

**WORKING TOGETHER FOR EMPLOYMENT AND INCLUSION IN
EDINBURGH: A BASELINE STUDY**

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Ronald W. McQuaid, Constantia Anastasiadou, Vanesa Fuertes,
Malcolm Greig, Colin Lindsay, Sarah Wise

Employment Research Institute
Napier University, Edinburgh

**Employment Research Institute
Napier University
Craiglockhart Campus
Edinburgh EH14 1DJ
Tel: 0131 455 4315
eri@napier.ac.uk
www.napier.ac.uk/depts/eri/HOME.htm**

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EXECUTIVE SUMMARY

Introduction to the Research

Reviewing JU4J

This document reports the findings of research conducted by the Employment Research Institute (ERI) at Napier University on behalf of the Capital City Partnership (CCP) as part of the 'Working Together for Employment and Inclusion in Edinburgh' project.

Joined Up For Jobs (JU4J) is Edinburgh's employability agreement – a joint strategy to promote access to work in the city, led by the CCP, Scottish Enterprise Edinburgh and Lothian, Jobcentre Plus and the City of Edinburgh Council. It is supported by the city's area-based partnerships (formerly SIPs) through their close relationship with the CCP.

JU4J can be defined in terms of a series of core aims for employability services in Edinburgh, namely:

- that they operate as effectively as possible through being demand-led (i.e. responding to employers' needs, with employers at the centre of the design and delivery of services) and client-centred (i.e. able to respond to a range of barriers and tailor provision to individual clients' needs);
- that they are co-ordinated and integrated into a city-wide network;
- that they are targeted on identified excluded groups and are adequate to address the needs in the city.

JU4J also targets areas of severe unemployment and deprivation within the city and groups at particular risk of labour market disadvantage. The JU4J strategy informs the work of area-based intermediaries providing employability services and sectoral Academies, which have a remit to address employers' skills needs while promoting access to employment for key target groups.

The research reported in this document highlights that JU4J has effectively provided a joint strategy for access to work in Edinburgh, in terms of better co-ordinating provision, and engaging a range of partner organisations, including employers. The strategy's particular strength appears to lie in its capacity to provide an overarching framework for action on employability, informing and focusing the activities of intermediaries based in disadvantaged areas of the city, specialist agencies (addressing the needs of a clearly defined range of target groups), and demand-led service providers (who, through the Academies, have been able to engage employers in the partnership process).

In particular, Edinburgh's Employment Academies have provided a perhaps unique model for developing a consistent framework for demand-led employability interventions. As noted elsewhere in this report, even closer partnership working with employers, and potentially trade unions, will be required if the Academies are to expand their activities to engage with a 'quality at work' agenda (reflecting a key priority of the European Employment Strategy), by helping employers to consider changes in the workplace that will facilitate equal access to employment, and promote sustainable transitions and progression routes for new job entrants. A continuation and strengthening of close partnership working will also be necessary if JU4J and its partners are to successfully assist an increasingly complex and disadvantaged range of client groups towards work.

Aims of the Research

The main aim of the research was to assess the progress made towards the objectives of JU4J, and identify key issues and priorities for the future development of the strategy and employability services in Edinburgh.

The research was informed by four broad objectives:

- To analyse trends in the Edinburgh labour market which relate to a) employment and social inclusion b) supply and demand for workforce skills and adaptability and c) the characteristics of the long-term unemployed and inactive populations, with particular attention to the strategy's target groups;
- To review the provision of employability services and compare this with assessments of needs of socially excluded groups;
- To examine progress made through Joined Up For Jobs, to gather views of stakeholders and present an evaluation of principal challenges and opportunities;
- To collate into a report which summarises the key issues.

Methodology

The research was carried out in six phases.

Phase One: a review of the baseline data available on labour market and skills trends in Edinburgh; and an analysis of levels of involuntary non-employment in areas of the city and among key JU4J target groups.

Phase Two: a mapping exercise designed to identify the areas and groups targeted by employability providers in Edinburgh, the content of employability services, partnership working, and sources of funding. A mapping questionnaire was distributed to 45 service providers across Edinburgh.

Phase Three: an extensive series of 'key stakeholder' interviews/discussion groups conducted with 45 individuals representing 32 organisations or initiatives. Interviews focused on: target groups (including engagement with JU4J target groups and other disadvantaged job seeker groups) and clients' barriers to work; methods of assessing employability and information sharing; perceptions of strengths and weaknesses of current employability provision in Edinburgh; employer engagement; the funding and organisation of services and the effectiveness of partnership working.

Phase Four: interviews with clients looking for work through, and accessing services at, the main area-based intermediaries. Interviews, which were conducted with 43 participants across four areas, focused on: clients' labour market experience and attachment; perceived barriers to work; experiences of using intermediaries' services; attitudes to employment five key Academy sectors researched (which provided the focus for Phase Five of the research).

Phase Five: a series of interviews with employers, programme participants and policy actors involved in the Academies process. The research targeted five Academies: the Construction Academy; Edinburgh Retail Academy; the Healthcare Academy; the Public Administration Academy; and Springboard: the Hospitality and Tourism Academy. Interviews focused on the value of Academies training; benefits of the Academies' demand-led and client-centred approach; and priorities for the future development of the Academies model.

Phase Six: comparing/benchmarking the JU4J strategy against other local labour market strategies in UK cities, by analysing the JU4J strategy with reference to the future development of New Deal, and the priorities of Communities Scotland and the Scottish Executive and the European Employment Strategy.

Context: The Edinburgh Labour Market and JU4J

Key Issues in the Edinburgh Labour Market

Edinburgh has enjoyed a period of sustained jobs growth since the mid-1990s. Both claimant and ILO unemployment rates in Edinburgh compare favourably with UK and Scottish averages.

The Edinburgh labour market is characterised by a relatively high and stable number of vacancies, with opportunities concentrated in financial services, retailing and other customer services, public services, and hospitality and tourism. The dominance of these sectors reflects Edinburgh's unique position (outside London) as centre for financial and business services, combined with public sector investment (accentuated by the city's role as a centre of government) and a strong tourism sector.

Efforts to engage the retail and hospitality sectors, along with public sector employers (targeted by two of the main Employment Academies) are therefore justified. Renewed initiatives to engage financial services employers in access to employment activities would be welcome, given the crucial role of this sector within the Edinburgh economy.

Edinburgh and Lothians employers are generally less likely to report hard to fill vacancies and skills shortages than those in other Scottish labour markets. Responding to demand through access to employment initiatives (as JU4J seeks to do) is therefore particularly important in Edinburgh. Key stakeholders therefore need to continue to aggressively 'sell' JU4J initiatives, targeting the sectors where employers *are* struggling to fill vacancies.

Although *claimant* unemployment rates among lone parents and women are higher than the averages for Scotland, this may partially reflect the particularly high economic activity rates for these groups in Edinburgh. Continued support for measures to assist these target groups are justified, and there may be value in reflecting on the impact of initiatives seeking to link employability and childcare services elsewhere in Scotland (under the banner of the Scottish Executive's Working for Families initiative).

It is more difficult to establish accurate data on more disadvantaged groups, such as the homeless, ex-prisoners and drug misusers. CCP has made considerable progress in calculating the potential numbers among these groups in Edinburgh, but identifying the proportion that might be able to benefit from employability interventions is a major challenge. A realistic assessment of the scale of the problem among these groups will require additional research, drawing on the qualitative insights of expert service providers on the potential employability of different client sub-groups and the services required to assist these vulnerable individuals towards work.

In more general terms, it is important to remember that – despite the impact of JU4J and related initiatives – there is much still to do. Claimant count data

grossly underestimate the 'real' level of unemployment in Edinburgh, which may be as high as 12%. Two-fifths of those who are characterised as 'not economically active' would work given the opportunity. Many of these individuals face complex barriers related to skills, health and financial exclusion, and with the tightening of the Edinburgh labour market such disadvantaged groups make up an increasing proportion of 'access to employment' clients. There is a need for continued engagement between the Academies, local and specialist intermediaries and key strategic-level stakeholders, to gain a shared insight into the policy responses required to address these clients' needs.

Edinburgh's Response: Mapping Employability Services

Extensive interview research was carried out with key stakeholders involved in the design and delivery of employability services in Edinburgh. In order to further develop a 'snapshot' of the content of employability services, a postal/e-mail survey was issued to these and other service providers (45 surveys were issued, with 34 returned – a 75% response rate).

Survey responses, combined with key stakeholder interviews (discussed below) suggest that services are strongest in the policy areas targeted by major national programmes. The majority of providers described the 18-24 long-term unemployed client group as a key target group (despite the rapid decline in unemployment among the 18-24 age group due to the New Deal). NEET young people were rather less likely to be targeted, but remained an important client group. Approximately half of the organisations surveyed considered people with disabilities or limiting long-term illnesses to be a key target group (again reflecting more recent national government priorities). A substantial number of providers surveyed considered BME groups, women returners and lone parents to be clearly identifiable 'secondary' target groups.

In terms of the services offered by intermediaries, agencies are inherently driven to suggest that they 'deliver everything', reflecting a genuine commitment to access any services required by individual clients. It is perhaps of greater interest to note the services that were least likely to be offered: literacy and numeracy assessment/support (mentioned by only 14 agencies); in-work benefits advice (10); discretionary small grants for clients (10); and childcare services (9) and advice (10). Intermediaries' reluctance to offer in-work benefits advice stands out here, reflecting concerns over the cost and complexity involved in providing such services, and fears over the implications of "making a mistake that could leave the client worse off".

The Views of Key Stakeholders

Clients' Barriers and Policy Responses

All the main area-based intermediaries and some Academies are dealing with an increasingly 'hard-to-help' client group. Most area-based intermediaries reported that the majority of their clients were no longer drawn from the registered unemployed (JSA) client group, and that those claiming other benefits and young people not in education, employment or training (NEET) were the majority.

Long-term unemployed job seekers faced a range of barriers to work, including: a lack of attachment to the labour market, and unrealistic expectations of the work available; fears regarding the implications of leaving benefits, and a lack of awareness of the tax credits system; language barriers (especially among job seekers originating from Eastern Europe); caring responsibilities and problems accessing childcare (especially among women); 'chaotic lifestyle' issues (among those with histories of drug misuse, offending and homelessness); and physical and mental health problems.

At a most basic level, for both area-based intermediaries and other training providers, the barriers to work experienced by many clients manifested themselves most clearly in a lack of social skills and very low confidence and self-esteem.

Accordingly, intermediaries have increasingly prioritised delivering one-to-one support and key worker services. In addressing the complex barriers faced by clients, some intermediaries have also relied upon pre-vocational, 'personal effectiveness' courses (such as WEA's 'STEPS' programme, highly commended by Academies representatives and other partners), or have developed targeted interventions to assist particularly vulnerable groups (such as Worktrack's successful 'Sorted' model, aimed at drug misusers).

There was less consensus about the extent to which basic skills gaps (i.e. literacy and numeracy issues) were a major problem among clients. For some intermediaries, literacy problems were relatively rarely a barrier for the vast majority of clients. Other frontline intermediary workers, New Deal providers and specialist agencies were more concerned with these issues – one agency working with ex-offenders suggested that "75% would be a conservative estimate" for the proportion of their clients experiencing literacy problems. Specialist intermediaries and learning providers also worried that a 'don't ask, don't tell' culture meant that some intermediaries were reluctant to address these issues with clients. An added complexity relates to the different

approaches to literacies adopted by New Deal providers (using a ‘basic skills model’) and some learning providers (endorsed by Communities Scotland, and based around a more holistic ‘social learning model’). The complexities associated with addressing, or even simply identifying, basic skills issues illustrate the importance of inter-agency co-operation and the sharing of expertise on these issues.

Measuring Employability and Sharing Information

Frontline staff and managers at local intermediaries and specialist agencies reported a range of approaches to establishing the employability of, and barriers faced by, their clients. However, intermediaries highlighted the need for flexibility and sensitivity – personal advisers were trusted to conduct open discussions with clients in order to establish an employability ‘baseline’.

Those using largely informal methods of employability measurement accepted that some issues (such as literacy gaps and substance and/or mental health issues) were particularly difficult to identify. Specialist providers more often used structured, bespoke assessment tools, and there was again concern that the sensitivity of some intermediaries towards discussing certain barriers to work could result in a failure to identify important barriers.

There was, however, an acknowledgment that clients could be “turned off” by prolonged or repeated employability baseline interviews. A number of respondents noted the potential benefits of shared data and assessment tools. With different agencies using different approaches to client assessment, the deployment of a rigid employability baseline tool was considered unworkable. However, there were few objections to further work to establish a common framework for discussions around employability, and the development of tools to share general client information – recent moves to facilitate this through the piloting of a shared client database tool were generally welcomed.

There remained some strong concerns over client confidentiality, but most respondents thought that these could be overcome if the sharing of information was limited to specific, individual agencies, the reason for the transfer of data explained, and clients’ permission sought. As one intermediary representative noted:

We are very positive about sharing information, with the client’s permission. I think that the idea of clients’ being all that sensitive about us sharing

information is way over-stated. It's never, ever been raised by a client as far as I know.

It was also suggested that the Data Protection Act could help to simplify these issues – given that the Act requires those providing information to explicitly give permission that it may be stored and used, there may be scope to ‘write in’ permission to share data *where appropriate* in client registration forms.

Services to Promote Employability in Edinburgh

Strengths in Provision

The general quality and scope of employability provision was seen as good by key stakeholders. The capacity to deliver client-centred services, and especially support to rebuild clients’ motivation, confidence and self-esteem, was seen as a crucial strength of provision in Edinburgh. Deploying personal advisers to work with job seekers in order to change perceptions and behaviour, and delivering structured services and one-to-one support in response, were seen as key elements in strategies to promote employability.

However, intermediaries, and other stakeholders, were also clear about the value of ‘real work’ experience in helping clients to progress towards the labour market. Jobcentre Plus advisers, New Deal providers and Academies representatives particularly emphasised the value of work placements, and noted that considerable resources were deployed in seeking to engage employers to facilitate such training.

In more general terms, area-based intermediaries emphasised the value of local services that were seen as, as one interviewee stated: “locally visible, part of the community, and separate from the Jobcentre”. That said, intermediaries saw their services as complimenting those of Jobcentre Plus, and there was disappointment that Jobcentre Plus’s presence in the city was in the process of being reduced. There was also a consensus among area-based intermediaries regarding the benefits that would follow from the delivery of their services on a city-wide basis (while continuing to strongly emphasise local target areas).

Gaps in Provision

Crucially, there was a broad consensus among service providers on the need for the demand-led, ‘real work’ approach embodied in the Academies’ work to be expanded to address the needs of those requiring “a bit more help”. While this value of the work placement model operated by several Academies was noted, intermediaries were concerned that clients with less recent experience

or more serious barriers to work would require further support during the placement process – an ‘intermediate’ or ‘transitional’ form of in-work training experience. As one area-based intermediary representative noted:

We need an ILM-type sector in Edinburgh – not for job creation purposes, but to provide a supportive environment for harder to help people... there is no doubt that there is a dearth of what you might call ‘supported’ work experience placements in Edinburgh.

It was suggested that a ‘transitional’ work placement model, operated by the Academies in partnership with other agencies, might provide a more flexible and supportive form of work experience, with potential options including “short job shadowing placements” to provide a “gradual introduction to work” for the very long-term unemployed, and/or longer-term transitional placements closely linked to ‘real work’ settings (similar to the Deal Me In model).

In terms of the specific content of work placement policies, some intermediaries argued for the more effective targeting of particular sectors, such as construction and financial services. Renewing demand-led activities in the financial services sector was also a priority for a number of strategic stakeholders. Although there are inherent problems associated with engaging these employers (often related to some clients’ credit and offending histories), the sector plays a central role in the Edinburgh economy. It was suggested that the lessons of successful Academies (particularly regarding the role of employers within the Academies model and the leadership of ‘industry insiders’) could be applied to new demand-led initiatives in this area.

Specialist providers delivering supported employment opportunities for those with mental health problems and learning disabilities noted the diminishing resources available for both training and supported employment provision. It was also suggested that the recalibration of ‘Training for Work’ to target those nearer the labour market had eliminated an important source of support for vulnerable job seekers requiring long-term work-focused training. For these service providers, a key future priority will involve working more closely with partners to engage with employers in order to provide work placements for clients, and to expand the availability of long-term supported employment provision, by assisting employers to make appropriate ‘planned adjustments’.

There may be value in JU4J partners and area-based and city-wide intermediaries linking more closely with these specialist providers, in order to inform any future activities in the development of transitional work

placements, and to start a process by which existing supported employment services are more closely integrated within broader employability strategies.

More generally, there is a need for CCP and partners to take the lead in promoting JU4J as offering a full range of 'demand-responsive' service options for employers, from the high quality, 'demand-led' provision offered by the Academies, to intermediaries' job matching services, to the supported employment opportunities delivered by agencies assisting people furthest from the labour market (for example, people with severe physical or learning disabilities). In the latter case, considerable additional advocacy and support work needs to be carried out with employers if they are to be persuaded of the benefits of making adjustments to provide supported employment opportunities.

Aftercare, Sustainability and Quality at Work

All the main area-based intermediaries and specialist agencies carried out some 'follow-up' activities, but in some cases there was an acknowledgement that these services were under-funded and poorly co-ordinated. Stakeholders' were interested in developing new approaches to ensuring sustainable outcomes and, where possible, further progression.

For many stakeholders, measures to promote 'quality at work' (i.e. sustainability, training and progression) were the 'missing link' in JU4J. Trade union stakeholders argued that "the rhetoric around skilled, sustainable work is not yet matched by substance", and that unstable, low-skilled work that proves unsustainable could impact negatively upon individuals' confidence, reinforcing "a negative view of employment".

Local intermediaries, Academies and specialist agencies have developed their own relationships with employers, in order to offer in-work support, encourage flexible work practices (which can help ensure the sustainability of clients' return to work) and advocate continued training and progression. There was a consensus that the positive work of the Academies, in particular, in engaging employers on training and progression issues should be supported by other stakeholders.

It was suggested that a priority for Academies and other stakeholders must be to *positively* challenge employers to offer more flexible working and pay procedures, so that some of the barriers faced by people on low incomes, or with family commitments, can be alleviated. Even relatively minor changes made by employers could have a considerable positive impact on the experiences of clients entering work.

We want to work on employer practices, like it taking weeks before someone gets paid. It's a totally inappropriate process in terms of the needs of the clients we're talking about. And it could be changed, and if employers are genuine about the labour shortage and needing people, it's the kind of thing they've got to look at. We need to challenge employers, but by making the business case.

CCP has recognised the value of both in-work support and the desirability of sustainable jobs with progression opportunities. However, there would clearly be value in CCP leading a process by which intermediaries and Academies re-emphasise the value of sustainability and progression – CCP's role as a funder also allows for the possibility of providers to be rewarded for achieving sustainable outcomes. In this way CCP can encourage a culture shift, to focus on quality and sustainability as targets for employability policy.

There is also scope for CCP and JU4J partners to work with the Academies and employers on this issue. A first step may involve the clear articulation of a 'quality at work' agenda (in the same way that JU4J partners have articulated their priorities in terms of 'employability') addressing issues of (for example): access to training; skills accreditation; progression routes; job quality; flexible working (hours) and work-life balance policies; pay and reward strategies; and fairness and representation.

The Academies and Engaging Employers

Value of the Academies Approach

The Academies approach has gained considerable support among area-based intermediaries and specialist agencies working across Edinburgh. All the main area-based intermediaries reported strong partnership links with a number of the Academies. Springboard, the Healthcare Academy and Edinburgh Retail Academy were most consistently commended as offering accessible, committed staff and good quality training provision.

We are positive towards Academies, and therefore have good relationships. Academies can provide the specifics for specific industries – we can't give them [our clients] that. The Academies can add value there and it fits well with what we do. We can send clients to academies, and they can get a feel for working in different sectors. Colleagues working in access to work in other cities wish they had the same thing...

All representatives of area-based intermediaries considered the Academies model to be effective for those clients who are near job ready. The benefits of work placements, and the way in which Academies were able to link with employers, were again emphasised as of particular value.

The Academies approach is excellent, given the low confidence a lot of clients have. The Academies will help with confidence-building and applications. Most important, they have work placements. It's so important that people have the opportunity to build up their confidence by doing a placement, and showing that they can do the job.

Both New Deal training providers and Jobcentre Plus personal advisers expressed regret that the structures of the New Deal did not allow for a more extensive relationship with Academies. Academies training elements are too long to fit with New Deal Gateway provision, but often not intensive enough to work as a New Deal training option. It would appear that a fundamental design change to the Academies, the New Deal or both will be required if these two models are to be brought together more effectively. New Deal may, however, provide a funding route for any future longer-term 'transitional' model of work placement provision developed through the Academies.

The main problems reported with the Academies model related to the *occasional* lack of clarity regarding employers' skills needs, and limited capacity (with relatively few courses running only on specified dates). There was general support for an expansion of the main Academies' capacity to deliver training. Crucially, as noted above, specialist agencies and other stakeholders, while noting the positive impact of the Academies, felt that the more intensive support and gradual transition to work required by some clients could not be delivered through the current model. While the work placements and sector-specific training provided by the Academies were valued, specialist agencies wanted to see a longer-term, more intensive 'transitional' model of support.

Some area-based intermediaries and other service providers also argued that the Academies approach should not undermine the role of *all* agencies in connecting with employers and delivering demand-led services. CCP has noted that the JU4J strategy *does not* seek to impose a rigid structure where "intermediaries work with clients and Academies work with employers". Rather, all the actors involved should be part of a process that is both client-centred and demand-led. There was an acknowledgement that more work is required to ensure that both sets of providers make the best use of each other's complimentary services.

Engaging with Employers

Matching clients with appropriate employers was seen as a key element of the demand-led activities of intermediaries, specialist agencies and New Deal providers, complimenting the structured provision delivered by the Academies. A number of specialist and area-based intermediaries highlighted the value of working with larger employers in the retail and hospitality sectors.

Both Academies and other intermediaries reported problems in engaging SMEs. There was an acknowledgement that larger employers, with well-developed HR functions and higher number of vacancies, were easier to work with and offered economies of scale. However smaller employers play an important role in providing vacancies and can offer a more supportive, 'personalised' work environment – the lack of SME involvement was seen as a 'missed opportunity'. It was suggested that a more consistent, cross-agency approach to engaging SMEs might offer benefits in terms of a pooling of resources, clients, and employer contacts, and could therefore result in the more effective matching of candidates to jobs or simply job placements

Partnerships and Joined Up Services

Strong, practical partnerships have been formed between the Academies and the main area-based intermediaries, and (in some cases) specialist providers. There was an acknowledgement on all sides that partnership working between specialist providers and area-based bodies was more limited.

Specialist agencies dealing with people further from the labour market (such as supported employment providers helping people with learning disabilities or mental health problems) similarly pointed to a lack of partnership working with more mainstream service providers. There appeared to be stronger links, however, between local intermediaries and specialist providers dealing with people in more stable social circumstances (for example, BME groups and women returners).

Many specialist agencies and all area-based intermediaries reported positive partnership working at the operational level with Jobcentre Plus. Jobcentre Plus personal advisers were seen as having an excellent knowledge of client groups and services. Specialist agencies helping people with various forms of disability particularly commended the knowledge of Disability Employment Advisers. One concern for these and other stakeholders was the rate of change within Jobcentre Plus, and particularly high levels of staff turnover.

For one intermediary, EASE, which has had Jobcentre Plus staff seconded to the organisation, the relationship had proved particularly helpful.

Two Jobcentre Plus staff are seconded here. As a result we can call on their knowledge and more easily call on Jobcentre Plus support and services. We can fastrack clients to the services they need. It's a superb relationship, it's so beneficial.

Other stakeholders and CCP have also noted the success of this model of partnership. Such approaches may have an important role to play in supporting sustainable employability outreach services in Edinburgh's most disadvantaged areas in the future.

Some stakeholders expressed disappointment at the withdrawal or delay of financial support for certain New Deal and other training and service options by Jobcentre Plus over recent months. However, Jobcentre Plus managers were keen to draw a distinction between contracting for service delivery and partnership working, and noted the importance of all partners understanding the 'goals and influences' that affect each other's actions and decisions.

At the more strategic level, those involved in the strategic partnership structures driving forward JU4J considered these mechanisms to be largely effective. A small number of intermediary representatives raised concerns regarding the lack of operational-level representation on the JU4J steering group. CCP has noted that decision-making on financial allocations *must* preclude contributions being made by organisations that may benefit from future funding. However, there was an acknowledgement that communication lines between the steering group and representative bodies for intermediaries and Academies could be clearer.

With regard to more general funding issues, a number of area-based intermediaries and specialist agencies raised their reliance on insecure and diverse funding streams as potentially undermining the long-term development of services. At the local level, Edinburgh's main area-based intermediaries all welcomed the more central role now played by CCP in the planning and allocation of funding. It is hoped that CCP's direct co-ordination of access to work activities will facilitate a more strategic and consistent approach to joining up services across the city and within target areas and organisations.

In terms of future funding stakeholders at all levels noted the need to consider financial options in the light of likely changes to ESF provision after 2006.

Some intermediaries called for a centrally co-ordinated, strategic response to changes in the run up to, and following, 2006. It was acknowledged that there may have to be a rationalisation, or 'managed contraction', of some services – a key challenge for CCP and partners is to identify how this could be achieved while retaining the quality and flexibility that currently characterises employability provision.

National-level strategic actors (Communities Scotland and the Scottish Executive) argued for continued work to join up employability provision with other services within the health, social work, education, lifelong learning and housing fields. Mainstreaming employability through such services is likely to emerge as a major theme of the Scottish Executive's employability framework. However, both of these national bodies noted that Edinburgh is "ahead of the game" in delivering employability services through partnership.

The Views of Intermediary Organisations' Clients

Semi-structured, in-depth interviews were undertaken with 43 unemployed job seekers using Edinburgh's main area-based intermediaries.

- EASE (Employment Access South Edinburgh): 9 interviews;
- WEA (West Edinburgh Action): 14 interviews;
- Working Links: 13 interviews; and
- Worktrack: 7 interviews.

There was an attempt to select clients from JU4J target groups and other groups at risk of long-term unemployment: 26 interviewees (60%) were long-term unemployed (1 year plus); 14 (32%) were over 50 years old; eight were lone parents (all female); eight described themselves as disabled; two were living in accommodation for homeless people; one disclosed a substance abuse problem; and one had served a custodial sentence. Intermediaries were also asked to provide a mix of registered unemployed and supposedly 'economically inactive' clients: 17 interviewees received JSA, 20 received other benefits, and six received no benefits.

Interviews focused on: clients' labour market experience including their employment history, occupations sought and job search strategies; experiences of using intermediaries' services; and attitudes to employment in the five Academy sectors discussed elsewhere in this report.

Barriers to Work

The research revealed familiar barriers in relation to job seekers' barriers to work: a lack of qualifications; a history of repeated or prolonged unemployment; poor vocational skills; health and age barriers; problems accessing childcare (among women returners and lone parents); and fears over the impact of losing benefits.

Almost two-fifths of clients described their work lives as involving 'mostly stable employment', but just as many described prolonged periods without work due to unemployment, ill health or caring responsibilities.

A substantial minority of interviewees had worked in skilled occupations, but the majority reported a fairly low skills profile. More than one-quarter of those interviewed had most regularly worked in unskilled manual labour (while LFS data for Edinburgh suggest that less than 2% of people are employed in the equivalent 'elementary trades' posts). Despite the dominance of the service economy, service workers were under-represented among our sample.

A comparison of respondents' regular previous occupations with their main job search targets saw a clear shift away from manual work and towards clerical and service-based positions. This suggests an awareness of the main occupational focus of the Edinburgh labour market (also the focus for much Academies activity). Some remained reluctant to consider working in Edinburgh's dominant sectors, however – 'a lack of appropriate opportunities' was seen as a key barrier to work by almost 60% of respondents.

Interviewees also recognised that their lack qualifications and skills was limiting their employment prospects and three quarters felt that further training would help them to find a job. Most wanted job-specific training and/or placement in line with the Academies approach.

More than two-fifths of interviewees saw losing benefits as a barrier to work, evenly split between JSA claimants (who feared the loss of Housing and Council Tax Benefits) and those claiming Incapacity Benefit/Income Support. Despite the efforts of local intermediaries and Jobcentre Plus personal advisers to ensure that clients have access to in-work benefit calculations, these findings suggests that the inflexibilities (perceived and real) in the benefits system, and a lack of awareness of in-work support through tax credits, remain problematic.

Looking for Work

Over 90% (n=39) of those interviewed used local intermediaries to look for work at least once a week. Newspapers were the second most used source of information, followed by the Internet and Jobcentre Plus (in 46% cases). Intermediaries were also described as the single *most important* job search tool for the majority of job seekers interviewed (56%), followed by newspapers (20%) and Jobcentre Plus (10%).

Many of our interviewees using the area-based intermediaries appeared to view them as a preferable alternative to Jobcentre services. A lower proportion of long-term unemployed people used the Jobcentre and tended to rely on area intermediaries, while just 26% of non-JSA claimants visited the Jobcentre regularly. The extent to which local services should provide an alternative to, or additional support for, the help provided by Jobcentre staff may provide a focus for future partnership working between intermediaries and Jobcentre Plus.

Experience of Using Intermediaries

Clients were generally very satisfied with the services provided by intermediaries. The supportive environment provided by intermediaries was most often named as a key benefit (by 53%), but large proportions also referred to the *practical* value of the information and advice provided (42%) and help with CVs and applications (39%).

My adviser has done a lot for me, she put me through the Health Academy, supplied information about courses and other options, helped me with application forms and send them away for me... they do a good job...

Working Links Client

Any suggestions for improvements to intermediaries' services were around practical issues such as advertising (five cases), better IT facilities (three), or more staff (two).

Attitudes to Work in Academies Sectors

Awareness of the five Academies that provided a focus for this research (Construction; Hospitality and Tourism; Retail; Public Administration; Healthcare) was fairly low. The Healthcare Academy was known by a fifth of respondents, and almost half said that they would consider participating in it. Both the 'public sector' Academies were more likely to be considered as a potential route into work by intermediary users (46% said that they would

consider participating in Deal Me In). Less than one-third of interviewees said that they would consider joining the Construction, Hospitality and Tourism or Retail Academies.

In more general terms, substantial minorities ruled out considering any work in healthcare (32%) or public administration (38%). There is evidence, however, that this hostility may be due to a lack of awareness of the range of opportunities available in these sectors – for example, job seekers saw ‘public administration’ as involving mostly desk-based, administrative work.

The majority of interviewees ruled out looking for work in the construction, hospitality and tourism or retail sectors. Job seekers most often ruled out these sectors due to a perceived lack of appropriate skills. In these cases, as for other sectors, there may be scope for the Academies to challenge negative perceptions and assist people to develop appropriate skills.

Lessons from the Academies

Research was conducted with Academies representatives (i.e. programme managers/organisers) and employers in five sectors: Construction; Hospitality and Tourism; Retail; Public Administration; Healthcare. Former trainees of the Public Administration and Healthcare Academies were interviewed, along with (then) current trainees participating in the Edinburgh Retail Academy programme. The research team were unable to contact trainees involved in the Construction or Hospitality and Tourism Academies.

The Edinburgh Employment Academies have enjoyed considerable success in placing unemployed job seekers into work. The Academies which provided the focus for this research are not directly comparable – they operate in different sectors, address the needs of different client groups and deliver through different training models. However, a number of common factors and experiences shared by some or all Academies are apparent.

The job-entry rates achieved by all the Academies studied are impressive and compare favourably with standardised models of training intervention such as the New Deal (although it should be noted that the New Deal draws mainly from long-term unemployed clients, whereas a number of the Academies have recruited from a more diverse client group). The most impressive job entry rates were reported by the Healthcare Academy and Edinburgh Retail Academy (both 67%), reflecting the effectiveness of these programmes, but also the constant demand for staff among retail and health employers.

Retail and Public Administration trainees appeared most likely to sustain their employment for at least thirteen weeks (72% and 93% respectively) – the very high sustainability reported by Deal Me In, reflecting the long-term, intensive support provided by the programme, is particularly impressive given the more severe barriers to work faced by many trainees.

However, it should be noted that sustainability data were difficult to confirm because of Academies' problems in contacting former participants. Other important gaps in data (for example regarding clients' unemployment duration) and difficulties encountered by some Academies in assisting the research team contact a sample of ex-trainees suggest that more robust monitoring procedures may be required.

Lessons from Research with Academies Representatives

Our research with Academies representatives highlighted the innovative features that are distinctive to the Academies approach.

- a 'holistic' or 'client-centred' approach to trainees and employers;
- an emphasis on 'real work', with employers at the centre of the process;
- the importance of partnership working.

Interviewees described the Academies approach as 'holistic' or 'client-centred' (i.e. able to deliver a complete, tailored package of support for both client and employer in order to facilitate access to employment). Interviewees pointed to the availability of a menu of different services available to the client, and the limitations placed on course numbers, which allows for one-to-one support.

There is a particular emphasis on a 'real work' focus within the Academies (in most cases clients are provided with placements in 'real work' settings). More generally, employers were viewed as being at the centre of the Academies process. Employers were represented on the boards and/or steering committees of all the Academies studied, and Academies managers and staff have the credibility of being 'industry insiders', having had direct experience of managing and working in these sectors.

There was an acknowledgement that larger employers, with well-developed HR functions were sometimes easier to work with offering economies of scale. Nevertheless, engaging with a broader range of employers, and especially smaller organisations, was an emerging priority – for example, Edinburgh Retail Academy is planning work to develop an HR toolkit, to facilitate the involvement of SMEs.

Academies representatives also raised the value of partnership working with other agencies, ranging from Jobcentre Plus to local area intermediaries. In many cases, key stakeholder agencies such as the City of Edinburgh Council and Jobcentre Plus provided funding support and/or opportunities to reach new client groups. All the Academies also reported a very positive working relationship with Jobcentre Plus. Where strong partnerships had been developed with intermediaries, Academies representatives pointed to the added value provided by the pre-vocational personal effectiveness courses such as those delivered by WEA (STEPS) and EASE (NESTEG).

As some Academies seek greater financial stability through national programme funding, their freedom to select suitable clients may be limited. In response, all the Academies representatives interviewed foresaw the continuation of current training strategies, but also the need to move into new areas of activity, with measures to promote sustainability and high quality outcomes for clients a priority. It may also be that engaging an increasingly diverse client group may require creative new approaches to partnering with both specialist and local employability providers.

There was a concern that the shift towards a reliance on Training for Work funding or New Deal funding would affect the quality of trainees and training the Academies currently to offer. This presents a major challenge for Academies that have built a reputation among employers as being able to provide high quality, job-ready staff in response to employers' skills needs.

We previously sought to stay away from sources like Training for Work to keep the programme as flexible as possible in terms of whom we recruit. It's a concern to some extent, as we have presented ourselves as offering a high value added recruitment service for employers, rather than trying to place long-term unemployed job seekers. It may have an impact on the quality of the service, the quality of the client group, and success rates. We have to be aware of this and think about how to respond.

That financial imperatives have forced a change of approach for some Academies raises a number of issues: the need for long-term, sustainable funding routes; the capacity of Academies to use existing training models to place people from the long-term unemployed population; and the impact of the switch to national programmes, which may exclude those with caring responsibilities (especially women) and those claiming sickness-related benefits. The challenge for the Academies is to maintain the credibility and success of high quality programmes, while – in the words of one key stakeholder – “*bending the spend*” to ensure that funding is used as flexibly to ensure maximum accessibility.

Lessons from Research with Academies Employers

Employers provided generally very positive feedback following their involvement with Academies. Most employers thought that the Academy process prepared trainees to start work very well, with healthcare and public administration line managers arguing that these Academies' work placements gave trainees an advantage over other entry-level staff.

The credibility of the 'industry insiders' managing Academies activities, along with the involvement of other employers in the sector, emerged as important elements convincing employers of the value of the Academies approach.

By far the most frequently sought quality for entry-level posts was evidence of confidence, motivation and enthusiasm. The extent to which basic literacy and numeracy was demanded for entry level posts depended on the post, although none required formal qualifications. Many mentioned literacy in the context of written applications, with some taking a poorly completed form as an indicator of lack of enthusiasm for the job. Communication skills were viewed as crucial in healthcare, hospitality and tourism, retail and most council departments.

In some sectors, general occupational aptitude was seen as crucial – whereas healthcare employers were willing to work on trainees' 'personal effectiveness' skills, refer them to basic skills training and support them in range of other ways, a basic level of competence in 'clinical skills' was viewed as essential and non-negotiable.

Lessons from Research with Academies Trainees

The value of 'real work', in the form of strongly focused occupational training (as delivered by Edinburgh Retail Academy) or, crucially, gained through work experience placements with employers emerged as an important element in the Academy process as experienced by trainees.

For many trainees, the opportunity to access work placements was a key motivator for joining the Academy, and the most valuable element of the programme, building knowledge, experience, contacts within sectors, and (most importantly) confidence that they could cope with the work environment.

There was also again evidence that the Academies process works particularly well when linked with structured pre-vocational training, which can be

delivered through local intermediaries – participating trainees saw programmes such as WEA’s STEPS as an important preparation for Academy-based training (a view shared by some Academies representatives).

Benchmarking JU4J against UK Cities and National Policies

In order to place JU4J’s approach and achievements in context, research was carried out on the employability policies and strategies in three other UK cities: Glasgow, Aberdeen and Leeds. JU4J shares many common themes with the policy priorities of these cities.

However, while other UK cities reported that their employability policies were framed within a range of different local and regional strategies, none had developed a coherent framework like JU4J, specifically addressing employability. The suggestion that JU4J can be seen as a model of good practice in this area is further supported by the findings that stakeholders in all three cities were in the process of, or were interested in, developing a specific ‘employment access’ strategy.

Edinburgh also appears to be ahead of comparable cities in the development of demand-led strategies. While the City of Aberdeen Council’s innovative ‘placement partnership’ system (with the Council acting as a job placement broker between employers and a range of employability providers) offers an interesting model, it has experienced some difficulty in fully operationalising this approach. Edinburgh’s combination of a consistent infrastructure for demand-led services (led by the Academies), combined with considerable success in engaging employers at the centre of this process remains a clear example of good practice. However, Leeds City Council, while lacking the consistent framework for demand-led interventions provided by the Academies in Edinburgh, has enjoyed considerable success in linking job guarantee programmes to individual infrastructure development initiatives.

In terms of the geography of policies, in all three cities there was an increasing focus on neighbourhood-level interventions, reflecting an awareness that worklessness can be concentrated in geographically small localities. Glasgow’s ‘Full Employment Areas’ initiative, which deploys ‘community animators’ to work within local neighbourhoods, to engage with workless individuals and families, provides an innovative approach, based on building trust in communities in which many people have been unemployed for very long periods and face substantial barriers to work.

Finally, there may be lessons for Edinburgh in Glasgow's 'Equal Access to Employment' strategy, which (in combination with Scottish Executive-funded programmes such as Working for Families) seeks to link employability to lifelong learning, childcare, social work and health services. This attempt to 'mainstream' employability goals in other public service areas reflects an awareness of the need to 'activate' different forms of services if long-term inactive groups (who are less likely to engage with traditional employability provision) are to be reached. Such an approach fits well with the emerging policy agendas associated with the Scottish Executive's Employability Framework and the DWP's reform of the New Deal and other services. Edinburgh stakeholders need to be ready to develop their own responses to this emerging agenda on mainstreaming employability, and to develop new forms of partnership with appropriate service providers.

JU4J and the European Employment Strategy

JU4J clearly fits well with the European Employment Strategy (EES) employability pillar, which emphasises human capital development, active measures against unemployment, and the integration of disadvantaged groups. In terms of the latter priority, the EES's general Employment Guideline on integrating disadvantaged groups has informed a very real commitment within JU4J to the targeting of clearly defined target groups, and has resulted in support for specialist provision for (among other groups): women returners; lone parents; BME groups; the disabled; ex-substance users; ex-prisoners; and disadvantaged young people (including those leaving looked-after care).

Similarly, the JU4J strategy has built upon the EES understanding of equal opportunities to provide services to promote equal access to work irrespective of gender and race, but has also supported and informed interventions for the aforementioned groups, broadening Edinburgh stakeholders' equalities work to address the needs of a wide range of client groups. There remains, however, an awareness among JU4J stakeholders that the strategy and related services need to respond more effectively to the needs of BME and female job seekers, and this is a priority for research being carried out as part of a review of JU4J.

Although contributing less directly to the implementation of the entrepreneurship and adaptability stands within the EES, the JU4J strategy links with these policy areas (in the former case by seeking to join up employability provision with 'enterprise' awareness-raising and services; in the latter by seeking to better link the issues of employability, lifelong learning,

and workplace change). In the latter case, there remains much work to do, and the research discussed in this report suggests that stronger links can be made between employability and adult learning provision under JU4J, and that the strategy (and its key stakeholders) may have a more important role to play in highlighting the role of employers in implementing measures to promote up-skilling and flexible (especially family-friendly) practices in the workplace. On this point, JU4J also appears well placed to respond to the emerging agenda (that forms part of the 'new', revised EES) on 'quality and productivity at work'.

At a most basic level, JU4J reflects a key objective of the Lisbon Process by presenting 'a consistent and strengthened approach to delivering the EES at the local level'. JU4J appears to have made substantial progress in building local partnerships engaging employers and local and national policy makers. Recent attempts to engage trade unions in the JU4J agenda also reflect an important theme of the EES (which seeks to mobilise 'social partnership') and should be built upon.

Implications for Policy

A summary of conclusions and discussion of key findings from each element of the research reported in this document is provided in Chapter 12. However, in brief, here we summarise a number of recommendations for the future direction of the JU4J strategy and highlight potential implications for stakeholders' policy priorities on employability.

Recommendation 1: Key stakeholders should continue to aggressively 'sell' JU4J's demand-led initiatives, and particularly the Academies, as offering benefits to employers. Any additional or different approaches undertaken by the Academies must not alter the demand-led ethos of their programmes, or challenge their ability to provide employers with job ready staff. Maintaining the 'Academies' brand as being about 'high quality, high value added' training services, responding to the needs of employers, must remain a priority.

Recommendation 2: The holistic, client-centred services delivered through the Academies (defined by tailored training and one-to-one support, and facilitated by low trainer-client ratios) should be maintained and strengthened, reflecting the need to engage with an increasingly complex client group.

Recommendation 3: Academies and intermediaries should review the current scope of Academies training and, following consultation with employers, identify potential changes to strengthen content (while retaining the current format) that might facilitate access to Academies training for more disadvantaged client groups (for example, those targeted by specialist intermediaries).

Recommendation 4: A key future priority for Academies and partners should be the development of longer-term, more intensively supported 'transitional' work placement opportunities. Considering the format for such provision, in partnership with key stakeholders and employers, and identifying potential funding sources should be an immediate priority for CCP, the Academies and partners. Learning from existing models, such as Deal Me In, should inform the development of any more intensive, transitional work placements. There may be scope to integrate supported, intensive, transitional placement services as an additional 'training option' alongside the (highly effective) short-term Academies provision currently delivered in many sectors.

Recommendation 5: Academies and intermediaries should continue to work with job seekers to increase their awareness of the range of occupations available within key sectors, and promote Academies and other training routes as solutions to job seekers' skills gaps.

Recommendation 6: Key stakeholders should consider how best to re-establish demand-led provision in the financial services sector, drawing on lessons from successful Academies (particularly regarding the central role of employers within the Academies model and the leadership of 'industry insiders').

Recommendation 7: CCP and JU4J partners should facilitate the development of a more strategic approach to engaging SMEs and supporting their involvement in providing training, placements and job opportunities for JU4J target groups. Supporting and building upon Edinburgh Retail Academy's work towards the development of an SME toolkit may provide a starting point for these activities. At the same time, research should be undertaken into the critical success factors that have allowed some policy actors in other cities to encourage larger scale employers to commit to major employability/job guarantee programmes.

Recommendation 8: CCP should work with partners to present a consistent but wide-ranging ‘demand-responsive’ model of provision to employers. The Academies (providing tailored, sector-specific training and job ready staff) should be highlighted as one (albeit crucial) element within a suite of placement and training services, alongside: the job matching services delivered by intermediaries and specialist agencies; any future ‘transitional’ work placement services; and supported employment for those further from the labour market.

Recommendation 9: Academies, intermediaries and key stakeholders should continue to positively challenge employers, making the business case for investment in training and progression routes, and flexible work practices that can have positive impacts on the sustainability of outcomes (for the formerly unemployed), while helping employers to address general recruitment and retention problems.

Recommendation 10: CCP should consider how best to use its role as a funder to reward the achievement of long-term, sustainable outcomes and progression. In this way CCP can encourage a culture shift, to focus on quality and sustainability, as well as job entry rates, as targets for employability policy.

Recommendation 11: CCP should work with the Academies and strategic partners towards the clear articulation of a ‘quality at work’ agenda (in the same way that JU4J partners have articulated their priorities in terms of ‘employability’) addressing issues of: access to training; skills accreditation; progression routes; job quality; flexible working (hours) and work-life balance policies; pay and reward strategies; and fairness and representation.

Recommendation 12: CCP and partners should continue to support the work of area-based intermediaries providing employability services in target areas. Continued and increased support for activities directed at building the confidence and ‘personal effectiveness’ of unemployed people is likely to be required at the local level in the immediate to medium term.

Recommendation 13: Additional research should be undertaken with specialist service providers and their clients, in order to gain qualitative insights into the nature and extent of the problem among ex-prisoners, drug users and homeless people, the potential demand for employability services, and the form that such services should take.

Recommendation 14: CCP and partners should consider how best to more closely co-ordinate the services of intermediaries with the adult learning providers. Given the complexity of the different services and strategies to address literacy and numeracy, CCP may be well placed to lead an investigation into these problems and potential policy responses, with a view to more fully integrating a consistent approach to basic skills provision within JU4J, allowing service providers to agree strategies for identifying and addressing basic skills gaps.

Recommendation 15: Intermediaries and Jobcentre Plus should continue to prioritise the in-work benefits advice, and measures to raise awareness and take-up of tax credits. Following the evaluation of current money advice pilots, CCP and partners should consider the potential for mainstreaming such provision across Edinburgh.

Recommendation 16: Area-based intermediaries and Academies should work together to ensure that, where possible, the timing and organisation of pre-vocational and Academies training compliment each other and should consider the potential for more formal links between the two sets of provision. CCP and partners should act to raise awareness of the effectiveness of structured, pre-vocational personal effectiveness training as a preparation for Academies activity for some clients. Of course, both Academies and intermediaries should retain the freedom to recruit or refer people who have not first completed personal effectiveness training.

Recommendation 17: Pending further evaluation, and depending on the availability of resources, CCP and Jobcentre Plus should consider the potential value of rolling out joint Jobcentre Plus-area partnership outreach services to other areas or initiatives.

Recommendation 18: CCP should continue to work with partners to develop and pilot an ICT-based client database tool. Clearly shared access to client data under any future system should be limited to specific relevant agencies, with the permission of the clients in question.

Recommendation 19: Academies should work with other stakeholders to improve client tracking and assessment tools wherever possible, allowing the Academies and partners to identify trends in participation, analyse the barriers faced by clients, and report their progress after

training. Engaging clients in this process, so that they are aware of the need for follow-up and tracking activities, should be a priority for Academies staff.

Recommendation 20: CCP and partners should consider measures to strengthen and formalise lines of communication between the JU4J steering group and representative bodies of the Academies and labour market intermediaries.

Recommendation 21: CCP and other key stakeholders involved in JU4J should lead the development of a strategic approach to responding to ESF funding changes, and the potential rationalisation of services that may result. There may be more general value in a strategic-level review of potential funding streams, to help inform intermediaries' funding applications, and so ensure the most effective exploitation of Training for Work, EU programmes and other funding streams.

Recommendation 22: Key stakeholders involved in JU4J should consider how best to work with public agencies and other organisations in the education, lifelong learning, health, social work and childcare fields, so that the goals of employability policies can be 'mainstreamed' within these agencies' interventions. The priorities of the Scottish Executive's Employability Framework, and examples of linking employability with other public services (such as the activities undertaken in Glasgow under the 'Working for Families' and 'Equal Access to Employment' initiatives) should inform the development of JU4J in this direction.