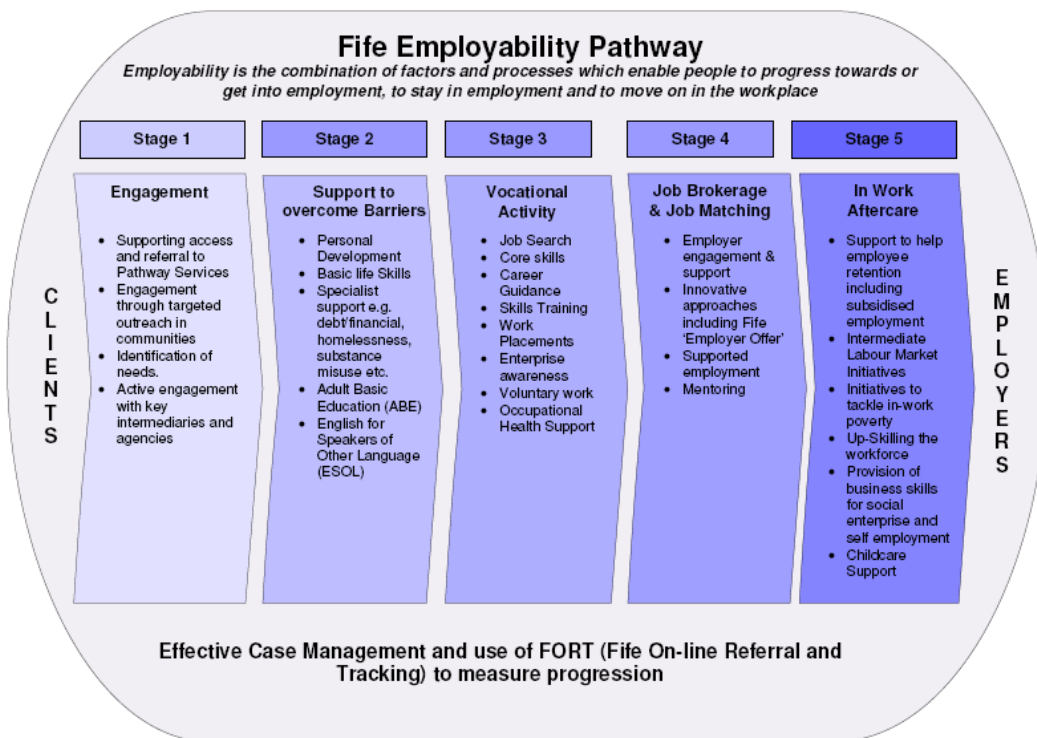


OPPORTUNITIES FIFE PARTNERSHIP COMMISSIONING OF EMPLOYABILITY AND SKILLS PROVISION

BRIEFING PAPER

1 INTRODUCTION

The Opportunities Fife Partnership will be seeking to commission employability and skills provision aligned to the Fife Employability Pathway (shown below):



Employability provision aligned to the pathway will be commissioned by means of a number of funding sources available to the partnership:

- Local funding such as Fairer Scotland Fund
- National funding sources such as Skills Development Scotland's Employability Fund, Department for Work and Pensions Flexible Support Fund, and Big Lottery funding
- European funding available through the European Structural and Investment (ESI) funds.

It had been intended that the commissioning process for Fairer Scotland Funding would be undertaken during December 2013 and that this fund would be used to match fund European funding to enable the partnership to commission fewer but more successful interventions which would be of a sufficient scale to deliver a minimum of 100 job outcomes per project. It had been expected that the new EU programme for Scotland would be at an advanced stage by the end of the year to provide direction to the partners on the activities that would be supported. However, a significant delay to the publication of the programme means that it will not be possible to begin the commissioning process for Fairer Scotland Funding until the EU programme has been published – likely to be End February/beginning March 2014 at the earliest.

This paper therefore is intended to provide an early indication to third sector providers of the key areas in which the partnership will be seeking to develop capacity. Further information will be provided on timescales for the commissioning process once the EU programme has been published.

2 FAIRER SCOTLAND FUNDING 2014/15

At its meeting on 10 September 2013, the Opportunities Fife Partnership agreed an approach to service delivery to be commissioned by Fairer Scotland Funding as highlighted below:

The overarching principles for Fairer Scotland Funding investment as agreed by the Fife Partnership and Fife Council (*Future of the Fairer Scotland Fund Nov 2011 – Fife Council/Fife Partnership Jan 2012*) remain as follows:

- Collaborative commissioning
- Developing shared outcomes for reporting purposes
- Testing new ways of working
- Prioritising early intervention and preventative activities
- Disinvesting in activities which are not likely to be mainstreamed
- Testing how to effect mainstream change
- Greater targeting of resources and programmes in the 20% most deprived areas of Fife

The Opportunities Fife Partnership will commission service provision put forward for consideration if it can demonstrate fit with all three of the strategic priorities below:

1 Priority Outcomes

The over-riding focus of the Opportunities Fife Partnership is on skills and employability and therefore the key aim is to support people to move closer to and into work. Services will be commissioned which are intended to achieve one or more of Opportunities Fife Partnership's agreed core outcomes:

- Increasing access to employment for people with disability and health issues
- Increasing youth employment (16-24)
- Supporting adults into work (25+)

2 Priority Targeting

All projects commissioned through Fairer Scotland Funding must benefit people who live in communities which experience higher levels of poverty as indicated through the Scottish Index of Multiple Deprivation. Projects will be commissioned if resources are targeted on the 20% most deprived areas of Fife. Projects that are designed to be delivered on a Fife-wide basis will not be supported unless these are designed to enhance service provision in these areas.

3 Priority Approach

Priority will be given to the commissioning of projects which are underpinned by the following approaches:

- Service delivery based on innovation and change in skills, employability and enterprise. Projects seeking to substitute mainstream funding will not be supported.
- Early intervention and preventative approaches to skills, employability and enterprise

interventions.

- For Fairer Scotland Funding - establishment and delivery of new initiatives. It would not be the intention that projects which have already received Fairer Scotland Funding for a three year period will be commissioned as these projects are expected to have secured mainstream funding for delivery over the three year period.
- Provision which targets gaps in existing provision by partners, complementing rather than duplicating existing activities such as the Work Programme.
- Delivery of employability or enterprise interventions by the Third Sector.
- Provision which supports the leverage of additional external funding with a particular focus on private sector funding.

Commissioning Process

Projects can be commissioned up to a maximum of three years – however, payments to commissioned projects will be made on a reducing basis over the three year period. Fairer Scotland Fund monies can be used to support revenue costs only, including staff costs.

A review of the Fife Employability Pathway is about to be undertaken and this review will inform the strategic commissioning process for the Fairer Scotland Fund for Employability. A strategic commissioning document highlighting gaps in existing provision will be produced to stimulate project proposals to fill these gaps and target specific client groups.

Successful projects will contain the following features aligned to the criteria set out above:

- Clear demonstration of need and demand for the project
- Clearly articulated sets of activities, outcomes and evaluation techniques
- Clear explanation of how the project will be progressed
- Clear statement of the number of people who will benefit and how they will benefit
- Ability to meet stated activities and priority outcomes
- Realistic costing and timescales
- Details of other funding secured to support the project
- Clearly stated continuation plan or exit strategy

3 COMMISSIONING PRINCIPLES AND STRATEGIC OUTCOMES

The Opportunities Fife Partnership recently commissioned a review of the Fife Employability Pathway and the findings and recommendations of the review will be discussed by the partnership at its next meeting. Taking into account the agreed approach for Fairer Scotland Fund, the findings and recommendations of the pathway review and a short survey of Opportunities Fife Partnership members to ascertain views on priorities for services to be commissioned, the following are the **Commissioning Principles** which will guide the partnership in commissioning services:

- Service delivery should be configured to meet the gaps in provision that form the strategic focus for service commissioning and to achieve the strategic outcomes set by the partnership (set out below).
- Service delivery should be focused on long term (2yrs+) unemployment.

- Service delivery should be targeted at the most deprived 20% SIMD areas of Fife.
- Service delivery should not seek to substitute local funding (eg FSF) for national or mainstream funding.
- Service delivery should include work experience along with employability and job search activities.
- Service delivery should 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 should 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 should be designed to deliver fewer but more successful interventions – ie delivering a minimum of 100 job outcomes per project. 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.

The partnership wishes to ensure that services commissioned will result in the following **Strategic Outcomes**:

- 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 volunteers which has led to those individuals moving on to successful job outcomes themselves.
- 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.

4 SERVICE PROVISION – HOW WE’LL COMMISSION

1. 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.
2. Fairer Scotland Funding will be used to commission services in the 20% SIMD areas only. For initiatives that are to be delivered across Fife, evidence should be provided to demonstrate that the initiative will enable higher level provision in these core SIMD areas.
3. Of particular interest to the Partnership 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. All services put forward for consideration for commissioning will be assessed on a proposed cost per job outcome basis. Following establishment of services, providers will be required to record performance data within the FORT system evaluation of service delivery on an ongoing basis will be undertaken on a robust cost per job outcome basis to ensure that the partnership can realise maximum return on investment.
 5. Payment for service delivery will be made on the basis of the provider delivering on agreed targets related to job outcomes. An additional contribution may be made on the basis of other positive outcomes and referrals dependent on the pathway stage.
 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.
 7. The Opportunities Fife Partnership will seek to commission service delivery in a way that is as cost-effective as possible.

6 GAPS IN PROVISION – STRATEGIC FOCUS AREAS

The review of the Fife Employability Pathway mapped out employability interventions and services across the pathway to identify any gaps in provision. Taking into account the findings and recommendations of the review and a short survey of Opportunities Fife Partnership members' views on the priorities for service commissioning the following gaps in the pathway have been identified. Provision commissioned will be focused on those leaving the Work Programme and the specific client groups identified below as the strategic focus areas for investment.

The strategic focus areas for investment (subject to confirmation of the EU funding programme priorities for 2014-2020) are set out below.

1. **Focus on long term unemployed** – numbers of long term unemployed clients entering the pathway following participation in the Work Programme is likely to increase and post-Work Programme support is required to assist these clients back into work. Such a programme 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. Feedback from employers on reasons for unsuccessful applications by adult unemployed clients often focus on lack of confidence, poor attitude and poor quality applications and interview performances which could be tackled by Stage 2 provision.
2. **IT Skills for Work** – according to Raceonline an estimated 90% of UK jobs will require some level of IT competency by 2015 yet 1 in 5 adults don't have basic IT skills. The Carnegie UK Report, *Across the Digital Divide* (April 2013) reported that one third of Scottish households do not have Broadband access in their homes; 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 would 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. The programme should be provided on a widespread basis to ensure that all residents in SIMD areas have local access to the 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.

3. **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.
4. **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.
5. **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 who are at risk of becoming part of the MCMC group (not in education, employment or training).
6. **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. Further development of Fife Council's Rising Stars initiative would be supported and funding sources to develop this partnership initiative could include the Council's £1m youth investment fund along with other external funding sources to create a high value project targeted at supporting care leavers into employment.
7. **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.