

**To: Leadership Board**

**On: 19 February 2020**

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**Report by: Chief Executive**

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**Heading: Scotland's Future Employability Services: PESF**

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## **1. Summary**

- 1.1 The report provides an update on the further development of Scotland's Future Employability Services and the partnership approach between Scottish Government and local authorities.
  - 1.2 The report also outlines a new allocation of Scottish Government funding for employability services linked to improving child and family poverty. The Parental Employment Support Fund (PESF) was recently awarded to all councils in Scotland. A further allocation of funding specifically supporting disability employability issues is anticipated for April 2020.
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## **2. Recommendations**

- 2.1 It is recommended that Leadership Board:
    - (i) note the report and the development work to design Scotland's future employability services;
    - (ii) note the funding allocation of £0.524M to Renfrewshire Council under the Parental Employment Support Fund and agree to the proposals being developed to support the aims of the programme; and
    - (iii) note that a further allocation of funding relating to the employability of disabled parents is anticipated over the next few months.
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### **3. Background**

- 3.1 Employability is a key service of both local and national government and is recognised as a major contributor to both local economic development and work to tackle poverty and deprivation.
- 3.2 The Partnership Working Framework signed by both Scottish Government and the 32 local authorities identifies a new collective approach to employability where the Scottish Government and the Convention of Scottish Local Authorities (COSLA) work in partnership to positively shape employability provision nationally and to deliver it locally. Partnership working (including the third sector and other employability providers as well as the vulnerable in our communities) will support redesigned services so that the people we collectively serve are better placed to realise their potential, better able to find ways into paid work and to reduce both dependency and inequality.
- 3.3 The Partnership Working Framework is attached as Appendix 1 to the report and sets out the terms of engagement and working relationship between Scottish Government and local government on employability. It builds on existing and effective partnership working for employability and establishes a commitment towards good practice in the way we will work together. The framework will be kept under review and be flexible and agile as the labour market in Scotland evolves over time.
- 3.4 The employability focus for the partnership is on those furthest from the labour market. This is already the key client group for local authority employability support. This coincides with a shift towards addressing in-work poverty and, provoked by renewed action on child poverty, a focus on low income families.

### **4. Update: Partnership Working Framework for Employability**

- 4.1 The first phase of the review was to integrate investment in current national programmes into a new local employability delivery model managed collaboratively between Scottish Government and local government.
- 4.2 The introduction of this new delivery model in 2019/20 on a small proportion of the Scottish Government funds has enabled local authorities to apply a more flexible and user-based model for delivery. This offered local authorities more discretion to decide which services will be most effective to address local employability need, depending on local needs and circumstances.
- 4.3 Scottish Government have identified that full implementation of the new employability model will roll out in 2022/23 and a range of new funding opportunities are expected to support the new model over the next few years.
- 4.4 Partnership working is strong between the local authorities and Scottish Government employability teams and genuine and open interactions and joint planning is working well. Joint teams are developing the programme and process for Scotland's future employability services and Renfrewshire Council is significantly involved in this.

- 4.5 For the first time, and in recognition of the Partnership Agreement signed by the Scottish Government and local authority partners, the annual national Employability Summit will be a joint event hosted by the Scottish Government, SLAED and CoSLA, where previously this was a Scottish Government organised event. The employability landscape in Scotland continues to evolve and this event will bring together a range of partners from the public, third and private sectors with an interest in the development and delivery of employability services in Scotland.
- 4.6 At a Renfrewshire level the increased focus on those “left behind” has been adopted by all employability partners. The Renfrewshire Local Employability Partnership (the strategic group for the Community Planning Partnership – CPP - delivering employability services, chaired by Renfrewshire Council) has been working to develop new approaches for those most disengaged from current services in preparation for the alignment of future funding. The Local Employability Partnership reports regularly through the Improving Life Chances Board of the CPP.

## **5. Parental Employment Support Fund (PESF)**

- 5.1 Employment is recognised as the best route out of poverty. Scottish Government are investing £22.1M from the Tackling Child Poverty Fund to provide intensive support for low income parents to help them get into work and - for those already in work - to progress through a career.
- 5.2 Building on what works, **the investment must focus on intensive key worker support** that provides:
- Person-centred help for parents to address their barriers to work, which might include health support, money advice, or motivational support.
  - Help in meeting the increasing challenge of in-work poverty, targeting support to help parents already in jobs to remain active in the workplace and gain progression through a rewarding career.
- 5.3 Notification of the first tranche of funding amounting to £16.1M has been received and a full breakdown of the local authority allocations is attached as Appendix 2 to this report.
- 5.4 An additional allocation relating specifically to Disabled Parents amounting to around £6M is anticipated in the next financial year.
- 5.5 The current PESF allocation to Renfrewshire Council is £0.524M and Appendix 3 provides an outline of the proposed actions for Renfrewshire in line with the guidance for the funding and complementing the existing employability supports already on offer through existing employability services.

- 5.6 The focus on in-work poverty, supporting people in work but on low wages, is a completely new element to the existing employability supports in Renfrewshire and will make a welcome and valued contribution to supporting families to move out of poverty.
- 5.7 The funding will provide employability support to around 200 unemployed parents and 300 employed parents over the 2 years with a focus on 6 target groups:
- lone parents;
  - those with a disability;
  - large families (3 or more children);
  - young parents (aged under 25);
  - those from BME communities, and
  - those with a child under 1 year.
- 5.8 Renfrewshire Council aims to develop an innovative tackling poverty traineeship programme to widen the benefits of this funding to other people and families in poverty.
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## Implications of the Report

1. **Financial** – An initial grant of £0.524M will be provided to Renfrewshire Council Employability Services with a further grant anticipated to specifically support disabled parents. Each fund will conclude at the end of March 2022.
2. **HR & Organisational Development** – 5 new posts will be funded from the initial grant allocation on temporary contracts until the end of March 2022. Further posts will be created from the Disability allocation of PESF.
3. **Community Planning**  
  
**Jobs and the Economy** – the partnership agreement recognises the importance of employability to both Scottish Government and Local Government.
4. **Legal** – none
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** -  
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.
8. **Health & Safety** – None.

9. **Procurement** – small contracts may be required under this programme and they will be procured in line with council procedures.
10. **Risk** – a risk assessment would be undertaken before commencing with the full proposal
11. **Privacy Impact** - None
12. **COSLA Policy Position** – Employability has become an increasingly important issue which influences economic and social wellbeing. Both Cosla and the Improvement Service have invested in additional staff to support the agenda and the allocations for PESF have been approved via Cosla Boards.
13. **Climate Risk** - n/a

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### List of Background Papers

SCOTTISH GOVERNMENT AND SCOTTISH LOCAL GOVERNMENT  
PARTNERSHIP WORKING FRAMEWORK FOR EMPLOYABILITY attached as  
Appendix 1

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# SCOTTISH GOVERNMENT AND SCOTTISH LOCAL GOVERNMENT PARTNERSHIP WORKING FRAMEWORK FOR EMPLOYABILITY

## PURPOSE

Through the National Performance Framework, both Scottish Government and Scottish Local Government have set out their shared ambitions in developing a Fairer Scotland. We agree that sustainable and fair employment is a critical aspect of inclusive growth and the main route out of poverty, inequality and disadvantage. Job creation, and accessible, sustainable and fair employment are critical to ensure that everyone who can is able to reach their full potential by participating successfully in the Scottish labour market.

Overall, the Scottish Labour Market is healthy with historically high employment and low unemployment. However, we know local labour markets differ significantly and that there are still difficulties for a number of people and groups being able to access and sustain employment. To support more people into work, we must ensure that local and national level services place the person at the front and centre of both design and delivery. We must collectively identify and agree opportunities for better alignment and joining up of local and national service delivery. We must also ensure that our approach drives greater levels of collaboration and is flexible enough to adapt to changing priorities over time

No One Left Behind was published in March 2018 and sets out the next steps for alignment and integration of employability support in Scotland. In doing so, it sets out six objectives:

- A system that provides flexible and person-centred support;
- is more straightforward for people to navigate;
- is better integrated and aligned with other services, in particular, although not exclusively with health provision;
- provides pathways into sustainable and fair work;
- is driven by evidence, including data and the experience of users; and
- that supports more people – particularly those facing multiple barriers – to move into the right job, at the right time.

To achieve these objectives we need a collective approach to employability where the Scottish Government and the Convention of Scottish Local Authorities (COSLA) work in partnership to positively shape employability provision nationally and to deliver it locally. We will work with key partners, including the third sector and other employability providers as well as the vulnerable in our communities, to redesign services so that the people we collectively serve are better placed to realise their potential, better able to find ways into paid work and to reduce both dependency and inequality.

This partnership working framework sets out the terms of engagement and working relationship between Scottish Government and Scottish Local Government on employability. It will build on existing and effective partnership working for employability and establishes a commitment towards good practice in the way we will work together. The framework will be kept under review and be flexible and agile as the labour market in Scotland evolves over time.

The Scottish Government Public Service Reform agenda and the local governance review outlines our joint ambition to collaboratively deliver services which are “effective, efficient and represent value for money for Scotland as a whole”. In this spirit, we will work together to develop an approach based on mutual openness, transparency and respect.

## **PRINCIPLES**

Scottish Government and Scottish Local Government agree to a set of core principles to support the collaborative working that will underpin the Partnership Working Framework for Employability and which sit at the core of the relationship between Scottish Local Government and the Scottish Government in Employability. These are:

- Placing people at the centre of the design and delivery of coherent and seamless employability services;
- Working together openly, transparently and constructively in pursuit of our shared aims and objectives and ensure mechanisms are in place for regular, strong, two-way communication;
- Delivering excellent public services and value for money by avoiding duplication and complexity in provision and aligning services to make them seamless, coherent and accessible;
- Developing agreed national and local outcomes and measurement approaches utilising appropriate research, sectoral skills requirements and primary sources of information;
- Reflecting and respecting existing governance and accountabilities within both Scottish Local Government and Scottish Government, briefing each other on matters of mutual interest;
- Exploring opportunities for future co-investment; co-design and shared performance management;.
- Collaboratively building on existing local and regional employability partnerships to share and align activities and priorities including partners in the broader public and third sectors; and
- Recognising and building on the strengths of local delivery and good practice around programmes, delivery models and approaches.



## **GOVERNANCE / LEADERSHIP**

Underpinning the Partnership Working Framework in Employability are two Groups:

### **JOINT SCOTTISH EMPLOYABILITY GROUP**

A joint high-level Group. Co-Chaired by Minister for Business, Fair Work and Skills and COSLA Spokesperson Community and Wellbeing Board, providing leadership and oversight on shared employability objectives and principles between layers of national and local government. Comprising, Senior Representative(s) from Scottish Government Employability Division, Representative from Society of Local Authority Chief Executives (SOLACE) and Scotland's Local Authority Economic Development (SLAED) group.

The role of the group will be to:

- Ensure outcomes are delivered in a way which supports the National Performance Framework.
- Strengthen collaborative leadership and provide the clear vision and priorities required to drive sustainable and fair employment in Scotland.
- Oversight of delivery/performance of local authority/national employability services.
- Advising on effective employability policy, programme and partnership interaction between local and national employability programmes.
- Promoting the smooth and effective working relationship between Scottish Local Government and Scottish Government; and promoting openness, transparency, and trust between Scottish Local Government and Scottish Government teams;
- Agreement on national/local roles & responsibilities in employability.
- Providing a forum for discussion of areas of shared and mutual interest around operation and policy issues, including employability policy interaction between Scottish Local Government and Scottish Government, sharing positions, identifying options and brokering solutions where possible;
- In exception, act as a point of escalation for operational issues which cannot be resolved quickly or at the Scottish Local Government Alignment group.

This group will meet twice per annum, but there may be a requirement to meet quarterly in the first year to establish the group, agree objectives and principles and strategic direction and support on employability priorities.

### **Scottish Local Government Alignment Group**

An operational group co-chaired by Scottish Government Deputy Director and COSLA representative, comprising Scottish Government, SLAED, and SOLACE Officer representatives.

- Identifying and sharing best practice in employability, including a greater focus on user-led service design.
- Identifying and removing barriers to productive employability partnerships.
- Ensuring alignment of local and national government employability delivery.
- Encouraging joint implementation and collaboration across the existing landscape of local and regional delivery in Scotland, including, Community Planning partnerships, local authority led City Region deal and Growth bid areas, nine Fair Start delivery areas and emerging economic partnership areas.
- Ensuring priorities for employability are based on objective evidence, engaging with local stakeholders where appropriate to determine and agree outcomes reflective of local and national ambition.
- Develop options and recommendations for commissioning models which clearly sets out roles, responsibilities and accountability to ensure value for money and effective delivery models.
- Provide a forum for discussion of areas of shared and mutual interest in employability.
- Co-produce delivery models which balance local flexibility with national coherence and direction and which reflect shared aims, joint accountability and transparency of outcomes.

It is proposed this group meets quarterly, with an initial monthly schedule introduced to establish the group and associated work plan.

**FUNDING ALLOCATION PESF £16.1 MILLION****Funding allocation per Local Authority for the delivery period 2019-2022**

<b>Local Authority</b>	<b>Funding Allocation Year 1</b>	<b>Funding Allocation Year 2</b>	<b>Funding Allocation Year 3</b>	<b>Total Funding Allocation</b>
Aberdeen City	0.066	0.221	0.221	<b>0.508</b>
Aberdeenshire	0.057	0.189	0.189	<b>0.435</b>
Angus	0.044	0.148	0.148	<b>0.340</b>
Argyll & Bute	0.030	0.101	0.101	<b>0.232</b>
Clackmannanshire	0.036	0.118	0.118	<b>0.272</b>
Dumfries & Galloway	0.053	0.178	0.178	<b>0.409</b>
Dundee City	0.079	0.262	0.262	<b>0.603</b>
East Ayrshire	0.063	0.211	0.211	<b>0.485</b>
East Dunbartonshire	0.032	0.108	0.108	<b>0.248</b>
East Lothian	0.053	0.178	0.178	<b>0.409</b>
East Renfrewshire	0.027	0.092	0.092	<b>0.211</b>
Edinburgh, City of	0.119	0.395	0.395	<b>0.909</b>
Eilean Siar	0.017	0.057	0.057	<b>0.131</b>
Falkirk	0.062	0.207	0.207	<b>0.476</b>
Fife	0.145	0.483	0.483	<b>1.111</b>
Glasgow City	0.296	0.986	0.986	<b>2.268</b>
Highland	0.079	0.261	0.260	<b>0.600</b>
Inverclyde	0.048	0.162	0.162	<b>0.372</b>
Midlothian	0.044	0.147	0.147	<b>0.338</b>
Moray	0.035	0.115	0.115	<b>0.265</b>
North Ayrshire	0.076	0.252	0.252	<b>0.580</b>
North Lanarkshire	0.143	0.475	0.475	<b>1.093</b>
Orkney	0.016	0.053	0.053	<b>0.122</b>
Perth & Kinross	0.042	0.140	0.140	<b>0.322</b>
Renfrewshire	<b>0.068</b>	<b>0.228</b>	<b>0.228</b>	<b>0.524</b>
Scottish Borders	0.038	0.127	0.128	<b>0.293</b>
Shetland	0.017	0.055	0.055	<b>0.127</b>
South Ayrshire	0.043	0.145	0.145	<b>0.333</b>
South Lanarkshire	0.111	0.371	0.371	<b>0.853</b>
Stirling	0.033	0.108	0.108	<b>0.249</b>
West Dunbartonshire	0.056	0.186	0.186	<b>0.428</b>
West Lothian	0.072	0.241	0.241	<b>0.554</b>
<b>Total</b>	<b>2.100</b>	<b>7.000</b>	<b>7.000</b>	<b>16.100</b>



**Renfrewshire Council proposed use of PESF****Key Aims:**

Employment is the key route out of poverty and the aim of the programme is to improve access to training, work and in-work progression for parents in the PESF target groups and specifically:

- to support unemployed parents into work
- to progress those parents in low paid work into higher paid employment

There is a key opportunity to support parents over the next two years when the training and workforce expansion of ELC will be at its peak and the first full cohort of parents will benefit from the additional time to work, train or study.

The additional funding from PESF will augment existing employability services across Renfrewshire.

**Target Groups:**

The programme is targeted at families in poverty and specifically:

- lone parents;
- those with a disability;
- large families (3 or more children);
- young parents (aged under 25);
- those from BME communities, and
- those with a child under 1 year.

**Approach:**

The funding specifically relates to providing a key worker service to the target groups and a range of activities to support the individuals.

Participants will have access to the full range of existing employability services on offer across Renfrewshire and those already funded through the invest in Renfrewshire Programme.

Additional activities funded specifically by PESF includes:

- Funding for vocational training / courses for individuals;
- Funding for driving lessons and tests (specifically supporting employment gaps in the care sector) where this will significantly support career progression;
- A range of new paid traineeships.

## **Anti-Poverty Traineeships Programme:**

A key focus for Renfrewshire's approach to maximise benefits from the new funding will be to provide **paid traineeship opportunities** to the PESF participants which **support the tackling poverty agenda**. Paid traineeships offer work experiences and new skills and attributes to individuals while building their CVs to move them into future employment.

It will be important that every traineeship opportunity genuinely helps people either to move out of poverty or to mitigate the impacts of poverty. It's also important that each role is developed to ensure that the trainee is gaining new skills and experiences that will help them improve their own personal career options in the future.

### **Example:**

Susan is a part time cleaner and single mum but wants to earn more and to have more hours of work each week. The new PESF Key Worker can help Susan to apply for new jobs (perhaps in the public sector with better terms and conditions) but with only cleaning work experience Susan won't stand out at interview / or application stage.

Susan stays in her current role for now and is offered an additional 1 day per week (or whatever suits Susan) £10/hr contract for up to 6 months where she undertakes a different job and builds her skills and confidence in a new role where she is supporting / helping others. This additional paid role will count as work experience on Susan's CV and gives her new and additional skills and experiences to talk about at interview. Susan can also get access to formal vocational training / driving lessons during this time.

The offer to Susan lets her earn more immediately and lets the Keyworker develop a relationship over time, building a good CV and preparing Susan for future interviews and a better future career.

The cost of this intervention is around £1,600 over 6 months which goes straight to the participant for her work helping others. Susan has increased her salary immediately, is being supported to "try out" increased hours and to manage this against family pressures, is in a higher paid and different role, giving her new experiences and skills and greater confidence to approach future interviews and career opportunities. Alongside this opportunity will be support with benefit adjustments (housing, universal credit etc), advice on available childcare options, training opportunities, future work and a key worker to support her on her journey.

2 year PESF programme	Staff / Keyworkers	Activities funded through PESF	Cost
PESF Employed	2 Keyworkers	Keyworker support to 300 employed clients	£140k
PESF Unemployed	1 Keyworker	Keyworker support to 200 unemployed clients	£70k
Overall Support	1 Anti Poverty Traineeship Co-ordinator  1 Advice Worker	Providing 80 traineeship opportunities (FT / PT)  Support 200 clients with benefit issues	£1480k
Activities		Traineeships  Vocational training & Skills programmes  Driving lessons  Participant Travel expenses	£166,000
Future planned supports through Disability PES programme	1.5 Keyworkers	Traineeships  Vocational training & Skills programmes  Driving lessons  Participant Travel expenses	£190,000 anticipated

Participant Outcomes	People Supported	Gaining Qualifications or a driving license	Securing Employment / Higher paid employment	Wider outcomes relating to Tackling Poverty Traineeships
Employed PESF	300	100	150	80 paid traineeship opportunities providing support to anti poverty services / projects.
Unemployed PESF	200	100	100	Additional services and support to thousands of people experiencing poverty.