



Glasgow City Council

Economy, Housing, Transport and
Regeneration City Policy Committee

Report by Director of Regional Economic Growth

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Item 2

4th June 2024

UPDATE ON GLASGOW EMPLOYABILITY PROGRAMME

Purpose of Report:

To provide an update on the new Glasgow Futures employability programme.

Recommendations:

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

Ward No(s):

Citywide: ✓

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

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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.
- 1.2 The challenges associated with this agenda are significant. The cost-of-living crisis continues to impact on our people. It is reducing living standards for many Glaswegians, especially those out of work, or in low paid employment.
- 1.3 After years of steady decline in the number of people receiving unemployment benefits, there was only a marginal reduction between March 2023 and March 2024, from 4.9% to 4.8%. This has been accompanied by a reduction in employment levels for Glasgow, which went from 72.1% in 2022 to 71.2% in 2023, reflective of the challenges facing the local labour market.
- 1.4 Economic inactivity has risen from 25.4% in 2022 to 25.6% in 2023, which can be explained by three general factors: fewer young people in work, more older people out of work, and a significant percentage of individuals economically inactive due to long-term sickness/disability.
- 1.5 At the same time, poverty is increasing for people in working families. The lowest earners have been hardest hit by increased housing costs and changes to cost of living support, with low relative growth in disposable income.
- 1.6 Such changes to the labour market are resulting in an increased demand for employability support – that is provision that progresses people to gain and maintain employment.
- 1.7 On that basis, we need to ensure that we make best use of employability resources, ensuring that investment is carefully targeted on achieving impact and value for those who are furthest from the labour market or experiencing in-work poverty.
- 1.8 Members will recall an update that was presented to this Committee in February 2023 that laid out plans to redesign the employability system to better meet the needs of city residents.
- 1.9 This work plan is now complete, and this report provides Committee with an update on the new and revised employability offer, known as the Glasgow Futures programme.

2 Background

2.1 Policy Context

- 2.1.1 Complementing the Glasgow Economic Strategy, which sets the local context for a stronger labour market, is the [Glasgow Community Plan](#) 2024. The

plan provides the overarching context to the agenda. It demonstrates a focus on reducing poverty and inequalities in Glasgow's communities, defining skills and employability support as a priority enabler.

- 2.1.2 The Scottish Government's No One Left Behind (NOLB) strategy, which was formalised in 2018, provides the national framework for transformation of the employability landscape. It articulates the need for a more coherent and holistic system that places people at the centre of design and delivery. Developed with this vision, NOLB marked a step change in the way in which employability services should be planned and implemented.
- 2.1.3 At a local level the Council progresses this agenda through the strategic leadership of the Local Employability Partnership (LEP). This partnership of the public sector, third sector, and private sector has a shared aspiration to support those furthest from the labour market, address in-work poverty, deliver holistic and wraparound provision that supports individuals into employment and addresses child poverty.
- 2.1.4 The role of the Council in the partnership is clear: to facilitate the design and delivery of integrated employability services. This means working with the partners to co-design, co-commission, monitor and develop the provision.
- 2.1.5 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 and interventions, delivered internally by Council Departments or the Council Family, and externally, through mainly third sector providers.
- 2.1.6 The delivery model is largely based on the provision of key-workers providing specialist 1 to 1 tailored support to individuals with varying needs. This support is helping people to overcome barriers, improve their life chances, and move closer to the employment market.
- 2.1.7 This is an approach that works. Since 2020, we have registered over 7,000 people in Glasgow, helping them to progress towards work. This is a remarkable achievement given that our focus is on reaching those who are furthest from the labour market. The journey towards work is often long and complex, but we have confidence as a partnership that our provision provides the right support to the right people.

2.2 The Funding Landscape

- 2.1.1 Since the introduction of NOLB in 2018, the funding landscape for employability has changed dramatically. The table below illustrates the efforts that have been made to transition from multiple project specific funding streams towards a more simplified programme.

2.1.2 Historically, Scottish Government funding for employability was allocated to a range of recipients. Through NOLB, these funds have been consolidated and transitioned to the LEP to oversee.

2.1.3 This table below also demonstrates the fluctuations in annual funding awards and reflects the range of programmes each of which had its own focus and compliance regimes.

			19/20	20/21	21/22	22/23	23/24	24/25
Programme	Target	Funder						
Glasgow Guarantee	All Age	GCC	4,800,000	4,800,000	4,800,000	4,800,000	2,600,000	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	All Age	Scot Gov	660,000	660,000	660,000	2,200,000	4,300,000	4,900,000
Young Persons Guarantee	Young People	Scot Gov		4,300,000	6,500,000	2,030,000		
No One Left Behind - Tackling Child Poverty	Parent	Scot Gov	296,000	1,000,000	1,200,000	1,200,000	6,600,000	6,300,000
Partnership for Continuing Employment	All Age	Scot Gov			250,000			
Intermediate Labour Market Support	>25	Scot Gov			1,000,000	1,000,000		
Community Jobs Scotland	Young People	Scot Gov	475,000	475,000	475,000			
Employability Fund	Young People	Scot Gov	1,339,500	1,339,500	1,339,500			
UKSPF People & Skills	All Age	UK Gov					2,100,000	4,600,000
Total			9,470,500	14,474,500	18,124,500	13,130,000	15,600,000	18,400,000

2.1.4 Whilst the Scottish Government are committed to transition and simplification of the funding landscape, they continue to allocate funding that is annualised. The budget composition makes medium to long-term planning very difficult for the LEP. It also requires significant efforts to mitigate risks associated with disruption to service provision and job insecurity from short-term contracts for front-line staff.

2.1.5 In early May 2024 the Council, as Lead Accountable Body for the LEP, received the Grant Offer Letter for 2024/25 NOLB funding from the Scottish Government. This award covers only 25% of funding for the year that was approved by the Local Government Settlement and Distribution Group in February 2024. The Scottish Government have formally confirmed that a separate Grant Offer for the remaining balance will be received in due course.

2.1.6 People and Skills investment through the UK Shared Prosperity Fund (UKSPF) has provided a degree of funding certainty through a multi-annual arrangement. This gives some comfort in the face of uncertainty on the timescales for full 2024/25 NOLB funding.

2.1.7 Simplifying the employability landscape for service users and providers is a principle of NOLB. This means hiding the wiring in funding terms. The LEP has taken an approach whereby all employability funding is blended, and services are not commissioned in response to particular funding streams.

2.1.8 Where there are requirements for specific activities to be funded from particular streams should criteria determine it, financial arrangements are managed in the background. Projects and service users will be unaware of any specific project funding eligibility criteria.

- 2.1.9 A legacy of fragmented funding was that projects were commissioned to operate on different timeframes. Efforts have been made to align provision and ensure parity across the programme. On this basis, officers have worked with Legal and Procurement colleagues to ensure that all projects/contracts will now run until April 2026 subject to funding availability. This provides job security for project staff, and reduces the risk of short term gaps in services.
- 2.1.10 Significant increases to Tackling Child Poverty funding over the past 2 years reflect the Scottish Government's commitment to reducing the unacceptable levels of child poverty in the city by supporting parents into well paid work. This funding has been welcomed and has enabled the scaling up of employability support for parents, as well as facilitating a wider system change approach in conjunction with the Child Poverty Pathfinder as outlined in section 5 of this report.
- 2.1.11 Whilst additional funding like this is welcome, dialogue with the Scottish Government continues. This relates to the flexibilities that would be required to ensure that this funding creates real value and addresses child poverty rates in the city. This includes an ongoing request for permission to carry forward funding awards across financial years to allow the city to address the root causes of poverty through a more strategic approach.
- 2.1.12 Conversations with the Scottish Government in relation to commitments to future multi-year funding are being had at both political and officer level. Dialogue is ongoing via the SLAED People Group, with support from the Improvement Service, and through discussions with COSLA.

3 The Glasgow Futures Programme.

3.1 Brand Identity

- 3.1.1 The Glasgow Futures brand has been developed with service users to embody a coherent image, culture and personality. It represents a cohesive approach to delivery, bringing all projects together under an overarching banner.
- 3.1.2 Members can view the branding guidelines [here](#). People are at the centre of the typography which has been tested and received positively across all stakeholder groups. The language is aspirational, integrating warm, welcoming visuals that will work across all audiences in an engaging way.

3.2 Service Design

- 3.2.1 Using the Scottish Approach to Service Design, the new employability programme has been developed with the Council's Centre for Civic Innovation (CCI).
- 3.2.2 Members can view a summary of this work, and the key recommendations that have been embedded into the new programme in a [report](#) published by the CCI.

3.2.3 This report articulates 5 themes that underpin effective and efficient delivery. These themes enable the development of a system that is driven by evidence from data and lived experience, and include:

- Increasing awareness of services and supporting referrals
- Facilitating more networking and collaboration
- Enabling stronger links to employers
- Using a data led approach to understand gaps
- Enhancing feedback and evaluation

3.2.4 These themes, which have been embedded in the Glasgow Futures programme, provide a framework for continuously improving the quality and impact of services.

3.3 Glasgow Futures Quality Standard

3.3.1 The Quality Standard enhances this further as a mechanism for operationalising a culture of improvement through involvement of participants. The Quality Standard, which has been developed in collaboration with NHS GGC through a process of co-production with participants and projects, will be implemented in full over the next 24 months.

3.3.2 All Glasgow Futures providers will now be required to achieve the Quality Standard as a condition of funding. Projects are required to demonstrate that stringent criteria relating to service excellence have been met, and that this can be adhered to on a sustained basis.

3.4 Collaboration over Competition

3.4.1 As service providers have put it, Glasgow Futures is underpinned by an ethos of collaboration over competition. Great strides have been made to put in place a no wrong door approach through the implementation of this collaboration. This means strengthening a network of providers who will refer individuals to the support within the system that is right for their own barriers or needs.

3.4.2 Ultimately, it should not matter where an individual enters the Glasgow Futures programme, providers will be aware of the specialisms of partners, and will triage and provide a warm handover as part of the referral pathway.

3.4.3 Over the last year, 4 new contracts have been procured for key worker services to complement existing activity and provide intensive support for individuals with complex needs and specific barriers. These focus on support for: disabilities and health conditions (including mental health); minority ethnic communities; criminal justice, addictions and homelessness; and parents.

3.4.4 These new contracts will be delivered by 16 third sector organisations as partnerships or consortium. They will work together to ensure a seamless continuity of specialist and holistic provision for participants.

- 3.4.5 The partnership structure, which is now in place for 7 projects, is an effective mechanism for the delivery of collaborative provision, and one that has demonstrated efficiencies and impact.
- 3.4.6 The Council is currently working with partners to ensure that data sharing agreements are in place that facilitate referral pathways between partners, so that participants are only registered once, and details of that individual can be shared as they progress on their journey to work.

3.5 The Glasgow Guarantee

- 3.5.1 The Glasgow Guarantee will continue to play an important role as one of the city's main employability interventions. The programme has been running for over 14 years, having supported around 2,700 Glasgow based businesses to recruit and retain staff, providing over 10,700 individuals an opportunity to move into permanent, living wage employment.
- 3.5.2 The Glasgow Guarantee has been refreshed as part of the Glasgow Futures programme putting the needs of the individual at the centre of the offer. This means a revised offer which is no longer a wage subsidy but an Employer Recruitment Incentive that helps people with the greatest barriers, who have progressed through employability provision, into sustainable work. The brochure for the revised offer can be viewed [here](#).
- 3.5.3 The project now places Fair Work First conditionality on the recipient business. This means that the employer is required to pay all of their employees, including apprentices, the real living wage – currently £12 an hour. It requires businesses to have effective mechanisms for employee voice and asks employers to provide a minimum 2-year contract to all employees from day one of employment.

3.6 Supporting Redundancies

- 3.6.1 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.
- 3.6.2 The LEP receives no dedicated PACE funding from the Scottish Government. 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 has been factored into 2024/25 budgets. This figure is based on demand for support since 2021/22.

4 Considerations for the LEP

4.1 Fair Funding and Value for Money

- 4.1.1 Since 2022, the route to market has been through Scotland Excel's Dynamic Purchasing System (DPS) which Glasgow has used to allocate £9m funding to third sector providers.
- 4.1.2 As previously articulated, Glasgow Futures is a 2-year programme, and there will be no additional services commissioned to start before April 2026. By then, the DPS will have expired, and there is a requirement to establish appropriate commissioning models moving forward.
- 4.1.3 Work is underway, with support from the wider network of providers in the city, to draw on lessons from recent procurement or commissioning activity. This will be used to assess opportunities and preferred methods for allocating funding to providers, which will consider grants, service agreements, and procurement options.
- 4.1.4 The [Fair Funding Charter](#) developed by the TSI Scotland Network will be utilised in this process which will be conducted by the Council with support from the LEP. The review will be completed by autumn 2024.

4.2 Skills Development and Adult Learning

- 4.1.1 This Glasgow Futures approach is aligned with an emerging priority on skills development which is becoming a more prominent focus for the LEP.
- 4.1.2 The economic transition to a greener and digital economy provides additional context, and the LEP oversees the delivery of the city's Just Transition Skills Action Plan. This considers how employability pathways must support reskilling, upskilling and development of new skills in line with the changing needs of employers as part of the transition to net zero.
- 4.1.3 The focus on skills also includes the delivery of the UKSPF Multiply project, for which £4.5m over 2023/24 and 2024/25 has been allocated and is being used to develop numeracy skills as a vehicle for improving employment outcomes and addressing in-work poverty of participants.
- 4.1.4 Multiply is managed by Glasgow Life on behalf of the Community Learning and Development Partnership (CLDP), which is also a recipient of skills funding from the LEP for the projects Code Learning and Family Finance Key Workers.
- 4.1.5 The LEP will continue to work in partnership with the CLDP to consider the skills needs of the city, and to understand where gaps can be addressed in a more cohesive and joined up way.

5 The Child Poverty Pathfinder

- 5.1 In 2023/24, £3.6m Tackling Child Poverty (TCP) funding was utilised by the Child Poverty Pathfinder to support the reach of parents of children in poverty. This has included the provision of Intermediary Labour Market projects to support long term unemployed parents into work in areas where skills or labour gaps exist.
- 5.2 Allocation of TCP funding to the pathfinder has supported a system change approach, looking at how partners from across the city can lean in to address the root causes of poverty, and test new ways of driving forward change.
- 5.3 In 2024/25, £2m of Tackling Child Poverty funding will be allocated to the Pathfinder, to support work being undertaken at a ward level in Govan, Calton and Southside Central to support families on the cusp of poverty or in deep poverty to engage with the labour market. The LEP will work closely with Clyde Gateway and Jobs and Business Glasgow who are anchor organisations for these projects, to provide strategic direction and guidance to the agenda, and ensure that outcomes support the aspirations of Glasgow Futures.

6 Conclusions and Next Steps

- 6.1 On June 18th 2024, Glasgow Futures will be officially launched at an event, hosted by the LEP at the Technology Innovation Centre. This event is designed to celebrate the impact services have for the people who need our support the most. The event has a central focus on the needs of those furthest from the labour market, as we work together to shape a better future for all Glaswegians. Members are welcome to attend this event, and an invitation can be shared on request.
- 6.2 It is hoped that the funding landscape will continue to develop over the next 12 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.
- 6.3 As the funding and policy landscapes evolve, and the Glasgow Futures programme progresses, further reports will be presented to Committee.

7 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Covered by agreed budgets.
<i>Legal:</i>	No legal requirements. All service agreements and contracts are in place.
<i>Personnel:</i>	No direct personnel implications.

Procurement: No procurement requirements. All new contracts have been awarded.

Council Strategic Plan: : Grand Challenge 1: Reduce poverty and inequality in our communities

- Mission 3: Improve the health and wellbeing of our local communities
- Mission 4: Support Glasgow to be a city that is active and culturally vibrant

Grand Challenge 2: Increase opportunity and prosperity for all our citizens

- Mission 1: Support Glasgow residents into sustainable and fair work

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 No climate impacts.

*result of this
proposal?*

*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.

8 Recommendations

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