



**Glasgow City Council**

**Economy, Housing, Transport and  
Regeneration City Policy Committee**

**Report by Director of Regional Economic Growth**

**Item 6**

**7th March 2023**

**Contact: Frankie Barrett**

**Ext: 74452**

## **UPDATE ON GLASGOW EMPLOYABILITY PROGRAMME**

### **Purpose of Report:**

To provide an update on the approach being taken for developing an holistic, all age employability pipeline based on individual need, and to consider the implications for the next 18 months.

### **Recommendations:**

Committee is asked to consider the content of the report.

Ward No(s):

Citywide: ✓

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

### **PLEASE NOTE THE FOLLOWING:**

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## 1 Introduction

- 1.1. At the heart of Glasgow's Economic Strategy (2022-2030) is the inclusive growth agenda, which focuses on creating opportunities for all citizens. This means generating new pathways into skills and fair work, a priority that has never been more important given the current cost of living crisis.
- 1.2. Glasgow City Council ("the Council") progresses this agenda in partnership with public sector partners, the third and private sector. This is done through a shared aspiration to support those furthest from the labour market, address in-work poverty, and deliver holistic and wraparound provision that supports individuals into employment
- 1.3. Relevant trends that relate to this agenda are positive. According to ONS:
  - Unemployment rates have reduced from 6.3% in 2018 to 3.8% in 2021
  - Economic inactivity rates over the same period reducing from 31.4% to 27.9%
  - Youth unemployment dropping from 14.2% in 2020 to 7.7% in 2022
  - Underemployment rates dropping from 8.6% in 2019 to 6.3% in 2020

However, key economic challenges persist, amongst which are:

- Economic inactivity rates that are above regional, national and UK averages
  - Employment rates decreasing by 5.1% between 2020 and 2021
  - Child poverty rates that exceed the regional and national average
  - A gender employment gap that widened from 9.1% (74.5% Male/65.4% Female) in 2020 to 14.5% (77.6% Male/63.1% Female) in 2021
  - A recognition that child poverty rates and the gender employment gap have been influenced by a number of factors, including the pandemic and the cost of living crisis
- 1.4. Through the leadership and governance of the Local Employability Partnership (LEP), the city is focused on addressing these challenges, building on past success, and ensuring that outcomes are improved for all, especially those furthest from the labour market or experiencing in-work poverty. The LEP (<https://www.employabilityinScotland.com/partnership/our-partners/local-authorities/>) consist of key strategic employability partners and is chaired by the Council.
  - 1.5. The role of the Council is clear, to facilitate the design and delivery of integrated employability services. This means working with the partners to co-design, co-commission and monitor compliance of provision. It is 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. The current programme consists of over 30 projects, delivered internally by Council Departments or the Council Family, or externally, through commissioning of third sector and private providers.
  - 1.6. The delivery model is largely based on the provision of key-workers. This allows for individuals with varying needs to receive tailored support on a 1-2-1 basis.

This helps participants to overcome barriers, to improve life chances, and to move closer to the employment market.

- 1.7. The next 18 months will see Glasgow's employability infrastructure evolve as funding and policy landscapes shift. This report outlines these changes, and details approaches being taken to ensure that employability provision continues to deliver maximum value and impact for residents.

## **2. Background**

### **2.1. Policy Context**

- 2.1.1. In 2018, the Scottish Government announced ambitions for a more coherent and holistic employability system that would place people at the centre of the design and delivery of services. The national strategy of No One Left Behind (NOLB) was developed with this vision, marking a step change in the way in which employability provision should be planned for and delivered.
- 2.1.2. This strategy was formalised by a partnership agreement for employability, signaling a commitment to a joined-up approach between the Scottish Government and Local Authorities. It paved the way for better collaboration between city partners to identify local needs and make informed, evidence-based decisions that meet emerging local labour demands.
- 2.1.3. The shared aspiration is for a transition away from discreet and separate employability programmes towards a single 'all-age' approach where provision is determined by the LEP, and where interventions target individuals who are in most need of support.
- 2.1.4. The Glasgow Economic Strategy advances this further, outlining a roadmap for a holistic, all age employability pipeline based on individual need. It also demonstrates a commitment to continuously improving the performance and impact of services through the creation of a quality standard for Glasgow employability provision outlined in 3.6 of this report.

## 2.2. Funding Context

2.2.1. The funding landscape for employability provision is changing. The table below illustrates the efforts that have been made to transition from multiple project specific funding streams towards a more simplified programme. This table also demonstrates the fluctuations in annual funding awards.

			19/20	20/21	21/22	22/23	23/24
Programme	Target	Funder					
Glasgow Guarantee	All Age	GCC	4,800,000	4,800,000	4,800,000	4,800,000	2,600,000
European Social Fund	All Age	EU	1,900,000	1,900,000	1,900,000	1,900,000	
No One Left Behind	All Age	SG	660,000	660,000	660,000	2,200,000	2,800,000
Young Persons Guarantee	Young People	SG		4,300,000	6,500,000	2,030,000	
Parental Employability Support Fund	Parent	SG	296,000	1,000,000	1,200,000	1,200,000	7,000,000
Partnership for Continuing Employment	All Age	SG			250,000		
Intermediate Labour Market Support	>25	SG				2,650,000	
Community Jobs Scotland	Young People	SG	475,000	475,000	475,000		
Employability Fund	Young People	SG	1,339,500	1,339,500	1,339,500		
UKSPF People & Skills (£6.7m)	All Age	UKG					3,500,000
<b>Total</b>			<b>9,470,500</b>	<b>14,474,500</b>	<b>17,124,500</b>	<b>14,780,000</b>	<b>15,900,000</b>

2.2.2. Working with the Scottish Government the NOLB transition programme is taking place over three phases. Phase 1 and 2 are complete, with the final phase due in April 2024 with the transfer of budgets that currently fund the Fair Start Scotland programme.

2.2.3. Whilst there appears to be broad commitment from the Scottish Government towards this transition and simplification of the funding landscape they continue to allocate funding that is annualised and bound with strict spend criteria. The budget composition makes medium to long-term planning very difficult for both the Council and operational providers. It also requires significant efforts to mitigate risks associated with disruption to service provision, job insecurity from short-term contracts for front-line staff, and challenges in achieving full spend and maximising impact.

2.2.4. The Council's Scottish Government allocation for all age provision under the core NOLB funding is set to see a 33% reduction in 2023/24. Funding of £2.8m, down from £4.2m sees the combination of the previously distinct NOLB and Young Person's Guarantee budgets.

2.2.5. Members will already be aware that European Structural and Investment Funding (ESIF) will cease to be available in 2023. The Council has previously

accessed European Social Fund (ESF) monies and this accounted for £1.9m of employability activity in 2022/23.

- 2.2.6. The replacement for employability funding previously drawn down through ESF will be through the People and Skills Investment Priority of UK Shared Prosperity Funding (UKSPF). This funding consists of approximately £6.7m across the years 2023/24 and 2024/25 and will be used exclusively to fund employability programme activity.
- 2.2.7. Furthermore, 2021/22 saw underspend of employability funding due to the slow-down caused by the pandemic, and subsequent recovery efforts. Scottish Government underspend came back to the Council through the General Revenue Grant (GRG) in 2022/23. This funding equates to £8m and relates to NOLB, YPG, and PESF. GRG is currently being utilised and any funding that is unspent in 2023/23 will be carried forward to 2023/24 to deliver employability activity.
- 2.2.8. In terms of Scottish Government funding, an allocation of £7m through Parental Employability Support Funding (PESF) is expected for 2023/24. This compares to £1.2m in 2022/23. To date, this investment has been used to target parents who are employed on low incomes to tackle in work poverty, and to support parents not yet in work to address barriers and progress towards employment.
- 2.2.9. This significant increase in PESF reflects the Ministerial commitment to tackling child poverty in Scotland.
- 2.2.10. Whilst any additional funding is welcome, dialogue with the Scottish Government is ongoing relating to the flexibilities that would be required to ensure that this funding creates real value and addresses child poverty rates in the city.

### **2.3. LEP Representation**

- 2.3.1. It should be noted that the LEP made representation to the Scottish Government in November 2021 relating to the funding challenges described above. Whilst these issues were acknowledged, little progress in addressing them has been made. The LEP is of the opinion that the configuration of 2023/24 Scottish Government employability funding is at odds with the core principles of the NOLB agenda. The LEP intends to write again to the Scottish Government highlighting the issues that haven't been addressed over the last 12 months and may well not be addressed in the next 12 months.

### **2.4. Commissioning**

- 2.4.1. Over the last 12 months, commissioning of any new activity has been subject to major delays. This is due to issues that Scotland Excel have faced in establishing the new national Dynamic Purchasing System (DPS). The DPS is currently the default route to market for employability services in Scotland and the only available live procurement framework in Glasgow. These setbacks

have delayed the award of new contracts and have had a knock-on effect on the development of the employability pipeline.

### **3. Planning Approach**

#### **3.1. Service Development**

3.1.1. The development of the employability pipeline continues to progress through a design process that is based on the Scottish Approach to Service Design. With support from the Council's Centre for Civic Innovation, the partners are drawing on integrated social and economic data sets, building on insights from front line service delivery, and analysing the impact of activity.

3.1.2. The design process will include the assessment of existing and future provision in terms of its accessibility and impact for users with protected characteristics. This will include the application of a gender equality lens, alongside the consideration of ethnicity and disabilities to ensure that provision is inclusive, accessible, and equitable.

3.1.3. This design process will result in a framework that maps out Glasgow's funding priorities and sets out the full extent of activity that we aim to have in place from April 2024. It will also outline measures that are required to develop better connected and integrated employability infrastructure that is based on a no wrong door approach.

3.1.4. An additional three contracts have recently been commissioned via the DPS. These contracts, which were approved by Contracts and Property Committee on the 23<sup>rd</sup> February 2023, have a combined value of £5m. They will be delivered over 18 months with each contract awarded to consortia. New projects consist of:

- A project with a contract value of £500k, led by Enable to work with unemployed disabled parents. It will target those not currently engaging with services with a view to linking them into the provision they need.
- Paid work placements led by GCVS with a contract value of £1.5m. This is an all-age offering that will consist of a 26-week work placement, up to 26 hours per week, paid at the Real Living Wage. They will include a professional qualification or accreditation.
- Training for Work, a project led by Enable with a contract value of £3m. Another all-age project, it includes a training allowance of £55 per week for those who are eligible. Activity will support individuals into employment, apprenticeships, further education, or higher education.

3.1.5. These contracts address a critical gap in provision as identified by the LEP. They are an important step on the journey towards a revised employability pipeline. Payment of the Real Living Wage and training allowances will support people to participate who may otherwise have been unable to, which is of particular importance during the current cost of living crisis.

### **3.2. PESF Allocation**

- 3.2.1. As referenced in Section 2.2.10, officers are in dialogue with Scottish Government colleagues to agree additional funding flexibilities relating to PESF.
- 3.2.2. Currently PESF can only be used to support parents who fall into specific categories. These include: lone parents; parents aged 25 years and less; parents with young children; BME families; parents with multiple children; disabled parents; or parents with disabled children. In the past, restrictions have also applied to the type of activity that the funding can support. For example, childcare costs have traditionally been ineligible. Broader criteria are crucial if the Council is to ensure that this funding is used in the spirit it is intended, is aligned with the NOLB agenda, and most importantly reduces child poverty rates in the city.
- 3.2.3. There are a number of opportunities for PESF to enhance existing employability provision in the city, and Officers are in the processes of determining opportunities for scaling-up existing projects and improving the offering for parents in areas such as training for work, paid work placements, or via JBG key workers. It could also be used to support barrier removal for eligible parents relating, for example, to transport costs, childcare, or clothing costs.
- 3.2.4. Conversations are underway to identify opportunities for PESF to support the development and delivery of the Glasgow Child Poverty Pathfinder - a project designed in partnership with a range of national and local stakeholders that includes the Scottish Government, the HSCP, and the third sector (GCVS). It provides real opportunities to challenge how services are currently accessed and delivered to families, redesigning holistic employability support in line with the No Wrong Door and No One Left Behind approaches.

### **3.3. The Glasgow Guarantee**

- 3.3.1. The Council will continue to manage the Glasgow Guarantee (GG), one of the Council's main employability interventions over the past 13 years. The programme has supported around 2,500 Glasgow based businesses to recruit and retain staff, providing over 10,500 individuals an opportunity to move into permanent, living wage employment.
- 3.3.2. Target outcomes for the GG remain high, with 380 people to be supported over 2023/24. In the face of the cost-of-living crisis, the scope of the GG programme has also been extended to support underemployed individuals – those who are in work but who would be keen to work more hours and increase their income from employment.
- 3.3.3. Through the Service Design process, Officers will seek to determine the role of the GG as part of the employability pipeline moving forward.

### **3.4. Supporting Redundancies**

3.4.1. Supporting the Partnership Action for Continuing Employment (PACE) continues to be a priority. This means working alongside the DWP, Skills Development Scotland (SDS), and JBG to assist businesses to minimise the impact of redundancy before it happens. For employees, it means impartial advice on dealing with the practical elements of redundancy which could include personal development planning and supporting individuals into alternative employment.

3.4.2. Members will see from Table 1 that the Council receives no dedicated PACE funding from the Scottish Government. It should be noted that neither do other organisations such as SDS or DWP. Where intervention is required, the Council, like all partners, has a responsibility to utilise core funding. It would be impossible to forecast demand. However, due to the vulnerability of businesses in the face of macroeconomic pressures, contingency of £40k for PACE training activity will be factored into 2023/24 NOLB and PESF employability budgets.

### **3.5. Skills Development**

3.5.1. This approach is aligned with an emerging priority on skills development which is becoming a more prominent focus for the LEP. This includes the delivery of the UKSPF Multiply project, for which £4.5m over 2023/24 and 2024/25 will be used to develop numeracy skills for adults (19+) as a vehicle for improving employment outcomes and addressing in-work poverty of participants. The project will be managed by Glasgow Life and will consist of in-house provision across the range of Glasgow Life facilities, delivery through Glasgow's FE establishments and a competitive grant scheme to support third sector delivery.

### **3.6. Quality Standard for a Fairer Glasgow**

3.6.1. To continuously improve quality across the full programme of employability support, the Glasgow Employability Standard will be piloted from August 2023. Providers of employability services will be required to meet the standard as a condition of working with the council. Providers will be required to demonstrate that stringent criteria relating to service excellence has been met, and that this can be adhered to on a sustained basis.

3.6.2. This standard has been developed in collaboration with the NHS GGC through a process of co-design with service providers and project participants. It is the first of its kind in the world and has been developed after feedback held with lived experience groups in their perceptions of employability support and the barriers to engaging.

## **4. Conclusions and Next Steps**

4.1. Due to the funding model currently in place, the Council will need to strike a balance between short-term employability planning and longer-term service development.



- 4.2. It is hoped that the funding landscape will continue to develop over the next 18 months in line with Scottish Local Authority Economic Development (SLAED) People Group consensus that funding routed through local authorities must better allow for medium to longer-term approaches to be taken.
- 4.3. Over the coming 6 months, service development to design the new employability pipeline framework will continue.
- 4.4. As the funding landscape becomes clearer and the employability pipeline is defined, further reports will be presented to Committee to provide an update on a revised employability structure.

## 5. Policy and Resource Implications

### Resource Implications:

<i>Financial:</i>	Covered by agreed budgets.
<i>Legal:</i>	Legal are assisting with the procurement of upcoming and pipeline contracts, or any amendments to Service Agreements with ALEOs.
<i>Personnel:</i>	Implications associated with any increased volume of activity are being determined.
<i>Procurement:</i>	CPU are assisting with current and future pipeline procurements.

<b>Council Strategic Plan:</b>	<p>Grand Challenge 1: Reduce poverty and inequality in our communities</p> <ul style="list-style-type: none"> <li>• Mission 3: Improve the health and wellbeing of our local communities</li> <li>• Mission 4: Support Glasgow to be a city that is active and culturally vibrant</li> </ul> <p>Grand Challenge 2: Increase opportunity and prosperity for all our citizens</p> <ul style="list-style-type: none"> <li>• Mission 1: Support Glasgow residents into sustainable and fair work</li> </ul>
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### Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.* Directly supports Outcome 1 - An increased proportion of women, black and minority ethnic people, younger people, disabled people and LGBTI+ are supported to enter employment or training.

*What are the potential equality impacts as a result of this report?* Positive impact.

*Please highlight if the policy/proposal will help address socio-economic disadvantage.* The employability provision outlined in this report is designed to support the most socio-economically disadvantaged individuals in the city.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:* Directly supports the delivery of actions 8a and 10a.

*What are the potential climate impacts as a result of this proposal?* No climate impacts.

*Will the proposal contribute to Glasgow's net zero carbon target?* Contribution through the development of the green skills and employment that will result from delivery of the employability pipeline.

**Privacy and Data Protection Impacts:** No data protection impacts currently identified.

## **7 Recommendations**

**7.1** Committee is asked to consider and note the contents of this update.