

Scottish Employability Support Services Supplier Engagement Days

Glasgow – 9 December 2016



Scottish Government
Riaghaltas na h-Alba
gov.scot

Welcome and Introduction

David Hall - SG Procurement

Colin Robertson– SG Fair Work Directorate

Karen Gubbins – SG Procurement

Douglas Martin – SG Procurement

Scott Angus – SG Procurement

Fran Goldie– Supplier Development Programme

Roddy Stewart – Ready for Business

George MacConnachie - SenScot



Agenda

10:00	Registration and Coffee	
10:30	Domestics and Introduction	David Hall Scottish Government Procurement
10:35	Context and Policy Intent	Colin Robertson Scottish Government
10:55	Procurement –including Scottish Model of Procurement; timeline; funding model; possible LOTS	David Hall Scottish Government Procurement
11:15	Q&A	All
11:40	Support and Further Advice	Representatives from Support Organisations
12:10	Networking session	All
12:30	Event Close	



- No fire alarm test today
- Please keep mobile phones either switched off or on silent
- Facilities
- Be an active participant
- Further chance to feedback after the events



Purpose of the day

- Help you understand our proposed requirements
- To seek your views to help us finalise our requirements
- To give you an opportunity to highlight any problems or concerns with the proposed requirements
- To give you an opportunity for questions.
- Opportunity to network

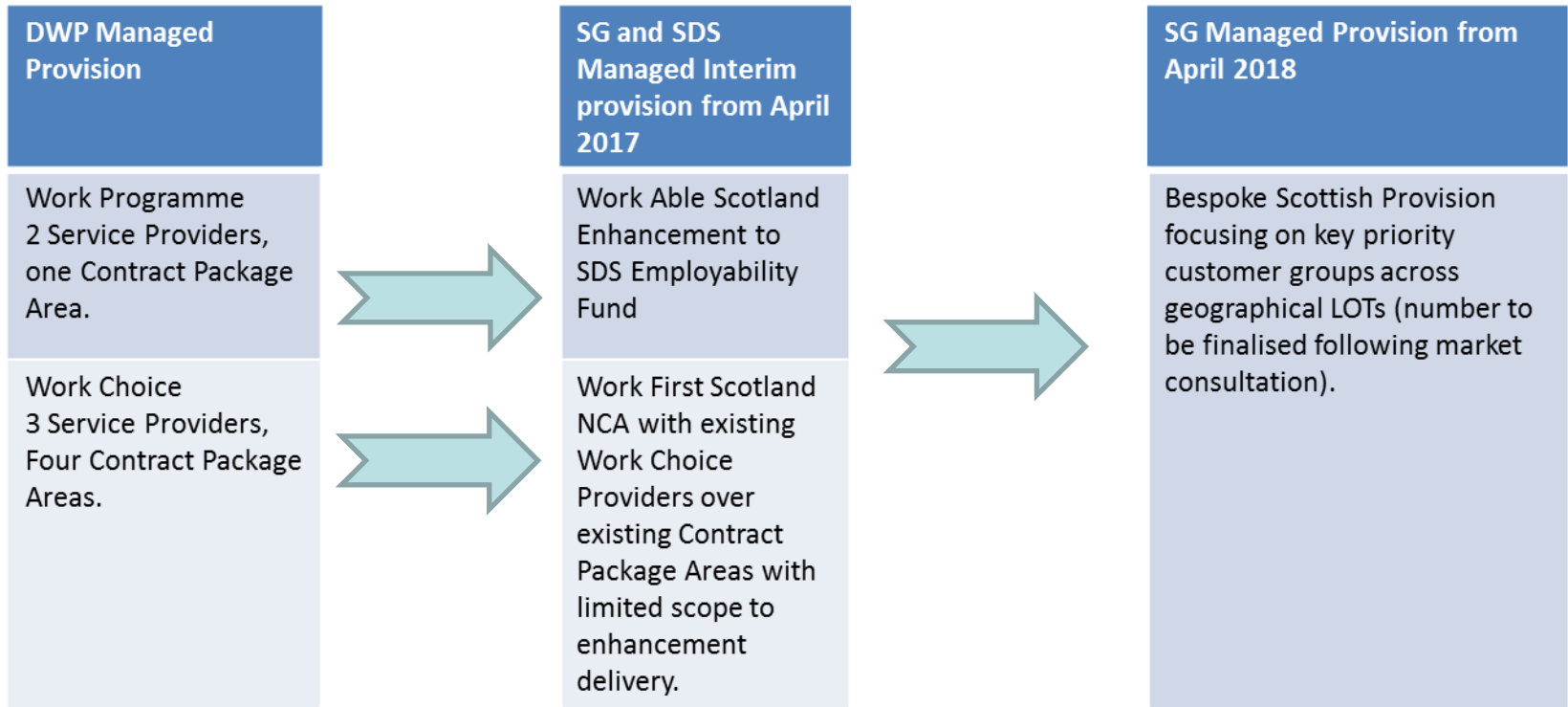


Disclaimer and rules for the day

- Today isn't about giving you all the details
- Partly because we don't have them all – this is still work in progress and things may change (though hopefully not too much) as a result of these events.
- Feel free to speak openly - you won't be held to account for opinions expressed today – and we will respect your anonymity in any write up



Context



Note: There will be some overlap with DWP delivering their provision to existing customers and the introduction of the SG provision for new customers from April 2017. Similarly some customers will remain on the SG interim solution when the new provision comes online to minimise disruption to their jobsearch..



Colin Robertson

Objectives

- To establish a distinctly **Scottish employability service** that creates a strong platform for future services.
- To design and deliver a high quality, high performing service that **helps people into sustained jobs, treating them with fairness, dignity and respect.**
- We will focus on those **further from the labour market** but for whom work remains a realistic prospect.
- There will be a **nationally consistent service**, but it will be **delivered locally** using public, third sector and private capabilities; and
- We will seek to **integrate and align** services to maximise value for money.



Core approach

Elements of continuity

- Sustainable employment outcome-focussed funding model
- Delivery model organised around client-coach relationship
- Pre-work and in-work support
- Robust contract management and performance transparency
- Clear demonstration of value for money



Core approach

**Improve
and
innovate in
key areas**

- Voluntary programme for all
- Support based on individual need, rather than benefit type.
- National guaranteed service requirements for all customers
- Encouraging a more diverse provider market
- Balanced payment by outcomes
- Innovation, integration and alignment a key agenda
- Partnership approach between provider, Government, and other stakeholders



Funding and Customers

Funding,
Volumes, &
Conditionality,

- Westminster settlement + additional SG funding of £20m/annum
- Service fee alongside reward for sustained job outcomes
- At least 10,000 starts annually (referred from JCP + others)
- 12-18 months pre-work support and up to 12 months in-work support
- All engaged voluntarily
- Social contract to support high retention rates



Funding and Customers

Eligibility & assessment

- People in following groups allocated to 1 of 3 service packages, subject to need, with guaranteed and personalised service at heart of offer:
 - Disabled people (JSA, ESA, UC or not on benefit)
 - ESA WRAG* claimants (post-WCA);
 - At risk JSA* groups early in claim, e.g: ex-offenders; care leavers; refugees; and Lone Parents
 - JSA* claimants at 24 months
- * represents UC equivalent



Support

Core support

- An offer for people with moderate requirements - skills needs, confidence building, work experience - which is distinctive and adds value to Jobcentre Plus support.
- Pre employment support of between 6 -12 months



Support

Advanced support

- Focussed on those with significant barriers to employment who require specialist support such as management of health conditions, literacy and numeracy, coping strategies and access to non – employability support needs such as housing and debt advice
- Pre-work support of up to 12 months
- Signposting to other agencies and SG funded programmes, e.g. skills



Support

Intensive support

- Focused on disabled people requiring specialist intervention, but for others with multiple and complex needs (history of addiction/convictions)
- Potential to extend pre-work support to 18 months
- Opportunity to utilise more expensive - but successful - models including the Supported Employment Model for disabled people and IPS for those with mental health conditions



Accountability, evaluation, and outcomes

Accountability

- Active performance management
- Commitment to openness – e.g. transparency of performance data

Evaluation

- Invest in long term evaluation
- Develop a strong evidence base to inform future commissioning

Outcomes

- Primary outcome to trigger payments: employment (based on earnings data)
- KPIs to reflect strategic objectives



Procurement

Scottish Procurement



Scottish Model of Procurement



Sustainability

How can we improve the social, environmental and economic wellbeing of the area in which the contract operates, with a particular focus on:

- Reducing inequality.
- Facilitate involvement of SMEs, third sector bodies and supported business
- Encourage innovation



Sustainability

- Consortia bids
- Quality Evaluation will feature a significant weighting on sustainability
 - Work Force Matters
 - Scottish Living Wage
 - Scottish Business Pledge



Community Benefit Clauses - CBCs

CBCs are:

- contractual clauses which can be used to build a range of economic, social or environmental conditions into the delivery of public contracts.
- contribute to the achievement of outcomes which benefit their communities by specifying contractual requirements which seek to deliver such wider social benefit.

Sustainability and Community Benefit

Support available

- The Supplier Journey
- The organisations you will hear from later today -
- Supplier Development Programme
- Ready for Business
- Just Enterprise
- Senscot/Social Firms Scotland

Indicative Timeline

- Open Procurement – one stage
- Price Quality Ratio favouring Quality

price
/ **quality**

Issue ITT	8 March 2017
Briefing Events	W/C 20 March 2017
Return of Tenders	3 May 2017
Contract Award	6 October 2017
Service Commencement	2 April 2018



LOTTING OPTIONS

- Has to be viable and attractive to the market
- Geographical based around clusters of Local Authorities
- One Contract per LOT at the moment
- 3 Options for consideration today
- Possible Regulation 21 reservation for Supported Businesses
- Considering LOT limiting at award stage

Option 1 – 5 LOTs – based on broadly equal shares of customers

LOT 1	LOT 2	LOT 3	LOT 4	LOT 5
City of Edinburgh East Lothian Fife Midlothian Scottish Borders West Lothian	Falkirk Stirling Clackmannanshire North Lanarkshire South Lanarkshire	Glasgow City	Aberdeen City Aberdeenshire Angus Dundee City Eilean Siar Highland Moray Orkney Islands Perth and Kinross Shetland Islands	Argyll and Bute Dumfries and Galloway East Ayrshire East Dunbartonshire East Renfrewshire Inverclyde North Ayrshire Renfrewshire South Ayrshire West Dunbartonshire

Option 2 – 6 LOTs – based on narrowest range of % share of customers based on 6 LOTs

LOT 1	LOT 2	LOT 3	LOT 4	LOT 5	LOT 6
City of Edinburgh East Lothian Fife Midlothian Scottish Borders West Lothian	East Dunbartonshire North Lanarkshire South Lanarkshire West Dunbartonshire	Glasgow City	Angus Clackmannanshire Dundee City Falkirk Perth and Kinross Stirling	Dumfries and Galloway East Ayrshire East Renfrewshire Inverclyde North Ayrshire Renfrewshire South Ayrshire	Aberdeen City Aberdeenshire Argyll and Bute Eilean Siar Highland Moray Orkney Islands Shetland Islands



Option 3 – 8 LOTs – proposal from Scottish Local Authority Economic Development Group

LOT 1	LOT 2	LOT 3	LOT 4
Glasgow City East Renfrewshire East Dunbartonshire Inverclyde Renfrewshire West Dunbartonshire	North Lanarkshire South Lanarkshire	Edinburgh East Lothian Fife Midlothian Scottish Borders West Lothian	Clackmannanshire Falkirk Stirling
LOT 5	LOT 6	LOT 7	LOT 8
Dumfries and Galloway East Ayrshire North Ayrshire South Ayrshire	Aberdeen City Aberdeenshire	Argyll and Bute Eilean Siar Highland Moray Orkney Islands Shetland Islands	Angus Dundee City Perth and Kinross



The Challenge to Define 'Disadvantaged'

- Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement makes provision for reserved contracts (Article 20).

“Member States may reserve the right to participate in public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons or may provide for such contracts to be performed in the context of sheltered employment programmes, provided that at least 30 % of the employees of those workshops, economic operators or programmes are disabled or disadvantaged workers.”



- **Article 20 of Directive 2014/24/EU has been transposed under Regulation 21 1(a) of The Public Contracts (Scotland) Regulations.**

- **Two Part Test**

(2) In this regulation “supported business” means an economic operator whose **main aim is the social and professional integration of disabled or disadvantaged persons** and **where at least 30% of the employees of the economic operator are disabled or disadvantaged persons;** and “supported employment programme” means an employment programme operated by an economic operator the main aim of which is the social and professional integration of disabled or disadvantaged persons and where at least 30% of those engaged in the programme are disabled or disadvantaged persons.

(3) Where a contracting authority is following the approach set out in paragraph (1), it must specify that fact in the contract notice and refer to Article 20 of the Directive.

Information Requested

- The RFI issued requested the following:
- The first part of the definition at Regulation 21(2) states:
“supported business means an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons”

Does your organisation fulfil the above definition? Yes/No

If you have answered yes please confirm where this is set out and provide a copy of the documentation confirming this.

Information Requested

- The second part of the definition at Regulation 21 (2) states that “...at least 30% of the employees of the economic operator are disabled or disadvantaged persons”.
- Information requested was as follows:

the total number of your employees expressed as full time equivalents.

the number and % of your staff who are **disabled or disadvantaged**

the number and % of your employees who are disabled.

the number and % of your employees who you consider to be “disadvantaged”.

For those employees you consider to be **disadvantaged**, please list the criteria in the box below which you have used to make this determination and provide the number of employees which the criteria applies to. Where an employee meets more than one of the criteria below please do not double count.



Funding Model

Aim



A funding model that:

- Fairly shares risk
- Reduces barriers to entry
- Incentivises the right behaviours
 - Rewards Sustained Job Outcomes
 - Minimises Risk of parking and creaming
- Delivers Value for Money.



Funding Model

- Considering offer of separate set up costs against key milestones to reduce barriers to entry

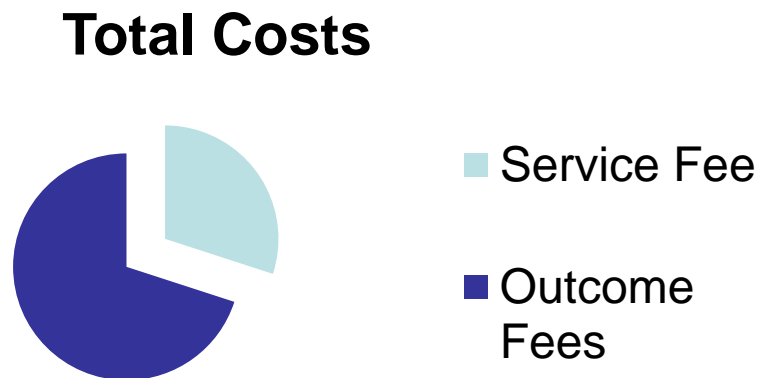


Funding Model

Three Payment Bands based around service levels

The elements for each Band:

- A service fee – 30% of overall costs, split into monthly payments.
- Remaining 70% for outcomes



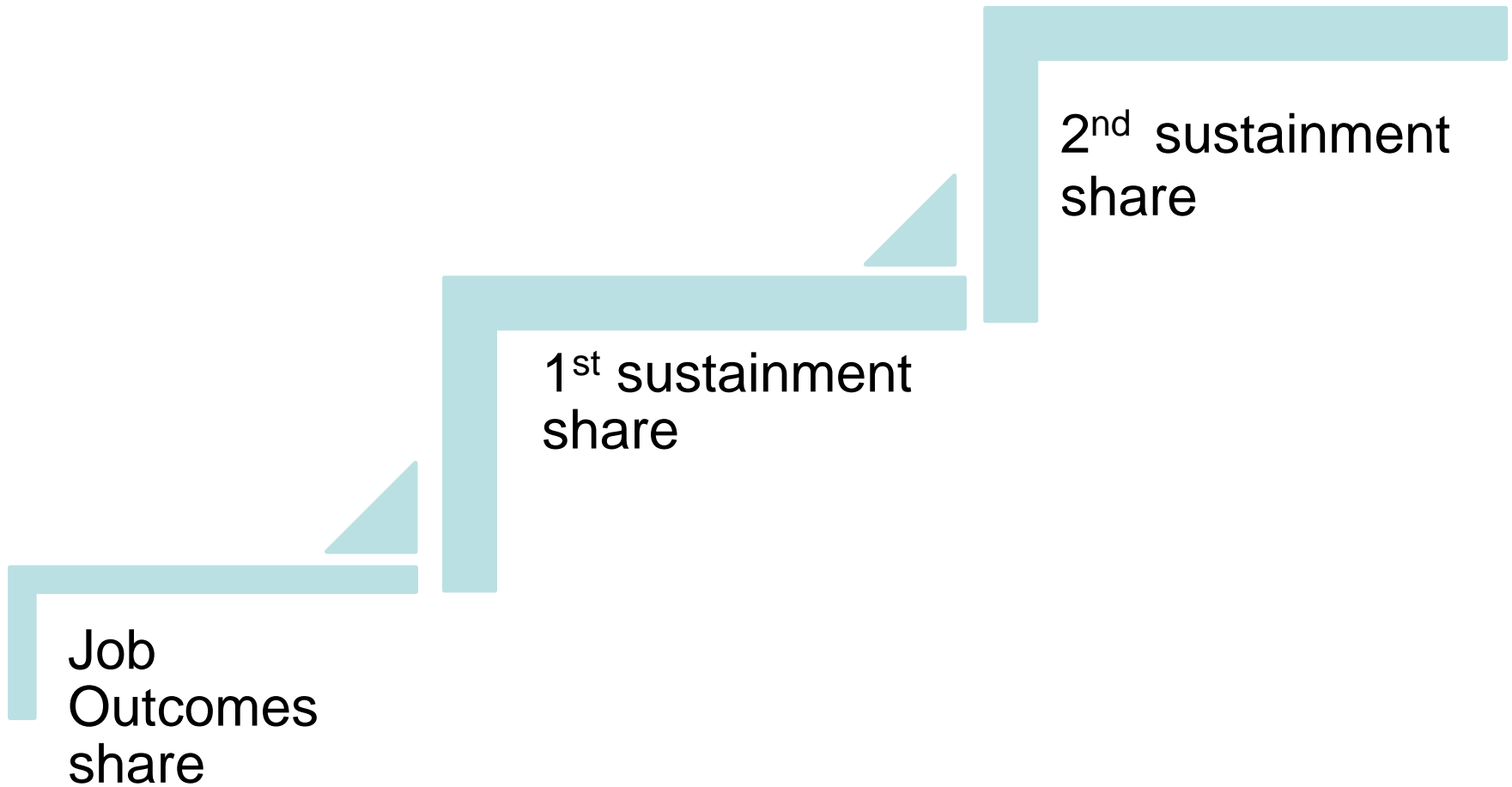
Funding Model

The Outcome elements for each Band

13 week Job Outcome Fee - % of outcomes “pot” divided by number of jobs in performance offer

- Sustainment Payment 1: 6 months - % of outcomes “pot” divided by number of first sustainments in performance offer
- Sustainment Payment 2: 12 months - % of outcomes “pot” divided by number of second sustainments in performance offer
- % share of each element increases with duration.
- Exact % share still to be agreed

Funding Model



Question and Answers

- Questions?
- Some answers, some we will take away
- We will issue a Question and Answer log.
- Some questions may not be answered, but will shape the final Statement of Requirements.
- Follow up survey



Help available for potential Bidders