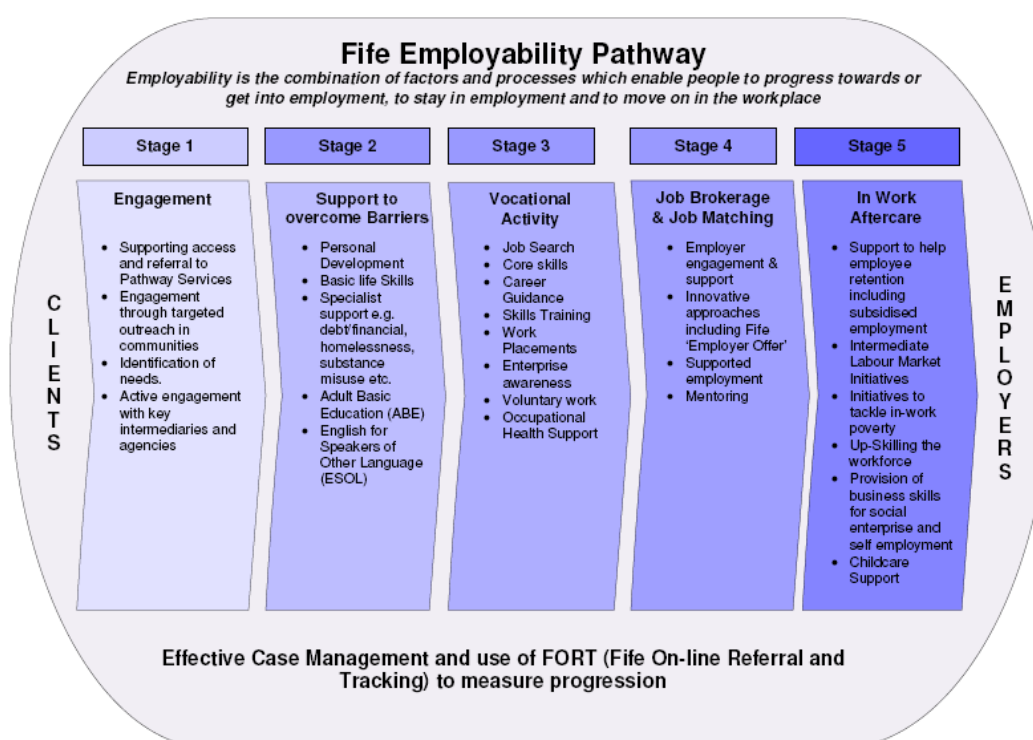


## FIFE EMPLOYABILITY PATHWAY

### COMMISSIONING FRAMEWORK

#### 1 INTRODUCTION

- 1.1 This commissioning framework sets out the Opportunities Fife Partnership intentions for investment in employability and skills provision and is intended to provide the framework for all funding within the control of the partnership and Fife Council. Investment will be aligned to the Fife Employability Pathway:



\* IT Skills for Work to be reworked within the graphic

- 1.2 During 2013 the Opportunities Fife Partnership undertook a review of its Employability Pathway to ensure that it was current against national best practice and innovation and that it was aligned to local and national sources of funding as effectively as possible. As a result of the review the partners now wish to give a clearer focus to positive outcomes and performance management for the pathway with service delivery focused on specific employability activities targeting SIMD areas and specific groups. The partnership will ensure that its investment in employability activities from all funding sources complements and adds value to Scottish and UK funded employability interventions rather than duplicate or replace these.
- 1.3 This commissioning framework sets out the partnership's commissioning intentions for the delivery of employability services aligned to the Fife Employability Pathway. The framework reflects current labour market need and the activities of all the partners engaged in

delivering employability services. Investment in employability interventions commissioned and delivered will be supported by means of all funding sources available to the partnership including Fife Council investment, Fairer Scotland Funding, European Funding, Skills Development Scotland Employability Funding, Department for Work and Pensions Flexible Support Fund and Big Lottery Funding.

## 2 STRATEGIC INVESTMENT FOCUS

2.1 The partnership's investment will complement nationally delivered services and the strategic focus for the investment has been developed to ensure that it targets unmet need within the pathway for specific target groups and geographical areas in line with the agreed commissioning principles.

2.2 European Funding - the Scottish Government has not yet finalised the Scottish Chapter of the European Structural and Investment Funds 2014-2020 Programmes although it is currently consulting on this. The consultation document states that:

*Scotland continues to see areas of concentrated joblessness and workless households, often allied to other social and economic issues. In addition, the recession has pushed up unemployment, and in particular extended long-term and youth unemployment. There are many potential barriers to entering sustainable employment, and an integrated approach to addressing these is likely to be required. Evidence suggests the current pipeline approach is effective, but may need adjustment in terms of scope or targeting; such as the inclusion of health inequalities or child care provision, and to be responsive to regional issues such as ageing demographics.*

*Beyond employability, there are an increasing number of people at risk of poverty or social exclusion, or already facing it. These issues are not always individual, but may be family-based or community based, and include financial awareness and inclusion, basic skills and life skills, access to services.*

The potential strategic interventions for structural funds for employability related activities are:

*Enhanced employability pipelines and Youth Employment Scotland* – to build on the existing strategic skills pipeline approach that has been developed during the current LUPS programme and incorporate a Youth Employer Recruitment Incentive Programme.

Additionally, as key components of the proposal *Developing Scotland's Workforce*, additional high-level college and university places aimed at sectoral and regional need will be supported as well as advanced apprenticeships which are to be delivered in partnership with businesses.

2.3 Fairer Scotland Funding - The Opportunities Fife Partnership at its meeting on 10 September 2013 agreed its priorities for investment of Fairer Scotland Funding in skills and employability activities. The priorities are to ensure that investment is focused on the three core outcomes – Increasing access to employment for people with disability and health issues; increasing youth employment (16-24); and Supporting adults into work (25+). Investment will be made in interventions which benefit people living in communities which

experience higher levels of poverty as indicated through the Scottish Index of Multiple Deprivation ie the 20% most deprived areas of Fife. It is anticipated that Fairer Scotland Funding will be used to match EU funding.

- 2.4 Fife Employability Pathway – the pathway ensures that delivery partners deliver only activities under one or several stages where they have the relevant expertise meaning that individuals accessing the pathway receive the right support at the right time. The review concluded that there were gaps in the following areas:
- More is needed at Stage 2 in terms of addressing the issues faced by people with mental health and disability issues, and these issues are likely to be more prevalent as Work Programme leavers grow in number. Some care needs to be exercised here as a significant proportion of Stage 2 provision sits inside mainstream provision in Fife Council, NHS, etc.
  - Support for individuals to develop IT skills is particularly important, in part to help with general employability but also driven by the shift to online job search and job application, as well as the introduction of Universal Jobmatch.
  - Support to sustain job entry and to help individuals progress in employment is generally seen as an area where additional investment is required. The most cost effective way to organise this is by building on the employer engagement effort at Stage 4 and the links already made by the staff involved with both clients and employers at the job entry stage.
  - A reconfigured service for residents of most deprived SIMD areas is needed which is organised around the concept of providers travelling towards the client rather than the client travelling towards provision. To work cost effectively this will need to maximise the use of existing local facilities and potential links with community based organisations.
- 2.5 As a result of the review of the pathway and the development of its approach to Fairer Scotland Funding, the partnership has identified strategic outcomes for its investment in employability interventions:
- Known barriers to employment (including digital literacy and literacy and numeracy skills) have been removed and this has assisted increased numbers of long term unemployed to move into employment.
  - Increased numbers of participants in employability activities and positive outcomes are from the most deprived 20% SIMD areas.
  - Provision of all services has maximised the use of volunteering as a route into employment.
  - Referrals and progression through the pathway has been effectively managed and all clients have progressed through the different stages of the pathway and within work with the assistance of a dedicated key worker.
- 2.6 The priorities for investment by the partnership are set out below and have been informed by the agreed approach for Fairer Scotland Funding, the review of the Fife Employability Pathway and consultation with partnership members. The priorities for funding do not include interventions to increase youth employment overall as this area is addressed by significant investment in employability activities for young people by Fife Council. However, Interventions focused on specific target groups may include young people eg long-term

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unemployed, school leavers at risk of becoming NEET, looked after young people, disability and health.

## TARGET AREAS FOR INVESTMENT

OFP Outcome Focus	Target Client Group	Intervention	Weightings	Anticipated size of potential client groups
<ul style="list-style-type: none"> <li>• Adult</li> <li>• Young</li> <li>• Disability &amp; Health</li> </ul>	Long term unemployed	The number of Work Programme leavers entering the pathway is likely to increase and these clients will require support to assist them into employment. By way of example of the type of intervention that is sought, a programme of support could include activities such as employment in environmental projects and dedicated employability provision should also be provided to project participants, allowing for weekly employability support. Fairer Scotland Funding could be utilised to pump prime such a programme with the longer term aim of the programme securing funding from other sources to become commercially viable. Provision at Stage 2 of the pathway is particularly required for the adult (25+) long term unemployed.	To be developed (using JCP example as basis)	To be developed
<ul style="list-style-type: none"> <li>• Adult</li> <li>• Young</li> <li>• Disability &amp; Health</li> </ul>	Literacy and numeracy for employability	Some employers report that young people are leaving full time education without the necessary literacy skills they require to be employed and that there is a need for literacy skills development in young people. Provision for literacy and numeracy for employability should also include ABE provision for adults.		
<ul style="list-style-type: none"> <li>• Adult</li> <li>• Young</li> <li>• Disability &amp; Health</li> </ul>	IT Skills for work	The Fife Household Survey 2011 found that 29% of Fife households do not use the internet and estimated that between 11,000 and 12,000 unemployed people are likely to be digitally excluded. A large scale programme delivering IT skills for work is required to ensure that all job seekers have sufficient IT skills for general employability as well as for online job search activities and ability to secure in-work benefits online with all residents in SIMD areas having access to a programme. Fife College is supporting a programme of IT and digital skills for employability in partnership with Fife Council and JCP. Partners will identify individuals from SIMD and other communities and the college, with Fife Council will deliver basic skills in ICT and digital literacy and provide information on the next steps to attain basic IT and digital qualifications. The initial target is for places for 1,000 learners/clients. This will be delivered by Fife College during 2014/15 but there will be an ongoing requirement for this type of intervention to ensure that all individuals who require IT skills for work are supported.		
<ul style="list-style-type: none"> <li>• Young</li> </ul>	School leavers at risk of becoming NEET	Given that the School Leaver Destination Results show that disengaged Christmas Leavers make up 24.7% of the unemployed cohort, tailored employability support is required for school leavers in SIMD areas		

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		who are at risk of becoming part of the MCMC group (not in education, employment or training).		
<ul style="list-style-type: none"> <li>• Young</li> </ul>	Support for looked after young people	With around 100 young people leaving care each year, intervention is required for looked after young people and those leaving care. By way of example of the type of initiative that is sought, further development of Fife Council's Rising Stars initiative could potentially create a high value project targeted at supporting care leavers into employment.		
<ul style="list-style-type: none"> <li>• Young</li> <li>• Adults</li> </ul>	Developing an employability approach for ex-offenders	Employability provision targeted on ex-offenders is a potential gap area and there is a need to review the work currently undertaken on the rehabilitation of ex-offenders to explore and identify the linkages to employability approaches and determine whether local funding such as Fairer Scotland Fund should support an employability approach in this area.		
<ul style="list-style-type: none"> <li>• Disability &amp; Health</li> <li>• Adult</li> <li>• Young</li> </ul>	Disability and health	A range of services are available to support people with disabilities, health or mental health issues. A review of current provision is required to develop a new strategy for provision. A Fife-wide programme to drive change in this area needs to be developed through extending provision beyond that already provided through Fife Council Social Work and Education. Providers may seek to attract EU funding to expand the range of provision following a review which would identify how services should be reconfigured to ensure that they are as effective as possible. FSF funding may be available to allow the review to be undertaken or where required to enhance provision in the SIMD areas.		
<ul style="list-style-type: none"> <li>• Adult</li> <li>• Young</li> <li>• Disability &amp; Health</li> </ul>	Volunteering as a route into employment	There is interest in exploring the potential of a project that supports voluntary organisations to assist long term unemployed and other key client groups into sustainable employment through volunteering as a means of developing core employability skills.		
<ul style="list-style-type: none"> <li>• Adult</li> <li>• Young</li> </ul>	Carers and people with family responsibilities	This target group has been identified by the third sector as a gap in provision within the pathway. It is also part of one of the specific activities likely to form the focus for European Structural Funds. Interventions for individuals facing these barriers to prepare them to take up sustainable employment are therefore likely to attract European Funding.		

Note – provision of a breakdown of funding available against each priority will be assessed once the FSF allocation has been agreed by Fife Council (Feb)

## 3 COMMISSIONING PRINCIPLES

3.1 In line with the agreed approach to Fairer Scotland Funding and the review of the Fife Employability Pathway as outlined above, the partnership agreed the following **Commissioning Principles** which guide this commissioning framework:

- Service delivery will be configured to meet the gaps in provision identified in the strategic investment focus below
- Service delivery will be focused on long term (2yrs+) unemployment.
- Service delivery will be targeted at the most deprived 20% SIMD areas of Fife.
- Service delivery will not seek to substitute local funding (eg FSF) for national or mainstream funding.
- Service delivery will include work experience along with employability and job search activities.
- Service delivery will be innovative particularly around the need to focus provision on the SIMD areas and in the use of volunteering as a route into employment.
- Service delivery will be located as close as possible to the client base and should be configured around the needs of the client rather than the provider.
- Service delivery will be designed to ensure delivery of cost effective interventions. The partnership wishes to fund fewer, more strategic initiatives, therefore, funded projects should be larger to achieve economies of scale and deliver a significant number of job outcomes . (Note that the expected number of job outcomes is currently being assessed and an indication of this will be provided once this is developed). Where third sector provision is not configured to achieve this scale of outcome, there should be engagement/partnership with other providers to produce this scale of intervention.
- Where gaps have been identified (eg at Stage 2 of the pathway) and these are activities which are provided by mainstream providers including Fife Council, these gaps should be explored in the first instance with the relevant agencies in order that any activities enhance rather than duplicate existing provision.

## 4 SERVICE DELIVERY

4.1 A longer term aim of the Partnership is to increase the capacity of the third sector to allow it to take the strategic lead in delivering employability services on its behalf. With that in mind, of particular interest would be a delivery model based on the development of a consortium of third sector providers to deliver services through all stages of the Pathway to achieve a higher volume of participants and job outcomes. The advantages of such a model include:

- Flexibility - a consortium could deliver an Opportunities Fife branded service which could include a mix of paid staff and volunteers to deliver services at the local level.
- Volunteering as a route to employability – developing skills and potential, contributing to increased confidence and self-esteem leading to enhanced employability.
- Ability to attract external funding – allowing the consortium to deliver in other areas of Fife.

- 4.2 The Opportunities Fife Partnership will consider a range of delivery mechanisms for the commissioning of the services to be procured. Innovation in delivery of services as outlined above will be a key feature for the commissioning process.
- 4.3 Fairer Scotland Funding will be used to commission services in the 20% SIMD areas only. However, where it can be demonstrated that where there is no service provision currently exists or that a Fife wide initiative will enhance provision in the SIMD areas this would be considered for support. For specific client groups who may reside at many different addresses (such as looked after children for example) individuals should be currently or have previously been living in SIMD areas.
- 4.4 Following establishment of services, providers will be required to record performance data within the FORT system. Services will be assessed on the basis of progress towards agreed outcomes with the option to remove or reallocate funding if outcomes are not met.
- 4.5 Payment for service delivery will be made on the basis of the provider delivering on agreed targets related to job outcomes. Payment of a core amount will be paid quarterly in advance with any additional payments made on the basis of the agreed targets for job outcomes, positive outcomes and referrals depending on the pathway stage.
- 4.6 The Opportunities Fife Partnership will seek to support service delivery for three years duration for all funding streams (although Fairer Scotland Funding can only be guaranteed for 2014/15). Where an innovative new service is being delivered as a pilot the timescale may be shorter.
- 4.7 The Opportunities Fife Partnership will seek to commission service delivery in a way that is as cost-effective as possible.
- 4.8 Proposals for commissioning will be assessed by the Opportunities Fife Partnership. Fairer Scotland Funding will be allocated to proposals benefiting people residing in the worst 20% SIMD areas of Fife or where the activity will enhance service provision in these areas. For all proposals the following criteria will be applied and individual weightings based on the criteria will be applied to each of the target areas for intervention:

<b>CRITERIA</b>
Number of job outcomes
Number of positive outcomes
Impact on SIMD areas
Localised access to services
Preventative approach
Inclusion of work experience with employability and job search activities
Use of volunteering

## 5 EMPLOYABILITY FUNDING

- 5.1 This commissioning strategy is intended to guide investment from all sources of funding available to the partners as outlined in the introduction. More specifically, it draws together employability funding available to the Opportunities Fife Partnership to commission services for the period 2014-2017 in line with Fairer Scotland Funding and European Funding.



- 5.2 The Scottish Government’s proposals for the Scottish chapter of the European Structural and Investment Funds 2014-2020 Programmes are currently at the consultation stage and it is expected that the Programme will be launched and ready to operate from July 2014.
- 5.3 The commissioning framework is based on the anticipation that the Fairer Scotland Funding will continue to be made available for 2015/16 and 2016/17 but this cannot be guaranteed. Fife Council will be reviewing the current programme during 2014/15 and following this review decisions on future funding will be made by the end of 2014.
- 5.4 It is anticipated that the budget available over the period of the commissioning framework will be in the region of:

<b>Fund</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
EU Funding	911,250	1,215,000	1,215,000
Fairer Scotland Funding	1,213,345	n/a	n/a

In addition to the budget available as outlined above, Fife Council provides significant financial support for modern apprenticeships along with funding for employability activities associated with environmental projects and also provides a significant level of support to the voluntary sector.

- 5.5 Fife Partnership and Fife Council’s Housing & Communities Committee agreed in November 2011 and January 2012 that the thematic partnerships would be recipients of FSF and responsible for commissioning activity 2012 – 2015. For the employability allocation of Fairer Scotland Funding it is the Opportunities Fife Partnership which has responsibility for commissioning activity.
- 5.6 For current Fairer Scotland Funded projects using this to match fund European Funding and where the project has been given an extension for European Funding until June 2014 these projects may be may be eligible for an extension of Fairer Scotland Funding if the project fits with the new criteria going forward or if this is to allow the project to be wound down effectively.
- 5.7 Once the finalised European Structural and Investment Funds 2014-2020 Programmes have been launched the Opportunities Fife Partnership Executive Group will invite expressions of interest for service delivery in line with the commissioning framework set out above. This will ensure that Fairer Scotland Funding can be maximised by its use as match funding for European Funding.
- 5.8 Once expressions of interest have been invited the following timeframes will apply:

Expressions of interest (EOI) invited	Four weeks to submit
Assessment of proposals by OFP	Two weeks from receipt of EOI
Notification provided	Two weeks following assessment

(Note – detailed timescales and dates to be provided once EU Programme confirmed)