



**LOCAL AUTHORITY
EMPLOYABILITY CONFERENCE
5th and 6th March 2015
Stirling Management Centre**

CONFERENCE REPORT

FOREWARD

SLAED (Scottish Local Authority Economic Development) exists to provide a national voice for Local Economic Development in Scotland by linking the work of Scotland's 32 Local Authorities and bringing a collective influence to bear at National and European levels.

The SLAED Employability group collaborates with Scottish Government to take forward a work programme which meets employability policy statement developed by COSLA, SLAED and SOLACE. The statement recognised that job creation, sustainable and quality employment are critical to the overall wellbeing of our communities supporting better outcomes providing a route out of poverty, inequality and disadvantage.

This second Local Authority Employability Conference provided an opportunity for Council Officers to participate in peer group discussions on current topical issues enabling the sharing of best practice. This in-service CPD provided a vehicle for Local Authorities to collectively articulate their distinctive contribution to the employability agenda.

In recognising the changing policy and strategic landscape, key challenges and opportunities presented by the Smith Commission, the refresh of the Government's Economic Strategy and the increased focus on tackling inequality were explored.

Local Authorities have consistently raised the profile of employment as the main route out of poverty, inequality and disadvantage and the increased focus on Fair Work presents new opportunities and challenges for local policy and practice.

The conference provided a welcome opportunity for debate, networking and this conference report will demonstrate a clear and consistent articulation of the Local Government Officer's perspective on the key challenges and opportunities that lie ahead.

It was recognised that employability remains a significant policy issue given the current labour market conditions arising from the economic recovery and the implementation of the welfare reform programme. It was agreed that it is more essential than ever that Local Government articulates its distinctive contribution to the employability effort, especially during the current challenging public sector spending reductions. Whilst not a statutory service the pivotal role of Local Authorities is embedded in the Local government (Scotland) Act 2003 which outlines the role of Local Authorities to, "promote and advance well-being."

The importance of the key enabling role that Local Authorities can play in economic recovery and job creation was recognised and this is of increasing importance given the growing levels of economic and social exclusion as well as in-work poverty.

The key priorities and issues addressed at the conference will be incorporated into the SLAED workplan for 2015/16

WELCOME

Pamela Smith, chair of SLAED Employability Group welcomed delegates to the second SLAED Employability conference and thanked Scottish Government for their financial support which made the conference possible enabling 66 delegates to attend representing 29 Local Authorities. It was noted that the conference was been arranged in response to the demand from employability Colleagues following the successful event held in April 2014. It was acknowledged that the conference was again taking place at an important time given some impending structural and policy changes flowing from the Smith Commission and the Government's refreshed commitment to tackling inequality with a renewed focus on Fair Work.

It was recognised that increasing demands have been placed on SLAED as the professional voice of the Local Government contributing to the development of national policies and strategic approaches. It was noted that Local Economic Development and Employability are key priorities for Local Authorities throughout Scotland and participation in the Scottish Employability Forum places Local Government at the heart of the political leadership as the three tiers of Government seek to align policy and resources to maximise outcomes for Scotland's working age population.

The themes agreed for the conference were:

- 1. *Scottish Government Priorities***
- 2. *Social and Employment Issues in Public Procurement / New Procurement Legislation***
- 3. *Smith Commission and The Work Programme***
- 4. *Local Government and Employability***
- 5. *European Structural Funds***
- 6. *Developing Scotland's Young Workforce***

Theme 1

Scottish Government Priorities

Session led by Joe Griffin, Director of Fair Work, Scottish Government

Session Outline

Delegates welcomed Joe Griffin the newly appointed Director of the new Fair Work Division which was established late 2014, following a change in First Minister and a Cabinet reshuffle. The Fair Work Portfolio aims to ensure the creation of a successful and more inclusive labour market, with a focus on how what happens in the workplace contributes to wider outcomes. The focus of the Division includes:

- Employment Policy
- Women's Employment
- Youth Employment (Implementation of the Wood Commission's recommendations)
- Living Wage,
- Skills and Employment Training,
- Responsibility for Skills Development Scotland

Expected Outcomes from Session

1. *Increased understanding of the challenges and opportunities presented by the refreshed Government Policy Framework.*
2. *Improved understanding of policy implications in practice.*
3. *Increased awareness of the connectivity with Scottish Government Policies and Programmes.*
4. *Increased understanding of the pivotal role played by Local Authorities.*
5. *Acknowledgement of agreed priorities for action.*

It was highlighted that Roseanna Cunningham MSP, the Cabinet Secretary for Fair Work, Skills and Training was clear that Fair Work required a proactive approach to the labour market to pursue economic and social goals. Fair Work is based on the principal that everyone is entitled to expect access to the labour market, job security, fair reward, opportunities for personal development, and a say in how things work. Access to work and progress in the workplace should be on an equitable basis, and people should not be disadvantaged by background or circumstance. It was highlighted that the Government believes that this requires action on three fronts as illustrated in Figure 1:

1. **Addressing the impact of the recession** and helping people into work;
2. Creating **more, better paid jobs for all in a strong, sustainable economy**; and
3. Establishing a culture of **Good Work** in the longer-term.

Figure 1 – Tripartite Actions



It was acknowledged that there had been good progress in addressing the impact of the recession and in general there was now more people in work and unemployment rates had fallen. The government focus on Youth Employment had seen substantial improvements in school leaver destinations and reductions in the number of young people unemployed, although unemployment was still disproportionately higher for young people and the more vulnerable job seekers with multiple barriers.

The changing dynamics of the current labour market were noted and whilst the economy was recovering from the recession it was important to highlight that:

- Self-Employment and part-time employment had increased;
- Full-time employment had decreased;
- Earnings have reduced in real terms;
- Number of zero hours contracts has increased;
- Long term unemployment for over 25yrs has continued to grow; and
- Most people living in poverty were in work.

It was noted that the refresh of the Government's Economic Strategy highlighted promoting **inclusive growth** as one of four priorities, creating opportunity through a fair and inclusive jobs market and removing barriers so that everyone has the opportunity to fulfil their potential. The Government focus on **tackling inequality** is seen as mutually supportive to improved economic performance.

The intention of the Government can be seen in the proposed Scottish Business Pledge which aims to get businesses to commit to supporting social policy priorities in return for public sector support such as paying the living wage, supporting investment in youth and not using zero hours contracts.

It was also noted that the changes arising from the Smith Commission recommendations and the continued roll out of the programme of Welfare Reform were also factors for consideration when seeking to tackle inequality and move people into well paid sustainable employment.

Workshop 1 - Key Questions/Issues for Discussion

- 1. Are the broader Fair Work agenda aspirations shared by Local Government?***
- 2. If so, are current pipelines fit for purpose?***
- 3. How does this renewed focus on tackling inequalities fit with existing local activity – are there any best practice examples?***
- 4. What more can we do to encourage skilled, engaged and entrepreneurial employees, both in our roles as public sector employers and in providing training for others? Again, any best practice examples?***
- 5. What are the main areas of challenge and opportunity of this focus?***

The workshop format provided an opportunity for discussion on the challenges and opportunities outlined in Scottish Government priorities and the focus on Fair Work.

Key Points from Discussion

- *Local government share the aspirations within the fair work agenda and recognise that the agenda has moved back to the pre-recession focus which was on the harder to help and more disadvantaged job seekers.*
- *Need to convey a consistent and shared message to businesses and articulate the business benefits and not look for philanthropic support.*
- *Need to balance living wage aspirations with reality of price based competition in labour intensive industries.*
- *Need to look at whole system/person approach to tackling inequality.*
- *There is limited focus on in-work support within pipelines – this would require greater clarity of purpose and resource.*
- *There is a need to ensure that Fair Work and tackling inequalities are embedded across all programmes and approaches and prioritised through budgets and outcomes.*
- *Current pipelines could be fit for purpose if there was a more consistent alignment between policies and programmes and less silo funding of initiatives.*
- *More resources would have to be deployed on barrier removal and older/more disadvantaged job seekers.*
- *No current focus on in-work poverty and skills development of the low paid employed.*
- *There are many good examples where tackling poverty and inequality has been embedded in approaches to employability – Equality and Poverty Impact Assessments should be considered for key areas of spend and activity.*
- *Public sector employers must lead by example – this will be challenging with reducing budgets and headcounts.*
- *We must look at utilising all the public sector powers – the Economic Outcomes Programme 2 should assist in this process.*
- *Closing the Gap measures should be re-instated nationally and locally to enable additional focus on inequality.*
- *There is a need to think differently and introduce cultural change – there needs to be a different attitude to risk if new solutions are to be found.*
- *Potential additional impact from roll out of Universal Credit*

There was also general discussion on how well the Poverty and Inequalities agenda is connected both nationally and locally within and across Scottish and Local Government. Shared ambitions, targets and outcomes may assist this and the utilisation of SOAs could also provide an opportunity to simplify and de-clutter. It was concluded that there needs to be a clearer focus on a number of key transformational objectives.

The **whole system – whole person** approach is central to the effective targeting of resources helping to develop a preventative and sustainable approach – especially in a time of reducing public sector resources. The transfer of UK employability responsibilities may assist this process.

Theme 2

Social and Employment Issues in Public Procurement / New Procurement Legislation Led By Jo Mitchell, Procurement Directorate, Scottish Government

Session Outline

Community Benefit (CB) clauses have been a key element of procurement policy and practice in Scotland since 2008 and there is an expectation that they will be routinely included in contracts. This commitment for CB clauses was outlined by John Swinney, Cabinet Secretary for Finance and Sustainable Growth, in March 2010 who stated:

“The first question that we should ask when developing any contract specification should be: ‘Can we include a community benefit clause?’”

The Procurement Reform (Scotland) Act 2014, which received Royal Assent in June 2014 gives the expectation that CB clauses will be used whenever appropriate and provides a legal basis. CB clauses aim to deliver economic, social and/or environmental benefits for local communities and areas, through maximising the impact created by public spend to deliver public value over and above that of the cost and quality of what is purchased. The potential impact identified for CB clauses relate to a wide range of complementary benefits such as:

- Achieving a wide range of outcomes from the procurement of goods and services. This can include ‘harder’ impacts e.g. the creation of jobs, retention of jobs or training places or ‘softer’ impacts e.g. increasing capacity in local communities, improving the feeling health and wellbeing or enhancing pride in an area.
- Opening up markets to a wider range of players through supply chain initiatives e.g. SMEs or the Third Sector.
- Promoting the activities of social enterprises and the Third Sector.
- Supporting community initiatives e.g. providing community liaison officers or volunteers to assist youth and community groups.
- Making contributions to education e.g. through work placements or volunteering.
- Encouraging Equal Opportunities for all through influencing practices and attracting potential recruits from the widest labour pool possible.

Expected Outcomes from Session

- 1. Increased understanding of the scope and potential within the Procurement Reform Act.***
- 2. Improved awareness of the use of Community Benefit Clauses to support employability***
- 3. Increased awareness of the potential links with supported business and supported employment for disadvantaged workers via reserved contracts.***
- 4. Improved knowledge of the strategic fit within Local Authorities***

Jo Mitchell, Procurement Directorate, Scottish Government outlined the legislative changes in relation to the Procurement Reform (Scotland) Act 2014 and the three new EU Directives. A specific focus was on the social, environmental and employment issues covered by Statutory Guidance and EU Directives.

Statutory Guidance

The statutory Guidance focussed on three areas of interest to employability:

1. Corporate Procurement Strategy & Annual Report

Must be published as soon as possible after the financial year end and should include stakeholder engagement, community benefit, workforce and Fair/ethical trade commitments. The Annual Procurement Report will include:

- Review compliance of regulated procurements with the Corporate Procurement Strategy;
- Report on the community benefit requirements imposed as part of regulated procurements; and
- Report on community benefits fulfilled in their annual procurement report.

2. Sustainable Procurement Duty

Must consider how procurement will improve the economic, social, environmental well-being and reduce inequality in the area. Should also consider how it involves SMEs, third sector and supported businesses.

3. Community Benefits in Procurement

Community Benefits in Procurement are defined by the Act as 'a contractual requirement imposed by a contracting authority relating to (i) training and recruitment, or (ii) the availability of sub-contracting opportunities which is intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

The Act requires public bodies to apply a sustainable procurement duty to all regulated procurements, consider Community Benefit clauses for contracts worth £4 million (threshold subject to review by Ministers) or more, set out how they plan to comply with the general duties in the Act and publish their policy on community benefits.

The guidance will outline what has to be covered such as:

- Defining the *appropriate* community benefit through stakeholder engagement;
- What to say in the contract notice and contract award notice;

- Circumstances where community benefits would not be relevant or proportionate
- Reporting of expected and achieved benefits.

Figure 2 - National Outcomes

National Outcome (2)	Community Benefits in Procurement Outcomes	Community Benefits in Procurement Outputs
We realise our full economic potential with more and better employment opportunities for our people	Well trained and educated new entrants who are able to take advantage of employment opportunities Increase in numbers of new entrants with sustainable local jobs that offer opportunities for progression	<ul style="list-style-type: none"> • Total number of new entrants recruited • No. of new entrants recruited as apprentices • No. of other new entrant trainees • No. of new entrants recruited who have sustained their place for minimum 13 weeks • No. of new entrants who have gone on to secure further employment on other contracts

EU Procurement Directives

The EU Procurement Directives covers the following areas:

- Reserved Contracts for Supported Businesses
- Reserved Contracts for health, social and cultural services
- Principles of Procurement
- Technical Specifications & Labels
- Contract Award Criteria

The main area of interest for Employability is Changes in the definition of supported businesses to, “businesses whose main aim is to socially and professionally integrate disabled or disadvantaged people.” The threshold of workers who must meet that description is being reduced from 50 % to at least 30 % and the scope is broadened beyond disabled people. A key area of consultation therefore is how to define disadvantaged workers.

The workshop format provided an opportunity for discussion on some key questions.

Workshop 2 - Key Questions/Issues for Discussion

- 1. How do you think your authority will utilise the increased flexibilities and powers within the Procurement Reform Act?**
- 2. What do you feel about the proposed approach?**
- 3. How would you want to see “disadvantaged” defined?**
- 4. What do you see as the advantages and disadvantages of reserved contracts?**

There was wide ranging discussion within the workshops on the varied approaches across the country and the fact that some Local Authorities are more advanced in their use and application of Community Benefit Clauses and supported Businesses/ Employment than others.

Key Points from Discussion

- ***There is a general welcome of increased recognition and focus on community benefits and the key role that the spending power of the public sector can play in tackling disadvantage.***
- ***There must be a consistent and universal approach from the public sector in applying clear community benefit clauses.***
- ***There should be scope within a national framework to tailor clauses to meet local priorities and circumstances.***
- ***The direction from Government was useful in embedding a business as usual approach however monitoring would be crucial and this must not lead to added bureaucracy.***
- ***Government must lead by example and provide local benefits from national contracts.***
- ***Defining disadvantaged groups is fraught with difficulty and it was felt that any definition should link to existing recognised groups such as the criteria used to define ESF beneficiaries and /or priority groups.***
- ***It was noted that the reduction in the % of disabled or disadvantaged workers for supported businesses may have unintended consequences and squeeze disabled people out of the opportunities.***
- ***There is general support for reserved contracts so long as the local benefits and positive impacts can be demonstrated.***

It was noted that the Scottish Government had commissioned TERU to undertake research – “Analysis of the Impact and Value of Community Benefit Clauses,” - the findings were due to be published shortly and that a workshop on the report would be helpful in moving the agenda forward.

Theme 3
Smith Commission and the Work Programme
Led By Greig Robson, COSLA

Session Outline

Greig Robson, COSLA spoke about the Smith Commission recommendations that the successor programmes to Work Programme and Work Choice be devolved to Scotland and indicated that some key questions remain unanswered:

- What conditions would devolution come with?
- What budgets would be transferred?
- Would powers be “double devolved” to Local Authorities?

Expected Outcomes

- 1. Increased understanding of the challenges and opportunities presented by the Smith Commission Clauses – and an understanding of the development process now required.***
- 2. Increased understanding of links to welfare reform– timelines etc***
- 3. Improved awareness of the potential benefits and challenges for Local Authorities.***
- 4. Increased understanding of UK Government and Scottish Government likely aspirations and conditions around successor programme***
- 5. Consensus on key principles that would underpin a SLAED/COSLA lobbying position in relation to the Work Programme and Work Choice successor programmes***
- 6. Agreement on the best way forward in developing more detailed positions and lobbying tactics.***

It is clear that we may not get answers to such questions for some time. Scottish Government has not outlined its intentions re Work Programme et al and looks likely to enter into a period of consultation and policy development. UK Government has as yet said very little about how devolution could work, given the successor programme would still have to interact with a reserved conditionality regime. Local Authorities have an opportunity to present a compelling case for double devolution which fits with the strategic objectives agreed through the Local Government Employability Policy Statement, and the recent political mandate provided through the Commission for Strengthening Local Democracy.

Local Authorities have differing views on how they would like to see the successor to the Work Programme operate, however that divergence can itself become a lobbying position as Councils would want to see full local discretion on certain areas. The Commission for Strengthening Local Democracy has a starting point of demanding full subsidiarity for councils and full local discretion, however that will be difficult if not impossible to achieve immediately for employment programmes as both Scottish and UK Government are likely to want to retain elements of control. Therefore Local Authorities need to be pragmatic.

What can Local Government offer Scottish and UK Government which addresses their concerns and priorities while at the same time progressing Local Authority ambitions for full local discretion.

It was noted that devolution of contracted employability provision requires legislation and that current contracts expire in mid-2017. Successor programmes will require agreement on how they interact with the reserved system but programmes need to be designed in 2015/16 therefore the question posed is how fully can programmes and positions be developed in lieu of legislation if the procurement process for a new programme has to begin in mid-2016.

The scope and extent of what is being devolved is unclear:

- What programmes?
- What budgets?
- What restrictions?

There is also a fear that programmes could move from a UK one size fits all to a Scottish one size fits all with limited scope for local flexibilities and design. The interactions with the UK Government are also likely to be complicated which may limit the double devolution desired by many Local Authorities.

Local Authorities see an opportunity to tailor programmes to local circumstances, join up funding, reduce duplication and increase efficiency.

Key Questions/Issues for Discussion

- 1. Work Programme 1 – what has worked well and where has the work programme failed?***
- 2. Work Programme 2 – do we have consensus over what we would do differently?***
 - ***Geography of contract areas?***
 - ***Procurement model to be used?***
 - ***The IT system(s) to be used?***
 - ***The performance measures and reporting?***
 - ***The target groups?***
 - ***The pricing structure/funding model?***
 - ***The integration of funding?***
- 3. In each of the areas above, what then are we as a sector lobbying for at this stage?***
 - ***Complete local discretion***
 - ***A nationally agreed model***
 - ***Some sort of mixed model of national agreement with local flex***
- 4. What will be the most compelling case for Local Government, what evidence do we have?***
- 5. How is all of the above best led and managed from now on? Are there any areas that require further investigation/discussion?***

It was noted that there were different perspectives and that there is likely to be issues around UK Government mandation, conditionality and sanctions. It is also likely that any new programme or model will be based on payment by results. It was noted that Scottish Government would want transparency and comparability around performance and would be keen to see clear 3rd sector involvement.

Local Authorities need to discuss and agree principles that all can sign up to, providing a political mandate for negotiations and a consensus on what needs to change. It was noted that there is a need for pragmatism supported by evidence of what works. It was noted that there was also potential opportunities to match any devolved employability programmes to European Social Funds, which to date has not been the practice in Scotland.

Key Points from Discussions

- ***Targets and Payment methods often drive the wrong behaviours and work against a client centred approach and often excludes the more vulnerable job seekers.***
- ***There has been a lack of investment and focus on skills training.***
- ***New Programmes should be built up from Local Authority areas, integrated with other employability support.***
- ***Potential Regional/City Deal focus but this requires local consensus – geographies should not be imposed and smaller contract areas such as Local Authorities would support joint commissioning and blending of funding to meet local priorities.***
- ***An outcome payment model should still exist with recognition of some of the harder to help clients this should be reflected in variable rates.***
- ***There should be common national outputs and outcomes with delivery methodology customised to individuals and local circumstances.***
- ***Black box should become grey box to improve transparency but maintain an element of flexibility***
- ***Should built on common quality standards and entitlements rather than mandations and conditionality.***
- ***IT and performance management systems need to be universal and potentially nationally designed and implemented in partnership.***
- ***Third sector should be involved at a local level as part of Community Planning Partnership Approaches – the role of national third sector organisations need greater clarity as decentralisation is the key to effective delivery.***

A follow up workshop will be organised to take forward the principles and key components of a consensual Local Authority position for chief officer and political agreement to establish a lobbying position for Local government as a sector.

Theme 4

What Now for Local Government and Employability

**Led by Elma Murray, Chief Executive North Ayrshire Council
(SOLACE Lead on Employability)**

Session Outline

Elma Murray, Chief Executive of North Ayrshire Council and portfolio lead for Employability on behalf of SOLACE indicated that further to discussions Chief Executives want to contribute and add value to current and future Employability Work.

It was noted that there has been significant progress and improvement in employability and economic development services in recent years and it is widely recognised that employability interventions and support services will be critical moving forward if we are to improve outcomes and address issues of inequality along with offsetting some of the accompanying negative demand pressures.

However, the current capacity of Council services to meet the key challenges is under pressure and it is essential that Local Authorities consider the extent to which a whole system/whole person approach is possible.

It was recognised that it is important to ensure effective connectivity across Council Services is strong not only between employability and economic development services but with other Council services (e.g. Education, Social Services) and across the CPP.

There are a number of policy changes about to impact on an already cluttered employability landscape with Smith Commission Recommendations, Developing Scotland's Young Workforce and the Refreshed Economic Strategy all with a focus on tackling inequality and disadvantage.

Expected Outcomes

- 1. Increased understanding of the challenges and opportunities for local authorities in developing a whole system/whole person approach***
- 2. Increased awareness of the scope and potential to better align and connect local priorities, policies and programmes.***
- 3. Increased understanding of the pivotal role played by Local Authorities.***
- 4. Acknowledgement of agreed priorities for action moving forward.***

Consideration was given to what else Councils could/should do and what do they need to do to better. Sharing of best practice and better use of performance information to drive improvement, change and deliver better outcomes was suggested as examples. It was acknowledged that budget pressures will bring challenges for continued support of Employability Programmes and that moving forward it is essential that we ensure programmes are:

- Person-centred
- Have a single performance framework
- Provide a vehicle to share data

SOLACE indicated four key action areas that the Chief Executives would be keen to see moving forward within the SLAED work plan with clearly articulated actions:

1. Low Paid Work
2. Post 16 (Scotland) Act and the Wood Commission Recommendations
3. Childcare and Early Years
4. Employment and Supported Businesses

The workshops provided an opportunity to consider some key questions around the action areas within the context of the current economic environment, the renewed focus from Scottish Government on tackling inequality, the scope and potential for greater impact as a result of the Procurement Reform Act, the impending devolution of UK employability programmes and the emerging European Social Fund programmes.

Key Questions/Issues for Discussion

1. ***How can we support people to progress from low paid work?***
2. ***How can we create better paid sustainable Employment***
3. ***How can we get employer, parents and young people to place more importance on apprenticeships and vocational qualifications?***
4. ***How do we create stronger schools/college links?***
5. ***How can we develop accessible and affordable quality childcare?***
6. ***How can we support and increase in employment for people with disabilities?***

The key questions were considered within the context of an all age and stage employability pipeline approach as well as a whole Council approach to improving outcomes.

Leadership from a political and corporate management perspective was seen as essential to ensure an aligned and corporate approach to delivering on related corporate goals and it was suggested that a horizontal theme of tackling inequality and poverty would be helpful in general service design and delivery, especially when Local Authorities are looking at getting greater value from each £ of spend

Key Points from discussion

- ***Local Authorities and Public Sector have to lead by example – paying the living wage is one aspect but in-work skills development to support progression and improved earnings must also be a feature.***
- ***Inconsistent approach to payment of allowances and wages to Trainees and Modern Apprentices – should Local Authorities try to agree a common payment structure?***

- **Look at linking recruitment incentives to in work skills development and progression.**
- **Can we exploit the new procurement guidance to generate better terms and conditions for sub-contracted activity such as no zero hours contracts, payment of living wage etc.**
- **Is the delivery of the Scottish Business Pledge feasible with SMEs and Micro Businesses and how can we link social policy matters locally with public sector support as well as contracts?**
- **Need to generate evidence of the business case for better paid sustainable jobs with local employers.**
- **Need to deliver a consistent local message to employers, parents and young people about apprenticeships and make the routeways, opportunities and outcomes more transparent and accessible. National media campaigns with national website only have limited success in raising awareness but do not help deliver or articulate on a local basis – parents, employers and young people want and need practical assistance that can be provided via local employability partnerships.**
- **Educationalists need to stop referring to academic and vocational subjects to create a parity of esteem between subject choices and we need to change the way things are measured to change the value placed on vocational qualifications.**
- **There are many good examples of effective school/college links and this could be strengthened by clearer progression pathways from school to FE/HE with seamless learner journey and recognised articulation with guaranteed places.**
- **Opportunity to link employability support with 600 hours free entitlement.**
- **Working for families generated good evidence on the delivery of appropriate childcare support.**
- **Local Authorities cutting breakfast clubs and after school clubs in a bid to save money – has there been effective impact assessments carried out on unintended consequences?**
- **Need to articulate the demand for childcare support better as there are mixed views around what the issues actually are – what menu of support could be universally available via ESF and/or Scottish Government Support given the priority in this area. Family index survey could help determine local situation.**
- **Clear links with low pay and gender segregation is their scope to link agenda's and priorities?**

It was agreed that SOLACE and SLAED will meet to take forward some of the key actions and issues to look at a concerted effort from Local Authorities on some of the drivers within the scope of local influence. An updated and refreshed Local Government Policy Statement on Employability (Plus) may be appropriate to incorporate some of the key commitments on tackling inequality, low pay and poverty.

Theme 5

European Structural Funds 2014- 2020

Led by Brenda Russell and Lorna Gregson-McLeod, European Structural Funds Division, Scottish Government

Session Outline

European Commission adopted the 'Partnership Agreement' with the UK on 29th October 2014 on the use of EU Structural and Investment Funds for growth and jobs for 2014-2020. The key aim of the EU funds is to help tackle unemployment and boost competitiveness and economic growth through support to innovation, training and education. The funds will also promote entrepreneurship, fight social exclusion and help to develop an environmentally friendly and a resource-efficient economy. There are 14 Strategic Interventions and it has been agreed that Local Authorities will have a lead partner role in three:

1. Business Competitiveness
- 2. Employability Pipelines**
- 3. Poverty and Social Inclusion (Enhanced Employability Pipelines)**

Local Authorities (SLAED/COSLA) have been working with Scottish Government to agree the delivery framework for the strategic intervention with a specific focus on the simplified costs element as well as beneficiary target groups and outcomes.

Expected Outcomes

- 1. Increased understanding of the Employability Pipeline delivery Framework**
- 2. Increased awareness of the challenges and opportunities within the Third Sector Challenge Fund**
- 3. Improved understanding of the Social Inclusion and Poverty Strategic Intervention and Links with Enhanced Employability Pipelines**
- 4. Agreement on key issues for action moving forward**

Employability Pipelines

Brenda Russell and Lorna Gregson-McLeod highlighted the Priority Axis 1 **Supporting Sustainable and Quality Employment and Supporting Labour Market Mobility** and the Investment Priority which is **Access to employment for job seekers and inactive people** With the specific objectives of:

SO11 - Provide direct routes to sustainable employment for unemployed and inactive with multiple barriers.

SO12 – Increase the skills and labour market opportunities of employed with multiple barriers

It was noted that the focus for funding was unemployed, Inactive or employed individuals with multiple barriers to progressing into, or within, the labour market. It was

highlighted that interventions should be tailored to the individual needs of each participant – through the development and implementation of personalised action plans focused on areas of support that will provide the most effective results. It was reinforced that the Key Target Groups are long term unemployed; jobless households; individuals with disabilities; lone parents; low skilled and under 25s or over 54s with other barriers.

The activities within the five stage employability pipeline were summarised and reference was made to the Qualifications Framework and the SCQF levels and how these related to the ISCED Levels used by the European Commission.

It was noted that there is an increased focus on Results not outputs – therefore imperative that Participant Records are correctly maintained to fully evidence outcomes. Lead Partners should ensure that when Delivery Agents are collecting participant information that appropriate documentary evidence is retained. The minimum content of participant files was explored along with evidence of eligibility required.

It was reported that further guidance will be made available on the ESF Division website shortly on:

- Strategic Intervention Application Guidance (available)
- Operation Application Guidance
- Document Retention Guidance
- Publicity Guidance
- Challenge Fund Guidance
- Roles and Responsibilities

Poverty and Social Inclusion

Many of the target groups Scotland will support through the Employability Pipeline can also be said to be socially excluded and/or living in poverty. The Enhanced Pipeline is a flexible and localised response that allows each area to provide solutions to its particular challenges aligning them with national and local initiatives to deliver better results for the individual participants. The specific focus will depend on the area. Childcare/social care and financial inclusion already highlighted as key challenges requiring more intensive or innovative approaches.

Childcare and Social Inclusion

The target groups for this activity are lone parents, parents on low Incomes, parents supporting individuals/children with additional needs. It was noted that possible activities include:

- Wraparound childcare – crèche, breakfast clubs, after school, school holidays
- Extension of childcare provision for a fixed term after individual enters employment
- Development of web-based tools to find local childcare vacancies and calculate costs
- Develop and promote social care and childcare sectors including work experience and accredited programmes
- Support individuals to become registered child-minders

Financial Inclusion

It was noted that BIG Lottery will target particular areas and enhanced pipelines should not duplicate activities in those areas, the areas have still to be identified and communicated. This intervention will provide targeted financial support to families, early intervention, financial education relating to money management, savings and awareness of debt etc.

Youth Employment Initiative

It was noted that this only applied to 13 Local Authorities in the NUTS 2 area and that the target group is exclusively NEET, Supporting young people aged 16-29. It was acknowledged that this is results focused – interventions should aim to achieve clear outcomes in employment, continued education/training, full qualification, traineeships or apprenticeships. It was highlighted that YEI supports directly the individual not structures or systems.

Third Sector Challenge Fund

It was noted that the National Third Sector Fund is to support the National Third Sector Organisations deliver across a number of Local Authority areas. The criteria is set by Employability policy officials in Scottish Government and the fund will be managed by Skills Development Scotland. SLAED are represented on the Management Advisory group.

Timescale and Process (Round 1)

The application and approval process was outlined as detailed in Figure 3 below:

Process	Date
SI Applications Submitted	9 March 2015
Circulated to Risk and Scrutiny Panels	w/c 16 March 2015
Issued to JPMC/HITC for Comment	w/c 16 March 2015
Issued to State Aid team for assessment	w/c 16 March 2015
State Aid/JPMC/HITC feedback	25 March 2015
Scrutiny and Risk Panels Meet	w/c 30 March 2015
Issue Offers of Grant Letters	w/c 13 April 2015

There were some key questions further to the presentations clarifying:

- Match-Funding Requirements – Local Authorities are required to verify match-funding which may include contributions from external stakeholders. If existing funds are used for match there must be clear evidence of added value/additionality
- End Date – Funding allocation is 2014-2017 although delivery and spend can be up to end of 2018
- Cost Methodology – Flat Rate costs for delivery have been ruled out by Scottish Government and the Unit Cost models being considered are based on the Employability Fund. It was noted that EF does not operate at Stage 1 or 5 and that further discussion on the application of the EF structure would be welcome.

Key Questions/Issues for Discussion

1. *Do we have sufficient details to submit our intended proposals and what further guidance and clarification is required?*
2. *Do we have common understandings and a collective position moving forward?*
3. *What more has to be done, by who and by when?*

Key Points from discussion

- *The additional guidance and information of costs methodology, outputs and outcomes is required urgently to ensure proposals are feasible and viable.*
- *Not all Local Authorities will be submitting on 9 March 2015 due to information gaps*
- *Local Authorities have written to Scottish Government around a proposed approach to simplified costs.*

Theme 6
Developing Scotland's Young Workforce
Led by Pamela Smith, Falkirk Council

Session Outline

The Commission for Developing Scotland's Young Workforce (DSYW) chaired by Sir Ian Wood was set up in January 2013 and produced a report in June 2014 with 39 recommendations aimed at changing the way young people are helped into training, further/higher education and employment. On 15th December 2014 the Scottish Government published a 7 year Youth Employment Strategy based on taking forward the DSYW recommendations which included a joint Scottish Government/Local Government Implementation Plan. The plan will be managed through a National Advisory Group established by Scottish Government who will provide guidance to a Programme Board and five Change Theme (CT) Groups:

1. CT1 – Schools (A school curriculum that is industry focused and influenced)
2. CT2 - School-College (Clearer vocational pathways starting in the senior phase)
3. CT3 – College (A system full focused on employability responding to industry needs)
4. CT4 – Apprenticeships
5. CT5 – Employers (Invest in Youth)

There are 11 KPIs with the ultimate aim of reducing youth unemployment by 40% by 2020 and some Key measures over the next seven years include:

- increased uptake of work-related learning/ qualifications in the senior phase of school
- Earlier careers guidance
- New standard for work experience
- New 'pre-apprenticeship' pilot to help those furthest from the labour market
- All secondary schools to have active partnerships with employers by 2018/19

Whilst all change Themes are of interest to SLAED change Theme 4 and 5 are of particular significance especially around employer engagement and links with business support.

Expected Outcomes

- 1. Increased awareness of current position regarding the implementation plan***
- 2. Improved understanding of the challenges and opportunities for employability***
- 3. Increased awareness of the challenges and opportunities for Employer Engagement presented by Invest In Young People Regional Groups***
- 4. Agreement on key issues for Local Authorities to ensure an appropriate local strategic fit***

It was noted that there were some key areas of interest which have a direct impact and consequence for design and delivery of employability programmes indicated below:

- Senior Phase Vocational Pathways
- Foundation Apprenticeships
- Work Experience Standard
- Pre Apprenticeship Models
- Employer Engagement – Regional IYYP
- Employer Recruitment Incentives
- National Training Programmes
- Employability Pipelines
- College Outcome Agreements

Key Questions/Issues for Discussion

- 1. How well is the DSYW actions connecting locally – are there any best practice examples?***
- 2. Are people aware of the key areas of research currently underway via SDS?***
- 3. What impact are senior vocational pathways having on the design and delivery of employability programmes?***
- 4. How are IYYP Regional groups aligning with existing employer engagement activity?***
- 5. What are the main areas of challenge and opportunity?***

Key Points from discussion

In general it was felt that there is a confused and cluttered landscape with a disproportionate focus on Education and Colleges to the detriment of the broader employability agenda and the young people already unemployed and/or disengaged from learning.

- *There are many best practice examples and case studies that will hopefully be evident in the research studies currently underway.*
- *Risk of excluding older job seekers and there is evidence of longer term unemployment increasing amongst those aged over 25 years.*
- *More work is required around alignment and integration as there has been a focus on the establishment of new structures and initiatives (process over outcomes).*
- *There is a focus on the DSYW agenda which does not take cognisance of the all age all stage employability pipeline.*
- *The role of third sector and private sector providers is not well articulated as the main focus is on vocational education/skills being provided by colleges.*
- *Not enough focus on bending and changing mainstream approaches – perception of on-going pilot approach.*
- *The terminology of Foundation Apprenticeships and their intent is unclear and confusing*
- *There is not broad general support for the Invest In Young People Regional Groups as resources would be better spent enabling a specific focus on young people within existing structures and approaches – the current approach is not helpful to the general on-going work on employer engagement and works against the better alignment agenda.*
- *Engagement of employers and industry is broader than schools and colleges and there is a need for employers to more effectively drive influence the, “ask and offer” at a local level.*
- *The work experience standard is an example of an opportunity lost when work experience relates to all age employability programmes it would perhaps have been better to not develop this in silos, Schools, colleges as it adds to employer confusion and lack of coherence.*
- *There is an opportunity for a locally joined up approach amongst key stakeholders but the nationally driven and managed approach to the implementation plan does not naturally align with Community Planning Partnerships and SOAs.*

It was recognised that there is a broad range of activity on-going involving a range of key stakeholders, the key words repeated in discussions where improvements are required within Local Authorities, across Stakeholders and with Scottish Government are:

- Communication
- Alignment
- Integration
- Connectivity

- Transparency

Conclusion

The conference was deemed an overwhelming success by delegates who had an excellent opportunity to network and share best practice but also an opportunity to engage with Scottish Government on emerging policy and practice.

As a result of the presentations and discussions there are some key issues and areas for further action that will be incorporated into the SLAED work plan and priorities for 2015/16. This will ensure that there is effective follow up and continuity with some specific workshop sessions proposed throughout the year as well as the agreed schedule of meetings enabling an effective and consistent articulation of Local Government's views and contribution to employability.

ATTENDEES

ABERDEENSHIRE	Ewen Allardyce
ABERDEENSHIRE	Annette Johnston
ANGUS	Anne Petrie
ANGUS	Christina Dakers
ARGYLL & BUTE	James Paterson
CLACKMANNANSHIRE	Debbie Carter
CLACKMANNANSHIRE	Jane Adamson
DUMFRIES & GALLOWAY	Lynne Burgess
DUMFRIES & GALLOWAY	Phil Stewart
DUNDEE	Allan Millar
EAST AYRSHIRE	Ian Burgoyne
EAST DUNBARTONSHIRE	Drummond Stewart
EAST LoTHIAN	Colin Forbes
EAST LoTHIAN	Alison Hood
EAST LoTHIAN	Sheila Northcott
EAST LoTHIAN	Jacqui Leslie
EAST RENFREWSHIRE	Michael McKernan
EAST RENFREWSHIRE	John Bergin
EAST RENFREWSHIRE	Charlie Johnston
EILEANSIAR	Graeme Millar
EDINBURGH	Vivienne Robinson
EDINBURGH	Rona Hunter
EDINBURGH	Alan Christie
FALKIRK	Pamela Smith
FALKIRK	Hazel Mackie
FALKIRK	Julieann Airens
FALKIRK	Ian Gilchrist
FIFE	Lucinda McAllister
FIFE	Stewart Christie
FIFE	Grant Leaburn
FIFE	Angela Hamilton
FIFE	Lynn Llyod
FIFE	Dorothy Smith
GLASGOW CITY	Sharon Thomson
GLASGOW CITY	Alison McCrae
HIGHLAND	Jane Gair
HIGHLAND	Bob Mackinnon
INVERCLYDE	Shaun Lundy
MIDLoTHIAN	Annette Lang
MIDLoTHIAN	Heather Fleming
MORAY	Graham Jarvis
NORTH AYRSHIRE	Angus O'Henley
NORTH AYRSHIRE	Laura Cook
NORTH LANARKSHIRE	Paul Kane
NORTH LANARKSHIRE	Adele Duff

SCOTTISH BORDERS	Bruce Brodie
SCOTTISH BORDERS	Alasdair Scott
SHETLAND	Brenda Leask
SOUTH AYRSHIRE	Douglas Hashagan
SOUTH LANARKSHIRE	Simon Carey
SOUTH LANARKSHIRE	Anne Sheils
SOUTH LANARKSHIRE	Tracey Blake
WEST DUNBARTONSHIRE	Michael Gill
WEST DUNBARTONSHIRE	Clare English
WEST LOTHIAN	Clare Summers
WEST LOTHIAN	David Greaves
Scottish Government	Joanne Farrow
COSLA	Greig Robson
COSLA	Mike Callaghan
SLAED	Andy Kinnaird
Scottish Government	Julie Bilotti
Scottish Government	Sarah Hart
Scottish Government, Fair Work Director	Joe Griffin
Scottish Government, Procurement	Jo Mitchell
Scottish Government, Structural Funds	Brenda Russell
Scottish Government, Structural Funds	Lorna Gregson-McLeod
SOLACE	Elma Murray