

**EDINBURGH CITY STRATEGY
BUSINESS PLAN**

June 2007

(Targets section updated 10/12/07)

PARTNERS:

**Capital City Partnership
Careers Scotland
City of Edinburgh Council
Edinburgh Chamber of Commerce
Jobcentre Plus
NHS Lothian
Scottish Enterprise Edinburgh and Lothian**

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SECTION I VISION AND STRATEGY

1.1 Vision

The Edinburgh City Strategy Pathfinder will increase the rate and speed of disadvantaged people moving into sustained employment in the City. We already have an established partnership in Joined up for Jobs and the Pathfinder will develop the scope by including the NHS, the Further Education sector and working with the other Lothian Authorities to align objectives and develop joint action.

Through a concerted effort by those services working directly with the NHS, City of Edinburgh Council, Jobcentre Plus, Scottish Enterprise, the Voluntary Sector and other support agencies, the results we will achieve together will be greater than the results we are individually tasked to achieve. The Pathfinder will increase positive results for the City through the added value of partnership working towards common goals. Each partner is committed to focus their agencies and their resources to achieving the three strategic objectives which are:

- To increase the employment rate to 82%.
- To better integrate and manage the publicly funded activities under our control to optimise results.
- To generate and share improved intelligence about the local labour market and the beneficiaries of funded programmes.

1.1.1 Headline Challenge

The overall labour market challenge facing Edinburgh is the mismatch between the changing demands of employers and the qualifications, skills and aspirations of some sections of the workforce. On the demand side there has been decline in manufacturing and loss of unskilled jobs. Currently 91% of employment is in the service sector; from the employers' point of view there are skills shortages and unfilled vacancies.

Although unemployment in the City of Edinburgh is relatively low at 2.3% (0.6% below the Scottish Average) there is a substantial pool of 57,800 economically inactive people of which 12,700 want a job and 45,100 do not want a job¹. This pool remains on benefits and often in poverty and is not supplying the effective labour supply city employers need. Places within the City of Edinburgh where adult and NEET group unemployment are highest are undoubtedly linked to ongoing structural problems within specific communities where further improvements to education, advisory services, health services, access to training, and employment pipelines could make a real difference. The challenges outlined cannot be effectively tackled by any one agency and there is a compelling case for agencies to work together in order to be more effective, better co-ordinated with the aim of increasing the draw of target client groups into employment and more sustained outcomes.

Pockets of high-level unemployment and economic inactivity within the City are evidence of the difficulty experienced by sections of the population in adjusting to the rapid changes in the composition of employer demand. Substantial disadvantage is arising from poverty, social exclusion and continuing structural

barriers to employment for specific groups. There is scope for the city's access-to-work infrastructure to improve its activities in relation to the harder-to-help groups in terms of volume, penetration levels, speed and sustainability of results. Specifically, the infrastructure is still insufficiently joined up in that flows from health/treatment/frontline services into employability are too low and links with employers (good in some sectors) are not yet being used to maximise recruitment from the harder-to-help groups.

The City Strategy is the ideal mechanism for key partners within the City of Edinburgh, who all have a stake in employability, sustained jobs and economic growth, to take more considered steps towards improving the effective labour supply. Ultimately, this will mean that the Edinburgh City employment rate will increase faster and to a greater degree than would otherwise be possible.

Within the Headline Challenge there are 5 main issues as set out below:

1 : Economic Change and Opportunity - The City economy has grown and changed. There are fewer manual and manufacturing jobs, and more part-time and temporary opportunities. Substantial hidden unemployment exists, and with such low unemployment levels overall, inevitably people with deep-seated and multiple disadvantages make up a growing proportion of the total unemployed.

2 : Quality of Support - Too few customers from the most excluded groups move into programmes and then into work. They face a range of barriers including benefits traps. Help that is available is often inadequately structured to meet individual needs.

3 : Progression Out Of Low Pay and Insecure Employment - There are too many people caught up in a cycle of frequent unemployment where periods of employment tend to be in temporary and low-paid work²

4 : Transition From Benefits to Work - There is a lack of cohesion between the benefits including housing, welfare to work provision and wages. The picture presented to clients is complex and hard to understand and even client advisers have difficulty in understanding, presenting, selling and following through on the options available.

5 : Fragmented Provision - Delivery is not as consistently demand-led or client-centred as it could be. Services are fragmented, diverse and confusing for agencies, customers and employers. Funding comes from a number of sources and has the potential to be better understood and co-ordinated.

1.1.2 Challenge Response – the Edinburgh City Strategy Vision

Our vision, building on Joined Up for Jobs work to date, is that, overall, the City's welfare to work infrastructure will be employer demand-led, client-centred and joined-up. We will increase our focus, throughout the Pathfinder, on employer pull and client push. We will integrate health, social care and other treatment agencies into the City Strategy to increase the flows of people in disadvantaged groups into

employment-related services and into work. At the market facing end, increased and more effective co-operation with employers will enhance the sustainability of successful job entries and aid progression beyond entry-level and thereby increase client success in retaining employment. We intend, during the period of the pathfinder, to extend The City Strategy Pathfinder to the whole of Lothian, to the extent that it is adopted or mirrored by the adjoining local authorities with cross-working across administrative boundaries where it adds value to the service provided to job seekers or employers.

1.2 Strategy

Achievement of this vision requires a plan with **six** key components as follows:

1. Joined-up Employability Infrastructure

The City Strategy Pathfinder has at its core the intention to manage the access-to-work infrastructure as a whole so that it can act in a joined-up, co-ordinated fashion – as a labour market supply chain. Crucial to this will be :

- further enhancement of joint and cross cutting work with clients by Jobcentre Plus, Careers Scotland, employment intermediaries and health and social care services.
- improved joint working by agencies through agreed and standardised assessment to better respond to the needs of target groups and provide more reliable, faster and better-connected support for the period needed - often in excess of a year.
- joined-up, aligned or shared procurement by key funders leading to a better configuration of services and more appropriate contract and funding models to ensure providers incentives are geared to move people towards and, ultimately, into work. .

2. A Clear Offer to Employers

The aspiration of the City Strategy partners is that each provider organisation contacting employers should know and when appropriate be able to discuss with an employer the range of appropriate products and services available through the City Strategy partnership organisations. The offer to employers will focus specifically on:

- sectoral groupings of employers, based on a demand led job brokerage approach
- responses to large scale recruitment initiatives e.g. major store and hotel openings and construction employment opportunities from large scale regeneration projects such as the Edinburgh Waterfront development
- a more consistent approach to vacancy and placement handling. We will aim to enhance partner capacity to help employers fill vacancies, recruit and retain suitable staff.
- ensure improved signposting, greater consistency in support to beneficiaries after recruitment and improved job/career progression information and advice - including routes to upskilling e.g. Joint Partnership Response teams.
- articulation to employers the roles and responsibilities of each organisation and the offer that is being made.
- consultation and evaluation to drive this forward.

3. A Clear Offer to Jobseekers

The aspiration for the City Strategy partners is that each participating organisation and subcontractor in the employability field will:

- be clear what is available and what can be offered to which customers. For the key target groups the offer will be a well-defined case management approach to employability - from exclusion to sustainable employment.
- enable customers to access services of all relevant providers subject to eligibility and funding whilst ensuring that they receive services proportionate to their need;
- pool resources - where practicable and beneficial - to achieve the best pattern and order of delivery. Pooling would be based on a combination of mainstream / universal services such as those delivered by Jobcentre Plus and Careers Scotland as well as targeted training through Training for Work, and employability and specialist services delivered under contract through City Strategy partners.
- that the views of customers of the services are sought and factored in to improve the delivery model.

The City Strategy partners are clear that improving the jobseeker offer will involve:

- a simplification of the menu available from mainstream programmes
- greater consistency of support and rewards to job search and job entry
- a number of enabling measures to simplify the rules and make it faster and easier for customers to overcome barriers and to navigate in the labour market with far less specialist support.

4. Greater Customer Reach

The City Strategy partners recognise the need to improve linkages to specific target groups such as:

- the harder to help clients, particularly those with health issues and those on Incapacity Benefit. Health and Social Care services will incorporate employability as a goal for their job-less clients and to be well equipped to refer them to the appropriate agencies when they are ready to move towards employment. Employability agencies will also be equipped to understand better the diverse needs of these clients in order to offer the most appropriate support to help them gain and keep a job.
- young people not in education employment or training by working with the educational sector to address the growing issue of young people who without further positive action will merely continue the flow into benefit dependent groups

5. Improving Sustained Employment

The aspiration for the City Strategy partners is to ensure that clients sustain employment once they have moved into a job. To help achieve this, the partners will

- review the integration of Skills and Employability objectives.
- incorporate within Pathways to sustainable employment a skills acquisition element, accredited where possible through a vocational qualification, to enhance the security of disadvantaged groups in the labour market.
- ensure employer needs are on a par with those of the individual in structuring the type and level of training provision.

- inclusion of Unions as a key stakeholder in engaging with employers and employees for sustained employment and upskilling.

6. Improved Information Sharing and Management

The whole City Strategy project will be underpinned by a more joined up approach to information sharing, collection and collation which will in turn enable more relevant and meaningful data analysis. Specifically the partners will

- agree and implement shared definitions and measures of job entries, progression into further/higher education and sustainability alongside improved tracking and reporting systems. This will improve partner understanding of their relative contribution towards shared targets.
- introduce, clearly defined, standardised measures of outcomes and performance (including distance travelled) at individual programme and contract level to allow partners to make meaningful and informative cost and result comparisons.
- analyse management information alongside qualitative data, highlighting overlaps and gaps as well as exceptional performance and best practice. The clearer data and improved presentation will inform City Strategy discussions on geographic and sectoral coverage and value for money. This will also enable partners to assess the contributions projects are making towards priority target groups and overall targets.
- introduce shared performance indicators to improve benchmarking and allow better judgements to be made about relative performance. This data will help inform and improve project prioritisation, procurement and contracting arrangements.
- make use of the Labour Market information for trend analysis and projections on supply and demand on vacancies, job types and skills to inform programme design, timing and delivery.

Overall successful implementation of the six key components will have a positive impact on well-being in the city. It will bring fresh innovation to the management and development of the access-to-work infrastructure around shared objectives and will achieve better results from similar resources. The extension of the current Joined up for Jobs partnership to include the NHS, the Further Education sector and the key Departments within the City of Edinburgh Council – specifically Social Care and the Children and Families Department will further improve the positive impact on employment levels, unemployment levels and on child poverty within the City.

It is anticipated that child poverty reduction will be achieved through partnership action with three main groups:

- unemployed parents and lone parents
- parents and lone parents in low paid work
- non-working partners (potential 2nd earners) of single earners in families.³

1.2.1 Implementation

The partners believe that the City Strategy Pathfinder will make a real difference to the rate at which disadvantaged people move into employment. There is a shared belief that local stakeholders can deliver more if they combine and align their efforts behind shared priorities, are given more freedom to innovate, and are empowered to tailor services in response to local needs. The proposed changes will create a more integrated, more transparent “employability service” at a local level, which will clarify and improve the offers to customers and employers and deliver faster, better results.

A more integrated employability service will create the opportunity for better provider co-operation, a clearer offer to each beneficiary and easier access to the combination of services they need. This will require innovation from providers and investment in their staff development. Partners recognise that funders and funding models play an important part in determining the pattern of provision and provider behaviours.

The City Strategy Pathfinder will build on the Joined Up for Jobs framework for cooperation between providers to further facilitate shared understanding and improved joint working. The existing Partnership Forum, which is open to all provider organisations, will act as the vehicle for these City Strategy discussions and for the development of associated initiatives and improved ways of working.

The partners are confident, enablers providing, that important step changes can be undertaken well within the first phase of the six-year programme leaving analysis, evaluation and review as the main components for action in years 3-6. Critical elements of the City Strategy: improved offers to employers and clients, partnership extension, precise target setting, reward funding agreed and delivery of meaningful results can all be brought into play within the first two years of the programme with implementation commencing in April 2007. Moving from current state to a fully operational state will involve consultation, testing, piloting, review, evaluation and adaptation prior to mainstreaming. In the two years of the Pathfinder, we will pilot the core methods and delivery mechanisms for the agreed functions; review them on an ongoing basis; and on the back of successful evaluation will have a tried and tested basis on which to mainstream change. This may be summarised in the table overleaf.

Implementation Plan	Requirements:	Outcomes
April 2007 – April 2009	<ul style="list-style-type: none"> ➤ Roll out of systems across activities and resources of partners ➤ Implementation of a shared Management Information System ➤ Robust Labour Market Indicators ➤ Consistent Output Measurements ➤ Improved outcome analysis linked to qualitative and quantitative monitoring and evaluation ➤ Optimum results 	Demonstration of ability to achieve stretch targets using partner funding streams through locally specified and procured programmes.
April 2009 – April 2011	<ul style="list-style-type: none"> ➤ Integration of information systems including joint ownership and reporting of targets 	Integration of services supported by different levels of government and their funding streams.
April 2011 – April 2013	<ul style="list-style-type: none"> ➤ Full evaluation of the Pathfinder including results achieved, identifying best practice and lessons learned. 	Achievement of reward funding to enable continuation of successful elements of the City Strategy.

Successful implementation of the strategy also depends on the actions of national government, mainly DWP and Scottish Executive and the national bodies of which some City Strategy partners are part e.g. Scottish Enterprise and Careers Scotland. It is anticipated that national to local relationships will be characterised by a mixture of support and challenge, in both directions. For the City Strategy partners this will require a focus on priority targets a consistent and coordinated quality offer, convincing arguments for change and demonstrable success. The partners aim to build confidence in their partnership working which will demonstrate to national and local bodies that the methods adopted are robust, reliable and successful.

Since decision-makers, particularly at UK and Scottish level will require auditable and comparative evidence there will be strong emphasis on co-operation with other Pathfinders to capitalise on shared best practice and generate evidence of scale to strengthen the case for enabling measures and devolution of decision-making to local level.

Review and re-design is an integral part of the planning process. Inevitably, the further into the future the plan projects, the less precise it becomes. This Business Plan itself and the Milestones table below set out the direction of travel for the partners and give details around the immediate action to be taken in the Pathfinder.

1.2.2 Description of key City Strategy Pathfinder Milestones

Overall Aspiration by End of Year 6	End Year 2	End Year 4	End Year 6
1 Joined-up Employability Infrastructure & Approach			
<p>The new City Strategy approach will have been tested, bedded in and proven to be highly effective at reducing unemployment and economic inactivity to the minimum possible levels. The approach will be shown to be responsive to changing circumstances and will have been integrated across the whole of Edinburgh and the adjoining local authority areas.</p> <p>Joined up Delivery: Providers and their staff will co-operate to offer seamless, holistic and individualised support to all target group beneficiaries. The Employability Case Management system will cover all appropriate target groups and will generate regular relevant feedback to referral organisations .</p> <p>Service Planning Funding and Management: The partners will have reviewed and re-specified the overall pattern of provision and its component elements. Partner resources will have been successfully pooled or aligned to create the optimum response to local needs and opportunities. Management information will be used regularly to guide and adjust as necessary.</p>	<p>Key elements piloted and evaluated.</p> <p>Action plan for mainstreaming agreed and established.</p> <p>System of incentives and payments for all stages of the pathway piloted. System in place to provide reliable, auditable information about individual progress available to referral organisations.</p> <p>Main contracts of key partners reviewed and aligned as foundation for a more integrated offering. Joint procurement mechanisms agreed and tested and suitable governance in place.</p>	<p>The model agreed, implemented, evaluated, updated and amended. Mainstreaming of new successful innovative elements.</p> <p>Effective job brokerage system operational for all providers Technology supported and based on agreed standards.</p> <p>Joint procurement and shared contract management techniques and processes in place. Management Information/performance data used to inform and improve provision.</p>	<p>The City Strategy Pathfinder approach will be in place, mainstreamed and in a steady state.</p> <p>Efficient, reliable results oriented service meeting agreed needs, targets and quality standards, with optimal public sector funding.</p> <p>Partners collectively responsible for high performing service achieving disproportionately high results into sustainable employment.</p>
2. Clear Offer to & Contribution from Employers			
<p>Employers can identify, understand and use the City Strategy network of providers, which can broker the best service to meet their needs. A simplified menu of services will make it easier for them to recruit new staff from City Strategy target groups. Employers will be confident that: City Strategy beneficiaries will meet agreed employability standards; they know the contributions expected from them to make this work; assistance is available to help employees who need support to progress or stay in work.</p>	<p>A clear City Strategy employer offer which specifies organisations involved, contact points & respective roles for: vacancy handling, placement enquiries, large-scale recruitment initiatives and individual enquiries. Consultation and evaluation will drive this forward.</p>	<p>Initial format tested and extended to a larger number of occupational sectors and wider geographic area.</p>	<p>Employers routinely contacting City Strategy contractors happy to recruit regularly from amongst more disadvantaged groups to ensure diversity within their workforce.</p>

<p>3. A Clearer Offer to Jobseekers / Customers</p> <p>Employability will be a routine element of the assessment of the needs of all claimants and all target groups. First point(s) of contact will be better equipped to understand and point to the best route forward. Providers will broker the array of support needed to move the customer on and into work using employability case management or straight into work techniques. Increased opportunities for skills training integrated into employability pathways. Understanding and Operation of benefits system will be simpler and practically barrier-free through the successful mainstreaming of enabling measures. Client data will be shared - with informed consent - much more routinely between agencies to speed up customer dealings, data collection and analysis, further improve the offering and ultimately outcomes.</p>	<p>City Strategy quality standards will have been produced and introduced including a Jobs Service Charter. Standards of service for customers/jobseekers will have been set out for customers to view – customer feedback will have been received and factored in to inform enabling measures, pilots and revisions. The Employability Case Management system will aim to provide a seamless entry point for clients to the system.</p>	<p>All funded providers will have adopted and met the desired quality standards.</p>	<p>All enabling measures will have been tested and settled in to underpin simplified offer to customers.</p>
<p>4. Greater Customer Reach</p> <p>Strong direct linkages by City Strategy contractors into hardest to help client groups including those with health issues or on Incapacity Benefit. Employability agencies well trained and equipped to understand the diverse needs of these clients and able to offer appropriate support to help them gain and keep a job.</p>	<p>Health and Social Care services have incorporated employability as a goal for their job-less clients and are geared up to refer them.</p>	<p>Greatly increased throughput of harder to help client groups and increase in numbers into sustained employment.</p>	<p>Significant reduction in IB claimants and evidence of increased workplace diversity within local employers.</p>
<p>5. Improving Sustained Employment</p> <p>Clients of the City Strategy Pathfinder are not simply moving into jobs as a result of our intervention – they are sustaining employment, increasing their earning potential and progressing their career. There is strong evidence that skills acquisition, accredited where possible through a vocational qualification, has enhanced the security of a high number of disadvantaged clients in the labour market.</p>	<p>In-depth review including discussions with The Scottish Funding Council around options for integration of Skills and Employability objectives completed. Pilot phase for a range of options for clients to acquire an industry recognised skill in order to gauge relative impact on job sustainability and career progression and select optimum model(s) and qualifications.</p>	<p>Most effective models agreed, implemented, evaluated and amended. Skills VQ (Vocational Qualification) accredited particularly where this will improve earnings and /or career progression for the most disadvantaged. Future Employer needs being factored in to model development as well as employer financial contribution leverage.</p>	<p>Higher skills levels amongst most disadvantaged groups and positive impact on Child Poverty targets.</p>

6. Improved Information Sharing and Management:			
<p>Collection, analysis and reporting of data about labour market indicators, beneficiaries, interventions and outputs for the whole programme will be routine. Data will provide widely understood, well defined and comprehensive management information about performance by programme, by strand, by Target Group, by Sectors and for the City Strategy Pathfinder as a whole; including costs and benefits of existing and planned projects/activities.</p>	<p>Management Information System working effectively with data from core group of contracts held by key partners. Enhanced LMI through data-sharing between partners.</p>	<p>MI system will enable data exchange as necessary between agencies e.g. integrating employability case management data with data from - for example- NHS, Careers Scotland and Scottish Enterprise Corporate training system.</p>	<p>MI system recognised as a model of excellence and now including incorporation of/or interface with Jobcentre Plus data.</p>

1.2.3 Strategic Fit with Community Planning /Scottish Executive Strategy

The City Strategy Pathfinder is the further development of the highly successful Edinburgh Joined Up For Jobs strategy which is the implementation of the jobs element of the Edinburgh Community Plan. The Edinburgh Partnership is responsible for the Edinburgh Community Plan overall, with Capital City Partnership (CCP) responsible for the Regeneration Outcomes Agreement (ROA) within the Plan. CCP reports to the Edinburgh Partnership and Communities Scotland on the achievement of these ROA targets. The largest element of the ROA targets relate to access to employment - Getting People Into Work – currently delivered by the Joined Up For Jobs (JU4J) partners.

The Jobs Strategy Group comprises the main funding and policy agencies and is a sub-group of the CCP Board. This Strategy group is already fully committed to the City Strategy Pathfinder. The group membership will be increased and the group remit expanded and redrafted to enable them to guide and oversee successful development and delivery of the City Strategy Business Plan and agreed targets. The Lothian Economic Forum and the emerging Edinburgh City Region Forum is the main mechanism for economic development co-operation amongst the Lothian local authorities, Scottish Enterprise Edinburgh and Lothian, and key partners. The emerging City Region Forum in particular will be instrumental in the aspiration to extend early City Strategy findings, results and best practice to adjoining local authority areas.

The Regeneration Outcome Agreement Target referred to above aims to close the gap between the most disadvantaged wards in the City of Edinburgh as a whole. The 12 wards are Craigmillar, Muirhouse/Drylaw, Pilton, Granton, Parkhead, Murrayburn, Harbour, Newhaven, Kaimes, Moredun, Duddingston and Restalrig. These wards are comprised of 61 datazones which make up the most deprived postcodes in Edinburgh; as indicated by the Scottish Index of Multiple Deprivation. These wards will be a primary focus for the City Strategy Pathfinder in relation to closing the gap in unemployment between these most deprived areas and the rest of the city. Community Planning links directly with the Scottish Executive's Closing the Opportunity Gap and Smart Successful Scotland strategies.

The City Strategy will enable implementation of the Scottish Executive's 'Workforce Plus – an Employability Framework for Scotland'. The preparation of this document drew heavily on the pioneering work of Joined up for Jobs. The 6 Workforce Plus performance themes are: early interventions; client focused interventions; employer engagement; sustaining and progressing employment; joined-up planning and delivery of services and; better outcomes. There is a high level of synergy between the City Strategy and Workforce Plus aims, targets, budgets and resources and these will be examined in early April and May 2007 to identify areas for potential joint work and savings.

Prior to being awarded City Strategy Pathfinder status, JU4J has already conducted a preliminary mapping of differently funded programmes and through the creation of a

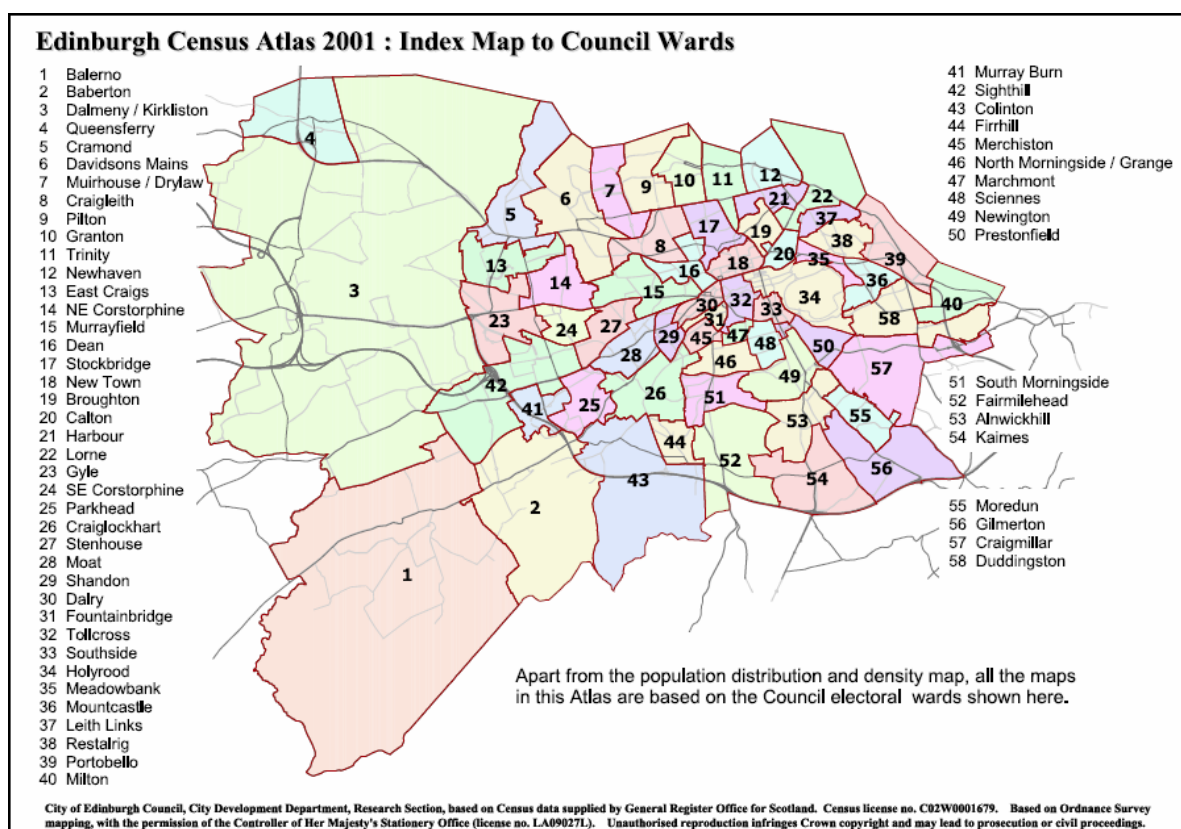
website and on-line Directory of Provision. It has strong links to organisations operating in homelessness, basic skills (CLAN), business start-up, arts and social inclusion, and addictions (Edinburgh Drugs and Alcohol Action Team).

SECTION II LOCAL CONTEXT

2.1 LOCAL ANALYSIS

2.1.1 Geographic Coverage

The City Strategy Pathfinder will cover the City of Edinburgh with geographic boundaries coterminous with the City of Edinburgh Council administrative area. The map below shows the administrative boundaries for the Pathfinder and highlights the 58 Council Wards within the City. Within these wards, there are 12 Data Zones that are ranked in the bottom 15% of Scotland's most deprived neighbourhoods as classified in the Scottish Index of Multiple Deprivation (SIMD) 2004.



In 2004 Edinburgh City had approximately 450,000 inhabitants and 336,000 jobs. The City boundary, in relation to the labour market is a fairly artificial one with over 80,000 people commuting in to the City of Edinburgh every day to work and just over 22,000 Edinburgh residents commuting out⁴. Key City Strategy partners such as Jobcentre Plus, Scottish Enterprise and Careers Scotland already have a locus covering the City of Edinburgh and the Lothians - West Lothian, East Lothian and Midlothian as well as direct involvement and influence in the wider City Region comprising Fife, Forth Valley and the Borders. Given the scale of the labour market and travel to work pattern there is an aspiration over time to extend the City Strategy Pathfinder collaboration into the Lothians. The three other Lothian Local

Authorities are aware of this aspiration and are interested in this approach although in the short to medium term, the primary focus is the city itself.

2.1.2 Key Labour and Skills Demand Issues

Edinburgh's economy is relatively buoyant with a January 2006 claimant count rate of 2.3%. However International Labour Organisation (ILO) unemployment rate rose substantially between 2003 and 2006 and was reported at 4.4% in June 2006⁵. Since 2001 Edinburgh's claimant count rate has varied between 2.3% and 2.5% whereas rates across Scotland and many other cities fell in that period.⁶ The number of claimants of IB/SDA also remained relatively static but high.⁷ The employment rate has seen a small net rise over that period to 75% in 2005 although it did reach an all time high of 78% in 2001. Looking at all these indicators and taking into account the margin of error in the LFS, the data for the City of Edinburgh is presenting a fairly stable picture suggesting therefore that this is a plateau beyond which it is proving hard to move in terms of further reductions in unemployment and inactivity.

Employment in Edinburgh is strongly based in the service sector (91% of employment). It has more managers, professionals and associate professionals than average for the country (48%) and fewer elementary occupations and process operatives (11%). The key features described in more detail in the Expression of Interest are:

- Decline in manufacturing
- Loss of unskilled jobs
- Skills shortages and unfilled vacancies

Future Trends

It is predicted that the following sectors will see a reduction in the number of jobs in Edinburgh: Mining and Utilities; Chemicals and Metals; Engineering; Other Manufacturing; and Construction. The following sectors on the other hand are expected to see increases in Edinburgh: Distribution and Retail; Hotels and Catering; Financial Services; Business Services; and Public Services.⁸

Futureskills Scotland's labour market projections predict in a Scottish context that 489,000 job openings requiring new employees will arise in the period 2004 to 2009. While 21,000 new jobs are forecast to be created in Scotland over the next five years, an additional 469,000 job openings will arise in the same period to replace workers who leave the labour force. Almost 60 per cent of job openings are expected to occur in just four industries – Other Business Services, Retail and Distribution, Health and Social Work, and Education. The anticipated number of job openings for new employees over the next five years is large for every occupational group. The most highly skilled occupations, such as Managerial and Professional jobs, will account for almost half of all job openings. However, there will also be substantial job opportunities in lower skilled jobs⁹.

Currently within the City of Edinburgh the Financial Services, Tourism and

Hospitality and Construction remain buoyant. Major developments such as those in the City Centre, Edinburgh's Waterfront and Craigmillar will all generate construction jobs and subsequently a range of employment opportunities. Accords are already being developed by the City Strategy partners with principal site contractors to create access to job opportunities for local people.

The three Lothian Council areas adjacent to the City of Edinburgh are vitally important to the city economy and are to some degree similarly affected by the characteristics described above. In West Lothian for example, despite major manufacturing job-losses during the past decade particularly in the electronics sector, there has been long-term growth in the business and employment base. The West Lothian employment structure is radically different now compared with 10 years ago, with a switch from relatively well-paid and secure manufacturing jobs to a more service sector based structure. In contrast to the City, parts of each of the 3 surrounding Council areas are predominantly rural with some communities still not entirely recovered from the gradual loss of coalmining jobs in their respective areas. For comparison, the respective daytime workforce numbers in the Lothians are: East Lothian 25,680, Midlothian 25,006 and West Lothian 71,717.

Labour Supply: Problems and Limitations

There is a substantial pool of unemployed people within the City which is not presenting as an effective labour supply for city employers. Too many people remain on benefits and in relative poverty. There are a number of reasons for this:

- they are not equipped for work (low employability; poor basic skills); or
- they have inappropriate/outdated skills and work aspirations for which there are insufficient job opportunities (e.g. unskilled manual work); or
- they have poor awareness of modern local jobs market;
- they suffer from low motivation, self confidence and self-esteem and/or have low levels of qualification.
- Some have multiple substantial barriers e.g. those with addictions.

In addition there are also groups facing structural barriers or disadvantage – e.g. difficulty obtaining affordable, accessible childcare; discrimination in recruitment; inadequate support or adjustments for people with disabilities. Many city residents are on IB (22,300)¹⁰ and as at January 2007 1065 of all JSA claimants are also long-term unemployed¹¹. Based on a wider definition of working age benefits, there are approximately 65,000¹² jobless people in Edinburgh, and between 19,000 - 20,000 might be able to work. Of this wider group of jobless approximately 2,200 are in the NEET group (Young people not in Education, Employment or Training).¹³ The constraints of the benefit system and the perceived risks of moving off benefit into low wage and often temporary entry level jobs add to the difficulties in helping this group move into work.

The city's access-to-work infrastructure needs to be strengthened to deal with the issues for these hard-to-help groups. The infrastructure is not yet sufficiently joined up; flows from health/treatment/frontline services into employability are too low;

links with employers -good in some sectors - are not yet being used to maximise recruitment from these groups.

Gaps in the range of provision have been identified by earlier strategy work. There are examples of structured work-based employability programmes, for which no funding can now be found and / or where the funding available from sources such as ESF and Training for Work is reducing.

Target / Priority Client Groups

2.1.3

The City Strategy target groups will incorporate the disadvantaged clients identified and agreed by the partners. These groups were set in order to ensure a clear focus on the excluded and on engaging them with employability services through their contacts with mainstream services (health, social care) or generic services for specific groups e.g. addiction treatment agencies. The target groups are:

- lone parents
- IB/SDA clients
- ill health clients including mental ill health and learning disabilities
- chaotic lifestyle clients (including addicts/prison leavers/homeless/care leavers);
- 16-19 year olds not in education, employment or training (NEET);
- Black and Ethnic Minorities, including refugees;
- long term unemployed
- low-wage earners and those in insecure employment

Capital City Partnership has prepared a report on the labour market position of each of the target groups which assesses their scale in Edinburgh, the numbers not in work and the barriers they face. This confirms, for example, the lower-than-average employment rates of black and ethnic minorities in the city, and of lone parents; and provides a platform for concerted action on behalf of each group by the relevant public agencies and employers.

Target Groups Statistics

There is significant geographical concentration of disadvantage in Edinburgh. There are 12 wards that have neighbourhoods that are amongst the 15% worst deprived in Scotland based on the Scottish Index of Multiple Deprivation. In Edinburgh there are 50,323 people living in areas designated as 'deprived'¹⁴. But within these twelve wards, two wards stand out in terms of deprivation in the city, Muirhouse/Drylaw and Craigmillar. These wards have high proportions of working age people on JSA and IB/SDA: JSA claimant rates of 7.8% and 7.5% respectively; and IB/SDA claim rates of 19.9% and 28% in 2006. They also score higher than the rest of the city in terms of poor health, poor education, income and employment deprivation.

Defining those with no qualifications as unskilled, the Labour Force Survey in 2003 indicates that 60.2% of those with no qualifications of working age in Edinburgh

were economically active compared with an economic activity rate of 79.4% for the working age population as a whole. However, the Labour Force Survey has indicated that there has been a reduction in the working age population with no qualifications in Edinburgh of around 6,000 between 2000 and 2003 and that there has been an improvement in the labour market position of those with no qualifications in Edinburgh as the Annual Population Survey in 2005 indicated that only 65% of people with no qualifications of working age were economically active.

From the data collected on the potential target groups identified above The City Strategy Pathfinder in Year 1 will focus on:

- Incapacity Benefit clients
- Lone parents
- NEET group – initially those aged 17.5 to 18 years - benefit recipients who would shortly join New Deal.
- Black and Ethnic Minorities

In addition the City Strategy Pathfinder will innovate on methods to reduce child poverty and will therefore add the following target group with a view to identifying innovative and meaningful initiatives for reaching and making a positive impact upon:

- unemployed parents (including lone parents), parents and lone parents in low paid work and support of non-working partners (potential 2nd earners) of single earners in families¹⁵

Target groups will be kept under close review and restated, extended or amended for Year 2 in consultation with Department for Work and Pensions.

2.2 MAPPING CURRENT PROVISION

2.2.1 Current Provision for Disadvantaged Residents

The mapping of local provision comprises two elements: an overview of the funding and activities of the key partners – set out below - and secondly a mapping of the contracts which they have funded in the previous and current financial year – attached as Appendix 1.

Overview of service delivery activities of key partners

Jobcentre Plus	<ul style="list-style-type: none"> • Deprived Areas Fund - anticipated £400K for 07/08 • New Deals • New Deal Plus for Lone Parents • Progress to Work • Pathways to Work
City of Edinburgh Council	<ul style="list-style-type: none"> • Economic Development Access to Work £800k • Working For Families £750,000* • Social Justice Fund – potential contribution

	subject to applications (estimated £10k for 07/08)
Capital City Partnership	<ul style="list-style-type: none"> • ROA funding (Communities Scotland) £1.5m • (including contracts for area intermediaries £700k) • New Futures Successor fund £300K*
Scottish Enterprise Edinburgh and Lothian	<ul style="list-style-type: none"> • Training for Work- Edinburgh- £350K (07/08) • Get Ready for Work- Edinburgh- £800k (07/08) • Linking Opportunity and Need (LOAN) Project - Waterfront Recruitment Centre up to £66K (06-08) • Skillseeker / Modern Apprenticeship contracts – Edinburgh residents – £3.5 Million (07/08)
Careers Scotland	All age guidance service delivered by CS staff; in-school interventions; employer links; employability development
Edinburgh Chamber of Commerce	Employer membership organisation with over 1500 members and strong social inclusion agenda

*these budgets have been set until March 2008 continuation subject to Scottish Executive review

The provider organisations which are funded by Jobcentre Plus, Capital City Partnership, City of Edinburgh Council, and Scottish Enterprise Edinburgh and Lothian are set out in a spreadsheet at Appendix 1. The pattern of most of the provision in the city is also visible on the JU4J Directory on the JU4J website - www.joinedupforjobs.org.uk - which also contains a summary of provider information.

2.2.2 Costs/ Cost Effectiveness/ Value for Money and Quality

All partners recognise the importance of driving up the quality of provision in pursuit of higher achievement rates and best value for money, especially since it is accepted that there are currently gaps and improvements to be made across the infrastructure as a whole. There are instances where individual contracts or projects could achieve higher and better defined outputs. Improving the quality of provision where this leads to better results and greater sustainability has obvious advantages:

- those customers (clients and employers) not engaging in provision because of a perception that provider is not of a good enough quality / not delivering the right outputs would have their reasons for non-participation negated
- by encouraging a culture of continuous improvement, active benchmarking and implementation of best practice – those deemed to be poorer quality providers would need to rapidly improve their delivery and results in line with market forces and existing or revised contractual requirements.

There are a number of approaches to be considered in the drive to improve provision, including:

- Shared definitions and well defined auditable evidence trails to enable like for like comparison of funding, measures, targets, Performance Indicators and value for money
- Greater focus on outputs through tighter contract and reporting arrangements, improved target setting and best use of competitive tendering processes.
- Improved definitions re 'distance travelled' and associated outputs where agencies are not contracted to deliver job outcomes within a short timeframe
- Improved contract management procedures including the management of poor performance and managing out of underperformance.

Care needs to be taken to create changes in provider behaviour which also optimises overall outcomes. These changes will impact positively on client transfers and effective information sharing between providers. Early in Year one the City Strategy Pathfinder will consider the best approach to funder-provider partnerships, contract management, best practice and the best use of quality assurance schemes. The intention is to guarantee a common standard of support and advice available e.g. to ensure that all customers have access to money advice. The best combination of changes will be determined by the City Strategy Pathfinder Workstream tasked with developing the Action Plan.

In terms of the 07/08 portfolio of City Strategy Partner contracts, the partners will undertake an in-year best value review. Consideration will be given to a more consistent funding model and evidencing arrangement including the use of outcome weightings which best recognise the amount of time and resource required to move the most disadvantaged clients into employment. The partners will also take into consideration a number of recent pilot projects intended to support target groups or work with specific employers and sectors. Those projects identified as reaching the target groups and delivering good results will be built on and those which have been less successful will be evaluated and lessons learned played in to the City Strategy partners for debate. This will be achieved through inclusion of providers in the working group to ensure linkage to the Partnership.

2.2.3 Gaps Duplication and Diversity

A key task of the City Strategy Pathfinder is to generate and compile the information needed to collectively manage the programmes and activities in the city. As the mapping and reporting procedures are progressed and refined it is anticipated there will be increasing clarity about limitations, gaps, duplication and over provision. It is also recognised that as funds such as ESF contract new gaps may emerge. Gaps in service identified to date include:

- Work-based transitional programmes
- Support for upskilling and progression in work
- Programmes to support rehabilitation and retention
- Anticipated reductions in support programmes for vulnerable groups
- The need for greater provision for care leavers in terms of support in

- entering and sustaining employment and training.
- A gap in provision for drug misusers between treatment services and employment services

Duplication / Assessing Duplication:

At this stage it is noted that some elements of support and vocational preparation are provided by a number of organisations. It is not yet clear whether or not there is unnecessary duplication. The City Strategy Pathfinder will investigate this early in year one. The partners are actively considering the application of Jobcentre Plus traffic light coding system (for individuals) to categorisation of provision in order to assist in the visual categorisation of providers and to gauge relative levels and scale of support on offer. This will be compared with use of the existing JU4J Service Delivery Model and both will contribute to the assessment of gaps and duplication. For illustrative purposes, this is what the system may look like:

	Red	Provision dealing with those furthest removed from the labour market, lacking confidence, motivation and skills.
	Amber	Provision for a more confident and motivated customer who lacks the skills and techniques to find and retain work. Amber providers will deliver skills and techniques training to move clients into Green or directly into employment.
	Green	Provision dealing with the most job ready customers who merely need job search assistance on a fairly light touch basis. Green providers will take clients straight into work.

Meeting needs of the most disadvantaged

There is a full range of JCP provision across Edinburgh delivered by contracted providers. Although JCP uses knowledge of locally available provision to complement the delivery not all areas of the City have provision on their door step and some customers may have to travel some distance to access the most appropriate provision. Transport links are good and relatively inexpensive within the City making travel to training and travel to work a viable proposition. The range of provision available across Edinburgh is designed to meet the needs of a wide group of customers. There are already specific programmes designed to provide support to customers on Incapacity Benefit e.g. Customer Options courses and a health advice initiative. In December 2007 formal Pathways to Work will be introduced across the whole of Edinburgh, Lothians & Borders.

Research undertaken in Edinburgh, East and Midlothian in relation to the provision of disability employability services¹⁶ indicates that there is a substantial gap between the numbers of client organisations who can give assistance and the working age population with a disability. This is an area that will be investigated further during Year one.

Diversity

The census in 2001 indicated that there were 12,600 people from an ethnic minority background in Edinburgh between the ages of 16 and 59. Furthermore the Annual Population survey estimates that the employment rate for non-whites is 70.9% compared to 78% for the city as a whole. (July 2005-June 2006 – APS, NOMIS). It might be expected that the higher level of unemployment amongst people from an ethnic minority background, would be mirrored by a higher proportion of ethnic minority participation in employability services. However, since April 2006, 7% of new clients of Edinburgh's employment access intermediaries have been from an ethnic minority background. Between April 2006 and September 2006, of the 140 Edinburgh resident leavers from the Scottish Enterprise managed Get Ready for Work programme only 5 out of 140 leavers - 3.5% - had declared themselves from an ethnic minority background. In the same period only 5.7% of new clients on the Training for Work programme declared themselves from an ethnic minority background. This is an area that will be investigated further in Year 1

Since 2002 Edinburgh has seen a large increase of migrant workers from Eastern Europe. The figures show a total of 27,110 applications for National Insurance numbers with a significant increase in the years 2005/06. Council funded employability projects in the city have reported the time they spend with these clients due to language difficulties is detrimental to the time they need to spend with disadvantaged groups; hence provision for the new migrants needs to be better managed. This will be done through a combination of guided discussion and agreement with intermediary organisations regarding effective and consistent light touch sign-posting and also through a review and clarification of their contract terms which need to focus valuable resources on Priority groups.

In relation to economic inactivity and age, the Labour Force Survey in 2003 indicates that; 16-19 year olds have the highest percentage of inactivity amongst the different age groups (39% of 16-19 year olds); this represents 14% of the total inactive population. In terms of the four employment access intermediaries which operate in the most disadvantaged areas of the city; 194 new clients since April 2006 have been aged between 16 and 19, this represents 23.8% of all new clients since April 2006.

Jobcentre Plus has Diversity Policies in place as an organisation in its own right. As a prerequisite to becoming a JCP contractor; potential providers have to provide Jobcentre Plus with an assurance that they also have such policies in place and that they adhere to them. Similarly Scottish Enterprise is highly committed to equal opportunities, both as an employer and as a service provider. SE requires training providers to provide evidence of their Equal Opportunities policy and practice prior to a contract being awarded. Providers also need to be able to demonstrate their commitment to Equal Opportunities through their marketing, recruitment, assessment and contract delivery process in line with set quality standards.

SECTION III POLICY RESPONSE

3.1 PROGRAMME DESIGN

3.1.1 Proposed Provision Pattern and Delivery Model

The City Strategy Programme will build on the existing infrastructure. It will include the services provided by projects and programmes funded by partners which are relevant to the City Strategy priority client groups and to the delivery of the Pathfinder targets. During Year one of the Pathfinder, additional provision will be incorporated and existing provision re-aligned where practicable. Also during Year one, changes will be made to ways of working and delivering, and in the medium term – by the end of year 2- the Programme overall will:

- employ common reporting mechanisms
- benefit from shared common management (beneficiary) information
- use aligned contracting and procurement methodology.

The Partnership has established a NEET strategy group and specific and challenging NEET reduction targets will be agreed with the Scottish Executive by the end of March 2007. The City Strategy work should be in a position to add weight to the NEET Strategy and add stretch to this agreed target. Age specific action plans which are also currently under development will be incorporated into and contribute to the achievement of City Strategy targets. By intervening to reduce the number of young people aged 17.5 – 18 years in unemployment and potentially long term inactivity, the partners will reduce the future 'stock' of adult inactive clients.

The City Strategy Pathfinder will build on and stretch the previously agreed Regeneration Outcomes Agreement targets. Under the current umbrella of Joined up for Jobs, partner agencies aim to provide services in Edinburgh that are 'demand-led, client-centred and joined-up'. Jobcentre Plus, City of Edinburgh Council, Scottish Enterprise, Careers Scotland, Capital City Partnership (funded by Communities Scotland) and Edinburgh Chamber of Commerce all directly support the JU4J agenda. Going forward, as a key player in the City Strategy Pathfinder NHS Lothian has already joined the extended JU4J Strategy Group now renamed the Jobs Strategy Group and a place is available for a representative of the Further Education colleges in the city.

The City Strategy Pathfinder will pilot ways in which services can operate in a more co-ordinated way and be better managed to achieve shared objectives. Successful implementation will require:

- shared analysis and intelligence
- shared targets
- shared commissioning, contracting and procurement processes
- shared operational infrastructure for co-operative working
- shared management information, monitoring and performance management.

The proposed City Strategy will view the access-to-work infrastructure as a whole so

that it can act in a joined-up, co-ordinated fashion – creating a stronger pipeline into sustained employment. Crucial to this will be:

- enhanced joint working with customers and employers by mainstream partners, their contractors and intermediaries
- aligned or shared procurement leading to better configuration of services, creating models which will further incentivise provider behaviour – such as rewards for moving people on to intermediate stages leading to further progression towards employment.
- piloting pooled funding - dependent on the outcomes of requests for enabling measures.
- a well-defined and accessible information database including a summary of who is doing what, working with which client groups at what cost and with what success rate.

3.1.1.1 Management Information

Reliable, timely and accurate management information will be important to the success of the Pathfinder. The current provider mapping exercise is identifying the key characteristics of current and planned beneficiaries, the activities undertaken with clients, programme targets, outputs and costs. At this stage the City Strategy focus has been on the capture and presentation of data from the main programmes involving the key funders. The mapping exercise has highlighted significant differences in the data collected, the definitions being used and reporting mechanisms.

The partners are acutely aware that the summing of data would inadequately describe the number of beneficiaries handled or jobs or qualifications gained due partly to double-counting of individuals experiencing a pipeline of assistance. Therefore partners intend to generate data about beneficiaries by pooling information from multiple programmes and by seeking ways of capturing interventions per person to give a collective clean total of individuals into jobs. This work will reveal the number of agencies working with the same individuals, will give information about the patterns of delivery to groups of individuals and through data analysis will help demonstrate to the City Strategy Partnership the most successful and cost effective delivery combinations.

This work above should also help highlight gaps, inconsistencies and weaknesses which will further inform delivery improvements e.g. poor coverage for certain clients or geographic areas. The job entry data collected in a consistent manner will enable the partners to measure impact on different employment sectors for different target groups. The aspiration in the long run is to link these data to those available to JCP to measure achievement of its JOT targets. There are data protection and client confidentiality issues which will need to be addressed with all organisations including NHS, Scottish Enterprise, Careers Scotland and Jobcentre Plus. This makes a timeline on progress over year one difficult to predict at this stage.

3.1.2 Roles and Responsibilities of City Strategy Partner Organisations

3.1.2.1 Capital City Partnership

CCP is a partnership of key statutory, voluntary and community agencies in the City of Edinburgh working together to promote social inclusion and achieve social justice for the people of Edinburgh. It is a company limited by guarantee; its Board comprises representatives of City of Edinburgh Council, Jobcentre Plus, Edinburgh Chamber of Commerce, NHS Lothian, Scottish Enterprise Edinburgh & Lothian, Lothian & Borders Police, Edinburgh Community Representatives Network, Edinburgh Voluntary Organisations Council, and Capital Credit Union. It is responsible for the Regeneration Outcomes Agreement within the Edinburgh Community Plan and receives funding from Communities Scotland to support this activity. A key achievement has been the establishment of Joined Up for Jobs: Edinburgh's strategy to reach the people who are furthest from the job market, or in low paid and insecure work, to help them into long-term sustainable employment. CCP's role in the City Strategy will be to take a lead role in co-ordinating and reporting on progress. It provides funding for the area-based intermediaries and a number of other related programmes which help excluded groups access the labour market.

3.1.2.2 City of Edinburgh Council

CEC is a key strategic partner and the major service provider of education, economic and social care services. The Council is one of Edinburgh's largest employers – employing 17,000 people and generating a significant number of placement, training and employment opportunities in its own right. The Council, through its City Development Department, has aligned its service plan objectives and activities with the aims, principles and methodology of the jobs strategy; and works collaboratively with partners on the co-designing, co-financing and co-delivery of innovative actions. Its focus for action within the City Strategy Partnership will be to:

- create still stronger and more explicit pathways to employment for those furthest from the job market
- strengthen linkages with referral conduits such as the Health Sector and its own Health and Social Care departments*
- provide employability training tied to actual need in the local economy in partnership with the Further and Higher Education sectors
- improve co-ordination of services across agencies to ensure alignment of capacity and resources with labour market need
- establish co-design, co-financing and co-procurement of services
- further develop the academy approach through the establishment of a Public Sector Academy

*The City of Edinburgh Council's Department of Health and Social Care provides social workers for adults, community care and criminal justice services. The department also has responsibility for Edinburgh's two new Community Health Partnerships. The department will support the City Strategy with the provision of placements for the Public Sector Academy, provide supported employment and will facilitate contacts and referrals for clients.

3.1.2.3 Careers Scotland

A national organisation operating throughout Scotland, Careers Scotland has a clear purpose - to help the people of Scotland secure the jobs of tomorrow. Its priorities are investing in the workforce of the future, reducing economic inactivity among young people and improving productivity through personal career planning. Careers Scotland will support the City Strategy by:

- provision of management reports
- marketing services more widely to 18-19 year olds
- encouraging referrals from other partners
- promotion of services and activities in city centre and outreach premises
- seeking to participate in the Scottish Executive national 14-19 database pilot into which all the key agencies will be able to feed in real time.
- working with partners to enhance local labour market information

3.1.2.4 Jobcentre Plus

JCP is a government agency, part of DWP, supporting people of working age from welfare into work, and helping employers fill their vacancies. Its overarching role is in supporting the Department's aim to 'promote opportunity and independence for all through modern, customer-focused services'. As partners in the City Strategy, JCP will:

- further develop a joined-up approach to employer engagement
- pioneer enabling measures
- direct additional attention to customers with families
- carry out more consultation with customers and partners
- data-share (in line with Data Protection legislation) to enhance management information and reporting

3.1.2.5 Scottish Enterprise Edinburgh and Lothian

Scottish Enterprise is Scotland's main economic development agency, funded by the Scottish Executive, to improve Scotland's economic performance, to help the people and businesses of Scotland succeed and in doing so, build a world-class Scottish economy. Scottish Enterprise will support the City Strategy by:

- improving the flow of information and marketing material to intermediary organisations about Training for Work, Get Ready for Work and Modern Apprenticeship provision
- sharing of information and best practice regarding contracting and contract management procedures
- strengthening National Programme linkages with the referral agencies to improve the flow of City Strategy target group customers referrals to National Programmes - particularly lone parents
- identifying, with partners, any gaps in current and proposed National Programmes provision with a view to making changes which will improve: fitness for purpose, geographic coverage, accessibility/suitability for City Strategy target clients, occupational sector coverage, results into jobs and value for money
- examining the possibility of piloting initiatives to improve the marketing and uptake of Modern Apprenticeship delivery in target communities

3.1.2.6 Edinburgh Chamber of Commerce

Edinburgh Chamber of Commerce is a membership-led organisation whose aim is to provide the best professional advice and support in Edinburgh and the Lothians to businesses at all stages of development from start up to maturity. The main strands of its work are:

- Strengthening Business
- Business Training
- Networks
- Business Development
- Partnership Development
- Support for Global Trading

The Chamber's contribution to the City Strategy will be to:

- broaden partnership in the employment academies
- work with other employer membership organisations to seek to inform and involve more small to medium sized businesses in the recruitment of Priority client groups
- investigate methods of retraining new recruits in employment

3.1.2.7 NHS Lothian

It is NHS Lothian's responsibility to monitor, protect and improve the health of the people who live in Edinburgh and the Lothians. Health services cannot be provided in isolation and NHS Lothian is committed to forging closer links with their partners in care. They work with local authorities - including the City of Edinburgh Council, East Lothian, Midlothian and West Lothian councils - to support and inform their work to improve health through better housing, social work and environmental health services. NHS Lothian will bring to the partnership their occupational health and rehabilitation services, and also their potential as a leading employer to offer opportunities for training and employment. A Healthcare Academy has already been established with the aim of providing jobseekers with the right set of skills to successfully gain employment within the NHS. This pre-employment course is the first step to career development and life long learning within the NHS. Joining the City Strategy Partnership will enable NHS Lothian to develop further their contribution to the creation of joined up pathways to employment for specific target groups. They will be particularly important in improving City Strategy contact with customers we would not otherwise reach.

The NHS provides many opportunities to identify patients and promote employability as well as signposting potential clients. Many services are specifically focussed on patients with multiple and complex needs. In supporting patients through treatment and excellent care, the NHS can also take advantage of opportunities to help and encourage their clients to consider options such as volunteering as well as direct routes to employment. The NHS wish to optimise those opportunities through direct participation in the Pathfinder.

3.1.3 Roles of Other Involved Organisations

3.1.3.1 Further Education Colleges

The Further Education sector, supported by the Scottish Funding Council, is a key contributor to the realisation of the vision of a successful nation, with an economy, society and communities in which all Scots participate and contribute their talents and skills. Among the current priority development areas are skills and employability. The colleges in particular are key partners in the NEET reduction strategy. The three Edinburgh colleges will contribute to the City Strategy by:

- developing more collaborative work with the employment academies, employment intermediaries, and community groups
- offering more outreach classes in partnership with other organisations
- offering more courses designed for those moving into the job market (as opposed to progressing to higher level study)
- developing promotional materials which will encourage prospective students to match skills needs to opportunities in the Edinburgh job market.

In addition the Colleges will participate in the development of a case management approach to supporting individuals into training, through training and into the job market.

3.1.3.2 Community Planning Partnerships:

There are 4 local Community Planning Partnerships (CPPs) covering the most deprived areas of Edinburgh are: Craigmillar Partnership, North Edinburgh Area Renewal, South Edinburgh Partnership and West Edinburgh Community Planning Partnership. Part of their remit is to address National Priority for Regeneration 2: "Getting people back into work". Key components of their respective strategies are participation in Joined up for Jobs, work with the employment academies, with the employment intermediaries and with community based voluntary organisations.

3.1.3.3 Scottish Prison Service: The prison service's key aims are to reduce re-offending and to protect the public. Specific actions of particular relevance to the City Strategy are to:

- deliver offender management services, programmes and activities which address the causes of offending and re-offending and work to improve the outcomes for prisoners.
- work in partnership with other organisations in the public, private and voluntary sectors that deliver services to offenders and play a full role in the integration of offender management services.

3.1.3.4 EVOG - Edinburgh Voluntary Organisations' Council is a resource for the voluntary sector. It is a local organisation, which helps to support, develop and promote the interests and work of voluntary and community organisations in Edinburgh. The organisation works with local initiatives, and promotes linking up and joint working across sectors. EVOG is a partner of both the Edinburgh Partnership and Capital City Partnership.

3.1.3.5 Training Providers/Voluntary Sector Organisations/Employment Intermediaries: The City Strategy Pathfinder seeks to increase the employability of some of Edinburgh's

hardest-to-reach unemployed people and the partners recognise that our success depends heavily on the experience and capabilities of agencies working with these clients. The agencies need to ensure any service meets the needs of their customers and the feedback from their customers and from the agencies themselves will have an important influence on the programme design and evaluation. The existing Joined up for Jobs Partnership Forum is an obvious formal mechanism for two way dialogue / influence between partner agencies and the City Strategy Steering Group and Lead Officers Group. Already on the Forum agenda is: promoting partnership working, developing new delivery mechanisms, exchanging good practice and enhancing co-ordination of services.

- 3.1.3.6 Employment Academies: These are employer-led organisations with established links to employers in particular sectors e.g. Construction and Health Care. The Academies have an in-depth sectoral knowledge particularly as this relates to employment opportunities for jobseekers and the skills, qualifications and attributes employers will require of new recruits. Academies aim to help people into work and assist employers with recruitment difficulties. Their involvement will be important to the City Strategy as:
- an up-to-date source of local information about specific sectors and key employers within the job market
 - a communication channel with their employers for either information gathering or for marketing and promoting
 - sector-specific training providers with direct highly successful links into jobs

- 3.1.3.7 Edinburgh Trade Union Council: Over the past year, ETUC has been delivering a project called Support@work which has enabled it to identify opportunities for engaging with a range of partners and find innovative ways of developing a role for trade unions to provide:
- Employment rights training on a variety of topics
 - Casework and hot topic training for JU4J project staff
 - Engagement of trade unions at a variety of levels in training
 - Employment rights advice, support and representation on cases
 - Engagement with a range of partners including JU4J projects and further education colleges

This puts it in an ideal position to contribute to the City Strategy by raising awareness of employability issues with employers and union members.

3.1.4 **Key City Strategy Programme Elements**

For the Pathfinder to succeed in delivering the vision stated in section one, the Partners will concentrate on key themes or programme elements. This section describes how the partners plan to deliver on the eight programme elements.

3.1.4.1 Programme Element 1 - Clearer Offer to Jobseekers:

Lead Partner: Jobcentre Plus

The vision in the medium term is to reach a position where each partner agency and their contractors are able to “front” or represent the key services of all partners in their

dealings with an individual client.

The short term intention is to a) complete the mapping of types of provision for different client groups and b) identify the groupings of multiple contacts customers have with the range of providers; and to ensure that as far as is practicable each contact is known to the others. This will be facilitated by the introduction of new technology and will provide more detailed knowledge and understanding of multiple contacts and contact histories. This will be used to create a more systematic approach to the division of labour and resources for example between Jobcentre Plus staff and area-based intermediaries funded by Capital City Partnership. Initial findings will help establish methods for improving information flow and co-operation between agencies in order to achieve the stretch targets agreed by partners.

Standardised methodologies such as a common assessment framework; the introduction of an employability case management system and agreed data gathering and reporting mechanisms will all contribute to a step change in levels of co-operation and achievement. The creation of a JU4J Quality Standard will be considered. This may include, for example, the expectations about screening for basic skills problems and the availability of money advice. Existing data from previous pilots where Jobcentre Plus advisers were placed within intermediary staff teams will be reviewed and evaluated to inform the discussion. We will build in customer and employer surveys to develop the programme by recording and integrating this feedback within existing monitoring systems. Where possible feedback will be web enabled to encourage client and employer participation.

The sharing of client details across agencies, from a Data Protection perspective, will require an enabling measure on Data Sharing as described in Appendix 2. Additionally, if we are to successfully implement the employability case management approach, we need better information on when and where a client enters or leaves employment. For that reason we request an enabling measure around the reporting Job Outcome data to Jobcentre Plus district level as explained in Appendix 2.

3.1.4.2 Programme Element 2 - Greater Customer Reach:

Lead partner: City of Edinburgh Council

For the City Strategy Pathfinder to be a success it needs to reach to increased numbers of harder to help customers. To do this we will assess the barriers facing each of the target groups; deepen the co-operation with the agencies which give generic support to them, including in particular, mainstream health and social care agencies.; and co-ordinate the employability support given to them so that a clear pathway from engagement with employability to work can be presented. Specifically, an employability case management system which will define who will help, when and how, across the whole process into work and beyond. This will underpin the offer to beneficiaries with multiple disadvantages. Although not all beneficiaries will need all the intensive support mapped out, the system will create a framework for assessing support needs, and for tracking progress and outcomes. Working closely with the NHS, we will integrate some health and treatment agencies into this process to increase referrals and better utilise their expertise in their respective fields of care to support

customers with their conditions.

3.1.4.3 Programme Element 3 - Clear Offer to Employers:

Lead Partner: Jobcentre Plus

We will deliver a simplified and coherent offer to employers. Most partners have a range of employer contacts at different levels and often contracted providers will be contacting these same major companies while many Small and Medium Enterprises have no regular contact with any of the City Strategy partners.

Led by Jobcentre Plus, the partners will work together to deliver a coherent, consistent and easy to understand offering to employers which will encourage a wider range of employers to think of City Strategy activity as a key route for both the recruitment and retention of employees. Using tried and tested elements from the Employment Academies model, Jobcentre Plus pre-recruitment and Scottish Enterprise Account / Client-management, we will develop a “menu of products” to best suit employer needs.

In addition, we will develop a guide for large-scale recruitments. This will map developments from inception through to recruitment and retention using the model already being worked up for the Edinburgh Waterfront. The Edinburgh Waterfront Recruitment Centre is a partnership project sited on the edge of one of our two most deprived areas – Muirhouse/Drylaw. This project has generated the basis for an excellent product designed to maximise the number of local people getting local jobs.

The employer offer will also encourage businesses to recruit through new routes. Training and support initiatives will aim to compliment the employer offer by removing unnecessary barriers for target groups. The employer offer will build on:

- the job brokerage model, where the combined recruitment power of a sectoral grouping of employers can be linked to potential target groups through the support of one or more providers
- the capacity of large public sector employers to internalise some of the recruitment and support practices necessary to recruit from less traditional groups.

An example of this is the work being done with the NEET group being offered placements with NHS Lothian and City of Edinburgh Council. These and other methods will be developed by the City Strategy partners to expand into the private sector to set up further contract pilots. Enabling measures required to meet these demanding challenges are stated as at Appendix 2.

3.1.4.4. Programme Element 4 - Joined-Up Infrastructure

Lead Partner: Scottish Enterprise Edinburgh and Lothian

The City Strategy Pathfinder will initiate a process of joined-up funding and procurement which will be informed by:

- a mapping of provision funded by the main partners;
- assessing the match with the desired pattern of services;

- aligning commissioning and contracting processes by funding partners with local priorities;
- identifying both gaps in provision and opportunities to reduce duplication;
- pooling funds and resources where possible.

Initially funding such as New Futures Fund Successor, Infrastructure Development Programme, Council Social Justice Fund and Capital City Partnership funding of area intermediaries will be used to create the skeleton system, built around more restricted programmes like New Deal.

Opportunities for gap funding will be sought through Big Lottery applications and dialogue with the Programme Management Executive over the use of much reduced European Social Fund monies. Using the mapping exercise, we will identify existing and potential gaps and will apply available resources, including potential reward funding to create innovative new provision. An example of this is the proposed Capital City Partnership Lifeline Project which is seeking support from the Big Lottery Fund. This project aims to address the gap for extended work placements through the opportunities which Housing Associations / Registered Social Landlords are able to offer.

The Deprived Areas Fund will be used to pilot the pooling / procurement process. For this reason we are setting up a Funding and Resourcing Planning Group led by Scottish Enterprise Edinburgh and Lothian; this group will operate under the governance procedures detailed in Appendix 5. The aim is a gradual increase in locally-flexible funds, bringing more national funding streams into the field of flexibility or co-decision.

To support these processes, we request enabling measures as at Appendix 2.

3.1.4.5 Programme Element 5 - Improved Information Management

Lead Partner: Capital City Partnership

We will make better use of beneficiary data for:

- monitoring, programme management;
- analysis of beneficiary pathways between multiple providers (tracking);
- analysis of target group needs.

Capital City partnership will lead on the creation of a “virtual” ICT infrastructure to store and produce management information about beneficiaries of key partners, based on records input by funders. The system will provide the framework for joined-up working by providers including shared assessments tools and a robust database for provider, customer and employer records.

Whilst key partners such as Jobcentre Plus, Careers Scotland and Scottish Enterprise Edinburgh and Lothian already have robust management information systems, the proposed system will be initially piloted by Capital City Partnership with a small number of funded organisations.

We will pool resources and join-up efforts to generate region-wide labour market information to identify baseline data against which progress towards achievement of the strategic objectives can be measured. Regular reporting on outputs and labour market trends will be used to guide co-decision making on programmes and policy developments.

3.1.4.6 Programme Element 6 - Improving Sustained Employment

Lead Partners: Scottish Enterprise Edinburgh and Lothian and Careers Scotland

Our aim is to improve sustainability of employment for City Strategy customers. Entrants to the job market with skills above the basic level are more likely to stay in employment and to progress within the workplace. For this reason, skills training and the achievement of industry recognised qualifications will be an important element of the programme. Integration of skills training into pathways to work has been successfully demonstrated by existing local pilots such as Transition, DELIVER, the Academy models and mainstream models used to progress Get Ready for Work clients into the Care Sector with associated Level 2 Vocational Qualifications and Modern Apprenticeships. Opportunities for extending these current approaches during Year 1 will be sought.

There is also potential for partners including the Further Education sector to support clients into work and gain vocational qualifications if we can change our funding regimes accordingly. Current funding mechanisms do not support this at present. Contracts with the Scottish Funding Council, for example, require colleges to deliver Student Units of Measurement which must be planned in great detail from the beginning of the academic year in order to avoid not meeting activity targets. This pattern of planning does not allow for unanticipated demand mid-year e.g. in order to meet an employer's unexpected requirements. At present, the Scottish Funding Council do not require colleges to help students enter work after graduation. There is scope for piloting such support for specific target groups, in co-operation with employability providers.

We will be working closely with the Colleges to look at ways in which we could capitalise on their involvement in the City Strategy Pathfinder. Enabling measures as in Appendix 2 would support this process.

3.1.4.6 Programme Element 7 - Strategy Targets and Development

Lead Partner: Careers Scotland

The introduction of a major new employability provision is not feasible or sustainable without active partnership with, and investment by, Government. The City Strategy Pathfinder hope to be able to introduce provision at a level consistent with need through the availability of reward funding. We aim to formulate an outcomes-based reward funding agreement with DWP which allows an agreed proportion of benefits system savings accrued to be recycled and re-applied locally to fund continued provision.

The partnership have agreed challenging strategic objectives that have set measurable

targets with stretch included. This will form the reporting mechanisms which will be developed as in Programme Element 5 and will be closely monitored by the Strategy group to ensure progress.

3.1.4.7 Programme Element 8 – Communications

Lead Partner: City of Edinburgh Council

A fundamental element of success for the City Strategy Pathfinder will be in its ability to demonstrate an improvement in the communications flow across the network. Through Joined Up for Jobs, we already have a recognised network for the effective sharing of key information across agencies. As a partnership led by the City of Edinburgh Council and with Careers Scotland taking the lead for the particular needs of the NEET group, we will aim to develop this further.

We are currently working on a revised stakeholder analysis to meet the new needs of the Pathfinder. This will be used to inform our target audiences of the City Strategy Pathfinder aims – what we plan to do, how we plan to do it and what differences we plan to make. Consultation will be a key in order to inform us of the direction to take and this will underpin all aims and objectives of the previous key programme elements.

3.2 Employer Engagement

Active engagement with employers is a key success factor in respect of filling skills shortages in certain employment sectors, developing the local economy, raising the employment rate and meeting child poverty targets. In order to achieve this we will:

- better match vocational skills training with current and future labour market needs through improved dialogue with employers
- work with employers on recruitment & retention methodologies that support increased workforce diversity.
- develop a co-ordinated approach to services to employers in order to minimise duplication and provide a seamless service to the various employment sectors.
- help employers meet their needs in respect of specific skills shortages by developing demand led programmes which will enable those who are harder to help achieve industry standards and secure and sustain employment
- identify sustainable employment and placement opportunities for those who are harder to help within the labour market.
- support community regeneration effort through better linkage of local jobseekers to job vacancies and placement opportunities.
- maximise the number of vacancies available to us by eliciting a partnership response to large scale recruitment exercises.

Within JU4J the principal route to closer working with employers has been the creation and development of sectoral employment academies which are:

- employer-led organisations
- focused on industrial sectors
- based on partnership working

Overall the Academies objectives are to increase the size of the labour pool for employers; and to increase the numbers in work; by targeting excluded individuals and matching their potential with hard to fill vacancies. This is achieved by:

- the identification of appropriate vacancies
- working with employers to agree their essential requirements and open up access routes by looking at the potential entry barriers
- client assessment, linking into client-centred pre-vocational preparation, drawing clients from a wide intermediary network
- careful procurement of and delivery of sector-specific customised training
- agreements with employers about job entry for clients who achieve the agreed standards

While the employment academies have provided an excellent start to improved employer engagement they do not link to all employers in all sectors. Further work needs to be done by the City Strategy Partnership to determine appropriate ways to identify recruitment and training opportunities across a wider range of sectors and employers. The Edinburgh Chamber of Commerce has offered to assist in employer engagement by contacting other organisations which represent employers and this consultation will be another element of the action plan which has already been prepared for the Strategy Group.

In addition to the work done by Academies, area regeneration initiatives also have links with employers, for example through Business Support Groups. The use of Community Benefit Clauses on major development projects also offers excellent opportunities for opening dialogue with employers, especially in construction; and making arrangements for recruitment, training or work placements. City of Edinburgh Council, Communities Scotland, Job Centre Plus and Scottish Enterprise have already made extensive inroads into linking local development opportunities into the employment needs of local people. The City Strategy will build on this work.

3.3 Voluntary and Community Sector Engagement

Community and voluntary sector organisations will be involved in the City Strategy in one or more of three roles as: providers, representatives of communities and or advocates/support for target groups. Within the Pathfinder their objectives will be to:

- facilitate community involvement in the development of remits, structures and operational models;
- ensure the migration and adoption of best practice principles;
- facilitate community participation;
- generate a sense of ownership in the development of local community planning

For the Voluntary and Community Sector, the Joined Up For Jobs Partnership Forum is the mechanism to engage with the Edinburgh City Strategy. The Forum is a formal link for two way dialogue/influence between partner agencies and the JU4J Strategy Group. Part of the Forum's agenda is promoting partnership working, developing new delivery mechanisms, exchanging good practice and enhancing coordination of

services. The Edinburgh Partnership, the city-wide community planning partnership, is an umbrella body of representatives from key public and voluntary sector organisations, strategic partnerships, business and community representatives.

Jobcentre Plus currently engage with a wide variety of VCS organisations in the Edinburgh area to help develop a range of flexible provision aimed at assisting the hardest to help within the labour market move towards employment. Benefits of positive engagement include:

- referral of candidates and follow up action to ensure that they continue to move towards employment;
- achievements of targets for both Jobcentre Plus and partnership organisations that would not be possible without collaborative working;
- publicity for initiatives developed by partner organisations targeted at advisers who will refer suitable candidates.

Jobcentre Plus will continue to build upon the network of voluntary organisations engaged by:

- identifying and responding to gaps in provision
- engaging with organisations capable of meeting emerging customer needs;
- assisting organisations to develop provision that is responsive to labour market needs;
- adopting a flexible approach to funding (where possible) to develop mutually beneficial partnership initiatives.

3.4 **Targets this section was updated on 10/12/07 after consultation with DWP**

Our main targets are:

- An 82% employment rate for the City by 2011.
- An employment rate of 80.7% by June 2009.
- A 3% stretch on the forecast reduction of people claiming key benefits (Incapacity Benefit; Income Support for Lone Parents and Jobseekers Allowance) by May 2009.
- Reducing the gap in the claimant count rate between the most deprived areas and the city average by 25% by 2011.
- Reduce the percentage of the population claiming Incapacity Benefit to 5.6% by 2011.

3.4.1 **Headline Target**

The government's aspiration is to increase the national employment rate to **80%**. The latest figure for Edinburgh is **77.2%** (March 2007). The aspirational target for Edinburgh set by the Jobs Strategy Group is an employment rate of **82%** across the city which would indicate significant stretch on this government target.

Aligning the **82%** target with the decrease in benefit caseload outlined in the DWP's standard targets would mean that it would take until 2011 to achieve an **82%** employment rate in Edinburgh. Of course, this would mean that the Consortium would have to maintain the momentum generated during the first two years of the Pathfinder. We have aligned our underpinning local targets with this timescale.

It should be noted however, that Edinburgh has recently had an influx of migrant workers from the EU accession states. Between 2002/03 and 2005/06, there have been **27,110** NI Numbers to Foreign Nationals in Edinburgh.¹ This has the potential to cause a displacement effect within the local labour market and will have influenced the trend from which DWP forecast population growth and unemployment decline.² The impact of this will be monitored by the consortium.

	2006	2007	2008	2009	2010	2011
Working age population ³⁴	295,700 (Dec: Actual)	296,315 (June: Estimate)	297,402 (June: Estimate)	298,489 (June: Estimate)	299,576 (June: Estimate - CCP)	300,663 (June: Estimate - CCP)
Number of people in employment (DWP forecast or trend on forecast)	229,090	231,270	235,629	239,988	244,347	248,706
Number of people in employment (actual)	227,800	-	-	-	-	-
Proposed employment rate	77% (actual)	78% (DWP estimate)	79.2% (DWP estimate)	80.4% (DWP estimate)	81.6% (CCP estimate)	TARGET >82%

3.4.2 DWP Standard Targets

DWP has set the Edinburgh City Strategy Pathfinder two targets in the format common to all Pathfinders. The first is an employment rate target which is currently set at an increase to 80.7% from a forecast of 80.4%. (This is likely to be reviewed by DWP by the end of 2007 to align with most recent data.)

The second is a Benefit-related target which includes a reduction in numbers on key benefits. DWP have provided actuals, forecasts and target figures at the Edinburgh City level. Overall the figures require a reduction of the total by **2,755** by May 2009, which represents a **three** per cent stretch on forecasts.

Although the DWP has provided targets disaggregated to 3 benefits; JSA, IB/SDA and IS-LP (see below) the overall target is a **3%** reduction on the forecast of the number of people on

¹ reference is 100% sample, 17/06/2006, NI recording system, DWP

² Statistics from NOMIS, population is GRO (S) 2005 mid year estimate.

³ Actual Working Age Population from Annual Population Survey, NOMIS, latest figure at 11/10/2007

⁴ Estimated Working age population from City Strategy Targets issued by DWP, August 2007

these benefits by May 2009. The Edinburgh Consortium can therefore choose to target one or more of these client groups to achieve that reduction and stretch.

DWP has asked that we agree to their targets. The question arises as to the meaning of our agreeing to them: the role of these targets. The spirit in which we accept them is that they provide the target which we aim to achieve and which therefore drives the plans and actions which we take. Our task is to work out what we think we have to do to get there and anticipate the barriers we may face. The Consortium believes that these targets represent a considerable challenge and we cannot confidently predict that we will be able to meet them. Equally, not meeting them does not correspond to clear evidence of failure if we can identify the reasons and either start to address them or accept that they are exogenous (e.g. macro-economic trends).

Employment rate target

The DWP employment rate target is as follows:

	Actual (12/06)	DWP Forecast (06/09)	DWP Target (06/09)
Number employed	227,800	239,988	240,963
Actual Working Age Population	295,700	298,489	298,489
Employment Rate	77.0%	80.4%	80.7%

Benefit target

Within this section there are three separate targets; combined they represent a target of **2,755** less people claiming these benefits by May 2009. This will correspond to a minimum of **2,755** more people in employment in the City of Edinburgh but it is unlikely that changes in the employment rate will be fed only from those on benefit.⁵

Job Seeker Allowance

DWP has tasked the Edinburgh Consortium with reducing the JSA load by **214** as a component of the Benefit Target. As the trend in JSA loads has been relatively stable for a number of years DWP analysts have agreed that the forecast figure should remain the same as at August 06. The **214** therefore indicates a **3%** stretch on that forecast.

⁵ Actual figures from Work and Pensions Longitudinal Study. This measure uses the highest statistical group to eliminate double-counting.

⁶ Scottish Neighbourhood Statistics website, March 07

⁷ DWP tabulation tool, March 07

⁸ Population projected from DWP's forecast (see employment rate target above)

⁹ DWP tabulation tool, March 07

¹⁰ Annual Population Survey, NOMIS,

¹¹ Claimant Count figures, NOMIS,

¹² Figures from JCP's Business Information System, received 03/05/2007

¹³ Edinburgh NEET Strategy, April 2007

¹⁴ Annual Population Survey, Scottish Executive, 2007

¹⁵ University of Glasgow capture – recapture method and DWP

¹⁶ City of Edinburgh Council, Homelessness Database, 2005/06

¹⁷ Work and Pensions Longitudinal Study, NOMIS, 18/05/2007

¹⁸ Annual Population Survey, Scottish Executive, 2007

	Actual	DWP Forecast	DWP target (3% stretch)
August 2006	7,150		
November 2006	6,490	7,150	7,150
February 2007	6,640	7,150	7,150
May 2007		7,150	7,150
August 2007		7,150	7,123
November 2007		7,150	7,096
February 2008		7,150	7,070
May 2008		7,150	7,043
August 2008		7,150	7,016
November 2008		7,150	6,989
February 2009		7,150	6,962
May 2009		7,150	6,936
			Total reduction: 214

Incapacity Benefit – Sick and Disabled

As a component of the Benefit Target the Consortium will aim to reduce the number of people claiming IB/SDA to **20,270** from a May 2009 forecast of **20,897**. This represents an overall reduction of **627** on the IB/SDA claimant count.

	Actual	DWP Forecast	DWP Target (3% stretch)
August 2006	21,950		
November 2006	22,050	21,929	21,929
February 2007	21,980	21,877	21,877
May 2007		21,825	21,825
August 2007		21,774	21,696
November 2007		21,722	21,566
February 2008		21,671	20,436
May 2008		21,619	20,306
August 2008		21,568	20,176
November 2008		21,131	20,661
February 2009		21,014	20,465
May 2009		20,897	20,270
			Total reduction: 627

Income Support – Lone Parent

The Lone Parent component of the Benefit Target is a reduction of **135** on a forecast of **4,475** clients claiming Income Support for Lone Parents.

	Actual	DWP Forecast	DWP target (3% stretch)
August 2006	5,170		
November 2006	5,040	5,107	5,107
February 2007	5,010	5,044	5,044
May 2007		4,980	4,980
August 2007		4,917	4,900
November 2007		4,854	4,820
February 2008		4,791	4,740
May 2008		4,727	4,660
August 2008		4,664	4,580
November 2008		4,601	4,500
February 2009		4,538	4,420
May 2009		4,475	4,340
			total reduction: 135

3.4.3 Supporting Local Targets

Edinburgh City Strategy Pathfinder builds on the work of the Joined up for Jobs Strategy which takes its targets from the Edinburgh Regeneration Outcomes Agreement (2005-08). These have, therefore, been reprofiled for the purposes of the City Jobs Strategy to take into account the longer timescale.

Local Target 1

Closing the gap between the most deprived areas and the city average

The City Strategy for Edinburgh intends to accelerate the reduction in the gap between the most deprived areas of Edinburgh and the city as a whole. We have an aspirational target of reducing this gap by **25%**. Edinburgh has a marked difference between opportunity in the more affluent areas and those of relative deprivation. When compared to other areas in Scotland Edinburgh shows by far the biggest gap between the city's overall position (second top) and the position in the most deprived data zones (third bottom).⁶ The reduction of this inequality is a key target for Edinburgh's City Jobs Strategy. We have used the number of Jobseeker's Allowance claimants in the **61** deprived datazones as a proxy for overall deprivation in these areas.⁷

	2006 (baseline)	2009	2011
JSA Unemployment Rate in Edinburgh	2.3%	2.2%	1.9%
JSA Unemployment Rate in 61 Datazones	6.8%	6.14%	5.28%
Gap	4.5%	3.94%	3.38%
Target Reduction %	-	12.5%	25%

Local Target 2

Reduce Incapacity Benefit Claimant Count

It is the government's stated aim that 1 million people should be helped off Incapacity Benefit and back into work. The new Pathways to Work contract, to be introduced in Edinburgh in December 2007, and the introduction of the Employment and Support Allowance will contribute to our overall target of reducing benefit dependency. It is unclear what impact these new interventions will have on this target and as such targets are likely to be reviewed. However, at the moment the partners aim to reduce the percentage of the working age population on IB/SDA from **7.47%** to **5.6%**. Monitoring of the IB/SDA claimant count will be done on a quarterly basis at datazone level with data from Nomis. The table below uses figures from the WPLS using the Sick and Disabled Statistical group:

	2007	2010	2011
Edinburgh Working Age population ⁸	296,315	299,576	300,663
No. Incapacity Benefit / SDA claimants ⁹	22,135	19,592	16,837
%IB/SDA claimants of Working Age Population	7.47%	6.54%	5.6%

3.4.4

Key Performance Indicators

To support our work on meeting Targets the Consortium has also agreed to regularly monitor and report a number of Key Indicators. These will be discussed at the relevant sub group of the Jobs Strategy Group. The indicators below are indicative of what will be monitored but the numbers of indicators and their scope may change as the Pathfinder progresses.

a. BME indicator

An overall picture of the employment rate of BME groups compared to the total population can be derived from the Annual Population Survey. Unfortunately we are unable to see much of a trend from these figures as the APS only began in 2004 and the latest figures are up to March 2007.¹⁰ The most recent picture is as follows:

Variable	number	denominator	percent	confidence
Employment rate – working age – total pop	228,500	295,900	77.2%	2.6%
Employment rate – working age – non white	10,500	14,100	74.3%	2.4%

% who are economically inactive – working age total pop	54,700	295,900	18.5%	24.7%
% who are economically inactive – working age – non white	2,500	14,100	17.7%	unreliable

(these figures are from samples and the confidence rating is low)

The table above shows a **2.9%** variance between the employment rates of non-whites and the population as a whole. However, numbers are relatively low: there are **2,500** economically inactive people who are non-white in a total working-age population of **295,900**. As this data is derived from a sample and there are confidence issues with the data it will be difficult to use the Annual Population Survey as an indicator. We therefore propose that we base the target on the number of JSA claimants who are from black and minority ethnic groups. Following the DWP's assertion that there is a flat trend for JSA claimants in the city we will apply a **5%** stretch to the figures for August 2006. This date will allow comparison with the DWP Standard Target. (This indicator uses the JSA claimant count figures on NOMIS as WPLS does not capture ethnicity data.) Considering that the numbers involved are so low it may be inappropriate to have this indicator. The Consortium proposes that this indicator is monitored but that we investigate the possibility of either interrogating existing data or performing new research on the levels of worklessness in the Black and Ethnic Minority population.

Interim Indicator: Number of JSA claimants from Black and Ethnic Population¹¹

JSA claimants (City of Edinburgh)	August 2006	July 2007	Target – May 2009
Total	7295	5,748	
White	6445	5,020	
Non-White	280	285	266

b. Ex-Prisoner Indicator

At present there is no baseline for the numbers of people leaving prison and entering work, education or training. The Scottish Executive releases figures for the numbers of people leaving prison who have an Edinburgh postal address. These are set out below. The Jobcentre Plus district office can give figures of those receiving benefits who are ex-prisoners but these carry a health-warning as they are based on the customer's willingness to disclose this information and the completion of the clerical task of populating the customer's record. At present there are **212** people who are receiving benefit are categorised as being ex-prisoners on JCP systems.¹² It is the intention of the Consortium to achieve and report on a reliable baseline figure.

	2004	2005	2006
No. of prisoners leaving prison to Edinburgh Addresses	2,064	1919	1816

c. Reduce Child Poverty

Whilst the overall Government child poverty target - to eradicate child poverty by 2020 - is not explicitly underpinned by the Cities Strategy targets from the DWP, joining up work on worklessness in local areas is intended to have a positive impact. As part of the Strategy,

Edinburgh will undertake to regularly report on child poverty indicators. The most reliable indicator of child poverty available for the City of Edinburgh is the 'Children in Workless Households' figure collected by the Scottish Executive from the annual population survey. At present the figures do not go below the level of the City but we intend to do more work to get the level at datazones. In 2005, the proportion of children living in workless households in the **15%** most deprived areas in Scotland was estimated to be **43.5%**, over four times that for the rest of Scotland at **10.8%**. As the disparity in child poverty at National level is so marked we can anticipate a similar disparity in the City of Edinburgh. Our target would therefore to continue the overall downward trend and to work close the gap between the most deprived children in the city and the city average. Therefore, detailed target projections will have to await this baseline.

The Consortium will also have a regular report on those claiming Lone Parent benefits which can be used as an indicator of child poverty.

		2003	2004	2005	2006
% of Children in Workless Households	Scotland	16.7%	16.7%	16.1%	16.2%
	City of Edinburgh	17.0%	13.5%	8.9%	10.4%

DWP has also suggested that the Consortium monitor the 'Children dependent on workless benefits' indicator provided by their Information Directorate. In 2006 19.7% of children were dependent on workless benefits compared to an average in Scotland of 18.06% and in Great Britain 20.2%.

d. Reduce numbers of 16-19 year olds Not in Education, Employment or Training (NEET)

The City of Edinburgh has a NEET strategy in place which looks at targeted action to increase the numbers of young people leaving school and moving on to further education, employment or training. The City Strategy will adopt and monitor performance on the targets adopted by the Edinburgh NEET Strategy Group.¹³ The Consortium will also prepare a business case for establishing a 100% baseline by using data-sharing enabling measures. The proposal is that we compare the Careers Scotland School-leavers destination analysis with Jobcentre Plus beneficiary records.

No		2004	Baseline 06	Target 08	No reduced	% reduced
1.	School leavers u/e & seeking	460	533	474	59	11%
2.	School leavers u/e & not seeking	250	87	78	9	10%
3.	Benefits - JSA	470	625	575	50	8%
4.	Benefits - IB	320	315	290	25	8%
5.	Benefits - LP	180	200	192	8	4%
6.	Benefits - Other	70	30	29	1	4%
7.	Unknown	450	450*	432	18	4%
8.	TOTAL	2200	2240	2070	170	8%

e. People with a disability indicator

Indicator: Working age employment rates and levels for people with a disability¹⁴

Geography (residence based)	2004	2005	2006
	Proportion	Proportion	Proportion
Scotland	44.3%	45.7%	47.4%
City of Edinburgh	48.7%	54.0%	54.9%

f. Care Leaver Indicator

There is no reliable indicator for the numbers of young people leaving care and not going on to a positive destination (education, training or employment). The Consortium will work with other agencies to achieve a reliable baseline.

g. Drug Misuser Indicator

Indicator: Number of Drug Misusers claiming IB/SDA¹⁵

Nos. in Edinburgh	2005	2006
Drug Misuser	5,872	7,537
Drug Misusers on IB/SDA	2,100 (feb)	2,470 (feb)

h. Homeless Indicator

Number of homeless people on Edinburgh Homeless database who have accessed employment, education or training¹⁶

	2004	2005	2006/07
Total numbers	4391	3846	4058
Accessing employment education or training	593	477	671
Percentage	13.5%	12.4%	16.5%

i. IB category indicator

Indicator: Reason for claiming IB/SDA¹⁷

Date	Total claimants	Mental	Nervous System	Respiratory / Circulatory	Musco-skeletal	Injury / Poison	Other
Nov 04	22,555	10,465	1,405	1,460	2,830	905	5,490
Nov 05	22,400	10,705	1,395	1,360	2,760	875	5,305
Nov 06	22,375	11,170	1,390	1,270	2,640	865	5,040

j. JOT target indicator

Progress on JCP's Job Outcome Target will be reported to the Consortium.

k. Lone Parent indicator

Indicator: Number of people claiming Lone Parent benefits.

Whilst the caseload of Lone Parents form part of the DWP standard targets the Edinburgh Consortium intends to monitor trends at datazone level using data from Jobcentre Plus.

l. Job-related training indicator

Indicator: Proportion of working age people in employment receiving job-related training in the last 3 months by workplace local authority area, 2004-05¹⁸

	2004	2005	2006
Scotland	31.4%	30.1%	30.1%
Edinburgh	35.1%	36.5%	34.2%

m. Employer Engagement Indicator

In previous years the measure used to inform the progress of vacancy filling processes nationally have been dictated by the procedures for taking and handling vacancies within JCP. Interpretation of this data acknowledges the changes to these procedures in recent years in particular, from May 2006 when JCP introduced changes to their vacancy handling procedures. Prior to May 2006, vacancies notified to Jobcentre Plus were followed up with the employer to ascertain whether (a) they should remain available to jobseekers, or (b) whether they should be closed or had been filled by clients referred by Jobcentre Plus. Vacancies filled were monitored as one strand of Jobcentre Plus performance. From May 2006 Jobcentre Plus performance is being assessed differently and there is consequently no longer an operational need to follow up vacancies. Vacancies notified to Jobcentre Plus now have a closure date agreed with the employer. Vacancies are automatically withdrawn on the closure date unless the employer advises that a later closure date is required. The number of notified vacancies in Edinburgh in August 2007 was **3,619**.

As this information is no longer reliable, the Consortium will look at other ways of developing an indicator to measure the impact of any changes to employers' satisfaction. Using the Employer Outcome Target (EOT) JCP has also been measuring their service by using a survey method conducted by an independent external company. This is completed on a monthly basis and the key measures within that are resolution, responsiveness and matching. The proposed indicator for this area of work will look to see how this can be developed across the employer engagement network within Edinburgh.

n. Gender

Indicator of gender within benefit claimant target

	06/2006	03/2007 (latest figures)
JSA – male	5,370	4,990
JSA – female	1,750	1,660
IB/SDA – male	12,950	13,080
IB/SDA – female	8,910	8,900
LPIS – male	290	270
LPIS - female	4,830	4,730

3.5 **Performance Management and Financial Information**

The monitoring of performance of the City Strategy will fit with the Regeneration Outcomes Agreement (ROA) reporting structures as set within the Community Planning framework. The Capital City Partnership Board consider a detailed review of the jobs strategy on an annual basis: and the Annual Report on the ROA is presented to Communities Scotland, the executive agency of the Scottish Executive. The City Strategy itself will focus on two main items: Outcomes and Impacts.

Outcomes (the measures of what individual projects do and their immediate results) All Partners have developed monitoring and evaluation frameworks for the providers which they fund. These generate the performance data used to manage the programmes and provide details about the nature of the beneficiaries and the barriers they face. These frameworks and data will be reviewed, developed and used to inform programme design and progress towards targets.

Impacts (the measurement of the impacts of the strategy on the labour market) will be monitored using the standard labour market statistics available via NOMIS.

3.5.1 **Programme Delivery Budget**

FINANCIAL YEAR 2007-08	SEEDCORN Funding	CCP
Staffing	£124,362	£100,014
Operational Costs	£20,000	
Rent (including rates, utilities, cleaning)	£8,800	
Training	£4,200	
Travel and subsistence	£4,200	
IT equipment	£0	
Office furniture	£0	
Recruitment		
Subscriptions, conferences	£2,100	
Consultancy, evaluation	£13,338	

Labour Market Information	£6,000	
IT roll-out fund	£20,000	
Website and database development	£5,000	
Catering	£1,000	
Room hire	£1,000	
ITC		£40,000
IDP Employability Case Management		
TOTAL	£210,000	£140,014

3.6 Communications

City Strategy Partners have been effective in bringing together statutory, voluntary and community agencies to work in partnership to promote social inclusion and achieve social justice for the people of Edinburgh. A communications strategy (currently under development) aims to ensure stakeholders are aware of the City Strategy. Key communication objectives are to:

- develop communications techniques to support effective consultation and participation
- facilitate ongoing effective communication between partner organisations.
- support staff by informing and promoting understanding of the City Strategy objectives and priorities
- provide a regular flow of communication to the media on key activity involving the City Strategy

Target audiences include:

- partner organisations and their staff
- key client groups and communities
- Ministers, Scottish Executive and key officials within agencies such as Communities Scotland
- Officials and councillors for The city of Edinburgh Council
- Local Authorities in the Lothians
- DWP and other City Strategy Pathfinders

The communications mix will include the following:

- face to face contact via new and existing group meetings
- relationship building with and between staff members in partner organisations
- building media relationships with specialist journalists covering care, health and social affairs and senior editorial figures in both the Scottish and relevant specialist media
- Attendance/presence at events and exhibitions
- public speaking opportunities
- Web: via development of existing websites such as <http://www.joinedupforjobs.org.uk/>
- Production of articles for local press and magazines such as the quarterly

Working Capital: the joined up for jobs magazine.

3.7 **Cross-cutting themes appraisal**

3.7.1 **Impact on Diversity** (including gender, ethnicity and disability monitoring)

Research commissioned by Capital City Partnership indicated that there are issues with some ethnic minority clients being reluctant to access white-dominated pre-employment services. The annual population survey in March 2006 shows there were 14,100 non-white people of working age in Edinburgh and highlighted a difference in the working age employment rate between white (78.2%) and non-white (61.2%). Potentially there is a greater demand for specialist employability training for ethnic minorities than current supply. The Partners will examine this area early in Year one.

As mentioned previously, Edinburgh has seen a large increase of migrant workers from Eastern Europe. The Partners will need to constantly review and monitor current provision to ensure that as a result staff resource and funding is not being diverted away from the most deprived communities and most disadvantaged clients in the City.

3.7.2 **Impact on Health**

The mutual impacts of health and employment interventions are recognised and a number of initiatives are already in place to increase joint working by health and employability professionals. It is intended that there will be an increased input from health professionals over the pathway into work and for support in work; this is in line with the obligation on the NHS to increase community well-being. Conversely it is anticipated that supporting more people into sustainable work will have positive health effects. Joint working with the NHS is therefore an area of work which we will expand significantly. In light of this, NHS Lothian has been offered, and has accepted, a place on the Strategy Group. Much of the current and future joint working will relate to specific target groups including:

- focus on dealing with people with mental illness.
- workers acquiring a disability or health problem who need assistance to retain work or require rehabilitation.

The Partners will work together to align objectives and targets and record added value from collaboration between health and employability agencies.

3.7.3 **Economic Growth**

The ability of the Edinburgh Economy to create wealth and employment opportunities is closely tied to the availability of a skilled and motivated workforce that is matched to the needs of business. Currently Edinburgh's economy is buoyant and growing, with low levels of claimant unemployment and high employment rates. Projections show continued growth in both population and the numbers of jobs in the city. However it is evident that there remain issues of persistent and comparatively high levels of unemployment and economic inactivity in the 61 datazones as shown in 'Working Age

Population in Employment'¹⁷ table below. It is the challenges in these particular areas that the City Strategy will address.

	2004	2005
61 focus data zones	72.1%	73.5%
Edinburgh	88.3%	88.5%

The City Strategy Pathfinder will achieve positive outcomes that will give greater public sector return on investment. This will reduce the costs for business of a tight labour market and impact positively on the competitiveness of the local economy.

Some of the outcomes anticipated include:

- greater resource efficiency and sustainability of outcomes for the partners - through better co-ordination, alignment and utilisation of expertise and capacity.
- enhanced match between the actual skills demand and the skills present in the potential workforce through better dialogue with employers
- reduction in the perceived and actual barriers to employment, particularly for disadvantaged client groups through better dialogue with employers and jobseekers
- reduced cost for business through more effective recruitment methodologies and better retention rates.
- reduction in the disparities in employment rates between communities and within particular client groups, e.g. ethnic minorities, people with disabilities.
- positively tackling generational and concentrated unemployment and inactivity through geographic focus.

3.7.4 **Regeneration**

Area regeneration is an effective tool to address economic inequality between communities, enhance environmental quality, and increase the capacity of the local economy for growth within its existing spatial boundaries.

The added value in closely tying regeneration efforts to labour market interventions that local people directly benefit from the physical improvements and the economic opportunities that regeneration brings. Such initiatives bring additional opportunities that would not exist otherwise both during construction and in the operational phases of the development.

Therefore it is important that these opportunities are effectively identified and integrated into the City's strategy on employability. Edinburgh has several significant regeneration project including Edinburgh's Waterfront and the South East Wedge with timescales for completion beyond 2010. These projects will generate additional employment opportunities for Edinburgh jobseekers. Identifying and harnessing these opportunities will require significant efforts to broker agreements between employers,

developers and the City Strategy members to achieve greater employment outcomes for local communities.

3.7.5 **Social Inclusion**

The Joined up for Jobs Strategy in Edinburgh and the targets set out in the Regeneration Outcomes Agreement are closely linked to the Social Inclusion agenda. The impact of the City Strategy will mean there is increased capacity to meet the more challenging targets for the least advantaged groups and wards.

The development of an employability case management system (defining who will help, when and how, across the whole process to recruitment and beyond) will assist beneficiaries with multiple disadvantages.

Two wards in the city stand out as being particularly deprived relative to the city average: Craigmillar and Muirhouse/Drylaw. In November 2006, the claimant count in Craigmillar was 5.5% (240) and in Muirhouse / Drylaw 6.8%, (357) whilst the city average was 2.3% (6775). Both wards have a range of support available including employment access intermediaries, childcare services, a recruitment centre and a business support incubator. These wards will be a particular focus for the City Strategy target - Closing the Gap.

SECTION IV GOVERNANCE AND MANAGEMENT

4.1 Programme Governance

4.1.1 Governance Structure

The governance structure is provided by the Capital City Partnership, the social inclusion partnership for Edinburgh, which is a company limited by guarantee. It is responsible for the Regeneration Outcomes Agreement (ROA) within the existing structures of Community Planning. It reports to the Edinburgh Partnership and Communities Scotland. Getting People Into Work is the largest element of the ROA and is delivered by the Joined Up For Jobs (JU4J) strategy. The Jobs Strategy Group is a sub-group of the CCP Board and comprises the main funding and policy agencies. It is the body which will manage the City Strategy Pathfinder. More detail is given in Appendix 5.

The CCP Board and Jobs Strategy Group will be responsible for the development and implementation of the strategy and specifically for setting and reviewing targets, monitoring and reporting on outputs and outcomes and the management of any resources dedicated specifically to the Pathfinder, e.g. seedcorn funding, Disadvantaged Area Funding (DAF).

Further developments of these structures may be needed for the implementation of the City Strategy Pathfinder including:

- accountability for delivering the Action Plan (which will have to be managed more tightly against delivery milestones);
- procurement issues if and when the City Strategy pools funds, when procedures would be needed to add clarity to the distinction between funder and provider.

4.1.2 Governing Body Membership

The Capital City Partnership's Board of Directors comprises representatives of The City of Edinburgh Council, Community Representatives Network, Jobcentre Plus, Scottish Enterprise Edinburgh and Lothian, Edinburgh Chamber of Commerce, Lothian and Borders Police, Capital Credit Union Limited, NHS Lothian, and Edinburgh Voluntary Organisations Council.

4.1.3 Support Structures and relationships with other bodies

The principal support structure for the CCP is: the Chief Executive, the Jobs Strategy team, including three posts funded by the City Strategy Pathfinder seedcorn budget, the Monitoring and Evaluation Officer and Finance Manager.

The Job Strategy Group have nominated Lead Officers who will co-ordinate their contributions to the strategy. This arrangement consolidates the relationship to the partner agencies and the programmes they manage.

Links to the providers of employment services are through the Partnership Forum; and

there is a standing invitation to meetings of the CCP Board to representatives of communities of interest.

Any required changes in governance to include other Lothian Council areas will be addressed as they occur.

More detail is given in Appendix 5 The Memorandum and Articles of Association are available on request.

4.2 **Programme Management**

The Capital City Partnership will act as the management and administrative lead and budget holder for the Pathfinder. CCP is a company limited by guarantee with a budget of approximately £2.8 million per annum and a staffing level of 17 Full Time Equivalents. It has in place the financial systems and audit controls necessary for managing this scale of budget. All of the key partners on the JU4J Strategy Group are represented on the CCP Board and take an active interest in financial reporting and outcomes achieved.

The aim of the City Strategy will be to align the activity of partners towards our shared goals of increasing the employment rate across the city and reducing unemployment amongst key client groups, including those furthest from the labour market. Seedcorn funding has been awarded through CCP and is being used to fund a team of 3 people who will work together on the City Strategy Pathfinder.

4.2.1 **Procurement**

The Edinburgh City Strategy Pathfinder is seeking through its procurement strategy, methodology and processes to;

- support the implementation of the vision, aims and objectives of the Pathfinder
- meet its legal obligations in regards to the procurement of publicly funded services and products
- achieve the best value to the key beneficiaries (jobseekers & employers) and the public purse
- support the strengthening of the capacity, effectiveness and efficiency of the partnership and delivery infrastructure
- ensure a transparent, fair and equitable process for potential bidders and key stakeholders

The Partners individually and collectively have considerable experience in public procurement. There are well-established governance processes in place within each organisation. This expertise will be pooled to create a minimum standard for procurement and associated governance processes for the Partners that will be used to drive and effectively manage the delivery of the Pathfinder.

Although the exact process may differ slightly depending on the service or product

being sourced, a minimum standard will apply for all procurement whether services are procured jointly by the partners or by individual partners on behalf of the partners. The formulation of the exact procurement process details will be a key action for the partners in the initial stages of the pathfinder development and will contain the following key elements:

- A shared governance and approval process to approve expenditure undertaken as part of the Pathfinder including protocols between partners.
- An agreed delegation framework within which individual officers will operate, supplementing existing processes within individual organisations.
- Assessment of bids will be on a cost and qualitative basis, with the basis for assessment and scoring agreed prior to the start of the bidding/selection process.
- A tied procurement system, dependant on contract value, to ensure the cost of procurement administration does not outweigh cost savings achieved through an open competitive process. This will be aligned with current legislation on procurement.
- An agreed process to deal with Freedom of Information requests, bidder queries and requests for feedback. The process will aim to balance commercial confidentiality and transparency.
- The core obligations that will be placed on bidders and providers as part of the contracting process
- Shared procurement will ensure greater consistency – including rewards for moving people into intermediate stages provided there is evidence of further progression. The aim is that the local partners will develop management information and procurement systems, which will allow it to use local intelligence to better structure, measure, compare and manage the local service provision. Greater clarity will enable more rapid identification of overlap and gaps in provision and will inform requests for a progressive loosening of national prescription where this creates barriers to success

4.2.2 Risk Management

The development of the Business Plan and its implementation will include risk management and mitigation processes.

The main operational risk is failure to achieve the City Strategy Pathfinder targets. There are five broad categories of reasons why this may occur:

1. Macro-economic (exogenous) factors
2. Inadequacy of the implementation plan
3. Inability of local partners to implement the elements of the plan
4. Inability of national partners (DWP) to agree enablers or offer appropriate reward funding
5. Inability to effectively measure progress

Macro-economic factors (e.g. a downturn in the regional or national economy; increased in-migration) the City Strategy Business Plan will be reviewed on an ongoing basis with DWP when major shifts can be discussed and changes factored in accordingly.

A Risk Register template has been formulated and will continue to be developed by LOG, a recent version is available on request.

SECTION V CONSULTATIONS, COMMUNICATIONS AND LEARNING

5.1 Plans for Sharing Best Practice

5.1.1 Consultations

Development of the Expression of Interest was informed in consultation with: the Partnership Forum, EVOC, the Academies Collective, the Lothian local authorities, ETUC, and the Scottish Prison Service, as well as the members of the Strategy Group. As the City Strategy Pathfinder is developed, these existing channels of communication will continue to be used.

5.1.2 Learning

As the programme becomes established lessons learned will be disseminated via the channels outlined in the communications section (3.5). Most of the partner organisations conduct their own evaluations and their conclusions and recommendations will be referred to the Lead Officers Group for discussion and dissemination where appropriate. It is also proposed that a participative conference is held in February 2008 to review lessons learned in the first year. The Partners will also devise appropriate methods of sharing lessons learned among other City Strategy areas.

5.2 Review and Evaluation

The DWP is currently considering how the City Strategy as a whole will be evaluated and how support will be provided. Feedback is awaited and this will be taken into account in further developing the structures to enable learning from the combined efforts of all the pathfinders.

As part of the ongoing review and evaluation process the City Strategy will require two levels of data and reporting – outputs and impacts. In addition outcomes such as improved partnership working, improved participation rates in certain communities will also be observed and reported.

Outputs (the measures of what individual projects do; their immediate results)

The City Strategy will develop an IT infrastructure to simplify reporting and analysis of outcomes across all programmes funded by associated Partners. This will be achieved by a combination of contractual requirement and voluntary participation, because it offers benefits to providers. Within the timescale of the pilot this should be able to generate sophisticated data about an increasing proportion of the beneficiaries of all the programmes.

Impacts (the measurement of the impacts of the strategy on the labour market)

These will be monitored using the standard labour market statistics available via Nomis and reported through the structures described in sections 4.1.2 and 4.1.3.

Part of the City Strategy will be to improve the quantity and quality of labour market information in Edinburgh and the Lothians, building on what is available from Future

Skills Scotland, the Office for National Statistics, NOMIS and the DWP tabulation tool.

Within the development of the monitoring and evaluation framework, a central distinction needs to be drawn between the performance of provider organisations and changes in the city's labour market. It is recognised that trends in headline indicators cannot automatically be attributed to the actions of the strategy. The Strategy team will take this into account in the development of the evaluation and reporting infrastructure.

Processes

DWP have indicated that their main interest in terms of the evaluation of the Cities Strategy Pathfinder is the development process, rather than the potential impact on the labour market of the enabling measures. Thus, process evaluation will be used to assess the extent to which a programme is operating as it was intended. This will take a qualitative form will involve interviews with key stakeholders and led by the evaluation team at Capital City Partnership, who will also look for guidance and support from DWP.

This evaluation will identify the major issues involved in the Edinburgh Cities Strategy Pathfinder plan; from this, potential performance measures will be identified and evidence will be sought to analyse the extent to which the plan is operating as intended. This will be expanded to encompass programme outputs and milestones.

The Edinburgh Partners will evaluate the impact of the enabling measures. In order, to do this, it will be necessary to obtain the relevant baselines for each enabling measure. Some of the baseline data will have to be obtained through DWP and other sources, as illustrated in the following table:

5.2.1 Proposed Evaluation Questions

Has greater flexibility led to better outcomes?
What is the difference in outcomes with increased hours of training?
What is impact on job outcomes of benefit-run-ons?
What is the difference in employment outcomes with extended work trials?
What is the impact of local partners input into tendering? Has this increased job outcomes?
What is the impact of individualized outcome data from HMRC? Has this led to a more reliable basis for measuring contract performance?
What is the impact of changes in Scottish Enterprise and JCP contracting? Can it be measured through greater understanding of client groups and job outcomes?
Are the perceived benefits of community benefit clauses replicated in LMI and provider outcomes?

5.2.2 Evaluation milestones

Further development of JU4J Monitoring and Evaluation Framework	
Start of process evaluation	April 2007
Start of process in regard to baseline information	April 2007
Compilation of baseline information in regard to enabling measures (internal)	
Revisit target groups to ascertain overall working age numbers in Edinburgh and numbers not working to best estimation at start of Pathfinder	December 2007
Production of LMI Baseline Report	March 2008
Establish baseline information and monitor flows into work in relation to Edinburgh Homelessness Database, Scottish Drug Misuse Database, Careers Scotland records (School Leaver Destinations)	March 2008
Roll out of agreed M&E framework to national partners combining frameworks such as SQMS / HMI / JU4J	April 2008
Interim report on impact of enabling measures	December 2008
Interim report on findings to date	March 2009
Review of information from JCP on enabling measures and contrast to baseline information	April 2009
Report generated from M&E framework	July 2009
Revisit of target groups to ascertain overall working age numbers in Edinburgh and numbers not working to best estimation at end of Pathfinder	December 2009
Production of LMI Report	March 2010
Evaluation and lessons learned report	July 2010

endnotes

¹ Annual Population Survey (Edinburgh) – March 2006, NOMIS

² Kemp et.al (2004) *Routes out of Poverty* This report highlights that those on low pay are more likely to be unemployed the next year than those that are better paid. It suggests a 'Low Pay, No Pay' cycle, in which periods of low pay are interspersed with periods of unemployment.

³ See DWP report "Delivering on Child Poverty: what would it take?" Lisa Harker, November 2006

⁴ 2001 Census and General Register Office for Scotland

⁵ Annual population survey – June 2006, NOMIS

⁶ The JSA claimant count in Glasgow fell by 16% between May 2001 and 2005, source: NOMIS.

⁷ There were 22,665 IB/SDA claimants in Edinburgh City in August 2000 and 22,310 in August 2006, NOMIS

⁸ Experian Business Services: www.business-strategies.co.uk

⁹ Futureskills Scotland: *Labour Market Projections to 2014*, 2006

¹⁰ NOMIS – August 2006

¹¹ NOMIS – January 2007

¹² NOMIS – January 2007 & annual population survey – March 2006

¹³ Estimate at Oct/Nov 2004 (using School Leavers Destination Report and DWP Benefits Data (recommending by Training Employment Research Unit at Glasgow University for local monitoring)

¹⁴ 2004 mid year population estimates

¹⁵ DWP report "Delivering on Child Poverty: what would it take?", Lisa Harker, November 2006

¹⁶ Wise and Fuertes (2006) *Race and Gender in the Joined up for Jobs Strategy – JU4J target groups*.

¹⁷ The Workless indicator is a combined count of working age people on one or more of the following: Jobseekers Allowance; Income Support; Incapacity Benefit (excluding claimants on Severe Disability Allowance unless they are also claiming income support and excludes males aged 60-64 who are on Pension Credit unless they are also on Incapacity Benefit). Each person will only be counted once. According to SNS this definition of worklessness is very similar to the definition used in the Closing the Opportunity Gap Target A and the data shown here is a key indicator used to monitor performance of this target. Data shown here are derived from a 100% data source which is not subject to any sampling error.