



Glasgow City Council

**Neighbourhoods, Housing and Public Realm
City Policy Committee**

Report by Executive Director for Regeneration and the Economy

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Item 4

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GLASGOW CITY COUNCIL EMPLOYABILITY PROGRAMME

Purpose of Report:

To outline the approach to developing a comprehensive employability programme by 2023/24 and consider the short and medium term implications.

Recommendations:

Committee is asked to consider the content of the report, including the approach to the commissioning of Jobs and Business Glasgow (JBG) to deliver employability activity on behalf of the Council.

Ward No(s):

Citywide:

Local member(s) advised: Yes No consulted: Yes No

1 Introduction

- 1.1 The city economy remains at the heart of Glasgow City Council (“the Council”) thinking with inclusive growth and fairwork essential. The Council works in partnership with communities and city partners, with the Council role being one of a facilitator rather than directly delivering activity.
- 1.2 The key aim of the Council’s Economic Strategy (2016-23) is to make Glasgow the most productive major city economy in the UK. Employability support will increasingly focus on those furthest from the labour market, with more resources spent on preventing individuals from becoming long term unemployed.
- 1.3 While the trends in relation to unemployment in the city are positive;
 - From 2012-2018 unemployment dropped from 12.3% to 6.3%
 - Over the same period youth unemployment dropped from 32% to 14%
 - The economically inactive rate reduced from 33% to 31% (this figure also includes students)
 - Youth employment increased to 40% from 33%

There are still issues across the city however;

- 2nd highest unemployment rate amongst the UK Core Cities
 - Youth unemployment has increased in each of the last two years
 - Employment in Glasgow has decreased by 2.5% points over the last 3 years
- 1.4 Through the strategic leadership of the Economic Development team within Development and Regeneration Services (DRS), the Council commissions a range of employability interventions. These interventions support the Economic Strategy by helping individuals from key target groups who are furthest from the labour market and / or experiencing in-work poverty.
 - 1.5 Over the next 3-4 year period significant changes are expected in the employability landscape, particularly in how public sector funding is managed. This report outlines these changes and considers how the Council and its partners may adapt to and maximise the positive impact of these changes on our services and the individuals we support.

2 Background

- 2.1 Early 2020 saw the refresh of Glasgow’s Economic Strategy. The refresh did not re-write the current strategy, but rather reviewed the activity over the first three years and considered actions to progress the next four years of the strategy. Attached is the [link](#) to the Committee report. The refresh will therefore continue with the aim of making Glasgow “the most productive major city economy in the UK”, with ‘tackling the causes of generational unemployment, poor health and shortage of skills’ as key objectives.

- 2.2 A number of the 50 early actions of the Economic Strategy have been completed, most notably the creation of a Jobs and Skills Board. The Employment and Skills Hub of the Glasgow Partnership for Economic Growth (GPEG) fulfils this function. The Hub has met every two months over the course of the first year. The Hub has clearly defined Terms of Reference; To oversee the strategic development of employment and skills in Glasgow, including the relevant elements of the Glasgow Economic Strategy and support the action plans from the city's key sectors, with a particular focus to:
- Make better use of funding, consider gaps in provision and remove duplication
 - Ensure quality of provision
 - Consider the Inclusive Growth agenda
 - Link to the Scottish Government's Integration and Alignment agenda
 - Consider Glasgow City Region developments
 - Support the City's key sectors
 - Promote Life Long Learning and upskilling
 - Consider the Scottish Government Enterprise & Skills Review
- 2.3 The experience over the first year demonstrates that the Hub will play an important role in both shaping strategic policy, but also in helping to better align partner activity and resources. In the past 12 months the Hub has considered the refresh of the Glasgow Guarantee and the design of the Parental Employment Support Fund, together with developing an approach to managing the potential impact of a 'no-deal' Brexit.
- 2.4 In addition to the refresh and ongoing delivery of Glasgow's Economic Strategy there are a number of internal and external policy drivers that will shape employability activity until 2023/24.

3 Internal Drivers of change.

3.1 Review of employability

- 3.1.1 The current administration committed to a review of employability services across the Council family, to map services and identify any duplication. Appendix 1 provides a summary of the services provided by the Council Family. The analysis showed that the majority of individuals supported by the Council family come from harder to reach groups, and a high number of these beneficiaries face significant barriers to employment. The exceptions being Education Services and JBG, which provide more generic, volume employability service.
- 3.1.2 The review found that whilst there may have been duplication across the Council family in the past, due to contracting resources, there is little or no duplication now. However, there is also no strategic overview of employability services across the Council family and this needs to be reviewed and streamlined to ensure that the Council family has a joined up approach which concentrates on individuals furthest from the labour market. It is proposed that an officer oversight group would help ensure the status of current delivery

across the Council family is understood and noted. This should include quarterly tracking/reporting of outcomes and scrutiny prior to any new initiatives being introduced. This group will be chaired by the Group Manager for Employment & Strategy in DRS.

3.2 Inclusive Growth Priorities

3.2.1 In May 2019, the Council's City Administration Committee agreed the Inclusive Growth priorities for Glasgow as:

1. Costs and benefits of fair work practices (e.g., Living Wage)
2. Advanced digital skills (local population)
3. Entry level skills / work readiness
4. Access to flexible, affordable and good quality childcare (0-16yrs)
5. Transport (people to jobs)
6. Basic digital skills (note: basic digital skills were included in the final list due to scoring the highest in relation to deliverability)
7. Health and wellbeing.

3.2.2 As a comprehensive employability programme for Glasgow is developed, it not only needs to take into account the Inclusive Growth priorities, but be actively shaped by them.

3.3 Council Family Review

As part of the ongoing Council Family Review process, a review is being carried out of Jobs and Business Glasgow (JBG). This will take account of the Council's requirements for commissioning employability services from JBG and other providers.

4 External Drivers of change.

4.1 Scottish Government "No One Left Behind" (NOLB) Plan

4.1.1 In early 2018 the Scottish Government launched its NOLB plan. The plan outlined the next steps for the integration and alignment of employability support across Scotland. One of the main strands is for 'all those involved to work more closely together to simplify the current landscape and deliver better outcomes for those people who face significant barriers to accessing work.' Glasgow welcomes this aim and is supportive of the Scottish Government's approach.

4.2 Employability Partnership Agreement

4.2.1 In December 2018 the Minister for Employability and Training signed a partnership agreement with the COSLA Spokesperson for Community Wellbeing. The principles of this partnership agreement 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 ensuring mechanisms are in place for regular, strong two-way communication
- Delivering excellent public services and providing 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 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.

4.2.2 One of the initial tangible outcomes from this partnership agreement and progression toward greater integration was the re-alignment of the first element of NOLB funding in April 2019. More detail on this is provided in section 4.5.

4.3 GPEG

4.3.1 The next meeting of the GPEG Employment and Skills Hub in April 2020 will be hosted by the Scottish Government and its focus will be on the NOLB approach and how Glasgow can shape its services to meet the shared agenda. It will consider the vision for a comprehensive and effective employability programme in the city. It is important that partners have a clear vision of what is trying to be achieved and to be more strategic in planning and delivering employability support. The following statement will be proposed as that vision:

“Develop a programme of employability support, for those furthest from the labour market and those experiencing in-work poverty, based on need, not funding mechanism.”

4.4 Glasgow City Region (“GCR”) City Deal

4.4.1 Following the successful delivery of the labour market projects as part of the GCR City Deal, the GCR Skills and Employment group is now taking a more active role in shaping policy direction and delivery. The Regional Economic Strategy includes a ‘People’ theme with one of the strategic outcomes identified as: ‘An educated, skilled, enabled and supported population participating in, and benefiting from, a fair and growing economy, with no one left behind’. There are four actions which underpin this and will directly influence future employability programmes in Glasgow.

- Research, develop and implement a Regional Employment Strategy and comprehensive suite of regional interventions to meet identified need, increase economic activity and support in-work progression.
- Research, develop and implement an Integrated City Region Employer Offer aligned to skills gaps to promote inclusion and support in-work progression.
- Establish a single City Region Jobs Portal
- Research, develop and implement a Regional Fair Work Strategy to create a Fair Work City Region

4.5 Funding

- 4.5.1 The funding landscape for employability is complex and fragile, with a dependency on annualised or short term, project specific, funding from a range of different sources. This is challenging for the Council to plan strategically. For those organisations commissioned to deliver employability programmes it also does not allow for medium and longer term operational planning.
- 4.5.2 It should be noted that the current Scottish Government European Social Fund (ESF) Phase 1 programme is under full suspension from the European Commission. The uncertainty caused by the suspension has resulted in a delay in the procurement of a second phase of activity.
- 4.5.3 With Brexit having taken place on 31 January 2020 it is now clear that the UK will not have access to the new programme of EU Structural Funds. The UK government has made a commitment to developing the UK Shared Prosperity Fund (SPF) as a replacement. Any future employability programme in Glasgow will need to consider this. The UK Government have committed to undertaking a consultation on the SPF, however no timescales have been confirmed. The Scottish Government have recently undertaken their own consultation on the SPF which the Council have responded to.
- 4.5.4 As noted under section 4.2.2 the initial tranche of NOLB budgets has been devolved by the Scottish Government to Local Government.
- 4.5.5 These initial budgets previously funded the Scottish Employer Recruitment Incentive (SERI) and Activity Agreements. SERI was delivered by Local Authorities on behalf of the Scottish Government and worth £260,000 per annum in Glasgow – this was delivered by Economic Development. Activity Agreements, which in Glasgow are delivered by Education Services, are worth £364,000 per annum. This funding will continue and will be augmented in future years.
- 4.5.6 The NOLB 2019/20 budget has part funded the ‘Assisted Garden Maintenance’ programme delivered by JBG, and Education Services continue to deliver Activity Agreements. While these two projects have delivered demonstrable outcomes, due to tight timescales this was not planned strategically and with further consideration could enhanced outcomes.
- 4.5.7 From the initial discussions between Scottish Government and COSLA it is expected that in the coming years additional budgets will be devolved to Local

Government through this model. Budgets considered currently to be in scope include:

- Employability Fund; Provides up to 8 weeks training to individuals aligned to the employability pipeline. Currently administered and commissioned by Skills Development Scotland. Budget c. £1.5 per annum.
- Fair Start Scotland (FSS); Service includes barrier removal and skills development. FSS is the Scottish Government's first devolved employability programme. The current programme budget is c. £7m over three years.
- UK Shared Prosperity Fund (SPF); as noted under 4.5.3 no details are available of the new programme

4.5.8 If implemented, this approach will have a positive impact on the ability of the Council to plan its employability strategy in the medium and longer term, thus further benefitting its citizens.

5 Current and Planned Activity

5.1 DRS, through Economic Development, does not deliver operational employability activity but sets the strategy, acts as budget holder, commissions delivery of employability interventions and monitors compliance. It is considered important from a governance perspective that the strategic and operational elements of delivery are separated. This ensures that there is appropriate and objective oversight of delivery, in compliance with the terms and conditions of funding.

5.2 Employability projects and programmes are commissioned from JBG and other third parties. This is referred to further in section 6.

5.3 The Council will continue to manage the Glasgow Guarantee (GG), one of the Council's main employability interventions over the past 10 years. GG has supported 2,000 Glasgow based businesses recruit and retain 9,000 Glasgow residents. The Council has invested more than £50m to support the programme to date. Committee will be aware following a comprehensive external evaluation the GG was relaunched 7 October 2019 with a renewed focus. The new programme has a number of key elements:

- No age restrictions; the programme is now open to all unemployed age groups in Glasgow who experience barriers to employment.
- Candidates will be 'job ready'; all candidates, who are not school/college leavers, will have had the support from a local Employability Provider before joining the scheme, to help them be 'job ready'.
- Progression Award; to support individuals progress in the workplace, the GG will offer an 'on-the-job' training fund, of up to £1,000, to achieve a recognised qualification.
- Conversion to work; ability for Employability Providers to convert work experience placements into full time paid roles.

5.4 An annual review of the GG will be undertaken to consider its ongoing effectiveness in changing economic circumstances.

- 5.5 The Scottish Government, as Managing Authority, has agreed to the Council's ESF Phase 2 proposal, to deliver activity from January 2021 to December 2022. Phase 2 will take into account the changing employability landscape, policy priorities and the wider city economy. It should be noted that the key target groups will remain: individuals with multiple barriers to employment; lone parents; ethnic minorities; and disabled people. An additional element will be introduced for Phase 2, learning from the In Work Progression pilot, for people experiencing in work poverty. As noted in 4.5.2, procurement of Phase 2 has been delayed due to the full suspension of ESF.
- 5.6 The Council's Education Services is currently reviewing its approach to maximising positive destinations for school leavers. The most recent statistics have shown that 92% of Glasgow school leavers progress to a positive destination. However Education Services is developing its 'Towards Better Futures' strategy to improve this further and maximise the sustainability of these destinations. Education Services has already significantly helped shape the re-freshed Glasgow Guarantee, with a focus on school leavers.
- 5.7 There are a number of high profile, high value and high volume investments currently taking place in the city, including Scotland's Social Security Agency (SSSA), Barclays and JP Morgan. These developments present a significant opportunity for individuals from key target groups to enter industry sectors that present them with career progression and not just entry level roles. To support this activity a 'Maximising Employment Opportunities' programme is being developed by the Adult Employment Team.

6 Strategic Relationship with Jobs and Business Glasgow.

- 6.1 JBG is an Arms-Length External Organisation (ALEO) of the Council and is a limited company with charitable status. Despite significant job losses in 2016 JBG remains by some margin the largest provider of employability advice and guidance in the city. Both directly and in partnership with specialist service providers, it delivers a far reaching combination of: Early Engagement; Intensive Intervention and Support; Work preparation; Support into Work; and Employment Retention and progression activities. JBG delivers from over 40 locations throughout the city with the aim of being within a 15 minute walk from any potential client.
- 6.2 The JBG employability model, which is devoted solely to Glasgow citizens, together with its ability to attract charitable funds, and provide match funding where appropriate makes JBG a unique employability provider in Glasgow and a core delivery partner for the Council. Without JBG, grant funding could be lost to the city.
- 6.3 JBG is therefore a key strategic delivery partner for employability provision in the city, and employability remains the cornerstone and key function of the company.

- 6.4 The Council has a Services Contract with JBG which funds core JBG activity, including employability. Services are provided by JBG to the Council using the 'teckal' method, and are subject to best value.
- 6.5 However, JBG is being challenged by the funding landscape and over the past 18 months it has become clear that JBG does not currently have the flexibility or resources to react to requests from the Council to deliver additional employability activity. As funding is channelled from the Scottish Government to the Council for the alignment of employability services, the Council will need to develop a more flexible and robust approach to how we commission services.
- 6.6 JBG requires a clearly defined SLA from the Council setting out what services are required, for what period, together with KPI's in order to allow for proper forward planning of their services both in the medium and long term. A short term approach will still require to be taken until the funding landscape is more clearly defined in 2023/4.

7. Future Delivery

- 7.1 DRS has hosted a number of workshop sessions to consider the most appropriate strategic management and delivery options for re-designed employability services in the city. As stated previously, plans can currently only be made on a short to medium term basis due to the changing funding landscape. It is therefore recommended that the current operational and delivery model remains in place, and a review of this can take place once the medium and longer term landscape and funding position has become more defined.
- 7.2 DRS Economic Development will continue to provide employability strategy and policy development. It is proposed that JBG will continue to be the Council's core employability services provider, however where appropriate the Council will also commission Third and private sector provision for specialist services.

8 Conclusions and Next Steps

- 8.1 The Council will need to take a short term approach to planning employability due to the current funding model in place. However, it is hoped that the funding landscape will become clearer in the lead up to 2023, and there is an expectation that significant funding will be routed through local authorities which will allow a medium and longer term approach to be taken to planning.
- 8.2 Economic Development will develop an oversight group for council family employability activity, as recommended by the employability review.
- 8.3 As the funding landscape becomes clearer, further reports will be presented to Committee to provide an update on a revised employability strategy.

9 Policy and Resource Implications:

Resource Implications:

<i>Financial:</i>	<i>As noted in the report there is the potential for the re-alignment of funding</i>
<i>Legal:</i>	<i>No legal issues.</i>
<i>Personnel:</i>	<i>Management and development of the new programme will be through existing resources.</i>
<i>Procurement:</i>	<i>Procurement will be considered as the programme is being developed.</i>

Council Strategic Plan: A Thriving Economy actions 3, 4, 5, 8, and 9.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-21:

Yes

What are the potential equality impacts as a result of this report? :

The development of an employability programme that supports individuals from key target groups, furthest from the labour market, will impact positively on equalities.

Please highlight if the policy/proposal will help address socio-economic disadvantage:

Again with the programme focusing on individuals furthest from the labour market it will directly address socio-economic disadvantage.

Sustainability Impacts:

Environmental: No relevant environmental issues as a result of this report.

Social, including opportunities under Article 20 of the European Public Procurement Directive

As noted the employability programme will support individuals furthest from the labour market.

Economic:

As noted the employability programme will support individuals furthest from the labour market.

Privacy and Data Protection:

No data protection impacts identified

10 Recommendations

- 10.1 Committee is asked to consider the content of the report, including the approach to the commissioning of Jobs and Business Glasgow (JBG) to deliver employability activity on behalf of the Council.

Appendix 1; GCC Employability Delivery

ESF Supported Projects

- Glasgow Supported Employment Service (including Project Search) - Learning Disability/Autism Spectrum. HSCP (GCC Social Work)
- Care Leavers Employment Service (Launchpad). HSCP (GCC Social Work)
- Choice Works - supporting those with an offending background. GCC Neighbourhoods and Sustainability (formerly Community Safety Glasgow)

HSCP:

- Restart – support to individuals with mental health conditions.

The HSCP also supports employability through funding the following charities:

- Flourish House, Scottish Association of Mental Health (SAMH), Coachhouse Trust - mental health projects
- Elevate - Public Social Partnership led by Glasgow Council on Alcohol supporting people with addictions

Other:

There are other activities delivered by Glasgow Life and Education Services which support people's employability, but they would not be defined as employability projects