Create local accountability, democracy and empowerment for the services delivered
- Enable local integration with other services for clients – this was particularly important for those with more complex support needs
- Reduce the layers of bureaucracy.

98. 11 respondents said that programmes should be designed nationally but that it was important that the delivery was done locally.

99. Nine respondents did not specify a reason for their preference for both national and local programmes.

100. The most common benefit identified of a nationally designed programme was that it ensures consistency and equality of services by helping to avoid ‘postcode lotteries’ where service availability and quality vary across Scotland. Preventing service duplication was also identified as an issue by respondents.

101. The largest concern expressed by respondents about a nationally designed programme was that it would be too bureaucratic, reduce innovation and be inflexible.

102. 10 respondents, mostly from the Third Sector, said that the quality of the service is more important than whether the programme is national or local, with the quality of staff and tailoring of the programmes being the most important features.

103. Figure 4 overleaf outlines the reasons given by those that said both national and local programme design and delivery was needed and the relationship of this to client type.

Figure 4

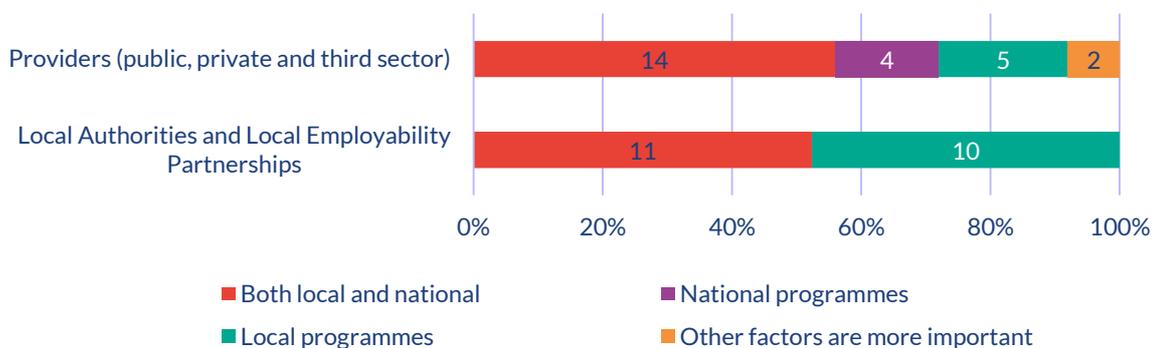
### Views from respondents who thought both national and local programmes were needed



104. Both providers and Local Authorities/Local Employability Partnerships had most respondents prefer a mixture of both national and local programme design (see Figure 5). The key difference was that no Local Authorities/Local Employability Partnerships advocated for solely nationally designed and/or delivered programmes. Whereas nearly 30% of providers expressed a preference for national programmes, or stated that other factors were more important.

Figure 5

### Do national or local programmes deliver better outcomes for clients?



46 service providers, Local Authorities and Local Employability Partnerships indicated their view on national vs local programmes

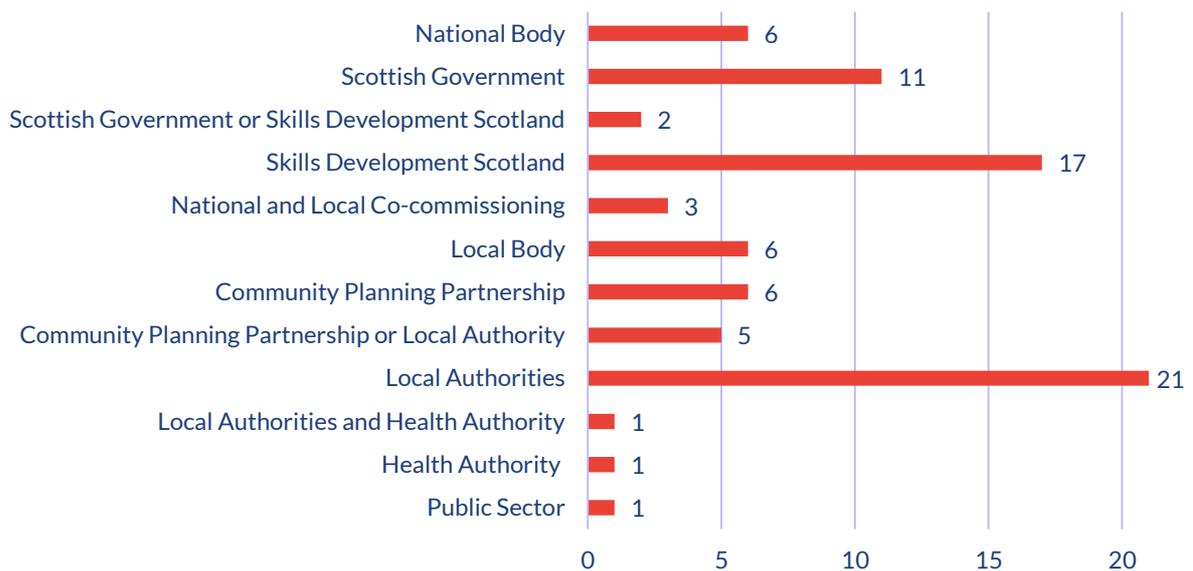
## Who should be the contracting authority?

## Q13

105. Question 13 asked who the contracting authority should be for the employment support provision developed. 80 respondents (around 37% of respondents) expressed a view. These views are outlined in Figure 6. Figure 10 on page 35 sets out the detailed breakdown of views by respondent type.

Figure 6

### Who should be the contracting authority for replacement programme(s)?

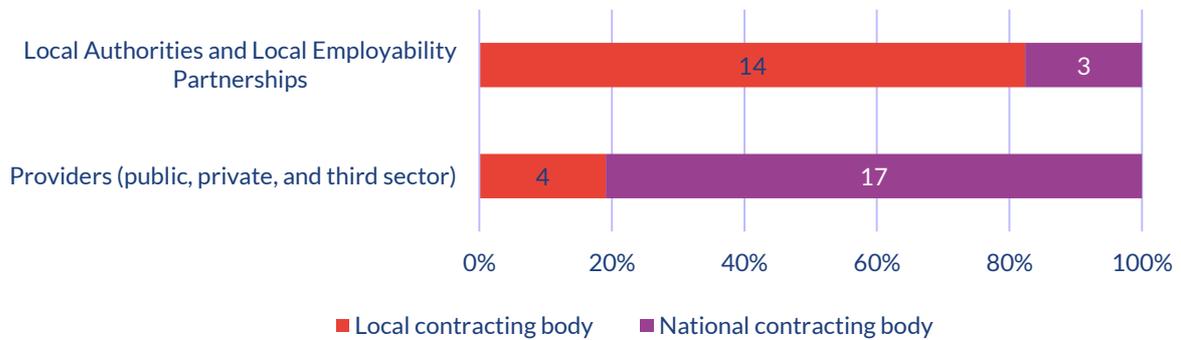


80 respondents indicated a preference for who the contracting authority should be

106. The most frequent body suggested was Local Authorities, with Skills Development Scotland and Scottish Government placing second and third with 17 and 11 mentions respectively. 6 indicated that a national body should be the contracting body, but did not specify which body. Another 6 stated that a local body should do the contracting, but did not specify which body.

Figure 7

### Should the contracting authority be a national or local body?

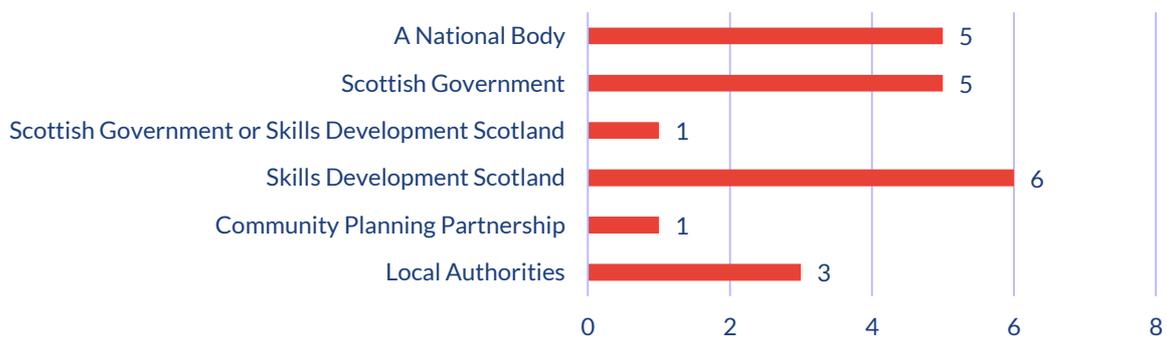


38 service providers, Local Authorities, and Local Employability Partnerships indicated their views on who should be the contracting authority

- 107. Figure 7 compares the responses for current employability support providers with Local Authorities and Local Employability Partnerships. On this issue, the most distinctive difference of opinion lies between these two groups.
- 108. 64% of employability service providers that submitted expressed an explicit preference for who the contracting authority should be (see Figure 8 for a detailed breakdown of their views). A large majority preferred a national contracting body. The two reasons given for this preference were the ability to achieve economies of scale, and national consistency of provision.

Figure 8

### Who should be the contracting authority according to employability service providers (public, private, and third sector)?

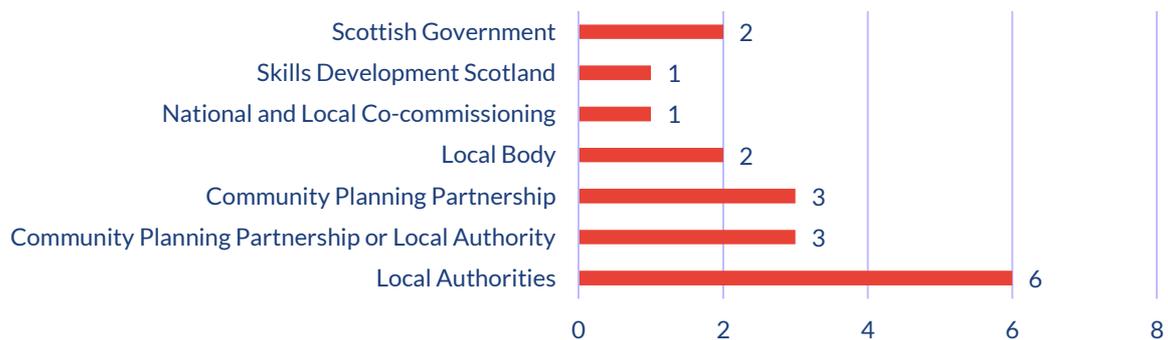


21 current employability service providers from the private, public and third sector expressed a view on who the contracting authority should be

109. 68% of Local Authorities and Local Employability Partnerships that responded expressed a preference for who the contracting authority should be (see Figure 9 for a detailed breakdown of their views). A large majority of them preferred a local contracting body as they felt it enabled them to tailor programmes to the local context, and integrate these services into other local service delivery.

**Figure 9**

**Who should be the contracting authority according to Councils and Local Employability Partnerships?**



18 Councils and Local Employability Partnerships expressed a view on who the contracting authority should be

110. Regardless of which view they expressed, most respondents highlighted that there was a need to consult across national and local organisations in terms of contract design, tendering, and management.
111. A large majority of respondents did not explore the implications of local contracting bodies, or how this would work in practice.
112. A noticeable number expressed a view on the use of subcontracting. Of those that expressed a view, most were positive about the use of sub-contracting as it enables specialist and smaller providers to fully participate (as long as the financial model proved viable for them). Three respondents said that sub-contracting under the current contracts wasn't working as they felt Prime Contractors weren't, in practice, using specialist or smaller providers.

**Figure 10** Respondents' answers to "Who should be the contracting authority for developed employment support provision?"

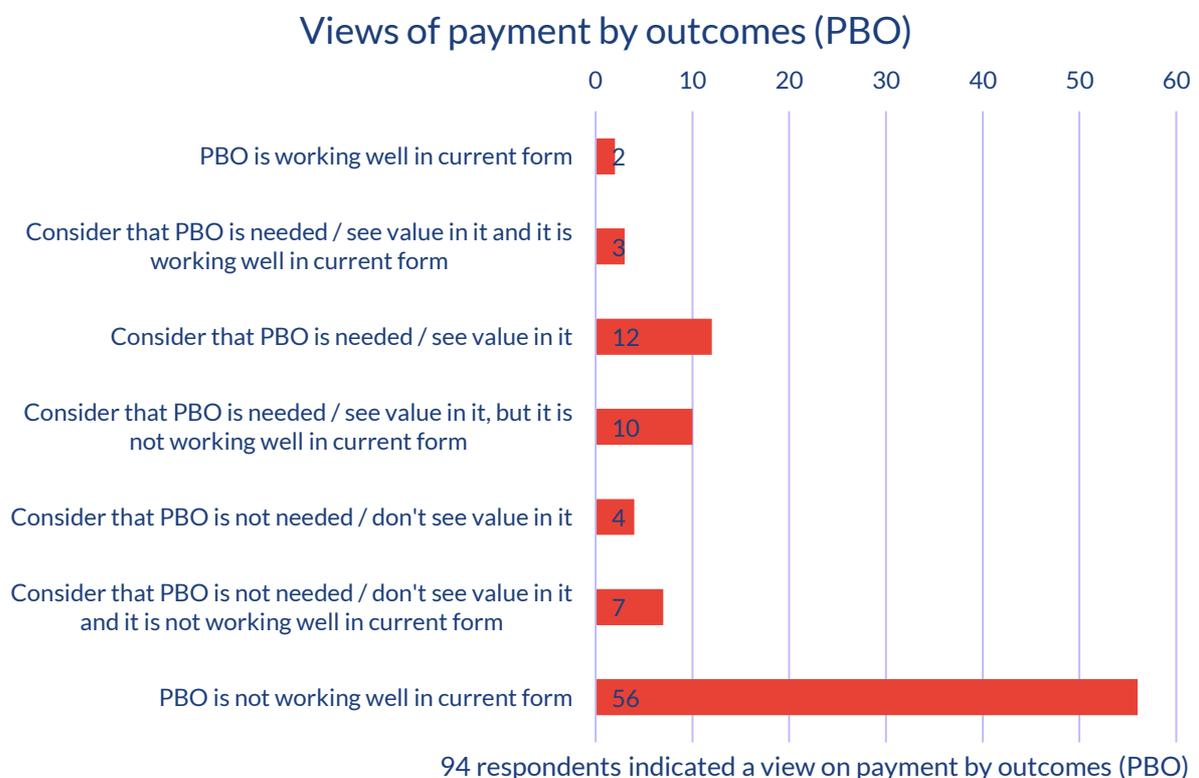
Respondent Type	Respondent's Answer												
	Public Sector	Health Authority	Local Authorities and Health Authority	Local Authorities	Community Planning Partnership or Local Authority	Community Planning Partnership	Local Body	National and Local Co-commissioning	Skills Development Scotland	Scottish Government or Skills Development Scotland	Scottish Government	National Body	Total
Local Authority				5	3	3	2	1	1		2		17
Local Employability Partnership				1									1
Public Sector Provider						1							1
Public Sector (other)					1	1	3		1		1	0	7
Third Sector provider				2					1		3	5	11
Third sector representative				1				1	3		1		6
Third Sector (other)				3		1			1		1		6
Private sector provider				1					5	1	2		9
Individual service user				2									2
Individual (other)	1	1		4	1		1	1			1		10
Employer				2									2
Employer representative body													0
Professional body			1						1				2
Trade union									2				2
Individual advisor													0
Research / influence body												1	1
Training provider													0
Cross sector organisation									2	1			3
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>21</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>17</b>	<b>2</b>	<b>11</b>	<b>6</b>	<b>80</b>

## Contracting for job outcomes or progression?

## Q17 & 18

- 113. Whether replacement programmes should operate on payments for job-related outcomes or for client progression was one of the areas that most respondents discussed.
- 114. Overall, most respondents advocated a combination of job outcome and progression payments in order to keep providers focused on employment, while recognising the milestones achieved along the way. This would prevent ‘parking and creaming’ and provide greater financial stability and flexibility for providers.
- 115. Figure 11 below quantifies the views on payment by job outcomes amongst respondents.

**Figure 11**



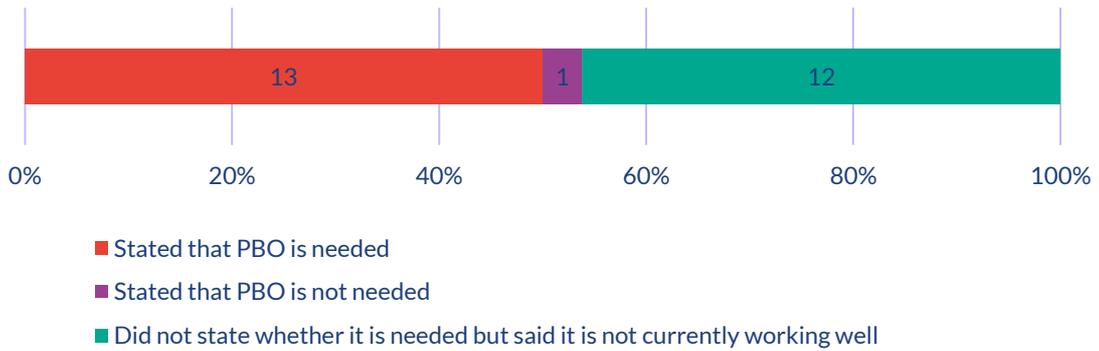
- 116. Most respondents did not think payment by job outcomes is working in its current form. Others considered that there is value in this approach but don't think it is working well at the moment, or thought that adjustments needed to be made in order to move it more towards a hybrid outcomes/progression model of payment. Suggestions such as the need for “softer, personal outcomes” hint at a combination with a payments by progression approach.

*“There should be a healthy mix of payment methods.”* Private Sector Work Programme provider

117. Providers (Figure 12) favoured payment by outcomes more than other respondent types (Figure 13).

**Figure 12**

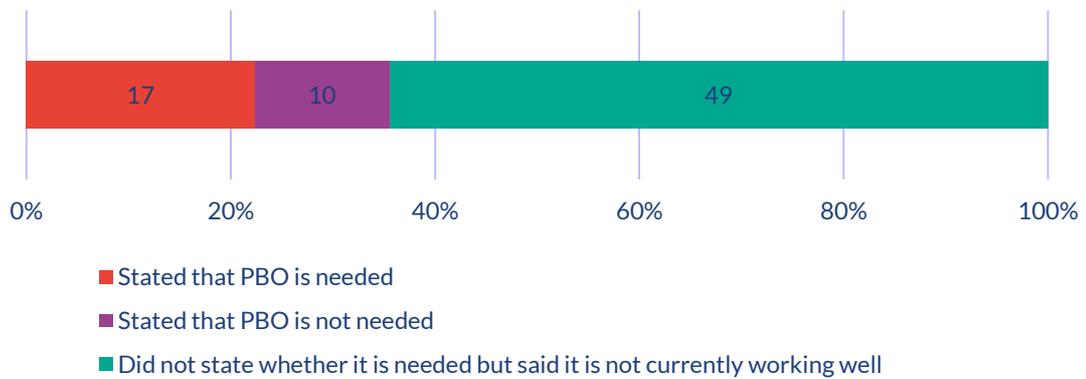
**Service provider views on payment by job outcomes contracting (PBO)**



26 public, private, and third sector employability service providers stated a view on PBO

**Figure 13**

**Other respondents views on payment by job outcomes (PBO) - excludes the views of providers**



76 non provider respondents stated a view on PBO

118. One trade union did not support either method stating that:

*“Any system which uses payment as an incentive is open to the kind of pressures to cherry pick.”*

Trade Union

119. Reasons why the current payment for outcomes method wasn't working that were identified by respondents included:

- Many respondents stated that the current Work Programme and Work Choice programmes hadn't got the outcomes right yet, with 16 saying that the current outcomes create:
  - A disincentive to help clients into longer term education such as full time Further or Higher Education, as this outcome will not trigger a payment
  - A disincentive to refer clients to another more appropriate service as the provider wouldn't receive payment to recognise the investment already made in the client
  - An incentive to place clients in low skilled, short term, or low quality jobs.
- 41 respondents said there are issues of 'parking and creaming' where those closest to the labour market were prioritised for support as the largest margin could be made from this group. Those clients who would require more investment in order to get the outcome payment were 'parked'. Parking and creaming was considered to be happening more frequently and on a larger scale in Work Programme than Work Choice, although a degree of parking and creaming in Work Choice was also identified
- 17 respondents said that, to prevent parking and creaming, a higher payment for those with more complex support needs should be made
- 10 respondents said that a high payment by outcome proportion of the contract leads to cash flow and financial risks for providers, particularly smaller and third-sector providers
- 16 respondents said that a higher upfront payment is needed with some saying that this would enable greater investment upfront to innovate and improve the quality of the services
- 5 respondents said that a payment for longer term job sustainability and in work progression was needed
- 2 respondents said that the payment level should be influenced by the quality of direct feedback from the client.

120. 49 respondents advocated the payment for progression model to either replace the payment for outcomes model, or to operate in combination with payment by outcomes to create a payment system that better reflects an individual client's journey. Respondents felt that this mechanism reflects the fact that volunteering and education can be important steps towards employment, and that progression is not always linear, particularly for those managing health conditions, or with caring responsibilities.
121. Issues identified by respondents included:
- 5 respondents identified that increasing the payment for progression element could decrease the incentive to move people into employment and may result in keeping people in services longer than is needed. One respondent recommended that progression payments should only be used for those furthest from the market in order to avoid unnecessarily increasing work-ready clients' journeys
  - Progression is hard to measure, so it is difficult to use as a basis for contractual payments
  - Progression payments need to be related to clear agreed milestones using a combination of quantitative and qualitative measures
  - Payment by progression doesn't address the job sustainability issue created by moving people into less than ideal jobs
  - Progression payments will encourage referrals where these are most appropriate for the client.

### The 'black box' approach

122. Currently Work Programme uses a 'black box' approach which means that contracts stipulate outcomes, but the way in which the provider achieves these outcomes is largely up to them, the view being that this would allow providers to draw on their experience and expertise in designing and delivering services, and encourage flexible responses to different areas and clients.
123. Some respondents offered views on the degree to which providers should be able to design the detail of services in this way. Innovation and tailoring were identified as the key benefits of the 'black box' approach. Most respondents said that the 'black box' approach enables parking and creaming to go on unchecked. Four respondents suggested more of a 'grey box' would be appropriate to combine flexibility with clear core service standards.

## Integration with other services

## Across all questions

124. Part 1 of the report presented the issues and concerns identified by respondents about ensuring that employability and other services are integrated both across service areas and between national and local programmes. Both Work Programme and Work Choice were identified by respondents as being segregated from other services with some stating that local relationships are being damaged by the national Work Programme and Work Choice objectives. Comments highlighted included:

*“Work Programme has operated in a parallel and isolated world rather than in an integrated system with other forms of employability support that exist locally. Any replacement programme must allow for and encourage providers to innovate, but it must be clear to all involved, be that the service users or partners organisations involved, what the service offering is and the standards associated with them. In this way the services can be aligned locally around the strategic skills pipeline”* Local Authority

*“... a number of key funding programmes (e.g. European Funding) say that Work Programme clients are ineligible for services they fund. This inability for clients to access additional services whilst on the Work Programme has meant that support which could have helped them has been held back for 2 years – a critical timeframe when someone is unemployed.”* Third Sector partnership including former third-sector provider staff

*“[While not always the case] third sector organisations have stopped working with WP clients as they were not being paid by WP providers for their services whilst the perception is that the WP contractor would ‘make money’ for any outcomes that they had helped them to achieve.”* Third Sector partnership including former third sector provider staff

*“The ‘them and us’ attitude taken by some key agencies and statutory bodies in Scotland about Work Programme and Work Choice delivery partnerships needs to be dispelled and broken down.”* Third Sector provider

*“The transition when clients are ‘mandated on’ and ‘mandated off’ the WP has been badly managed for the individuals with no ‘soft’ handover at either end of the process to alternative provision and to ensure there is an appropriate continuity of support. The large volume of clients being worked with through WP, and the focus on tight payments has meant that handovers become irrelevant as workers did not have sufficient in-depth knowledge of the client to share.”* Third Sector partnership including former third sector provider staff

## Other design and contracting issues

## Across all questions

### Contract assessment criteria

125. 12 respondents explicitly described the criteria that should be used to assess bids. The most commonly identified issue was that decisions on allocating the current programme contracts appear to favour price over quality, with quality suffering as a result. This general view is summarised by one respondent:

*“When originally bidding for contracts there has been a tendency for providers to either promise they can do it all, or list a range of smaller contractors with whom they will work when the payment system has meant that this was in reality unaffordable – the consequence of both approaches has meant either the removal of funding for local specialist provision, or loss of anticipated payments from WP providers and in some cases this has led to the closure of that service.”* Third Sector partnership, including past provider staff.

126. Other assessment criteria identified by several respondents included track record, motivation, and ensuring that smaller and specialist applications are fairly treated. For example:

*“Work with providers that have a track record of success and are in it for the right reasons.”*  
Individual

### Running a competitive procurement process

127. Most respondents that discussed competitive tendering processes did not see it as currently working well. They were concerned that it leads to competition between providers during the delivery of contracts when collaboration was needed to provide high quality services for clients. Another issue raised by respondents was that there should be a choice of providers for an individual client rather than the operation of regional monopolies (eg where both current Work Programme Prime Contractors for Work Programme have sub-contracted it to the same local provider).

### Contract duration

128. Longer term contracts are welcomed in order to *“encourage investment in infrastructure, staff and local relationships”* (Third Sector organisation). There is support both for 3- and 5-year contracts – the Local Government Position Statement preferred the latter. An *“innovation pot”* was also suggested by some respondents as a form of encouraging new approaches.
129. The contrast was drawn with other sources of employability funding – where there was a general view that one-year contracts are too short, leading to financial instability for providers (smaller providers in particular) and limited continuity in service provision. Together, respondents considered that these result in poor service design and no incentives for innovation.

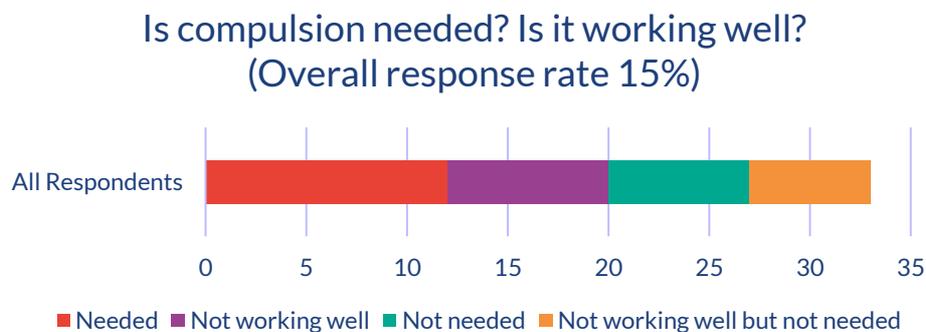
## The financial stability of sub-contractors

130. This issue is raised primarily in relation to small, specialist providers (usually Third Sector providers). These groups are seen to be disproportionately affected by cash flows problems. Both payment by outcomes (if these are made in a lump-sum when outcomes are achieved) and instability/unpredictability in the numbers of referrals to these providers exacerbate cash flow problems.

## The role of mandatory participation in service provision

131. Of the 15% of respondents that discussed mandatory participation in service provision, 12 said that some element of compulsion in the replacement programmes would be needed. 12 indicated that they were against the use of compulsion. A further 8 did not see compulsion as working at the moment; some of these also indicated that compulsion was needed, while several did not identify an explicit position (Figure 14).

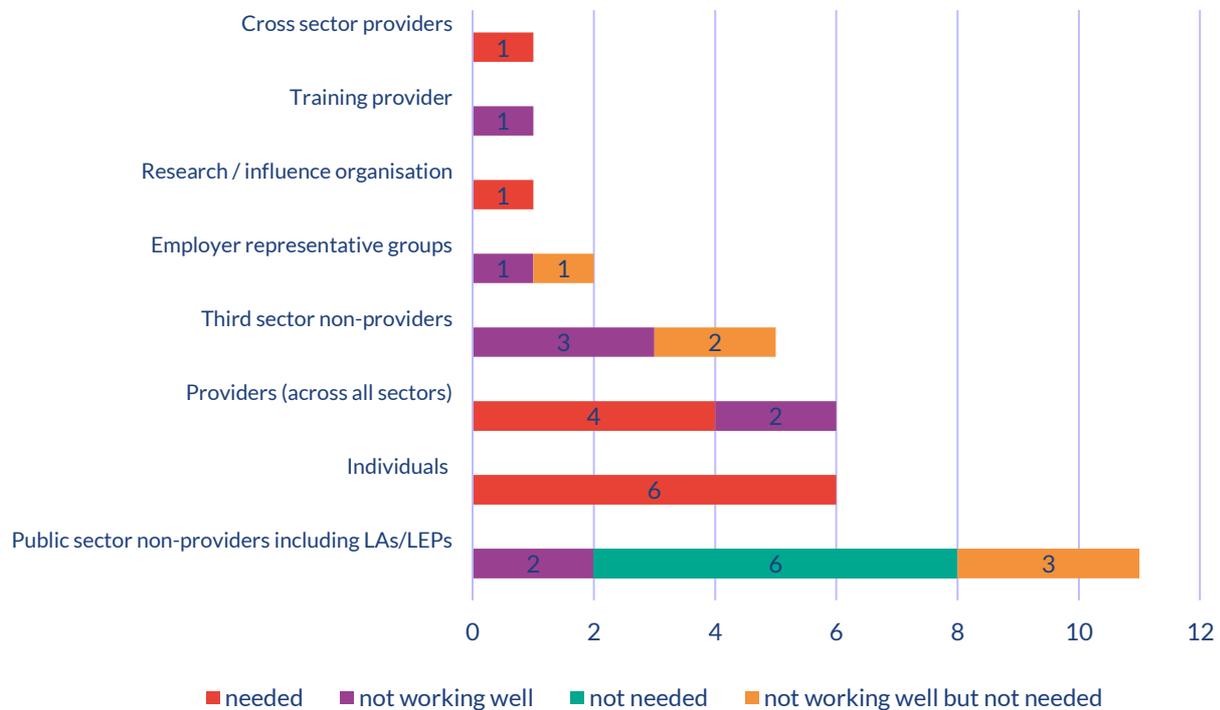
**Figure 14**



132. Although numbers were low, responses appeared quite different amongst respondent types. Of those that responded, service users and providers were more likely to say that compulsion is needed. Councils and LEPs were more likely to say that compulsion is not needed (see Figure 15).

Figure 15

## Is compulsion needed? Is it working well?



33 respondents expressed a view on the role and performance of compulsory participation in employability programmes

133. Those who did not support compulsion identified the following reasons for their view:

- That programmes such as Work Choice get better results as they are working with more motivated people (volunteers). One provider identified that a comparison can't be made between compulsory and non-compulsory programmes as voluntary programmes will have more willing clients
- That compulsion creates a level of distrust in the provider by the client which needs to be rebuilt, so the engagement starts on the back-foot
- Some service users identified that the presence of unwilling participants in group-based services disturbs services for those that are willing to engage.

134. Several participants suggested an alternative approach: that if programmes were made attractive, and more effort was spent on engagement services, then more people would be willing to engage with services, and compulsion would be less necessary.

135. One respondent identified that any element of compulsion should be accompanied by a system of rewards to balance out any negative impact on motivation that compulsion may have. Another said that some element of voluntary participation in a service can give people the control they feel they need to engage willingly.

136. Several respondents said that Scottish Government should have control over when compulsion was used.

### Financial assistance for participation

137. Around 20 respondents identified a need for further financial assistance in order cover the costs of participating in services. The following services were identified to have costs to the client which participants found difficult to meet from their benefit payments alone:

- Transport costs to training and work placements
- Childcare costs arising from the time spent receiving support.

138. The need for higher training allowances and fair pay, or incentive payments for short term work placements, were also raised a number of times.

## Work Choice

## Across all questions

139. Almost all respondents felt that current services were failing higher needs client groups such as ESA clients. The two most common points were:
- The current Work Programme payment for outcomes model results in higher need clients being 'parked' and receiving very little support
  - While the current Work Choice provision was better for higher need clients:
    - Many clients in need were not able to access Work Choice, with many inappropriately being placed on Work Programme
    - Within Work Choice the clients most in need were still not receiving adequate assistance.
140. Most respondents felt that a separate programme was needed for those with higher needs such as those with health issues and disabilities. For example:
- "Retaining a separate programme will enable the Scottish Government to work alongside local authorities to join up health and employment support for disabled people, and will ensure that a person-centred service can be delivered in future employment service support in Scotland."* Third Sector provider
141. The rest of this section outlines respondents' views on the current Work Choice provision. Around 35 respondents discussed the current Work Choice provision explicitly. Nearly 60% of these were from the Third sector (including Third Sector providers), roughly, another 20% were from the public sector. Of all the respondents, nearly 40% were providers of current Work Choice programmes from both the third and private sectors.
142. There was a consensus around the main themes, regardless of their sector or provider status. Differences in views are highlighted below. The main themes identified by respondents are described in detail below.

## Work Choice generally outperforms Work Programme

143. Most respondents identified that Work Choice has more success with clients with health and disability issues.

*"Performance on Work Choice is better, with 36.5% of people referred achieving a job outcome to date."* Current Work Choice provider

144. Reasons for its higher performance identified included:

- Its voluntary nature means that people are more willing and ready to engage and overcame some of the hesitancy some people have about compulsory programmes
- It provides more personalised employment support than Work Programme with one provider describing it as *"genuinely personalised employment support"*
- Service providers have more specialist expertise in working with this client group than Work Programme
- The supported employment element works particularly well with Supported Employers acting as *"effective Intermediate Labour Markets"*. One provider indicated that more could be done on in-work progression through a future Work Choice programme
- The payment for sustained job outcome is higher than the job outcome payment so this encourages better quality job outcomes.

*"The current Work Choice funding model whereby the payment for a sustained job is greater than the job outcome payment encourages us as a provider to find better jobs for our clients."* Current Work Choice provider

145. However, one third-sector provider identified that it is difficult to make comparisons between the performance of Work Choice and Work Programme.

*"Around half of those on Work Choice get a 13 week, 16 hours job outcome which is positive, but are supported jobs rather than jobs in the mainstream labour market. Work Choice is also voluntary so it has a smaller proportion of the most difficult to support customers, has very low referral volumes, spends much more per customer than the Work Programme, and only around a quarter end up in unsupported sustained jobs which is the equivalent of a Work Programme outcome."* Third Sector provider.

## Work Choice provides inadequate help to those with the highest support needs

146. At least 5 of the respondents expressed concern that Work Choice was not providing sufficient support to those on ESA Support Group, with complex disabilities, long-term mental health issues, and learning disabilities. Where respondents explained why, a lack of expertise, unrealistic timescales, parking and creaming, and a lack of meaningful employment opportunities were issues that were identified.

*"Crucially, the evaluation of Work Choice (CESI, July 2013) concluded that the structure of the programme makes it difficult for people with the highest support needs to benefit from it, and hence there is a need to fund and deliver specialist disability employment support. This can include Supported Businesses for people who would always find it difficult to sustain open employment."*  
Employer

*"Work Choice routinely sees more than 40% of participants finding work compared to the Work Programme which has only supported 15% of its disabled participants back into work, this is even lower for those disabled people in receipt of ESA."* Third Sector provider

*"People using [our] service often tell us about front line staff delivering the Work Programme and Work Choice schemes have a concerning lack of knowledge and experience of deafness and hearing loss."* Third Sector organisation

*"We believe this funding by results model doesn't recognise the significant benefit, skills and confidence that those with the most complex barriers to work obtain from the employment support programmes we run. In addition, it encourages a culture within the welfare to work sector of only working with people likely to move into employment quickly. We would welcome further discussion about how future employability programmes in Scotland might address this issue."* Third Sector provider

147. In terms of the expertise of Work Choice staff (the respondent did not specify whether this was contract staff or not), one respondent highlighted the Centre for Economic and Social Inclusion evaluation which expressed concerns over the quality of the service provision by some providers. Two respondents stated that employability workers were not healthcare professionals and couldn't be expected to provide this level of expertise. Another respondent stated that Work Choice providers have access to a supply chain of specialist support but felt that they do not always make the best use of these subcontractors.

## Access is not available for those in need

148. Most of the respondents were of the view that the referral process, eligibility criteria and limits on client numbers all resulted in a large number of clients with high support needs being unable to access Work Choice with the demand for Work Choice services out-stripping supply. This includes clients that were referred to Work Programme instead, or were currently economically inactive.

*"Work Choice...barely scrapes the surface on demand."* Third Sector provider

149. Suggestions for improvements include:

- Increasing the resource level per client
- Removing the referral cap and increasing the number of clients referred onto Work Choice. One third sector respondent stated that the third sector was often picking up the gap in provision.
- Broadening the eligibility criteria, and move away from using the JSA/ESA distinction as part of the referral criteria
- Automatic referral into Work Choice for those with mental health issues
- Having a disability specialist complete the eligibility assessment rather than Jobcentre Plus.

*“The Scottish Government should lobby for significant changes to the Work Capability Assessment process in order to correctly identify individuals for each employment programme once these are devolved; otherwise, individuals will continue to be wrongly assigned by DWP to programmes which will be administered in Scotland, if the terms are not sufficiently changed.”* Third Sector organisation

### The duration of support is not long enough

150. More than half a dozen respondents explicitly stated that the duration of support received by Work Choice clients was insufficient, particularly for those furthest from employment. The six months pre-work support timeframe was identified as being insufficient by at least 5 respondents, with one respondent suggesting that two years with possible extensions would be more appropriate.
151. The incentive to place clients into unsupported employment means that clients are moved away from jobs they are happy in. Several respondents stated that clients should be allowed to stay in supported employment if they want to as ‘retention clients’:

*“Its restrictions can be frustrating - we know of cases where they fix up some work for a set period of time and if the client is not kept on at the job, then they are dropped.”* Third Sector organisation

### Linking Work Choice with other services

152. The importance of integrating services across employability, health, education, social care and housing was discussed in Part 1 of this report. This integration was noted by respondents as being vital for Work Choice clients as their health and social care needs in particular were a fundamental factor in their work-readiness. Access to Work was mentioned around 6 times amongst these respondents as a vital service to be linked well with Work Choice.

153. Three respondents explicitly noted that it was common that programmes such as Work Choice were only one step in the process of returning to work for clients with multiple barriers. Therefore:

- The smooth transition between programmes was important
- The ability to participate in multiple services in parallel was important
- Providers that help their clients towards work need to be recognised, even if they aren't the provider that eventually places them in employment. One respondent identified that some Third Sector providers were pulling away from supporting Work Choice clients as the financial reward would sit with the Work Choice provider.

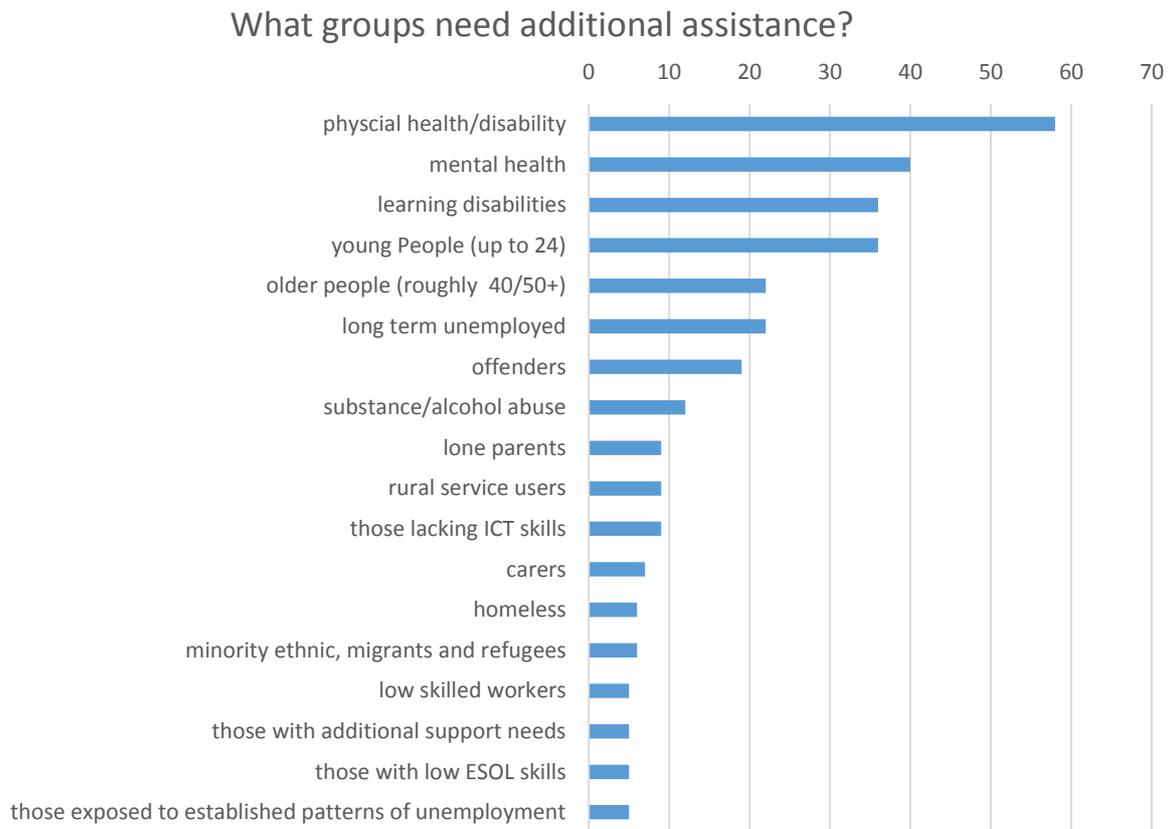
154. One current Work Choice provider, however, noted that integration with services was available currently.

*"[There are] many examples of good practice within the Work Choice delivery model with local delivery linking in to local providers and complimentary service provision. This is dependent on the prime contractor working flexibly and making sure that local providers are given enough "business" to support their local activities. In [our region] for example, [we] have been able to link its various services to that of Work Choice delivery, ensuring that service user access to programme/service most appropriate to them." Current provider*

# Appendix 1: Groups needing additional support and their specific needs

1. This appendix outlines the respondents' views on which client groups need further support, and what these support needs are. Figure 16 outlines the groups identified by respondents as needing additional support. Where a respondent has nominated more than one group for additional support, their view has been recorded under each of the relevant client groups.

**Figure 16**



## Needs of different groups of clients

2. This section outlines the assistance identified by respondents for the five groups most identified in Figure 16.

### Clients with physical health conditions or disabilities

3. Specific barriers that are identified for this group include:
  - Health conditions/physical disabilities where these affect the ability to do certain tasks
  - Lack of skills
  - Benefit traps
  - Discrimination by employers.
4. A large majority of respondents referring to the needs of this group felt that the current Work Programme does not work for people with disabilities. Rather, intensive and specialised support is needed, based on the nature of the disability and a detailed assessment of the barriers facing the individual. Greater opportunities for both skills development and supported access to work are needed.
5. Some of the points made include:
  - Specialist assessment of needs
  - Specialist Disability Employment Advisers [these roles are now being reduced within JCP with Work Coaches providing support to all clients]
  - More Modern Apprenticeships becoming available for disabled clients (currently strongly focused on qualifications), and/or a dedicated work experience scheme
  - Better use of Access to Work and employer recruitment incentives
  - In-work support, including flexible working practices and making employers aware of assistive technologies or simple adjustments to support a disabled employee
  - Supported employment where appropriate (identified by 25 respondents).

### Clients with mental health problems

6. Specific needs highlighted for this group include:
  - Early identification of those with support needs in this area
  - A recognition of the fluctuating nature of conditions
  - Investment in support and resilience-building
  - A specialist support service.

7. Elements of early intervention for this group include:
- Systematic recording of any mental health problem where it is deemed a secondary factor to a person's disability
  - A focus on young people
  - Ongoing regular assessments
  - Supported transitions into work and in-work support.
8. Many respondents referring to the needs of this group believe that Individual Placement and Support (IPS) works well for clients with severe and enduring mental health conditions. A public sector respondent argues that *“IPS has the potential to be more targeted, more flexible, more likely to produce higher job outcome rates, and potentially cheaper. It also embeds a critical link with mental health practitioners.”* However, its availability is currently too patchy and inconsistent. Mental health awareness training for all employability support workers, all staff at JCP, and raised awareness among the business community and trade unions is seen as a good idea.

### Clients with learning disabilities

9. Similar objectives are expressed for this group as for the two previous ones: skills development, tackling negative perceptions by employers, building confidence/self-esteem, specialist support, and greater opportunities for skill-based learning. Specific suggestions include having longer work placements, as people might take longer to develop confidence/showcase their skills, or having Face-to-face and/or telephone rather than online communication.

### Young people (up to 24)

10. The needs of this group are considered to include:
- Exposure to work experience
  - Early intervention
  - Support during transitions from school into work
  - Support finding sustainable employment
  - Support with other practical barriers (eg poor housing).
11. Schools are seen as having an important role in early intervention, through early referrals to specialist providers from Skills Development Scotland staff. They can also embed career education in the curriculum, offering career advice sessions, raising awareness of employability support services, and encouraging employment as a feasible goal for those facing barriers – ie motivating young people to aspire to quality employment. There should also be greater opportunities within the school curriculum to for young people to investigate different types/sectors of employment – for example, a respondent asks whether it would be possible to extend Access to Work to support pupils completing work placements and work experience. Schools should encourage vocational education where this is appropriate.

12. For those aged 18-24 not in employment, education or training (NEET), a fast track system is proposed, alongside a focus on achieving qualifications. Other ideas make use of peer support networks to encourage participation in employability support services, for example by establishing local employment hubs.

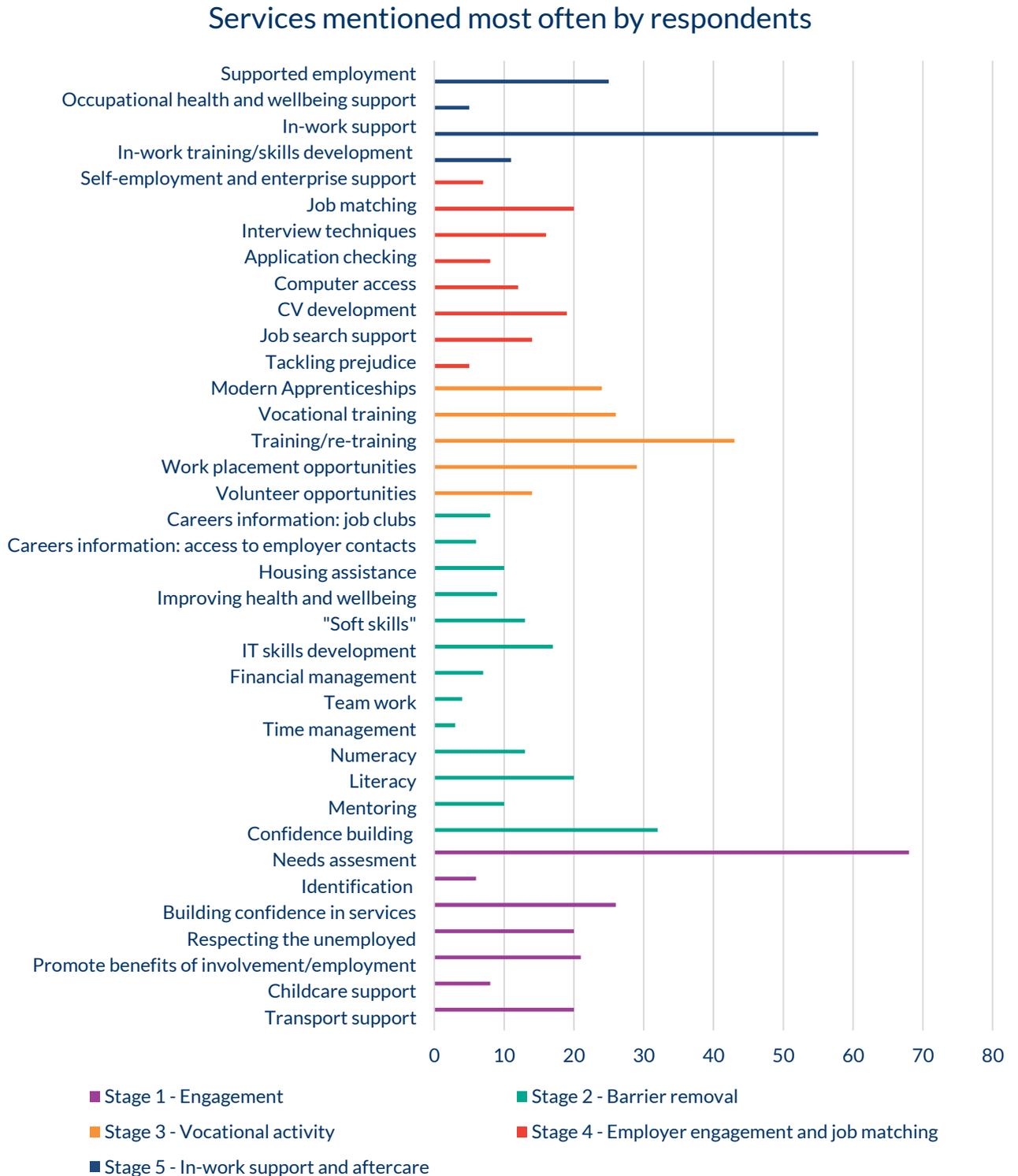
### Older clients (above 50)

According to respondents, older clients tend to be men. A concern is expressed by a noticeable number of respondent that this client group is relatively overlooked, and hence less likely to receive additional support. Services needed for these clients include opportunities for re-training and up-skilling, including more access to apprenticeships.

## Appendix 2: Services identified as important by respondents

**Figure 17** Services mentioned most often by clients, grouped into the 5 stages of the Employability Pipeline are described in Figure 17 overleaf. This shows the services that respondents felt to be most important, judged by the frequency with which they are mentioned in responses. Note should be taken that Question 6 of the consultation asks explicitly about needs assessment – which at least partially explains the higher frequency with which it was mentioned.

**Figure 17** Services mentioned most often by clients, grouped into the 5 stages of the Employability Pipeline



## Appendix 3: The views of service users

This appendix outlines the key messages from responses by individual service users.

There was no specific question to identify whether an individual respondent was a service user or not. From the submission analysis we have concluded that it is likely that 33 of the Survey Monkey respondents and 24 of the Written Submission respondents were service users.

However, there is a reasonable chance that this includes individual respondents that aren't service users, including service providers, policy makers, academics, or those with an interest in the area. Where it was clear that an individual respondent was not a service user we excluded them, but where it was unclear we have categorised them as a likely service user: this produces a total of 55 individual user respondents.

The most important conclusion drawn from the analysis of the service user submissions is that their views are consistent with the issues and views covered in this report, particularly those covered in Part 1. The following key issues were raised most often by individual service users that participated in this consultation.

### Employment service approach

Respondents identified that for employment support services to work they need to be tailored to an individual's need and joined up across health, social care, housing, and education services in order to provide a holistic support for clients.

### Important services for clients

The most important services identified by service users included:

- Meaningful training (ie related to opportunities in the labour market)
- Job clubs
- The provision of information and advice by support staff, including labour market information on the jobs available
- 'Soft skill' training
- Interview training and feedback
- Confidence and motivation building
- Work placements and tasters
- IT training
- Job search support including online job search help.

## Overcoming stigma

Respondents said that more needs to be done to overcome the stigma that can be experienced by unemployed people and people with multiple barriers to employment when they get to the stage of applying for jobs. According to respondents, employers need to:

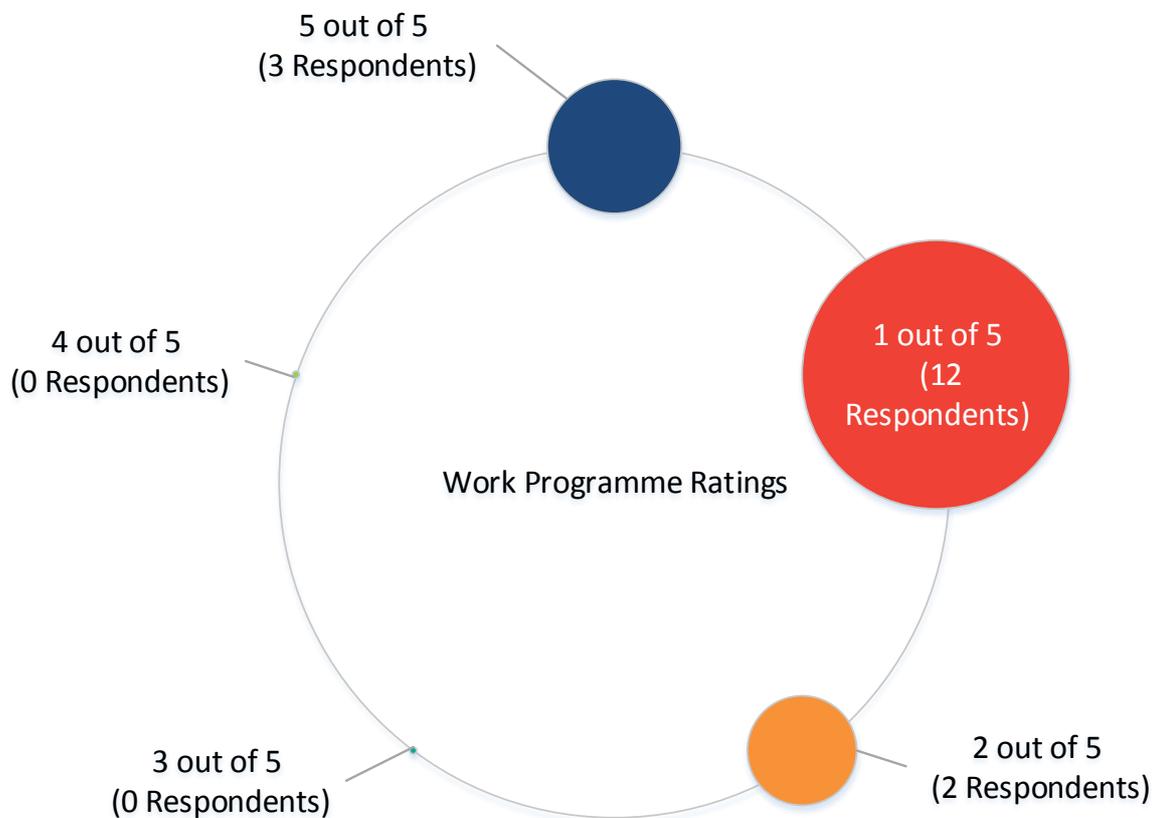
- Have more information on the needs of employing clients with barriers, such as health conditions and disabilities
- Be more willing to provide more flexible working arrangements to suit employees, such as single parents.

*“Help finding employers who... are willing to see past the condition both mental and physical and give you a chance to show what you can do when given the chance.”* Individual respondent

## Views on Work Programme and Work Choice

Through the Survey Monkey, respondents were asked to rate their experience with Work Programme and Work Choice. Figures 18 and 19 below outline the ratings that were given by respondents. These represent very small samples and it is unlikely that they can be used as representative views.

**Figure 18** Response to the Survey Monkey question “If you’ve had experience of the Work Programme, how would you rate the support received?”



Quotes from respondents included:

*“It really helped getting ambitious again about finding employment.”*

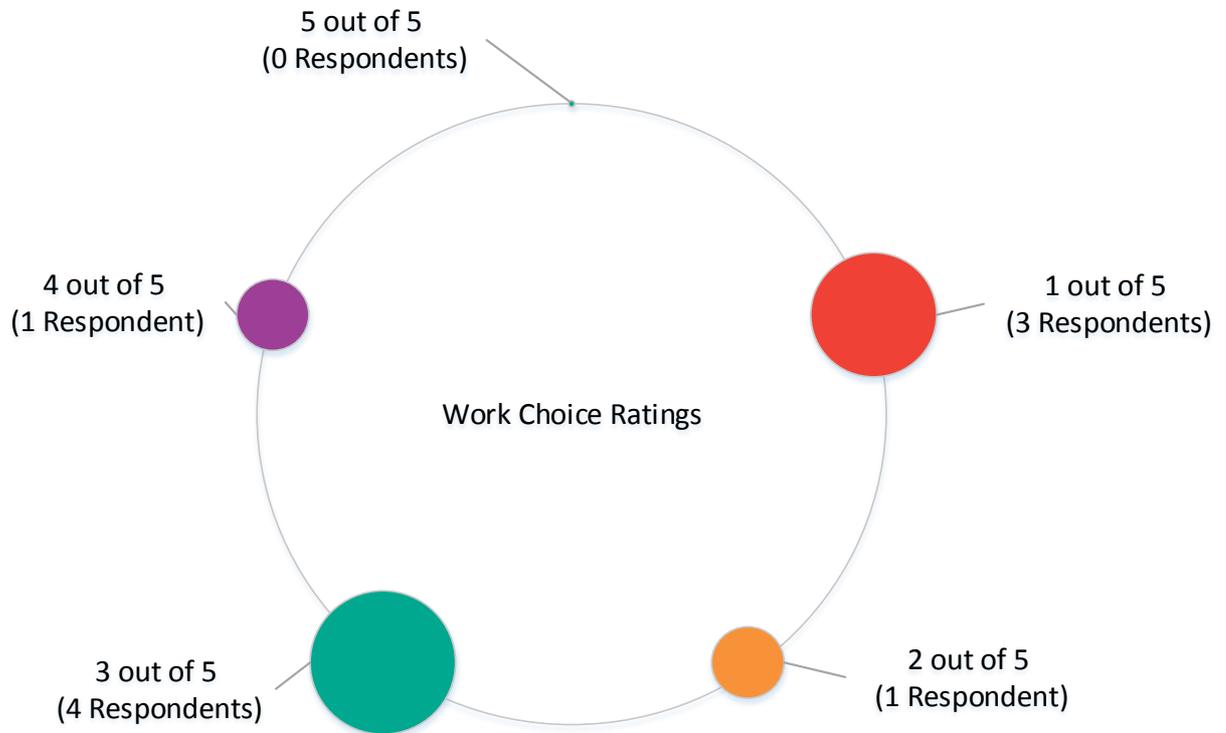
*“Haven’t heard from my local Work Programme provider in 6 weeks.”*

*“I was left to my own devices and had very little or no support or guidance.”*

*“No support given which would have enhanced my skills and provided me with the opportunity to use my existing skills, only interested in meeting their targets.”*

*“I don’t know what the Work Programme is so that’s a statement in itself.”*

**Figure 19** Response to the Survey Monkey question “If you’ve had experience of Work Choice, how would you rate the support received?”



Quotes from respondents were:

*“Very helpful, identified my needs and supported me in finding employment.”*

*“It worked for me, but I can see problems. I was in a supported business and so was signed up to Work Choice. I didn’t experience it as support to get a job so I don’t know.”*

## Appendix 4: Examples of best practice

This appendix lists all the examples of best practice identified by respondents. There were many cases of self-nomination in the responses to this question. Where self-nomination was clear we have excluded them. In addition, services mentioned by more than one respondent are identified with a star.

- 5 Stage Scottish Supported Employment Framework Model \*
- Action on Hearing Loss Scotland
- Adopt an Intern
- All in Edinburgh service, a pan-disability supported employment service for all Edinburgh residents with a support need who want to move into employment.
- BBC Make it Digital in Scotland – a joint collaboration from Skills Development Scotland, the BBC, DWP and colleges around Scotland.
- BP Young Leaders Programme
- Bridges Programme
- Commonwealth Games (an example of partnership working)
- Community Jobs Scotland \*
- Developing our Young Workforce Programme \*
- Employability Fund – a good practice model of integrated approach \*
- Employer Offer
- Energy Skills Challenge Fund
- Falkirk Council integrated local employability service \*
- Focus on Employment (FOE)
- IKEA – model of supported business
- Individual Placement and Support (IPS) \*
- Joined up for Jobs partnership in Edinburgh \*
- Modern Apprenticeships (MAs) - provide a clear and positive route forward for many young people. \*
- Keep Well programme - example of integrated health and employability support
- Routes to Work – an example of aligning ESF programmes and programmes delivered by local authorities
- Open Doors Scotland
- Opportunities for All
- Princes Trust Programme \*
- SDS \*
- Scottish Government's Employer Recruitment Incentive for Targeted Young People (administered by Skills Development Scotland)
- 'The Works' in Edinburgh
- Third Sector Internships Scotland project
- Tools for Living
- Working Well Pilot currently implemented in Greater Manchester – example of a person-centred approach starting to deliver positive results \*

- Working Matters Programme (Glasgow and Clyde Valley City Deal) as an example of a common assessment and common client information database.

## Appendix 5: Consultation questions

This Appendix outlines the consultation questions asked in both the Written Submission request and the Survey Monkey questionnaire.

### Written submission questions

**Question 1:** What types of employment support services work best in Scotland, reflecting the very different needs of individuals who are unemployed?

**Question 2:** How best can we ensure the needs of different businesses and sectors in Scotland are aligned with employment programme outcomes?

**Question 3:** What are the strengths and weaknesses of existing employment support programmes and delivery mechanisms in Scotland?

**Question 4:** Where are the current examples of good practice in relation to alignment of services to most effectively support a seamless transition into employment?

**Question 5:** What are the key improvements you would make to existing employment support services in Scotland to ensure more people secure better work?

**Question 6:** How best can we assess the employment support needs of an individual and then ensure the support they receive is aligned with their requirements?

**Question 7:** How best can the employability pipeline framework help providers best assess and deliver services people need?

**Question 8:** How can early intervention best be integrated into employment support and the design of future programmes?

**Question 9:** What is the optimal duration of employment support, in terms of both moving individuals into work, and then sustaining their employment?

**Question 10:** What are the benefits and challenges of a national contracting strategy for Scotland's future employment support service(s)?

**Question 11:** How best can we secure effective regional and local delivery of employment support in future?

**Question 12:** Do national or more localised employment support programmes work better for different client groups? If so, which ones and why?

**Question 13:** Who should be the contracting authority for developed employment support provision?

**Question 14:** Which client groups would benefit most from future employment support in Scotland and why?

**Question 15:** What should be our ambitions for these client groups?

**Question 16:** How can we maximise the effectiveness of devolved employment support in Scotland, in relation to the broader range of resources and initiatives available in Scotland?

**Question 17:** What are the advantages, or disadvantages, of payment by results within employment support? What would form an effective suite of outcomes and over what period for Scotland? What does an effective payment structure look like?

**Question 18:** What are the advantages, or disadvantages, of payment for progression within employment support? What measures of progression and over what period? What does an effective payment structure, what incentivises progression, look like?

**Question 19:** What are the key aspects of an effective performance management system, to support the delivery of employment support outcomes in Scotland?

**Question 20:** Collectively, how best do we encourage active participation and avoid lack of participation on employment support programmes?

**Question 21:** Do you have any other comments/views in relation to future employment support that have not been covered in the questions above?

## Survey Monkey questions

**Question 1:** What support do people need to find a job?

**Question 2:** If you've had experience of the Work Programme, how would you rate the support received?

**Question 3:** If you've had experience of Work Choice, how would you rate the support received?

**Question 4:** What employability services already work well in Scotland?

**Question 5:** What could be improved?

**Question 6:** What barriers do you think unemployed people face in finding a job?

**Question 7:** Are there specific groups of people who need additional support to get into/return to work?

**Question 8:** How can we ensure jobs are fair?

**Question 9:** How can we encourage unemployed people to participate on employability training programmes?