

Devolution of employment support

IPPR Scotland submission

1. Introduction and summary

IPPR Scotland welcomes the opportunity to respond to the committee's inquiry on this important issue. IPPR Scotland shapes public policy in pursuit of a fairer, more prosperous Scotland. We are cross party and neutral on the question of independence – but not on the question of Scotland's future.

While we work across all areas of (devolved) public policy, we have specific interest and expertise in social justice. Most relevant to this inquiry, we recently published [a report on the role of employability in tackling poverty](#), which this submission draws on together with a selection first-person quotes from employment service users gathered through focus groups.

This report included a **central recommendation for the full devolution of employment support powers to the Scottish Parliament**, building on the (limited) devolution seen through the Scotland Act 2016, as a key lever to tackle child poverty. As the most recent statistics show, following steady declines throughout the 2000s, progress on tackling child poverty – despite legally binding targets, passed unanimously by the Scottish Parliament – has stalled. Today, more than one in four children – one quarter of a million – live in poverty. Meeting the statutory target of 10 per cent by 2030 would mean a historic reduction in child poverty levels – which will require significant action.

To date, much of the 'heavy lifting' has been done through social security, particularly the Scottish child payment. However, while the social safety net can do more, it cannot do it all – significant shifts will be required in wider social policy, starting with employability. **As our previous research has shown, the scale of the prize on offer from boosting employment outcomes is immense:**

- Simply ensuring everyone already in work is paid the living wage would lift around 70,000 people out of poverty.
- Going further and bringing all people out of work into either part-time or full-time work would lift 90,000 and 110,000 people, respectively, out of poverty.
- While good for people, increasing positive employment outcomes is also good for the economy – our scenarios would see a combination of higher tax revenue and lower social security payments of up to over £2 billion a year.

Given its importance, the Scottish government has made employability central to its child poverty strategy – recognising that enduring progress can only be secured through a combination of boosting incomes from work, cutting household costs, and providing adequate social security assistance (Scottish Government 2018a). **Through our research, however, we have found a devolved employability system that – while hugely valued by people accessing it – arguably is not yet meeting its ambitions and falter through their scale of delivery, outcomes, and funding:**

- Service-user views point to an overwhelmingly positive experience – however, as a route to meeting child poverty ambitions, programmes suffer from a lack of scale.

- Meeting the Scottish government’s stated employability aims could require a 200 per cent increase in the number of parents entering work each year – though the actual increase required may now be much higher given recent funding cuts.
- To secure the ambition to reach 86,000 parents supported by programmes would in turn require a near 300 per cent increase in the number of starts.

Set against this, however, **we also found how the devolution settlement – given its partial nature and the often complex, split responsibility between UK, Scottish, and local governments – can limit the employability offer in Scotland and can bring damaging experiences and outcomes for users.** Ultimately, despite some welcome reforms, the scale of devolved employment support powers is dwarfed by the scale of what remains reserved. That sits as part of a wider story of contrast – between a roundly negative perception of Jobcentre Plus and more positive engagement with devolved employability support.

- Most people out of work will find their main interaction coming through a reserved Jobcentre Plus – with vast disparities in philosophy and culture of approach; service levels and engagement of staff; and, ultimately, the extent to which people using services feel supported.
- In the most recent quarter, the numbers of people starting on devolved employability programmes (Fair Start Scotland or No One Left Behind) represented less than 3 per cent of the total population out of work and/or who want to work.
- In interviews with service users and experts, the (reserved) Jobcentre Plus system was typified by: (i) a broken social settlement which pushes people to take any available job, (ii) fails people with the greatest barriers to work, (iii) doesn’t meet the needs of users or the economy, and (iv) focusses on compliance which causes harm and holds people back.

Employability support, within a working welfare state, should offer a viable route out of poverty but is being held back from reaching its full potential. Establishing a credible pathway to Scotland’s final child poverty targets in 2030 will need a marked shift in policy. While that can mean reforms within existing schemes, it also necessitates **strengthening that offer in more fundamental ways – through the full devolution of employment support – which can enable a new offer** which can help drive progress on those ambitions, through:

- **Impact at scale:** Scottish programmes often operate at the margins of those who could benefit most from support – meaning both scale and impact go unrealised – while service users are caught in the middle of two competing systems. A single system could ensure the necessary scale and deliver stronger outcomes.
- **Dignity and respect at the heart of the system:** The current dual route and split responsibility leaves many individuals at the hands of an often-punitive reserved welfare system, built on the threat of financial penalty. A reformed system can instead ensure a system that strives towards positive and sustained outcomes.
- **No wrong door:** The demarcation lines between reserved and devolved services are already blurred. The design of the system(s) creates a “cluttered landscape” (Scottish Government 2021), with potential pitfalls for individuals and child poverty commitments. Bringing responsibility for all employment support together can enable holistic and integrated person-centred support.
- **Support in the right place, at the right time:** Control over all employment support would ensure a better spread of provision – underpinned by the strong work done by a thriving third sector to deliver positive outcomes together with the functional support required to help people enter, stay and progress in work.

2. Devolved ambitions and reserved powers

Employability support in Scotland

Beyond reserved Jobcentre Plus', in Scotland there are two main sources of employability support that fall within the competence of the Scottish parliament: Fair Start Scotland (FSS) and No One Left Behind (NOLB).

Following the 2014 Scottish independence referendum, the cross-party Smith Commission was established to propose new powers to be devolved. This included recommending – subsequently legislated for in the Scotland Act 2016 – that:

“The Scottish parliament will have all powers over support for unemployed people through the employment programmes currently contracted by DWP [the Department for Work and Pensions].”

(Smith Commission 2014)

As a result, two schemes delivered by DWP – Work Choice and the Work Programme – stopped taking new referrals in Scotland and the Scottish government introduced two new transitional programmes from April 2017. These were then replaced by the existing FSS service in April 2018. Most recently, the Scottish government announced that, when existing contracts expire (in April 2024), previously FSS-delivered support will transfer to No One Left Behind (Scottish Parliament 2023a).

To be eligible for FSS, participants must be living in Scotland and eligible to work in the United Kingdom. To have access from 'day 1 unemployed', participants must meet certain criteria or beyond this, after 12 months of unemployment.

A key issue of contention around the devolution of those employability powers through the Scotland Act 2016 was the compensatory funding transferred from the UK to Scottish government. Pre-devolution, UK government reforms to employment support saw deep funding cuts which followed through post-devolution: from an estimated spend of DWP-commissioned services in Scotland of £53 million to an estimated allocation of £7 million for the new devolved services (SPICE 2016).

NOLB itself has existed – in, broadly, its current form – since 2019, when previously nationally commissioned services were stopped and funding transferred to each of Scotland's 32 local authorities, to commission or deliver their own, local services (Scottish Government 2018b). Unlike FSS, there is no set eligibility criteria to access NOLB – people can self-refer to services in their area or be referred from a variety of sources. This includes DWP – though, importantly, it does not replace any work-related requirements an individual might have – and, increasingly, other third sector services, health services and school settings.

A question of scale

While both FSS and NOLB have undoubtedly supported many individuals into work who may not otherwise have done so, a common theme of our previous research has been one of scale – of delivery, impact and funding – and the extent to which this does, or under the status quo even can, meet the scale of the Scottish government's ambitions.

Ultimately, the potential impact of devolved programmes in part depends on the size of the cohort able to benefit from them. Under the current devolution settlement that pales in comparison to the total number of people receiving out of work or low-income benefits. These are the people who would most benefit from training, upskilling and employment support, but hit up against programmes which are (broadly) limited to supporting long-term unemployed and disabled people.

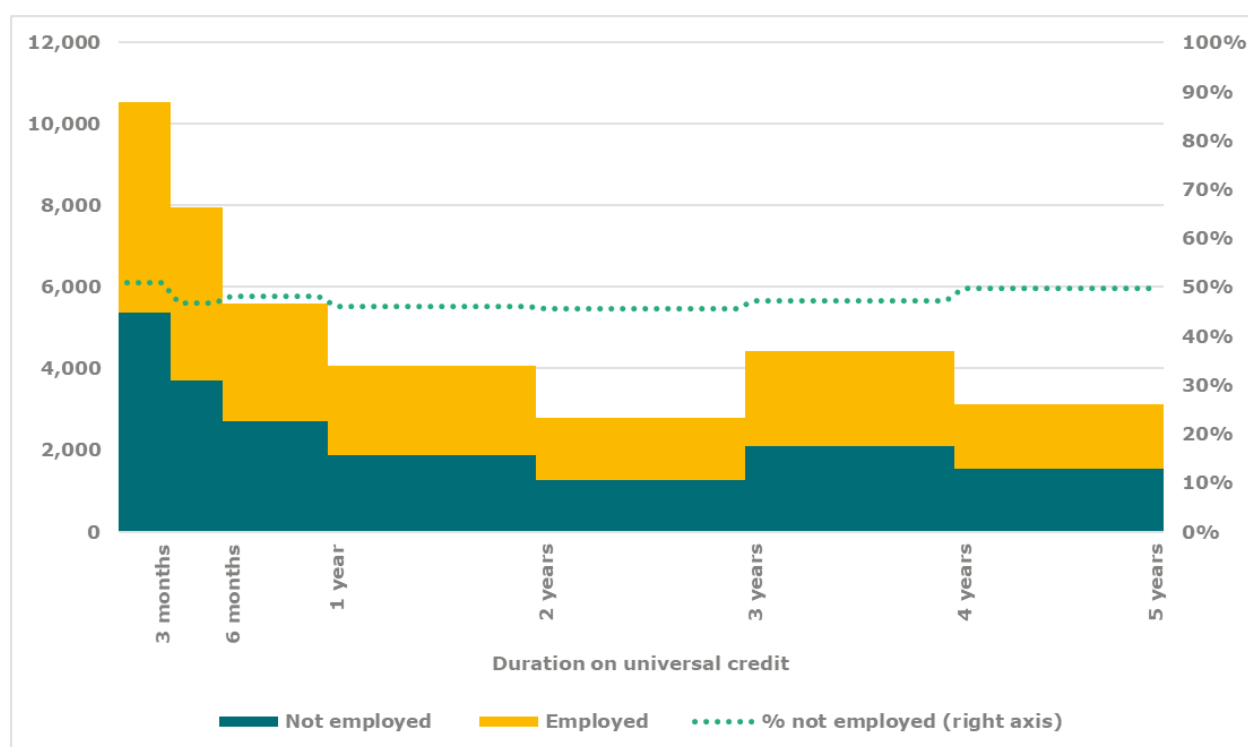
For most people out of work, their main (and often only) interaction with employment support will be through a reserved Jobcentre – which brings limitations for them, through a system with many shortcomings, and for

government, in the ‘pool’ of people they can reach through devolved powers. Even where an individual is on a devolved programme, they will more than likely still be subject to the conditionality and sanctions regime within universal credit (UC).

The most recent Scottish data indicates most people deemed able to work who join universal credit stop claiming within a year (figure 1). However, a significant number – almost 200,000 people – continue to receive UC long after this first year. In particular, the number of people who have been claiming UC for two to three years is almost identical to the number who have been claiming for one to two years, showing a core group who continue to depend on benefit payments.

FIGURE 1: MOST PEOPLE STARTING UNIVERSAL CREDIT RECEIVE IT FOR LESS THAN A YEAR – THOUGH THERE IS A LONG TAIL CONTINUE TO DEPEND ON IT FOR YEARS

Number of universal credit claimants in Scotland (excluding those with no work requirements) by months since first claim, October 2023.



Source: Author’s analysis of (DWP 2023a)

Strikingly, the proportion of UC claimants who are not employed is stable at around 50 per cent as claim durations grow. Only a minority, if any, of these people will have been continuously unemployed. The punitive sanctions regime is designed to push claimants into work, and the 100,000 people without work who have been claiming UC for more than a year is a much larger group than the 30,000 people unemployed for more than a year. This reflects people cycling in and out of unsuitable, precarious or low paid work – a pattern that the sanctions regime has been found to actively promote (Dwyer 2018).

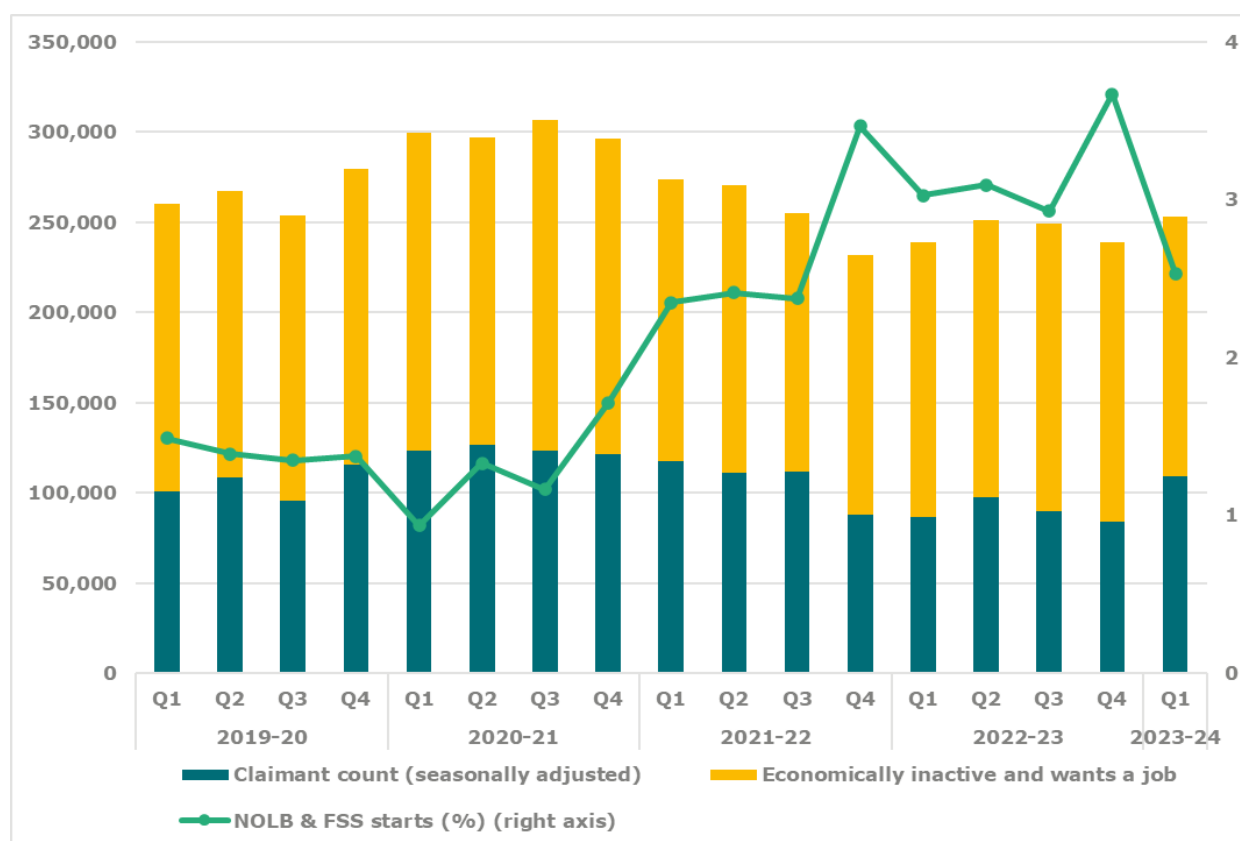
The stability of the proportion of people out of work as UC claim duration lengthens indicates this cycling is persistent. It also means periods of unemployment are regularly experienced by more than the 100,000 people who happen to be unemployed when snapshot data is recorded – but whose only support comes through a reserved Jobcentre.

One other way to look at the ‘pool’ of people who might benefit from employment support in Scotland – but in turn the low proportion who benefit from devolved provision – is to compare the numbers of people who are out of and/or looking for work, through the combined claimant count and ‘economically inactive but want a job’ population, and the proportion of this represented by starts on NOLB and FSS.

While there were a quarter of a million people out of work and/or looking for work across the first quarter of 2023/24, 6,412 people started on FSS and NOLB in the same period – less than 3 per cent (figure 2). While this analysis comes with caveats, it paints a striking picture and underlines the fundamental issue with the current system for both providers and users: it is complex and disjointed, with responsibility shared across UK, Scottish and local government.

FIGURE 2: PEOPLE STARTING ON FAIR START SCOTLAND AND NO ONE LEFT BEHIND REPRESENT A FRACTION OF THOSE OUT OF AND/OR LOOKING FOR WORK

NOLB and FSS starts as a proportion of the total number of people who claiming unemployment benefits or economically inactive and want to work, Scotland.



Source: Author’s analysis of (Scottish Government 2023b), (ONS 2023b) and ONS, ‘Claimant count’ (ONS 2023c). Note: Claimant count is a three-month average of the relevant quarter.

At its worst, the devolution settlement and design of the system could actively work to undermine the Scottish government’s ambitions, by severely restricting the numbers of people eligible to get support from NOLB. Their main, if not only, interaction with ‘support’ will be through a Jobcentre Plus.

“If you are solely with Jobcentre Plus, they put you into a job and that’s it [but] there could be issues through that work-life as well [but] I have to be working there because they’ll be on my back again ... there is [no support] – whereas for [NOLB-funded service] the support is there. They need to back off and let [NOLB-funded service] do what they need to do – and then hopefully the end result is a good one”.

- FSS service user

Time and again, the DWP model was raised as an issue and viewed overwhelmingly as a negative – particularly when compared to support received through NOLB and FSS. At its worst, the current model, and the main component of the ‘claimant commitment’, “will not help all claimants to achieve better labour market outcomes and, in some cases, could have a detrimental impact, especially on claimants in vulnerable circumstances” (SSAC 2019). Previous IPPR research has also examined the flawed model of employment support currently provided at a UK-level (Wilkes et al 2023) and affirms four key issues identified by IPPR Scotland, detailed below.

A broken social settlement

Employment support is often typified by the ‘ABC’ model: any job, better job, career. This can push service users to apply for any role which generates some earnings, before, in theory, progressing in work and towards a career. There is scant evidence, however, that DWP services facilitate this final step, with outcome measures that only focus on getting a job and do not take account of earnings, working conditions or scope for progression.

Such an ‘ABC’ approach has only got worse following UK government reforms in 2022 which reduced the amount of time people could limit their job search to chosen occupations to just four weeks (down from 13), after which they must take any job. Not only is there little evidence this will deliver better, or sustained, job outcomes, there are fears it could bring negative consequences (SSAC 2022).

“No compassion, no flexibility, or anything when it comes to the Jobcentre or DWP for that matter ... They put on pressure, ‘just get a job’. Regardless – ‘just get a job’.”

- FSS service user

There is real potential in investing in careers advice and support for workers to identify training opportunities and navigate the skills system. Instead, the system simply prioritises getting people off UC, with the – entirely avoidable – outcome that individuals are pushed into taking low quality jobs which are inappropriate to their circumstances.

While much of this can stem from a punitive sanction regime, with people feeling compelled to take on any job, we heard it can also be a symptom of the relationship and dynamic between service users and their work coach.

“Depends on who you get – to be blunt you’ll get some nice people who want you into a job and [others] who just want you off the stats”.

- FSS service user

While many work coaches provide a supportive role, they are junior roles and may have inadequate training or support which impacts on the service they can provide, particularly for people with more complex needs. Understanding of job roles and local labour markets can be limited, compounded by working in a system with split responsibility, across the Scottish and UK governments. A repeated issue from focus group participants was the fact that work coaches could also change throughout the duration of a claim, further undermining any sense that they provide individualised support.

“Every time I go in its [a new work coach] that I am meeting with – they don’t know anything about me or my situation.

It’s just like starting again ... [you] constantly have to explain your situation. You’re not treated as an individual, [you’re] viewed as a collective”.

Over and above this, as we heard from practitioners and those working closely with Jobcentres, there can also be a fundamental conflict in the role: work coaches are both careers advisors, which should be a supporting role, and benefits processors, with strict compliance requirements and targets to meet.

That creates an inherent tension between the two roles – which should be separated – and undermines the trusting relationship required between work coach and individual to enable positive outcomes. This latter element then combines with a further sign of a broken social settlement: the link between social security and work.

Any successful transformation in employment support will hinge on providing an adequate level of financial support to individuals in and out of work. Low levels of social security are themselves a barrier to finding good work, with a recent evidence review finding negative associations between lower levels of income replacement and employment outcomes (Porter and Johnson-Hunter 2023). With additional costs such as transport and childcare, which were repeated issues in focus groups, increased working hours may not leave many on UC meaningfully better off. Our focus groups affirmed, despite continued negative stereotypes, that people want to work. However, the current model holds them back or pushes them into a job that is unsuitable or even unaffordable.

A system failing people with the greatest barriers to work

Given the higher risk of unemployment and poverty associated with certain demographic groups, good employment support becomes even more important to help them overcome the specific barriers they can face. However, throughout our interviews and focus groups, we heard how, for disabled people, parents and carers – who already face a persistent employment gap – the Jobcentre system is ill-equipped to respond to their specific issues. A combination of insufficiently specialist support and rigid social security rules exacerbates structural barriers to entering and staying in work.

Worryingly, given the significantly higher disability employment gap, our research suggests that jobcentre support is not meeting the needs of disabled people. The DWP has reduced capacity for specialist support through disability employment advisors while increasing the scope for discretion among generalist work coaches, leading to concerns that some are not sufficiently trained to support disabled people and may be setting inappropriate requirements – something noted previously by the committee (House of Commons Work and Pensions Committee 2023).

“I am diagnosed autistic and ADHD [but they said] it doesn’t affect my life enough for me to get any support, so they ignore it ... I don’t get enough points, so I don’t get any extra money or any help. I am expected to do jobs, interviews, go to recruitment days and stuff. Some days I just can’t do stuff like that”.

To some extent this issue has been mitigated in Scotland with FSS delivering employability support for disabled people where we have previously heard how the support provided was much more positive than experiences through a Jobcentre but with two specific and continuing issues.

First, there is a perceived lack of understanding and empathy around non-physical health conditions in Jobcentres which could mean support was denied or simply not available. Second, and more pressingly, even where an individual is referred to a devolved service, including FSS, while attending may count towards their work search requirements they are still required to attend a Jobcentre.

In some instances, this can mean that even where support is more positive and helpful, participants can be expected to drop it for a job – even where that might not be appropriate or beneficial in the long term. For others, participation is not even counted as part of the work search requirements – in the words of one service user: “If they’ve [Jobcentre Plus] got a job opportunity for you, this [FSS] is done with – which is a joke.”

Alongside disabled people – and important in the context of Scotland’s child poverty targets – carers and single parents continue to struggle to find work that offers flexibility to fit in with their lives (Clery et al 2022).

“When I was doing supply work, I wasn’t doing enough hours per week, and they were saying you need to start looking for more. But, when I am fitting this in between trying to work so many hours a day, working around the children ... there’s no more hours I can do.”

- NOLB service user

In large part, this is again an issue of specialist support. While previously Jobcentres had lone parent advisors, and evidence has shown they played an important role (Lane et al 2011) these were gradually cut to the point where similar provision is no longer available. However, in common with many other groups, there is also the issue of the requirements and expectations placed on lone parents which are exacerbated by their circumstances.

In many instances we heard how a lack of understanding on the part of work coaches – whether in the jobs and working patterns offered, or general recognition of the additional pressures and requirements of childcare – could mean unrealistic expectations were placed on parents with the threat of sanctions hanging over them.

“You’ll get a phone call from the school because something has happened, and you need to attend but you can’t – well, that’s a fail to attend. Well, I am sorry. I’ll take that fail to attend; my child comes first.”

- NOLB service user

A system that doesn’t meet the needs of users or the economy

While our research, especially the perspectives of service users, shows the importance of support not being viewed purely through an economic lens, it still has a role to play. However, recent research has found many employers frustrated by the ‘ABC’ model. For some, it has led to high volumes of unsuitable applications and often wasn’t conducive to finding a candidate with the right skills or motivation for the role (Jones and Carson 2023). But these are also frustrations that exist on the part of service users.

“A lot of the time the Jobcentre will keep recommending certain jobs that you are not trained to do, you’ve never done in your life, or that you are really not confident enough ... not the jobs you really want to do.”

- FSS service user

We heard service users describe a system that pushed them to take on roles which they were unqualified and unprepared for – care being cited as a common example. While these roles would often come with promises of training, we heard examples of this not always happening but even when it did, it often simply added further pressures. That was particularly the case for parents, who spoke of being pushed towards roles which were entirely new, with the attendant time requirements of training, and the inflexibilities of roles, detracting from the time available for childcare.

“All the jobs ask you to be fully flexible – and I can’t commit to that ... cover holidays and stuff, I can’t work – I need term time, I can’t even do the holidays cause it’s too expensive.”

A system which pushes people to take any job, with little regard for existing skills or interests, risks becoming a vicious cycle. It increases the chance of jobs not being sustained, with people finding themselves unemployed again and going back into the system. For employers, it creates constant labour shortages.

At the same time, politicians speak ambitiously about transforming the economy despite skills gaps across a range of important sectors that could hamper workforce growth while some workers will face acute challenges as our economy evolves beyond traditional industries and sectors. In each of these circumstances, there is a clear and compelling case for targeted support which is better able to respond to the specific needs and circumstances of communities – but which an overly centralised, and reserved, model of support is unable to provide.

A focus on compliance which causes harm and holds people back

The continued reservation of Jobcentre Plus, and associated social security policy, means that most people out of work (and many in work) remain subject to one of the most punitive aspects of our current system: sanctions and conditionality.

“You are terrified you are going to be sanctioned for the slightest thing ... If you don’t apply for a job because you are hardly going to be a bit better off ... depending on who your job advisor is, they will sanction you without blinking.”

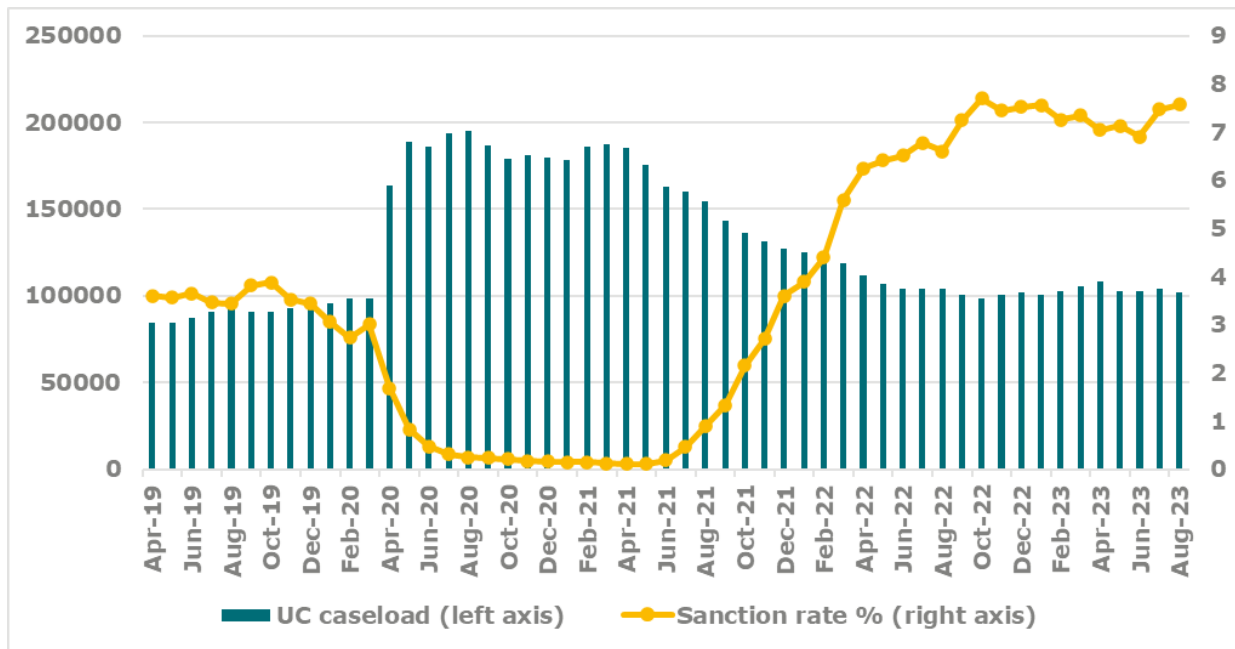
Employment support has long been shaped by conditionality: everyone who receives means-tested support is required to prepare or search for work, and face a financial penalty where they don’t comply, or provide justification for an exemption from the rules. This means Jobcentres are perceived as a means of enforcing rules, rather than providing meaningful support to re-enter or progress in work (Pollard 2019).

Recent evidence even estimates that £350 million, and 13 million work-coach-hours, is spent each year just on monitoring claimants (JRF 2024). There is growing evidence that this approach is actively causing harm and is ineffective at supporting people into sustained work. Most damningly, the UK government’s own research indicates that while people who have been sanctioned may spend slightly less time on universal credit they are more likely to exit without PAYE earnings, or into lower paid work (DWP 2023b).

In Scotland, around 100,000 people are subject to ‘full conditionality’ (in the ‘searching for work’ category). However, while that number has come down following the pandemic, the rate of people being sanctioned has increased (figure 3).

FIGURE 3: WHILE THE NUMBER OF PEOPLE SUBJECT TO FULL CONDITIONALITY IN SCOTLAND HAS FALLEN, POST-PANDEMIC, THEIR SANCTION RATE HAS INCREASED

Universal credit ‘searching for work’ conditionality group caseload and sanction rate (Scotland only)



Source: Author's analysis of sanction rate dataset DWP 2023c

While there is often a negative stereotype of people receiving social security in the first place, heightened by perceptions of why an individual would be sanctioned, it is even more concerning why people are being sanctioned. Far from it being scores of people refusing to take on work, the UK government's own figures indicate that it is overwhelmingly related to work coach interviews (figure 4).

FIGURE 4: ALMOST ALL ADVERSE SANCTIONS DECISIONS ARE RELATED TO PARTICIPATION IN WORK COACH INTERVIEWS

Summary of original UCFS adverse sanction decision reasons from May 2022 to April 2023, (UK-wide).

Original adverse sanction decisions made by reason group	Latest Year (n)	Latest Year (%)
Failure to Attend or Participate in a Mandatory Interview	505,510	97.2
Availability for Work	5,400	1
Employment Programmes	5,480	1.1
Reasons for Leaving Previous Employment	2,840	0.5
Other	630	0.1
Total	519,860	100

Source: DWP 2023d

While it is impossible to know the extent of the ‘failure’ to participate, we heard people reflect on a system that is inflexibly unaccommodating. Appointments that were constantly shifted, work coaches changing repeatedly, and personal responsibilities taking precedence – particularly caring – were all cited as reasons for sometimes not being able to make appointments. But it is wholly a postcode lottery as to whether they will receive a sympathetic ear or an automatic sanction. Most pressingly, and in keeping with all the common issues we heard, while failure to participate is the most common reason, we don’t question what people are being asked to participate in: something which is often seen, by users, as an impersonal system which treats them purely as a statistic.

“I’ve had an experience with phone call appointments, where there is a certain time they are meant to phone you, and they didn’t. They phoned me while I was dropping off my daughter and didn’t answer, and they phoned me again while I was picking up and I got sanctioned ... they were supposed to phone me at 10 o’clock but they didn’t, they phoned me twice in the afternoon while I was busy.”

- NOLB service user

Ultimately, using conditionality and sanctions – which uses a threat that financial support will be reduced or stopped – to induce people to meet specific requirements rests on an assumption that people on low incomes wouldn’t want to take steps to improve their situation of their own free will. It fails to recognise that many people want to work or increase their earnings, but face barriers to doing so. In our focus groups, people spoke strongly about wider factors in their life which can all play a significant role in labour market participation – such as debt, childcare and health – alongside inflexible job opportunities and employers. Ultimately, the threat does not contribute to improved outcomes – rather, people respond to a positive, whether in the support available or even the opportunity to engage.

3. The (de)volution of employment support

Full devolution of employment support, including the administration of Jobcentres would enable a refresh and the creation of a system that plays a positive and enabling role in wider national priorities, including tackling child poverty. While further work would be required to develop the infrastructure and policy detail of what that system should look like, there are three key principles which should guide it.

A public service for everyone, available any time

In time, there may be an argument to be made that all social security functions should be devolved to the Scottish parliament. Employment support is only one aspect of the system – it also sits alongside issues like social security payment tapers, work allowances and childcare support which have as much of an impact on a person’s ability to enter and progress in work, while means tested benefits overall today provide record low levels of support relative to average earnings (Parkes and Wilkes 2023). However, as a starting point, devolving the support aspect would remove some of the most harmful aspects of the current system.

That starts with breaking the link between a system which currently administers benefits and provides support, but with the former role often being the primary – and harmful – one. A new offer, enabled with full employment support powers, would instead build on many of the strong foundations we have while ensuring the necessary spread and scale of provision – underpinned by a broad range of public services and a ‘wholeperson’ approach.

Offering a comprehensive menu of community-based support that works for people and employers

A common criticism of the current (reserved) system is the depersonalisation and disempowering nature of support, including in their relationship with their work coach. The ever-present threat in the system, through sanctions and conditionality, gives rise to an often tick box and disempowering system. Support should

instead become more personalised, focussed on reaching goals that feel right to the individual getting support, and fit with their personal interests, needs and circumstances.

Current employment support offered through Jobcentre Plus – beyond those programmes which have now been devolved – is centrally designed and nationally commissioned. However, specific local area and regional circumstances will mean that a spread of provision is required which should be based on those needs and circumstances. Full devolution enables the creation of an integrated, place-based and holistic service, and one which can better harness the third sector – supporting the unanimous child poverty ambitions of the Scottish parliament and offering a natural next step for the more limited devolution through the Scotland Act 2016.

Devolution could enable many of the existing functions of the Jobcentre Plus network to be broken up and distributed across third sector organisations who are best placed to provide such support, rooted in their local communities, while retaining scope for specialist services or those which are better delivered at scale to be offered on a larger geographical basis.

Supporting long-term retention and progression in secure and good quality work

While getting people into work is key to realising Scotland's child poverty ambitions, just as important is having sufficient support for people to stay and progress in work. This means developing a greater variety of support for people in work to progress in to more secure and well-paid jobs, including tailored advice and high-quality, job-relevant training and apprenticeships.

By limiting support to people on universal credit, however, the current system stifles the potential impact of employment services. Instead, a new offering should be open to everyone who wants support to enter or stay in work – including a far greater focus on in-work progression.

The devolution of all employment support would then sit alongside increased devolution of social security powers, as well as existing devolution of education, training and skills to support this, and ensure a more integrated offering. This would ensure a service which rejects the current 'any job' model – and getting people into precarious work which often results in a negative cycle of poverty – while also providing a safety net for people at risk of falling out of the labour market who should be offered support to navigate transitions in their lives, and providers should play an active role in brokering adjustments and flexible working.

4. Conclusion

While devolution does not need to be the automatic starting point for policy reform, based on the evidence it appears that the current system of dual responsibility for employment support across the UK and Scottish parliaments has not led to improved outcomes for people or the economy – rather, it risks engendering duplication, confusion and complexity, hindering them instead.

Meanwhile, greater devolution from a national system – detached from local circumstances – has been recognised as a positive in previous inquiries (House of Commons Work and Pensions Committee 2023). Full devolution of employment support would be the natural next step in delivering a system that is both fit-for-purpose and that can realise its full potential as a route to fulfilling Scotland's child poverty ambitions.

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