



**Young People's Consortium Response to the Scottish Government's consultation on *Creating a Fairer Scotland: Employability Support: A Discussion Paper***

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**1. Introduction**

Action for Children, Barnardo's Scotland and The Prince's Trust Scotland (the Consortium) have worked together in Scotland for a number of years to help disadvantaged young people overcome personal barriers and move towards education and training, find jobs and start up their own businesses. This partnership formalised around the creation of a Young Peoples' Consortium in order to provide a solution to the delivery of European Structural Funds in Scotland. During this process it became clear that together we could do much more to change the lives of disadvantaged young people in Scotland. To achieve this goal, employment services that effectively target the needs of disadvantaged young people are essential.

The Consortium welcomes this opportunity to contribute to consultation on the future of Scotland's employment services. This submission is underpinned by the need to listen to and empower young people, and the need to tailor to meet the individual needs of a diverse group. The members of the consortium are also actively engaged in other work to support vulnerable young people for example through aftercare services for care leavers, and one of the major opportunities that arises from the transfer of responsibility for employment programmes to the Scottish Parliament is the opportunity to better integrated different areas of work with vulnerable young people.

This consultation response is in two sections. The first sets out what the young people we work with tell us about what their needs are. The second answers the questions set by the Scottish Government in *Creating a Fairer Scotland: Employability Support: A Discussion Paper*.

## **2. What young people tell us**

As part of this consultation the Consortium held an event to hear the views of how the disadvantaged young people we work with, and the staff who work with them, believe employment services in Scotland should be structured.

Disadvantaged young people supported by the Consortium are often unemployed; struggling at school; in or leaving care; at risk of offending; or in the justice system. It is vital that these young people are supported to participate in the decisions that will ultimately affect their futures.

Young people with a range of needs often face insurmountable barriers to training and employment unless they have personalised, holistic support. This support is vital if vulnerable young people are to fulfil their potential. If these barriers are addressed at an early stage it enables these young people to become active members of society. If left unchecked, the transition to long-term employment can be hindered, with harmful, lasting effects on the individual.

The following themes emerged in our conversations with young people at our consultation event:

- a. **Personalisation** – a recurring theme through the consultation was young people not being asked what their ambitions or needs were. A key factor for young people finding success whilst with services provided by members of the Consortium is effectively matching the individual with provision that meets their aspirations.

**Ensuring employability services can cater for young people at every stage of their development and can be adapted to support individual needs and ambitions is crucial to effective service delivery .**

- b. **Timing** – many of the young people highlighted the negative impact of being signposted to services that were not in line with their ambitions and needs. Having eventually found young people-focussed activities, they were able to excel but this extended their unemployment for months and sometimes years. **Reducing the length of time between a young person becoming unemployed and finding appropriate support services is vital to ensuring additional barriers to employment do not emerge during this time.**
- c. **Opportunities without borders** – restrictions on the type of opportunities that are accessible to young people, especially while on the Work Programme, was cited as a constant frustration. Many viewed their career progression as needing extra training or education but this route was blocked to them due to being part of the Work Programme.

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Equally, some had secure job opportunities through programmes such as Community Jobs Scotland but were unable to progress into them for the same reason.

Rather than a single, tightly bounded employability programme, which will not be able to address the wide variety of issues facing disadvantaged young people, approaches are required that are able to access and sign post to a full range of options.

- d. Sanctions** – sanctions, or rather the threat of sanctions, weighed heavily on the young people. There was a feeling of helplessness, with young people feeling they were unable to question or challenge when they were being sent to an unsuitable job interview, or when they were being referred to another service, because they feared being sanctioned. The young people described this very much as being treated like children, not as the adults that they actually are. In fact, one of the young people was sanctioned while attending the consultation which they had arranged with their Job Centre Plus advisor the previous week. While sanctions will remain the responsibility of the DWP, the transfer of responsibility for employment programmes gives rise to an opportunity to change the way that sanctions policy works in practice. If the staff working directly with young people do not recommend the application of a benefit sanction to the DWP, this will remove the threat in many cases. This would be a major contribution to a benefits system that encourages positive participation rather than punishment.

### **3. Response to the Consultation Questions**

#### Question 1

#### **What types of employment support service work best in Scotland, reflecting the very different needs of individual who are unemployed?**

The Consortium believes that whilst for some individuals, a short focussed job search or support activity can meet their needs, there is a strong case for a more individualised programme for those with additional support needs. This represents the beliefs of not only the Consortium, but also reflects the views of the young people we consulted. As part of our *Creating a Fairer Scotland* consultation event in September 2015, we asked young people to contribute with their varied experiences seeking employment and using employment support schemes and we took full account of them when developing this and other points in this response.

In both our (and their) experiences, approaches that work best for vulnerable individuals are services which address an individual's wider needs whilst focussing on their personal employability journey. This joint experience – which is supported by the Napier University WorkAble study<sup>1</sup> – leads us to believe that a 'capability approach' is required, where there is a recognition that any support for the most vulnerable should take into account factors such as self-confidence, resilience and motivation alongside external factors such as: an individual's physical and mental health and wellbeing; housing; financial capability; and substance misuse. This capability approach support is particularly required in order to provide vulnerable young people with the opportunity to develop their capability for work and to fulfil their potential.

Choice should be a key element of any employment support service. For many of the young people we work with, it is often assumed that they will take any work they can get, or should be somehow grateful if an offer is made. As such, it is also crucial that the young person's voice is heard when determining the type of support and work they are looking for. The aim should be that all young people have the opportunity to secure work that pays, offers progression within that job and delivers the future prospect of a career.

#### Question 2

#### **How best can we ensure the needs of different businesses and sectors in Scotland are aligned with employment programme outcomes?**

Employers should be at the heart of how we shape the support needed for the most vulnerable in society. Our experience is that by working closely with employers, we can understand their needs and they can articulate these quite clearly. However, they can also understand the needs of the young people we work with. The three consortium organisations have have thousands of employer places between them that often sit outside the current employability

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<sup>1</sup> WorkAble - Making Capabilities Work

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framework because one programme is trying to fund things in their entirety. We are missing out on significant private sector leverage as a result.

Initiatives which recognise the dual benefit for business and for the skills and opportunities of young people, such as Regional Invest In Youth<sup>2</sup> groups, are positive developments. Ensuring that support is there for both the young person and the employer helps to bridge any issues and secure meaningful employment for young people.

It would be beneficial for employers to map out what is needed and set challenges for employability programmes to respond to those needs. They should then work in partnership with providers to meet the challenges.

### Question 3

#### **What are the strengths and weaknesses of existing employment support programmes and delivery mechanisms in Scotland?**

##### Work Programme

The current delivery model drives provider behaviour. This means that those closest to the jobs market are more supported, which is a necessary feature in order for providers to retain a financially viable delivery model. Whilst this is a strength, it clearly benefits those who can make the step into employment with limited support and it is a disadvantage to those who need more intensive support.

It is a major weakness that the payment model does not recognise the more intensive support needs and resulting additional cost in supporting young people with these needs. The result is that these young people miss out on the specific, tailored support that they need. In addition, there is a danger that as the model is based on payment by results, those young people who need more support will not be the focus of providers.

The Work Programme has been of benefit to those closest to the jobs market and this should be recognised when considering any future employability service in Scotland. For many young people a short focussed job search intervention may be all that is required. However, it is vital that those who are furthest from the labour market are not disadvantaged by any new delivery model.

##### Employability Fund

It is a particular strength that the Fund fits with the strategic skills pipeline and that an assessment of need is undertaken to determine the stage on the pipeline at which a young person should start. There is also evidence of clear progression across the pipeline and on most occasions a recognised qualification is delivered which often helps secure passage onward to employment for young people.

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<sup>2</sup> <https://scottishbusinesspledge.scot/invest-in-youth/>

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Despite the positive aspects and the relationship with the strategic skills pipeline, in our experience we find that a number of young people are entering the pipeline at the wrong stage. This has a clear impact on their confidence and their ability to progress. There is a need for a more robust assessment process which addresses the real challenges of complying with complex rules.

Our analysis of current employment support is directly informed by the views of young people attending our consultation event who offered their perspectives on these programmes when they became unemployed. In general, the employability structure in Scotland is fractured and we need to examine ways in which we can better align employability-focussed funds that can maximise impact on the most vulnerable groups of young people and also complement other funding from sectors such as health and social care.

### Links with other Scottish Government activity

The Children and Young People (Scotland) Act increased the number of young care leavers who are eligible for aftercare support by at least 25%, and raised the eligibility period from the age of 21 to 26. Therefore an increasing number of the disadvantaged young people who would benefit the most from the capability approach' discussed earlier will also be being supported through aftercare and continuing care provisions, and there will be significant benefit in aligning the two support functions. This is just one of a number of areas where greater integration between employment support and other arms of government could lead a more integrated and effective offer.

### Question 4

**Where are the current examples of good practice in relation to alignment of services to most effectively support a seamless transition into employment?**

The *Reducing Re-Offending Change Fund* partnership between Action for Children (AfC) and Barnardo's Scotland is a good example of aligning services to ensure an effective and seamless transition.

The key aim of the partnership is to provide a mentoring service that helps young men leaving HMP Polmont to settle back in to their community and not re-offend. The partnership aligns a youth work based mentoring service (AfC) with a social care based employability service (Barnardo's Works) which has resulted in over 60% of the young men moving on to a positive destination and a 90% reduction in recidivism.

Another example is the Action for Children's *Transitions* programme, which provides young people who are looked after and accommodated (including those looked after at home) with a bespoke employability offer based on individual needs. The programme works closely with social work and "throughcare" and "aftercare" teams to ensure the individual has the right support in order for them to succeed. All young people are assessed, ensuring the correct level of resources are aligned. The programme provides

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the young people with individual action plans which includes key milestones and targets. The young people are guided by a mentor who accesses training, support and services that enable the young person to develop their skills in order to secure sustained work. This is supported through a workplace support provision provided by their mentor.

Another good example is that in 2015, The Prince's Trust opened the largest Youth Employment and Enterprise Hub in Scotland, in Glasgow City Centre. It has already attracted great interest within Scotland, the UK and internationally, from other professionals who are looking at this model as a wholly different way of tackling these long-standing, deep-rooted issues.

The hub will house a range of agencies that share the same values and have young people securely at the heart of everything they do. In utilising the combined experience and skills of all partner organisations, we will ensure that we are able to evaluate the needs of each young person and guarantee that each individual receives the most effective package of support that is, tailored, flexible and responsive to their changing needs. Partners include Barnardo's, Action for Children, Glasgow City Council's Connect 2 programmes which includes Venture Trust, FARE, Move On, Tomorrow's People and Impact Arts. Advanced discussions are in place with DWP and Skills Development Scotland about what role they can play in the hub. This multi agency approach will ensure that we are able to offer the most appropriate support to each individual's needs and maximise the range of personal development and vocational training experiences delivered to them.

Question 5

**What are the key improvements you would make to existing employment support services in Scotland to ensure more people secure better work?**

In relation to the young people we work with, there needs to be an effective and individualised assessment of their needs at day one of unemployment, which will align resources with their needs.

One major improvement would be a recognition that for many young people a simple job-brokering service is sufficient, while for those young people furthest from the labour market a more supportive, nurturing and longer-term intervention may be required.

We would advocate that there should be a targeted young person's provision, focussing on the most disadvantaged and in line with key recommendations from the Developing Scotland's Young Workforce research and the Youth Employment strategy.

We also suggest addressing the role of the present Local Employability Partnerships (LEPs) to better reflect the needs of local labour markets or employers. A less restrictive scheme which takes account of regional labour markets and travel to work areas could be more reflective of needs than local authority boundaries.

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Another key improvement would be the integration of other employability programmes and funds, particularly EU funding, national training programme funding and the potential for co-finance, through BIG lottery or potentially other public bodies like health services. As highlighted earlier, this integration should also extend, where possible to other government programmes and schemes, such as aftercare support for former care leavers.

We would also like to see more practical integration which reduces bureaucracy and improves the interaction between programmes, for example, referrals inward and outward. We would also like to see higher education included as an outcome as we know from evidence that this can help you earn more in later life. In addition, there should be some reduction in the fixed rules for accessing other provision whilst on the new programme that replaces the work programme or work choice.

Crucially, any improvements need to be employer and labour market led, with a partnership approach being encouraged between employers, employability support providers and the public, private and third sector.

Furthermore it is vital that employment is of good quality (in terms of pay, conditions, training etc.) and is made sustainable. A particular focus needs to be placed upon keeping young people in jobs and not just getting them a job. It is worth considering a mentoring service for young people as part of in-work support scheme which could involve the experience of third sector organisations. This could include the development of workplace mentors schemes through training and capacity building models which train employers on how to mentor and support a young person.

Question 6

**How best can we assess the support needs of an individual and then ensure the support they receive is aligned with requirements?**

An accurate assessment of needs is crucial at the earliest possible stage, which reflects the needs of the individual rather being based on length and type of benefit. Although for Jobcentre Plus this importance of length and type of benefit in the support process may be necessary within the new programme, it doesn't have to be the sole focus to determine the level of support and resources required.

A thorough assessment is needed at the start of the individual's period of unemployment. This should then influence the selection of programme and the point of entry at which a young person joins it.

As such it is important that:

- There is agreement between all partners on a common means of need assessment.

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- That such an assessment of need takes place at the earliest opportunity, is backed up with an effective resources and aligned to a performance framework and monitoring system.
- All statutory agencies should use the same assessment process. This should include Skills Development Scotland, Jobcentre Plus and the wider public sector organisations who all have a key part to play in taking this forward and making it a success.

Question 7

**How best can the employability pipeline framework help providers best assess and deliver services people need?**

It is accepted that the pipeline is a good guide to where a person or young person is presently situated on their employment journey. It is also helpful that you can measure distances travelled through progressing to positive destinations, including the next stage of the pipeline.

However, it is widely accepted and recognised that a young person's progress does not necessarily mirror that of the pipeline: it is not linear. The whole employment journey needs to be considered and services aligned to individual needs. It should also be noted that not all employability pipelines are sufficiently well developed to allow local providers to identify the most appropriate support and services.

Where the skills pipeline can assist is through identifying local provision that can be procured, purchased or provided that can address significant barriers to employment, for example, specialised substance misuse or mental health services.

Question 8

**How can early intervention best be integrated into employment support and the design of future programmes?**

Clear identification of priority groups is essential. Young people, ex-offenders and people with disabilities all need rapid access to provision as any delay can have a long-term negative effect on their employment prospects.

This should be supported by an agreed common initial assessment that can help identify groups who require immediate and, in most cases, long-term support. The earlier in a young person's life that such an assessment happens and necessary interventions are made, the better. This will allow challenges to be clearly highlighted and support to be targeted.

There is an opportunity for Skills Development Scotland (SDS) to focus more of its existing provision on 16-18 year olds, particularly those with complex and additional needs. This would move resources upstream, and possibly reduce the number of young people entering the system at aged 18 and over.

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There could be more focus on delivering the recommendations of Developing Scotland's Young Workforce, through ensuring vocational provision in schools and providing supported jobs of up to one year for vulnerable groups such as care leavers and those with disabilities.

Question 9

**What is the optimal duration of employment support, in terms of both moving individuals into work, and then sustaining their employment?**

The duration of provision has to be individualised depending on need. Young People in particular may progress rapidly through a programme, but require longer in-work support.

In our experience, many young people require support with the external factors that are present in their lives that may prevent them from thinking about work, for example, poor housing, substance misuse and debt. These are significant issues which are often compounded by a lack of confidence, mental health issues and absence of informal employer networks. This may require a more informal, supportive and nurturing level of support early on but once they have managed to deal with these issues they can very quickly move into work. Importantly, with continued in-work support they should be able to develop their skills and manage to sustain employment.

In recognising the needs of those further from the labour market we advocate a more substantial time period to achieve a range of outcomes as part of a process lasting up to two years. This could, for example, include six months of intensive employability support and barrier removal support followed by six months of vocational training and work experience and then one year of in-work support and tracking.

Question 10

**What are the benefits and challenges of a national contracting strategy for Scotland's future employment support service?**

Both the benefits and challenges lie in aligning currently fragmented funding streams so that the overall investment in employment support services can have greatest impact.

The current duplication of provision is inefficient, confuses employers and, most importantly, dilutes the impact of investment – with more investment directed at infrastructure, management and administration costs than at supporting individuals.

A national contracting strategy could ensure that this is not the case by bringing together and coordinating funding streams so that more funding is directed at the frontline to maximise support and outcomes for individuals. It would also allow for integration with other Scottish Government priorities,

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initiatives and funding in order to tackle inequalities and realise our economic potential.

We need to ensure that the proposed national contracting strategy has flexibility to meet the specific needs of different client groups, including those furthest from the labour market, and diverse local labour markets. National-level procurement should allow for provision to be delivered that meets employers needs across wide travel to work areas and also supports groups to find work within their travel to work area.

Question 11

**How best can we secure effective regional and local delivery of employment support in future?**

We advocate a balanced approach which combines a national contracting strategy which achieves economies of scale and efficiencies with a regional delivery structure to ensure responsive services aligned to labour market needs.

Our view is that a labour market measure should reflect the market itself, and this implies a small number of regional contracts to meet the diverse needs young individuals. It is at this regional level where the third sector can operate effectively and add value for both clients and funders.

Five or six contract packages would be sufficient to realise economies of scale and efficiencies whilst maintaining a regional focus within which diverse local labour markets can be recognised and responsive solution developed.

A key issue with the current Work Programme has been that the Scotland-wide package areas have precluded the inclusion of smaller localised organisations. Five or six regional contract packages would enable more locally responsive supply chains to be development, meeting individual and local labour market needs. More specialist locally specific provision can then be procured based on local need and using the expertise of many locally based organisations.

Co-production at the regional level, and around programmes for those furthest from the labour market could be piloted and tested to inform succession plans for the Work Programme and Work Choice in 2016/17.

Question 12

**Do national or more localised employment support programmes work better for different client groups. If so, which ones and why?**

To tackle inequalities and ensure that vulnerable client groups benefit from employment support, we are advocating a needs-led approach. This would ensure that the different client groups benefit from targeted support from providers that are expert in meeting their specific needs. For example,

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vulnerable young people such as care leavers and ex-offenders need to be supported by providers with experience of addressing their specific issues/barriers and opening up opportunities for these groups.

As a client group, young people have their own specific needs, often experiencing unemployment at a different stage of their life and career and having different experience. The support available to them needs to reflect these aspects as well as their individual needs.

A needs-led approach would enable the inclusion of expert providers with a proven track record of meeting the needs of different client groups and maximising progression and outcomes. An emphasis during procurement could be put on the past performance of interested delivery organisations. Insight into performance with specific client groups should be able to inform their ability to deliver successful support to specific groups, whether that is on a national or local level.

The experience of the Work Programme shows the potential limitations of a national Scotland-wide employment support programme, only working for individuals closest to the labour, has not worked for Scotland's most vulnerable client groups who are furthest from the labour market.

As mentioned earlier, this is a labour market measure and as such needs to reflect travel to work areas and the needs of employers.

It would be impractical to procure across 32 different local authority areas. However a smaller number of contract packages which fit with regional labour markets should be able to accommodate organisations with a proven track record of achieving results across diverse labour markets.

Question 13

**Who should be the contracting authority for devolved employment support provision?**

Our organisations have had positive experiences from working with a range of local and national contracting authorities, including positive relationships with Skills Development Scotland and Inspiring Scotland.

Similar to these two contracting bodies, we believe that the selected contracting authority should have the following capacity and capabilities:

- Existing track record of overseeing a national contracting strategy within a framework of regional/localised service delivery
- National infrastructure and proven performance management systems, able to scale-up as needed
- Flexible and able to evolve the contract as required
- Independent and objective

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- Experience of Payment by Results and managing funding models which support achievement of progression milestones as well as job outcomes
- Committed to supportive contract management, supporting providers to continuously improve quality and performance

When considering contracting for devolved employability provision we should be looking to contract against the needs of employers and job seekers and recognise the wider labour markets we work in. As such, we feel a contracting authority which has experience of delivering national training programmes which involve local decision making would be the most appropriate body.

Question 14

**Which client groups would benefit most from future employment support in Scotland and why?**

Our strong view is that that a specific focus on young people is essential within any future devolved service. A youth employment support programme is essential to reflect the specific issues, needs and barriers that young people face in engaging with the labour market, particularly following a period of economic difficulty. This aligns with Scottish Government strategy, *Developing the Young Workforce*, and the overall aim to reduce youth unemployment by 40% by 2021.

Any focus on young people needs to align with and complement the key objectives of the recently refreshed Youth Employment Strategy and recognise and address the needs of groups of vulnerable young people who have been identified as needing most support i.e. care leavers, ex-offenders, young carers and young people with disabilities.

Our experience tells us that that a majority of the most vulnerable young people have not received sufficient support to find work and stay in work with the Work Programme. Any future devolved services must recognise this failure and include specific steps to ensure there is a clear focus on supporting the most vulnerable young people and those not appearing in official statistics, Employment Support Allowance or Work Programme returners as a preventative measure for problems in the future.

Question 15

**What should be our ambitions for these client groups?**

Our organisations are ambitious for young people and we aim to support young people to reach their potential, and make a full contribution to Scotland's economy and future skills base.

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Our ambition is for the different client groups, and from our perspective young people in particular, to have access to the support they need in order to move towards sustained jobs they want. We aim to achieve our ambition by ensuring that all young people, including vulnerable groups furthest from the labour market, can benefit from personalised needs-led support. This support often has to be delivered over a substantial period of time, recognising individual starting-points and the longer-term journey that many young people have towards employability and sustained work.

One of the barriers to employment young people tell us about is that they require support around financial education and skills training. Being able to manage personal finances is not just a skill to be utilised in the workplace, it is also an important life skill. It should therefore be included in the design and implementation of current and future employability services in Scotland.

As part of this ambition we would like to see individual progress towards employability recognised and rewarded through a funding regime that incentivises progression and includes payment for achieving set milestones, particularly improved skills/training.

A key part of our collective ambition is to end the “Low Pay No Pay” cycle that many young people find themselves in; moving between low paid, insecure or temporary employment and benefits. We advocate a long-term employment support programme that not only focuses on improving skills in order to secure sustained employment but also emphasises in-work progression, workforce development and career advancement. We believe that this is key to breaking the “Low Pay No Pay Cycle” and enabling Scotland as a whole, as well as individuals, to fulfil its economic potential by improving its future skills-base.

There are also benefits to engaging and encouraging employers when looking to address the “Low Pay No Pay” cycle. Prince's Trust, for example, has experience of developing ongoing partnerships with employers which offer young employees permanent roles which include progression and further training.

Question 16

**How can we maximise the effectiveness of devolved employment support in Scotland's, in relation to the broader range of resources and initiatives available in Scotland?**

To maximise the effectiveness of devolved employment support in Scotland and to make the most of available resources and initiatives, it is essential to rationalise and align the large number of currently fragmented and disparate programmes and services. Devolution of employment support is a unique opportunity to bring together and coordinate existing services, resources and initiatives under a single coherent strategy for Scotland to tackle inequalities and fulfil our economic potential.

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This includes aligning multiple sources, including DWP, European, Skills Development Scotland and CCP/Local Authority programmes and funding to maximise investment impact. For example, integration of Skills Development Scotland funding to ensure a focus on skills development and workforce progression in future employment support programmes.

The Work Programme has clearly failed to support young people requiring intensive support to gain employment as well as the disabled. Whilst there may be a reduction in youth unemployment this is not the case for those furthest from the labour market, who are often the most vulnerable.<sup>3</sup> Rather than an all-inclusive devolved service, a three tier strategy should be adopted:

1. **The establishment of a specific Youth Programme** – Such a programme would be based on early intervention with strong skills focus including Certificate of Work Readiness, work experience and routes to Modern Apprenticeships. Additional specialist support for the most vulnerable should also be available. Provision should be flexible to meet the range of employment needs of young people and employers in Scotland.
2. **Mainstream** – The Work Programme has been effective in this area with the payment by results model focussed on payments for sustained employment. Payment groups should be focussed on length of time unemployed rather than the individuals benefit.
3. **Disability** – Specialist providers need to be commissioned to support disabled people. The payment model must reflect the need to heavily invest in the early stages of the programme and the longer duration required to move the individual into sustainable employment.

Question 17

**What are the advantages and disadvantages of payment by results within employment support? What would form an effective suite of outcomes and over what period for Scotland? What does an effective payment structure look like?**

Payment by results (PbR) models drive performance and ensure providers have a key focus on delivering the outcomes required by the commissioner. These models also ensure that providers, particularly smaller organisations, remain focused on cash flow, return on investment and value for money.

Our organisations support the general principle of PbR. In our experience it helps focus services on achieving the best outcomes possible for our young people. On this basis we believe that PbR should form part of any future payment model.

However PbR must be balanced to avoid an overriding outcomes-focus. A 'pure' PbR model can incentivise providers to work only with those clients

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<sup>3</sup> See Barnardo's Scotland response to the Welfare Reform Committee call for evidence on the Future Delivery of Social Security in Scotland 28th August 2015

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closest to the labour market who are most likely to achieve an outcome in the short term. This can - and has in the case of Work Programme - proven to be a disincentive against investing in those groups, including young people, who need more intensive support over a longer period of time. The result of this is that on many occasions only the minimum service is delivered to those in most need and who require additional investment.

Any future devolved service should retain an element of PbR but this should be alongside a more balanced payment model overall. The suite of outcomes and payments should include:

- **Engagement payment** – an early payment is crucial for providers to avoid cash flow problems and to ensure an inclusive provider market. We recommend that providers achieve set criteria for payment e.g. completion of action plan. This will avoid providers claiming payment and 'parking' hard to help clients as in the early stage of Work Programme.
- **Progression payment** – rewarding achievement of defined progression milestones e.g. overcoming key personal barrier, completion of training, achievement of qualifications or completion of a work placement.
- **Outcome payment** – we recommend a wider range of outcomes beyond simple job and sustained job outcomes e.g. entry to further education or training. Consideration of additional 'bonus' payments for in-work progression to better paid and more secure jobs should also be considered. This will ensure that providers avoid placing clients into 'any job' to gain payment whilst encouraging a focus on realising the longer-term individual and economic benefits.

We would also argue that payments should be made according to vulnerable groups and aligned to Scottish Government priorities i.e. pay more for care leavers, ex-offenders, young carers and young people with disabilities.

Question 18

**What are the advantages of payment for progression within employment support? What measures of progression and over what period? What does an effective payment structure, which incentivises progression, look like?**

We strongly advocate the inclusion of some element of payment for progression within employment support. We believe that this is crucial to tackling inequalities within a new devolved agenda of employment support.

Clearly PbR models drive performance and ensure providers have a clear outcomes-focus. The introduction of payments for progression would realise the benefits of a PbR funding regime whilst countering the potential issues of 'creaming and parking'. This is particularly evident in the case of Work Programme, where PbR has proved to be a disincentive in investing in harder to support groups e.g. Employment Support Allowance groups.

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Progression payments would incentivise providers to invest in all client groups and not just those that are likely to achieve a job in the short term. Additional engagement payment and interim payments for the achievement of key progression milestones would overcome the inherent weaknesses of PbR.

Progression payments should reward defined milestones in an individual's journey towards sustained employment which are associated with barrier removal and increased employability. Skills, training, qualifications and work experience are major indicators of improved job prospects which should be recognised and rewarded.

The suite of progression measures should be flexible enough to reflect individual needs and the unique starting point of every client and their diverse journeys towards employability. However, for payment purposes progression must also be measurable and clearly evidenced. For example, overcoming key personal barrier such as substance misuse, gaining financial literacy, completion of training, achievement of qualification or completion of work placement.

As stated above, we advocate a more extensive programme for those further from the labour market and a substantial time period to achieve a range of outcomes. As part of this, and to instil momentum and avoid 'drift', we anticipate an intensive six month period of support to increase personal employability and achieve progression measures.

Question 19

**What are the key aspects of an effective performance management system to support the delivery of employment support outcomes in Scotland?**

A single Scotland-wide performance management system is crucial to ensure that the performance, quality and impact of all providers is measured consistently and clearly. An efficient electronic system that is robust, reliable and comprehensive is key; one that captures the full range of achievements and progression made by clients, not just simple job outcomes. In addition, a system that enables providers to share information on employers and unfilled vacancies would allow for a more coordinated employer engagement strategy.

Significant investment has been made in Performance Management Systems by Skills Development Scotland and existing Work Programme providers which should be utilised and built-on.

In evidencing job outcomes and sustained jobs, consideration should be given to whether a central validation system could be introduced e.g. through DWP off-benefits data or HMRC information. Currently, providers are diverting significant resources away from frontline delivery to tracking and evidencing and validating outcomes. A better use of investment would be for job outcomes and sustainable jobs to be validated externally by an independent

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centralised team. This would allow providers to focus resources and investment on supporting clients whilst eliminating the possibility of fraudulent or invalid job outcome claims.

In our collective view, a successful performance management system would be a system which everyone uses is a relatively simple process and can easily report on key performance indicators. Crucially, we would like to see a performance management system which is underpinned by supportive contract management – providing guidance and support for providers to continuously improve.

Question 20

**Collectively, how best do we encourage active participation and avoid lack of participation on employment support programmes?**

Our organisations have a strong track record of eliciting active participation amongst vulnerable hardest to help young people that other providers have struggled to engage e.g. care leavers, ex-offenders and homeless young people. We achieve this through personalised support which meets individual needs and facilitates buy-in and collaboration with young people. As a result of our track-records, young people trust our brands and our services. We encourage a system of mutual responsibility e.g. agreeing with each young person what we will do for them in return for their attendance and participation.

We are clear that conditionality must be a key element of future employment support programmes in respect of benefits claimants. However this conditionality must be realistic and not act as a barrier either to young people gaining or sustaining employment. For example the UK Government's proposals in the Welfare and Work Bill that parents must be ready for work when their youngest child is 3 could potentially lead to more sanctioning of lone parents in particular. We understand that mandating participation has ensured higher levels of participation on programmes. However there needs to be fair and consistent application Scotland-wide. Moreover, an important part of the provider role needs to be providing clients with information to increase their awareness of conditionality so that they fully understand the implications of their actions and inactions. Whilst we are not in favour of mandating young people to attend our programmes.

Unfortunately, what our organisations see is that the most vulnerable are subject to the highest levels of sanctioning. For example, a homeless young person with a chaotic lifestyle may miss an appointment as they had not received a letter from the provider. Losing their benefit only worsens the situation and makes the journey to work more difficult. This clearly should not be the case. A fairer sanctioning regime should be implemented to ensure the most vulnerable in society are protected and have the best chance to improve their lives.

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**4. For More Information, please contact:**

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