

**To:** Economy and Jobs Policy Board

**On:** 22 March 2017

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**Report by:** Director of Development and Housing Services

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**Heading:** Devolved Employability Services in Scotland

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## **1. Summary**

- 1.1 The Scottish Government has recently procured devolved employability services for Scotland at a value of £96M to be delivered from April 2018 to March 2021.
  - 1.2 Renfrewshire falls within a work package area that covers the local authority areas of Renfrewshire, East Renfrewshire, Inverclyde, West Dunbartonshire and East Dunbartonshire.
  - 1.3 All five local authorities are interested in exploring a joint bid to deliver the services within the contract area. This short report requests delegated authority to explore the options and opportunities presented by the new contracts and, if viable, to submit a bid to deliver elements of the contract.
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## **2. Recommendations**

- 2.1 Note that the new devolved contracts for Scotland were announced on 9<sup>th</sup> March 2017.
  - 2.2 Delegate authority to the Director of Development and Housing Services to explore the options and opportunities presented by the contracts and, if viable, to submit a joint bid with the other local authorities to deliver services across the 5 local authority areas.
  - 2.3 Agree that a further report is brought to the Economy and Jobs Board updating on any actions taken.
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### 3. Background

3.1 The Scottish Government is working to take forward the Smith Commission agreement that employment support programmes currently contracted by DWP be devolved on expiry of their current commercial arrangements. This includes the contracts to deliver the Work Programme (the UK Government's main employment programme for long term unemployed people) and Work Choice (the disability employment service).

3.2 Small pilot contracts have already been procured from 1 April 2017:

- The Work First Scotland (WFS) programme will deliver high quality employment support to those with a disability in Scotland from April 2017, who want and need help to enter and remain in the labour market.
- The Work Choice programme will support clients with a health condition and at risk of long term unemployment who want to enter work.

These pilots will create a platform for the delivery of a new Scottish Government programme from April 2018 through working in partnership with Stakeholders to build on best practice and establish support that achieves high quality outcomes.

3.3 The Scottish Government recently announced its intention to establish a Scottish employability service that creates a strong platform for future services.

- To design and deliver a high quality, high performing service that helps people into sustained jobs, treating them with fairness, dignity and respect.
- To focus on those further from the labour market but for whom work remains a realistic prospect.
- To have a nationally consistent service, but to be delivered locally using public, third sector and private capabilities; and
- To integrate and align services to maximise value for money.

3.5 Future Scotland Contracts will be as follows:

<b>Contract</b>	<b>Local authority area</b>
1	Glasgow
2	North and South Lanarkshire
3	Angus, Dundee City and Perth and Kinross
4	Falkirk, Stirling and Clackmannanshire
5	City of Edinburgh, East Lothian, Midlothian, Scottish Borders, West Lothian, Fife
6	North Ayrshire, South Ayrshire, East Ayrshire, Dumfries and Galloway

7	Aberdeen City and Aberdeenshire
8	Argyll and Bute, Eilean Siar, Highland, Moray, Orkney Islands, Shetland Islands
9	East Renfrewshire, Renfrewshire, East Dunbartonshire, West Dunbartonshire, Inverclyde

#### 4. Fair Start Scotland Employability Services 2018

- 4.1 The service contracts were published on 9<sup>th</sup> March and the programme will be known as Fair Start Scotland.
- 4.2 The Scottish Government will require the Service Providers to deliver the services as part of the devolution of employment support under section 31 of the Scotland Act 2016. Namely, it will provide support for unemployed disabled people and people claiming reserved benefits who are at risk of long-term unemployment. The aim is to provide a tailored, coherent range of support which can respond flexibly to the individual needs of unemployed people and their employers and make best use of resources. The programme will deliver high quality employment support to unemployed people, including those with complex issues who want to work and need help to enter and/or remain in the labour market.
- 4.3 Contract package 9 (which includes Renfrewshire) was not published and is set to be reserved for a supported business. No other information is available at this time.
- 4.4 The contracts published amount to £86,400,000 and so work package 9 is estimated to be around £9.6M over 3 years.
- 4.5 A significant number of local authorities are interested in bidding for Fair Start contracts. Local Authorities are both experienced and well placed to deliver services that would dovetail to other employability provisions and provide a joined up approach at a local level.
- 4.6 Prior to the contract being published there were a number of meetings to discuss the opportunity and potential to jointly bid as a consortium of local authorities. All of the local authorities in work package 9 (East Renfrewshire, Renfrewshire, East Dunbartonshire, West Dunbartonshire and Inverclyde Councils) were interested in exploring this further.
- 4.7 The news that Work Package 9 is being held for a supported business is disappointing however the local authorities are interested in seeing where a partnership with the supported business might be possible and could prove beneficial.
- 4.8 As such, it is recommended that further work, delegated to the Director of Development and Housing Services, is undertaken to explore the options and opportunities presented by the contract and, if viable, to submit a joint bid with the other local authorities to deliver services across the 5 local authority areas.

- 4.9 A further report to board will uptake on the work undertaken and any decisions made.
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### **Implications of the Report**

1. **Financial** – £96M is available for the whole of Scotland to cover a three year period.
  2. **HR & Organisational Development** – none
  3. **Community Planning – Jobs and the Economy** – the programme will support vulnerable unemployed people
  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 as it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
  8. **Health & Safety** – none
  9. **Procurement** - none
  10. **Risk** – none at present. A risk analysis will form part of the decision making
  11. **Privacy Impact** - none
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### **List of Background Papers**

None

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