

**NATIONAL DELIVERY GROUP RECOMMENDATIONS TO SCOTTISH EMPLOYABILITY FORUM (MARCH 2013)**

<b>Better Linking of Employability and Economic Development</b>	
<b>Issues</b>	<p>A number of specific issues were identified which can be seen as <b>challenges</b> SEF need to buy into if this area for further action is deemed to be a SEF priority.</p> <ol style="list-style-type: none"> <li>1. We need to ensure that at the strategic level there is a fit between the relevant strategies to promote economic development, regeneration, skills and employability. There can be a tension, for example, between a strong economic development focus on relatively small growth sectors with limited support for industries which are major employers.</li> <li>2. It is important that the implementation of these strategies is consistent and mutually reinforcing to generate the best value for the public £.</li> <li>3. Whereas economic development is about delivering jobs, employability is about equipping Scottish residents to fill jobs. The more effectively employability can be delivered, the better the quality of Scotland's labour supply, which in turn will help attract and retain good quality jobs. At a more localised level a more effective match between employment and skills provision meeting jobseekers' needs and the holistic services that employers require to meet their recruitment and skills needs can help create more effective local economies.</li> <li>4. There is concern that we have an increasingly complex and cluttered service delivery landscape for employers, where tensions can arise as new initiatives from UK and Scottish Government and their agencies are developed and implemented with limited communication with local government and its partners.</li> <li>5. There is a perception that many employability interventions delivered through employers are not sufficiently based on a secure evidence base. This may lead to employment and training subsidies not taking sufficient account of the additional jobs which might be generated if they are intelligently targeted.</li> <li>6. The practical interface between business development and employability services is not sufficiently well articulated, and generally the approach is seen to be one where the various public sector players are promoting their 'products' rather than starting from what it is businesses need in order to expand and take on some extra employees.</li> </ol>
<b>Preparatory Work</b>	<p>If SEF agree that this is a priority area, the following preparatory work would be useful as a foundation for deciding on key actions.</p> <ol style="list-style-type: none"> <li>1. Review the alignment of the key strategies of the various levels of government in relation to economic development and employability, and the effectiveness of SEF linkages with existing economic development structures such as the Economy Board and the National Economic Forum.</li> <li>2. Assess extent to which the various funders foster competition as opposed to collaboration between delivery organisations around such things as employer engagement.</li> </ol>

	<ol style="list-style-type: none"> <li>3. Review whether the delivery of business and employment services particularly to micro/small businesses is well articulated, and assess what needs to be done in order to put the focus on meeting business needs to help them sustain and grow their workforce to be able to take on more people including those who are currently workless.</li> <li>4. Consider whether employability announcements have a strong evidence base and are integrated effectively into existing activity.</li> <li>5. While it is appreciated that initiatives developed at the UK and Scottish levels are often driven by the need to act quickly and opportunistically, there needs to be review of acceptance of existing consultation processes with key partners to ensure that existing investment is not inadvertently undermined.</li> </ol> <p>The preparatory work should build on existing relevant work being carried out around SMEs and employability in relation to ERDF and ESF funding, as well as the progress made in relation to employer engagement as part of Scottish Government led process for Better Alignment of Scotland's Employability Services (BASES).</p>
<b>Outcomes</b>	<p>If this area of activity is prioritised by SEF and brings through a number of significant actions, we would expect to achieve outcomes in the following broad areas over time.</p> <ol style="list-style-type: none"> <li>1. Increased employment levels amongst supported employers.</li> <li>2. More workless people finding employment with micro/small businesses.</li> <li>3. Fewer complaints from employers about complex and competing service offers from different organisations.</li> <li>4. More employers engaged with employability programmes and business development services.</li> </ol>

<b>Allocation of Resources Across Priority Groups</b>	
<b>Issues</b>	<p>A number of specific issues were identified which can be seen as <b>challenges</b> SEF need to buy into if this area for further action is deemed to be a SEF priority.</p> <ol style="list-style-type: none"> <li>1. There is a real concern that, particularly for the under 25s, the level of financial support may be difficult for delivery bodies to absorb and spend effectively.</li> <li>2. There appears to be little by way of employability support now for a number of significant groups of workless people, including the over 50s.</li> <li>3. The prioritisation applied to the allocation of employability resources does not appear to be built on a sufficiently sound evidence base.</li> <li>4. There is anxiety about what types of services and at what level of intensity will be available for Work Programme returners, particularly in the light of the fact that many will have been long term unemployed pre-Work Programme, now have an additional two years without employment and are likely to have a complex set of issues to be dealt with.</li> <li>5. There is a feeling that not enough is done to align priorities. This would help to remove unnecessary duplication of investment and</li> </ol>

	<p>provision.</p> <p>6. As a result of the above and other factors, many NDG subgroup members felt that now was the time to review prioritisation in relation to employability resource.</p>
<b>Preparatory Work</b>	<ol style="list-style-type: none"> <li>1. There is a need for an evidence base to provide robust information on where resources are currently directed, to determine the extent to which these are linked to current need, and to confirm whether the balance of allocation is appropriate. This could be done using the employability pipeline model broken down by 'age and stage'.</li> <li>2. It would be helpful to have a strong sense of how the allocation of employability resources has changed over the last few years – say since the onset of the recession in 2008.</li> <li>3. It is important to know the return on the employability investments across the different groups as perhaps for some priority groups we are now in the territory of diminishing returns.</li> </ol>
<b>Outcomes</b>	<p>If this area of activity is prioritised by SEF and brings through a number of significant actions, we would expect to achieve outcomes in the following broad areas over time.</p> <ol style="list-style-type: none"> <li>1. Reductions in differential employment and unemployment rates between high unemployment groups and the average.</li> <li>2. More job entries and sustained job entries per £ of public money.</li> <li>3. A transparent and evidence based allocation of resource and prioritisation?</li> </ol>

<b>Measuring Performance</b>	
<b>Issues</b>	<p>A number of specific issues were identified which can be seen as <b>challenges</b> SEF need to buy into if this area for further action is deemed to be a SEF priority.</p> <ol style="list-style-type: none"> <li>1. Measuring performance and return on employability investment is important in underpinning prioritisation of employability resource across different groups of workless people, as discussed above.</li> <li>2. There is a wide range of employability service delivery across Scotland. As well as programmes funded by UK and Scottish Government, most Local Employability Partnerships have a structured pipeline approach where services are delivered in a multi-partner approach, which may include public, private and voluntary sector providers as well as further and higher education partners. In times of financial constraints, we need to adopt a more collective approach across UK, Scottish Government and local levels to analysing performance based on greater transparency and common criteria.</li> <li>3. There is a need to better understand which programmes are impacting on which people, and what are we actually getting for the substantial amount of funding directed towards employability. Delivery partners and funders lack a collective understanding of what works, what's scalable and what's transferrable.</li> <li>4. There is no current consensus around key (and common) measures for success in terms of employability interventions, which could be collated at a national level to allow for a better</li> </ol>

	sense of individual and collective performance.
<b>Preparatory Work</b>	<ol style="list-style-type: none"> <li>1. Review existing employability performance measures associated with different funders to identify potential common measures of performance and outcomes which can be used by SEF going forward.</li> <li>2. Collate information on existing employability performance measurement and management systems at the UK, Scottish Government and local levels – taking account of EU funding requirements in terms of performance measurement (and recognising the need to maintain fit and connectivity with Scottish Government/COSLA agreed Single Outcome Agreements).</li> <li>3. Identify any barriers to sharing of performance information around the SEF table.</li> </ol>
<b>Outcomes</b>	<p>If this area of activity is prioritised by SEF and brings through a number of significant actions, we would expect to achieve outcomes in the following broad areas over time.</p> <ol style="list-style-type: none"> <li>1. Transparent and comparable performance data are available to add to the evidence base around ‘what works’</li> <li>2. Overall higher performance levels in terms of job entry and job sustainability.</li> <li>3. Better value for money at any given level of budget with more people assisted into sustainable employment per £ of public money.</li> </ol>

<b>Assessing the Impact of Welfare Reform on Employability</b>	
<b>Issues</b>	<p>A number of specific issues were identified which can be seen as <b>challenges</b> SEF need to buy into if this area for further action is deemed to be a SEF priority.</p> <ol style="list-style-type: none"> <li>1. Welfare Reform is intended to make work pay for a greater proportion of the workless population, so offering greater incentives to move off benefits. How can employability services build on this to get more workless people back into sustainable employment?</li> <li>2. A significant group of employed people will qualify for Universal Credit but will also be subject to conditionality potentially raising issues for employability services and for their employers.</li> <li>3. Aspects of Welfare Reform may challenge employability service delivery organisations, including potentially disruptive effects on housing and households flowing from the housing benefit changes.</li> <li>4. There is concern at the local level that there will be increased demands on local authority and partner budgets which may impact upon their capacity to sustain effective employability services, as well as complementary services (such as money advice) which support employability services.</li> </ol>
<b>Preparatory Work</b>	<ol style="list-style-type: none"> <li>1. Generate an assessment of the likely impact of Welfare Reform on the nature and effectiveness of employability services. This needs to take account of any changes in conditionality, for</li> </ol>

	<p>workless people as well as those groups of the employed who will be eligible for Universal Credit, in addition to the other broad aspects of reform.</p> <ol style="list-style-type: none"> <li>2. From existing research, including extensive analysis by the Institute for Fiscal Studies, produce a clear statement on those groups which will have under Universal Credit greater financial incentive to return to work, and those for whom the incentives are less marked.</li> <li>3. Collate information on existing pilot activity to develop common assessment referral systems between organisations providing housing, money advice and employability services to improve the effectiveness of advice to those impacted by the welfare reforms.</li> <li>4. Develop some case studies outlining how initial housing benefit changes are impacting on employability for specific client groups, as well as modelling some impacts on typical households once Universal Credit is implemented.</li> <li>5. On the basis of the review assess the implications, if any, for the prioritisation of employability resources across different workless groups and for the configuration of employability services.</li> </ol>
<b>Outcomes</b>	<p>If this area of activity is prioritised by SEF and brings through a number of significant actions, we would expect to achieve outcomes in the following broad areas over time.</p> <ol style="list-style-type: none"> <li>1. Higher employment and lower unemployment rates for groups more incentivised by welfare reforms.</li> <li>2. No deterioration in relative employment and unemployment rates for other groups impacted by welfare reforms.</li> </ol>