



University
of Glasgow | Training & Employment
Research Unit

FIFE EMPLOYABILITY PATHWAY REVIEW

EXECUTIVE SUMMARY

December 2013

Professor Alan McGregor
Email: alan.mcgregor@glasgow.ac.uk
Tel: 0141 330 5128

**Training and Employment
Research Unit (TERU)
University of Glasgow
Adam Smith Building
40 Bute Gardens
Glasgow G12 8RT**

Brief and Approach to Review

1. The Brief was to review the effectiveness of the Opportunities Fife Partnership's investment in the Fife Employability Pathway and to make recommendation for ensuring that it represented national best practice in innovation and delivery going forward.
2. The review involved the following activities:
 - An analysis of the changing economic and policy context.
 - A statistical review of Pathway provision using the FORT system.
 - Focus groups with frontline workers.
 - Qualitative feedback from and a workshop with key stakeholders.

Analysis of Economic and Policy Context

3. In terms of Fife's performance on employability:
 - There is mixed evidence around progress relative to Scotland as a whole.
 - On three different measures of unemployment, Fife has fared less well than Scotland since 2010.
4. The high level findings from the policy review are as follows.
 - Although the Scottish policy context for employability has remained stable except for a significant increase in the prioritisation of young people, the approach to employability in Fife needs to take more account of the introduction and development of the Work Programme and the implications for employability of Welfare Reform.
 - The new EU ESF 2014-2020 programme appears to offer significant autonomy to local employability partnerships in setting their employability priorities and service delivery.

Quantitative and Qualitative Review of Pathway Effective Delivery

5. Substantial volumes of clients have been assisted through access to Pathway services.
 - From July 2011 to June 2013 nearly 7,000 clients were registered on the FORT system. Clearly the number of people assisted is much larger once account is taken of services delivered through the mainstream.
 - The largest single category (45% for 2012/13) of clients are people on Jobseekers Allowance (JSA) who are typically shorter term unemployed individuals not yet Work Programme eligible. Other workless people constitute 32% of clients. The balance are either employed or in full-time education or training.
 - In 2012/13, more than 1 in 4 clients dropped out of the Pathway, a significant increase over the previous year.
6. Taking a cohort of clients registering between October 2011 and September 2012, by late October 2013:
 - 37.3% had achieved a high level outcome, and within this 24.4% an employment or self employment outcome.
 - Focussing solely on those on JSA or in the category described as workless, the percentages achieving an employment or self-employment outcome were higher – but still not high – at 32.9% and 25.9% respectively. The Fife Employability Pathway can do better in terms of employment outcomes, particularly given the nature of the client group currently assisted where many are short term unemployed. Offering a new JSA client a 1 in 3 chance of finding a job is not good enough.
 - Almost half of the clients categorised in the 'other' group (mainly younger people in school, college or university, but also including care leavers) achieve no high level outcome. Bearing in mind that the outcomes include 'progression to a government training scheme' such as a Modern Apprenticeship, or 'entering formal accredited training or education', there is a need to secure a greater understanding of how these outcomes can be increased.

7. Around 27% of total registrations are from residents of the most deprived 20% of datazones, and these clients have lower outcome rates than those from other parts of Fife.

8. Rough estimates for cost per outcome for a cohort of registrants between October 2011 and September 2012 are £4,700 per outcome and £7,200 per job outcome.

9. Although qualitative feedback from OFP Board members and frontline staff was generally positive, a range of potential improvements to the Pathway were suggested and these are captured in the recommendations below.

10. Fife Employability Pathway is a solid achievement brought about in a partnership setting. In broad terms the Pathway benchmarks positively against acknowledged best practice. Areas of potential weakness are insufficient focus on in-work support for clients and the need to make greater use of performance measurement and management at the strategic level.

Recommendations

1. **OFP needs a simple commissioning strategy** built around the dates required for FSF, Employability Fund and ESF. All three funds need to be considered in an integrated way to make the best use of the potential resources available. For example, Employability Fund, which will be commissioned after FSF, cannot be used for Stage 5 provision and so some FSF resource could be deployed there in anticipation of this.

2. **OFP needs to lead a process which sets out a clear statement of employability services which need to be commissioned**, over the next 6 months based on labour demand, labour supply, existing funded provision and mainstream employability provision. This can build on the consultations carried out for this review and the analysis of FORT data.

3. OFP also needs to take account of the analysis in the review relating specifically to:
- The **mix of client groups** currently supported by the Pathway in terms of the balance between JSA, workless, already employed and 'other' as well as the penetration into SIMD most deprived 20% datazones.
 - The **evidence on effectiveness** across programme delivery groups, client groups and providers.

This analysis may generate other requirements in terms of the commissioning of employability services over the next 6 months.

4. The **ramifications of Welfare Reform**, including the issue of the substantial number of people leaving the Work Programme without an employment outcome, need to be considered strategically by OFP in terms of their implications for client prioritisation and service delivery at different Pathway stages. There are complex issues around where best to put resources in alignment with the Work Programme to secure the maximum benefit for unemployed Fife residents.

5. In terms of the type of provision where **new or additional services need to be commissioned** the general feedback is along the following lines:

- 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.

6. With the development of the regional Fife College and some evidence emerging from employers of increasing difficulties in filling vacancies where specific skills are required, there is a **major opportunity to move investment in skills more towards the centre of the Fife employability effort**. The emphasis here needs to be on skills that work for particular groups of employers and key sectors in order to raise the employability of unemployed residents but also the competitiveness long term of Fife employers.

7. Specifically in relation to Fife Employability Pathway performance on behalf of residents of the most deprived 20% SIMD areas, the statistical evidence on current **SIMD area penetration** from FSF funded providers pulled together in this review should be used to **set minimum targets** for provision commissioned for delivery in 2014/15.

8. **Potential for innovation** has been identified in relation to the following:

- Developing an employability service which meets more effectively the needs and circumstances of residents of the most deprived 20% SIMD areas.
- Motivational approaches to assisting relevant groups back into work.
- Working with households as opposed to individuals.
- Developing an in-work support service for working clients threatened by the consequences of in-work conditionality under Universal Credit.
- Creating a top class 'employability through volunteering' intervention.

9. Although no obvious wasteful duplication of provision has been identified, there is a feeling that there is currently **over-provision** in relation to interventions to support workless people into **self employment**.

10. In the re-focussing of FSF there is an **emphasis on third sector organisations** being more involved in employability service delivery. This is supported by good performance from some third sector organisations based on the analysis of FORT carried out as part of the review. However, not all third sector organisations perform well and there are concerns about the capacity to expand significantly third sector provision in the short run. **OFP needs to be cautious in expanding significantly** its commissioning of services from the third sector and should also give consideration to bringing in more delivery from national third sector players.

11. In terms of processes within the Pathway there are concerns about the **appropriateness and effectiveness of referral**. It has not proved possible to test many of the concerns within the timescale for the review but this would be an action to take forward using the FORT database.

12. Fife should link with action taking place in a number of pilot areas across Scotland to develop a **more resource efficient and coordinated approach to employer engagement** across the principal partners.

13. **FORT** has proved to be a massive resource in terms of the conduct of this review. **Some small changes** might be considered such as:

- Making residents in the most deprived 20% of SIMD areas a client characteristic to be captured.
- Recording the stage the clients are at on registration and as they move through provision so that progression between stages and the time taken to do this can be measured.

14. Building on the analysis done for the review, OFP needs to create a **Strategic Performance Report** which can be reviewed on a quarterly basis with a view to generating strategic guidance on the Pathway as a whole.

15. Using the aspect of the analysis developed for the review which has provided outcome data by project or provider, OFP needs to lead the development of a **more evidence-based approach to the organisations with which it contracts** – both internally for mainstream services and externally for bespoke funded services.

16. OFP needs to address the concerns among some partners that FORT is not providing accurate information particularly on outcomes. OFP needs to institute a review of **quality assurance in relation to FORT** and bring forward improvements.

17. OFP should begin a process of trying to generate a **more integrated performance measurement and management system** for **all** employability services in Fife to aid long term resource planning, as well as shorter to medium term effective commissioning of services.