



From the Secretary of State
for Work and Pensions

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Dear Matthew

In July of last year, we wrote to tell you that you had successfully gained City Strategy pathfinder status. We knew then that we were embarking on a very challenging agenda: challenging for us, because we invited innovation, and would be challenged to respond: challenging for our department, because the City Strategy embodies a new relationship with the local tier: and of course challenging for you, in bringing together a new partnership, capable of planning and driving through real change in order to transform the performance of local employment and skills services.

We write today to celebrate your success in rising to that challenge. Along with the fourteen other pathfinders, Edinburgh has made significant progress in bringing together key stakeholders to form a new decision making body – a City Strategy consortium – that will have real influence over local funding streams and provision. You have developed and demonstrated a genuine understanding of the challenges facing your local area. You have identified priorities for action, and begun to plot out a strategy to respond to those priorities. And you have started to make some difficult choices – aligning activity, plugging gaps, re-directing funding.

Already we are seeing examples where the City Strategy is making a difference. So we write today to mark the beginning of the shift from the planning phase to the delivery phase, to re-affirm our commitment to working with you, and to set out what we can offer to help you to deliver on your plans.

You have set out ambitious goals for your consortium, seeking to make a contribution to the government's aims of tackling worklessness and reducing child poverty. DWP officials will work with you to finalise stretching outcome targets that reflect those ambitious goals. This work

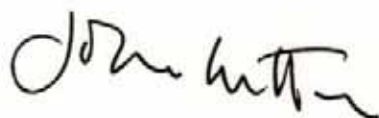
will need to be completed by the end of May, and we will then support delivery by devolving control of DWP's Deprived Areas Fund to consortia. Money will only be released once targets have been agreed. We can confirm that DAF will also be available to City Strategy consortia in 2008/09, and that at least an additional £5m will be available for reward payments to high performing consortia. Alongside work on targets, officials will be developing a mechanism for reward payments, and will consult with you as this is taken forward.

We will also support you to deliver by flexing our policies. We invited you to challenge us, and to highlight ways in which our policies and practice acted as a barrier to local performance improvement. We have listened to your requests, and our officials have worked to develop solutions.

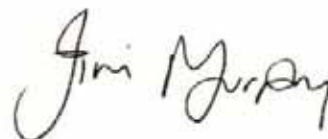
Officials have already been working with pathfinders to implement a contracting model that is more responsive to local need, for example by enabling consortia, where possible, to influence the specification of Provider Led Pathways in their areas. Today we are announcing a series of additional measures – addressing key issues such as improving data sharing, facilitating access to training for individuals that need it, and easing the transition to work. Annex A provides full details.

This is the start, not the end, of the enabling measures process. As the City Strategy develops, and as each consortium moves forward into the delivery phase, we will continue to encourage innovation, and remain open to challenge. We are working to develop a 'Learning Network' to support all consortia – and our intention is that this network should play a key role as consortia develop longer term thinking and work towards greater flexibility.

This is an exciting time for the City Strategy. We would like to thank you and all the consortium members in Edinburgh for the energy and enthusiasm with which you have approached this initiative. We now need to move forwards into successful delivery - and we wish you every success as you develop and implement your plans to ensure that more people who can work have the help and support they need to do so.



John Hutton



Jim Murphy

City Strategy enabling measures

1. Improved data sharing to enable better targeting of provision

- *clearer guidance on how to access to aggregated data*
 - we will provide updated guidance on how to access DWP data for stakeholders and staff – developed with advice from a focus group of users.
- *development of new contracts for the provision of personal information.*
 - we will issue contracts to Pathfinder areas to enable DWP to provide agreed customer data for the specified purpose of them helping customers off benefit and into work.

2. Improved access to training for individuals that need it

- *better guidance on the impact of study and training for those in recipient of benefits*
 - to reduce confusion, we will issue new guidance on who can study and for what and how to access finance through study and training through Jobcentre Plus and the LSC.
- *a way to locally fund: training for jobseekers who have been unemployed for 6 months or more and inactive benefit recipients; and participation in an extension to the Adult Learning Option pilot.*
 - we have agreed a method for Pathfinders to pay from their own resources for additional programme and training allowance and support costs for jobseekers who have been unemployed for 6 months or more and inactive benefit recipients to do training to meet local skill needs. We have also identified a way in England for Pathfinders to participate in Adult Learning Pilots where participants are studying for level 2 qualifications funded by the LSC. Pathfinders will have to pay from their own resources any training allowance and associated costs of training.

3. Improved transitions to employment programmes and work

- *a way to locally fund changes to eligibility, and widening of entry criteria to mainstream programmes – including self-employment*
 - we will provide costings for Consortia that wish to fund provision additional to the mandatory programmes offered by Jobcentre Plus
- *extension of the work trial maximum period from three to six weeks*
 - we have agreed more flexibility in the length of work trials to enable more disadvantaged clients to have the opportunity of a longer work taster.

4. Improved approaches to funding, contracting and the development of local targets

- *development of new planning guidance to ensure that Jobcentre Plus is more sensitive to local needs*

- guidance will be amended to take into account the localisation agenda and Jobcentre Plus' new obligations under the Local Government White Paper.
- *involvement of localities in the development of new national programme specifications*
 - we have given a commitment to involve locality representatives when developing new national programme specifications
- *set-up of standing welfare to work user group to share experiences, make suggestions, and challenge the way the department does business*
 - we have agreed that we should set up a welfare to work user group, including representatives from Pathfinders and LAA authorities, to contribute to the debate on ways of tackling worklessness and poverty.