

To: Leadership Board

On: 20 February 2019

Report by: Chief Executive

Heading: Scotland's Future Employability Services

1. Purpose

- 1.1 To advise of recent discussions between COSLA and Scottish Government on developing closer partnership working on employability which has culminated in a framework for partnership working to shape future provision in this area between Scottish Government and local authorities.
 - 1.2 The partnership would promote better use of existing resources with alignment of funding streams and the potential to maximise outcomes. The partnership would involve more funding coming direct to local authorities and Local Government recognised as a key strategic partner in this field.
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2 Recommendations

- 2.1 It is recommended that Leadership Board:
 - (i) note the report and the proposed changes to funding; and
 - (ii) note that Renfrewshire Council Economic Development Manager will represent the 8 local authorities in the Glasgow City Region area to take forward the additional work required to move the partnership forward as part of the Scottish Local Government Alignment Group.
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3 Background

- 3.1 Employability is a key agenda 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 Over the last year three employability staff from Scottish local authorities were seconded to the Scottish Government Employability Division. This led to a survey of local authority employability provision which highlighted the scale and diversity of Local Government employability services and the investment of around £63M each year to support this activity.
- 3.3 The Scottish Government's 'Creating a Fairer Scotland' in 2016 and the more recent 'No One Left Behind' (March 2018) indicate ministerial priorities for greater alignment of local and national employability services. Officials have now put forward a framework for more effective partnership and joint working between Scottish and Local Government (see Appendix 1).
- 3.4 The Minister for Business, Fair Work and Skills announced agreement on the partnership framework at an Employability summit on 5 December 2018.
- 3.5 The framework 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.
- 3.6 The partnership working framework sets out the terms of engagement and working relationship between Scottish Government and 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.

4 Overview: Partnership Working Framework for Employability

- 4.1 The 'Scottish Government and Scottish Local Government Partnership Working Framework for Employability' is attached as Appendix 1.
- 4.2 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.
- 4.3 For Local Government, the framework provides an opportunity to engage more effectively with Scottish Government to positively shape employability provision.

4.4 Scottish Government and Scottish Local Government have agreed 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 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 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.

5. Governance and Leadership

5.1 Two new groups will be developed to underpin the Partnership Working Framework in Employability:

JOINT SCOTTISH EMPLOYABILITY GROUP

A joint high-level Group Co-Chaired by the Minister for Business, Fair Work and Skills and COSLA Spokesperson for Community and Wellbeing Board.

The group will provide leadership and oversight on shared employability objectives and principles between layers of national and local government.

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.

- 5.2 Renfrewshire Councils Economic Development Manager will be the representative for the 8 Glasgow City region local authorities on the Alignment group.

6. Future Funding Arrangements

- 6.1 Scottish Government have already confirmed that they are undertaking a review of their directly funded employability services.
- 6.2 The first phase of the review has been to integrate investment in current national programmes into a new local employability delivery model managed collaboratively between Scottish Government and Local Government.
- 6.3 The introduction of this new delivery model in 2019/20 will enable local authorities to apply a more flexible and user-based model for delivery. This means that Local authorities will have more discretion to decide which services will be most effective to address local employability need, depending on local needs and circumstances.
- 6.4 For 2019/20 the Scottish Government have identified that the existing Opportunities for All and SERI funds will be rolled into a single fund. This fund amounts to approximately £200,000 for Renfrewshire Council for local authority employability programmes and has previously been used specifically for work with 16-19 year olds and for 20 wage subsidies.
- 6.5 The Economic Development Manager recently undertook a full service review and redesign of the employability services in light of changes to EU funding, and the current economic environment. A revised service has been operating since October 2018 and the need for a discrete service and range of supports for 16-19 year olds is identified as crucial to the overall approach. The service will now consider the options for flexibility around the previous SERI wage subsidy programme (£80,000) and will keep members advised of any changes made to the programme.
- 6.6 Scottish Government have identified that full implementation of the new employability model will roll out in 2021/22 and a range of new funding opportunities are expected to support the new model over the next 3 years.

Implications of the Report

- 1. **Financial** – no immediate financial implications but the expectation is that there will be significantly increased levels of funding being directed from Scottish Government to local Government to deliver employability services.

2. **HR & Organisational Development** – none
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** – none
10. **Risk** – a risk assessment would be undertaken before commencing with the full proposal
11. **Privacy Impact** - None

List of Background Papers

- (a) None
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RC/AM
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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.