

## Proforma for Expressions of Interest for DWP City Strategy

In completing this proforma, you will wish to refer to the accompanying guidance note. Completed forms must be returned by 12.00pm on Monday 3<sup>rd</sup> July 2006. They should be emailed to [city-strategy@dwp.gsi.gov.uk](mailto:city-strategy@dwp.gsi.gov.uk), or sent in hard copy to:

City Strategy 'Expression of Interest'  
City Strategy Project Team  
Department for Work and Pensions  
Area 5, 2<sup>nd</sup> floor, The Adelphi  
1-11 John Adam Street  
London, WC2N 6HT

Late submissions will not be accepted. If you are sending hard copies, we recommend that you retain some form of proof of delivery.

Expression of interest for DWP city strategy	
Please state the city or town to which this expression of interest relates:	EDINBURGH

What geographical focus do you propose for your consortium? Why is this the most appropriate focus? Please attach a list of wards covered.
<p>This proposal, like the existing local strategy, covers the City of Edinburgh. Within it there will be a focus on the most disadvantaged wards; and the extension during the period of the pathfinder to cover all or part of the city region.</p> <p>This builds on existing consortium arrangements in Edinburgh which have a track record in the field of co-ordinating welfare-to-work delivery. The City Strategy now offers an exciting opportunity to develop and deepen these and make rapid progress towards the national 80% employment rate target and the child poverty targets. (The current strategy, Joined Up For Jobs, is described on the website: <a href="http://www.joinedupforjobs.org.uk/">www.joinedupforjobs.org.uk/</a>).</p> <p>The city is the unit of Community Planning which is the statutory framework for co-ordination of public services; and the city also includes other elements necessary for piloting a successful City Strategy including organisational infrastructure in disadvantaged wards, networks and organisations working on behalf of disadvantaged groups; and employer representative organisations.</p> <p>Given the natural scale of the labour market and travel to work area there is an aspiration over time to extend collaboration on planning and delivery to cover all or part of the city region. This will be developed during the period of the pathfinder. The three other Local Authorities in Lothian have been consulted about this and are in support of this approach. The labour market operates across administrative boundaries; and many of the key partners agencies are organised at or beyond that level (JCP, SE and Careers Scotland).</p> <p>Given the primary focus within the city however the data in this proposal relate only to Edinburgh.</p> <p>The wards covered are: Balerno, Baberton, Dalmeny/Kirkliston, Queensferry, Cramond, Davidsons Mains, Muirhouse / Drylaw, Craigleith, Pilton, Granton, Trinity, Newhaven, East Craigs, NE Corstorphine, Murrayfield, Dean, Stockbridge, New Town, Broughton, Calton, Harbour, Lorne, Gyle, SE Corstorphine, Parkhead, Craiglockhart, Stenhouse, Moat, Shandon,</p>

Dalry, Fountainbridge, Tollcross, Southside, Holyrood, Meadowbank, Mountcastle, Leith Links, Restalrig, Portobello, Milton, Murray Burn, Sighthill, Colinton, Firrhill, Merchiston, North Morningside / Grange, Marchmont, Sciennes, Newington, Prestonfield, South Morningside, Fairmilehead, Alnwickhill, Kaimes, Moredun, Gilmerton, Craigmillar, Duddingston,

The most disadvantaged wards in Edinburgh are Craigmillar Muirhouse, Pilton, Parkhead, Sighthill, Murrayburn, Harbour, Newhaven, Kaimes, Moredun, Duddingston Restalrig

**Briefly outline the labour market and skills demand context in which your consortium will operate, including significant future trends.**

Edinburgh's economy is relatively buoyant with a claimant count rate of 2.4% (2006). However ILO unemployment rate rose substantially between 2003 and 2004 and was reported at 5.5% in 2005. 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. The number of claimants of IB/SDA also remained stable, rising by 700 from 2000 to 22,300 in 2005. The employment rate has seen a small nett rise over that period to 75% in 2005 although it appears to have reached 78% in 2001. Looking at all these indicators and taking into account the margin of error in the LFS, this is a fairly stable picture and it may be 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:

Total employee jobs	311,004	-
Manufacturing	14,307	4.6
Construction	10,931	3.5
Services	283,655	91.2
Distribution, hotels & restaurants	64,042	20.6
Transport & communications	14,044	4.5
Finance, IT, other business activities	100,877	32.4
Public admin, education & health	86,793	27.9
Other services	17,898	5.8

It has more managers, professionals and associate professionals than average for the country (48%) and fewer elementary occupations and process operatives (11%).

**Decline in manufacturing**

Over the past few decades, Edinburgh has witnessed a dramatic decline in the importance of manufacturing and increased economic activity in the financial, business, hospitality, retail and public service sectors of the economy. Organisations in Edinburgh which have either closed, relocated or have reduced the number of their workplace include; Continental Tyres, Whyte and Mackay, Grampian Country Foods, Scottish and Newcastle, Scottish Courage, Ethicon, Melrose Tea factory, Peebles Electrical Machines, Waddies, BAe, Brown Brothers and Macfarlane Smith/Meconic. In 1982, there was total employment of **32,750** in Engineering and other manufacturing, falling to **22,358** in 1992 and then to **14,125** in 2002. Employment in these sectors is predicted to continue to fall and the following sectors are expected to show increases in employment; financial and business services, public services, hotels and catering, distribution and retail.

**Loss of unskilled jobs**

In parallel with the decline in manufacturing and manual jobs, there has been a process of up-skilling in many sectors and occupations which previously did not require qualifications for entry. For example in the construction industry, social care and childcare. Therefore, people without qualifications face a major challenge in entering work; as do those who aspire to do manual work.

Linking these issues with the increasing trend of young people who are NEET (not in employment education or training) – research indicates that there was a mismatch between the employment aspirations of young people, particularly those focussed on the traditional sectors and what was actually available in the local labour market.

#### Skills shortages and unfilled vacancies

This mismatch is one of the reasons for skills shortages and unfilled vacancies reported in Edinburgh. Research on Edinburgh's largest sector, Financial Services, reported that a substantial 74% of financial services organisations found it difficult to recruit staff, particularly for specific skills sets. The industry recorded an increase in the number of organisations that have been unable to retain staff from 27% last year to 55% in 2005. In Futureskills Scotland Financial Services Scottish Sector Profile 2005, Edinburgh & Lothian financial services firms reported significant internal skills gaps (76% of firms stating difficulties in meeting customer service objectives) and a **10%** vacancy rate reported by the Financial Services Skills Council; and **39%** of these vacancies are skill shortage vacancies.

Futureskills Scotland has also found that there were significant skill deficiencies in the Tourism sector, particularly in terms of Customer handling, oral communication and problem solving. In Lothian **57%** of hard-to-fill vacancies in Financial and Business Services are a result of skill shortages, **35%** in the Hotel and Restaurant sector are a result of skill shortages, whilst **20%** in the retail sector are a result of skill shortages.

The surveys carried out by Futureskills Scotland in 2002 and 2003 indicated that there had been an increase in vacancies Scotland wide from **65,000** in 2002 to **69,300** in 2003; Nomis reports a rise in Edinburgh to 3929 in April 2006 from 3126 two years earlier. Employers' report of the **69,300** vacancies, **30,500** were hard-to-fill. The reasons given for the problems in filling these vacancies were; Low numbers of applicants, while some did not possess the right skills and perceived to have the wrong attitude, personality or motivation.

#### Future trends

It is expected that the following sectors will see the following reduction in the number of jobs in Edinburgh:

Mining and Utilities; Chemicals and Metals ; Engineering ; Other Manufacturing ; Construction .

The following sectors are expected to see increases in Edinburgh:

Distribution and Retail ; Hotels and Catering ; Financial Services ; Business Services ; Public Services.

Futureskills Scotland's labour market projections 2004 predict in a Scottish context that 36,000 new employees will be required as a result of economic growth, principally in the sectors of; Retail and Distribution, Banking and Insurance, Business Services, Health and Education; with a rapid growth in Professional and Personal Service occupations.

The parts of other Lothian Council areas adjacent to the City of Edinburgh are integral

parts of the city economy and broadly share the characteristics described here, with the decline in manufacturing being accompanied also by coalmine closures. West Lothian as whole has a larger manufacturing sector and parts of each of these Council areas are predominantly rural.

**What are the key supply-side issues in your area? Which disadvantaged groups will your consortium therefore focus on?**

There is a substantial pool of the potential workforce which is not an effective labour supply for city enterprises; and therefore remain on benefits and in poverty. There are a number of reasons for this: they ;

- are not equipped for work (low employability; poor basic skills); or
- have inappropriate/outdated skills and work aspirations for which there are insufficient job opportunities (e.g. unskilled manual work);or
- have poor awareness of modern local jobs market;
- 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 which face structural barriers or disadvantage – e.g. difficulty accessing childcare; discrimination in recruitment; inadequate support or adjustments for people with disabilities. Many are on IB (22,500) and many are also long-term unemployed and claiming JSA (total 7164); others are not claiming. 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.

Many of these patterns are reproduced in school age as seen in the recent growth of NEET group (school-leavers not in employment education or training). An increasing proportion of school leavers have left school and become unemployed or an unknown destination. In 2000/01 10.6% of Edinburgh school leavers left school and became unemployed. In 2004/05 the figure was 16.4%. Between May 2000 and May 2005; Edinburgh witnessed an increase of 13.4% of young people claiming JSA, whilst Scotland saw a decrease of 15.6%.

This indicates ongoing structural problems which pervade communities and educational, training and employment systems. In essence there is evidence of difficulty in adjusting to the rapid changes in the composition of demand referred to above; substantial disadvantage arising from poverty and social exclusion; and continuing structural barriers to employment for specific groups. By reducing the effective labour supply these mean that the employment rate is lower than it could be.

The city's access-to-work infrastructure is not adequate to deal with these issues for these hard-to-help groups – it 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,, for example for structured work-based employability programmes, for which no funding has been found; and the funding available is reducing in scale – for example, Training for Work and ESF.

The disadvantaged groups on which the consortium will focus are the target groups established for Joined Up For Jobs. These have been 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). For the City Strategy the eleven JU4J target groups can be banded together into:

- disabled/ill health, inc. mental ill health;
- chaotic lifestyle (including addicts/ex-prisoners/homeless);
- NEET group of school-leavers;
- Black and ethnic minorities, inc refugees;
- lone parents

CCP has prepared a report on the labour market position of each of the JU4J 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.

Specifying these groups does not mean ignoring other categorisations of disadvantage, (e.g. age; basic skill needs; low skills), since these are important factors influencing whether people enter employment; and they need to be understood to help the target groups. However they are not judged to be the right categories for defining operational target groups. For example there is no easy way of engaging with 'the unqualified' per se; this has to be done by other channels provided by services with distinctive client groups – prisoners, adult learning, literacy and numeracy, addicts, health. All the same they will be addressed in the provision of service to customers and they will be monitored.

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' (2004 mid year population estimates). But within these 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 21.2% and 29.5% in 2005. They also score higher than the rest of the city in terms of poor health, poor education, income and employment deprivation.

The parts of other Lothian Council areas adjacent to the City of Edinburgh are integral parts of the city economy and broadly share the characteristics described here,

**What organisations – including public sector bodies, employers and, where appropriate, private and voluntary sector organisations – will come together to form your consortium?**

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The Edinburgh consortium will be based on the existing Joined Up For Jobs Strategy Group which is convened by Capital City Partnership (CCP), (the social inclusion partnership for Edinburgh and a company limited by guarantee of which all the organisations on the Strategy Group are members). The Strategy Group is a funders' and policy group plus employer representation via the Chamber of Commerce which has

some year's experience in developing a consortium approach. The members and the resources which they deploy for implementation of the City Strategy are:

Jobcentre Plus	JCP service delivery, P.A.s Deprived Areas Fund (anticipated @ £400K) Programmes delivered by contractors: <ul style="list-style-type: none"> <li>• New Deals</li> <li>• New Deal Plus for Lone Parents</li> <li>• Progress to Work</li> <li>• Pathways to Work (anticipated)</li> </ul>
City of Edinburgh Council	Economic Development Access to Work - £800k pa Working For Families £750,000 p.a* (from Scottish Exec) Social Justice Fund – potential contribution subject to applications
Capital City Partnership	ROA funding (from Communities Scotland) - £1.3m pa: contracts for area intermediaries. New Futures Successor fund - £300K pa* (from Scottish Exec)
Scottish Enterprise Edinburgh and Lothian	Training for Work - £779K in 2006-07 Discretionary Budget: Waterfront Recruitment Centre - £66K in 2006-07
Careers Scotland	All age guidance service; 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 and continuation after that date will be subject to review by the Scottish Executive.

Following a presentation by NHS Lothian at the CCP Board it has been agreed in principle that the Strategy Group should include a representative of NHS Lothian. Discussion is starting about the contribution from the Social Care functions of the City Council. The Strategy Group is chaired by the relevant Executive Member of the City of Edinburgh Council and has proved an effective mechanism for co-ordinating city-wide strategy and implementation. Procurement processes are handled separately from the business of the Strategy Group.

In moving to a City Strategy a wider implementation group will be established, to co-ordinate implementation of an action plan, drawing in other partners with a key implementation role. In addition to organisations represented at the Strategy Group it is anticipated that it will include:

- Further Education colleges;
- Employers via ECCE and the employment academies
- Trade unions via Edinburgh TUC (based on existing project for TU input to JU4J);
- Disadvantaged communities via Local Community Planning Partnerships;
- Voluntary sector via Edinburgh Voluntary Organisations Council;
- Representatives of providers via the existing JU4J Partnership Forum

In addition discussion will determine whether other agencies with an active involvement in part of this agenda should be invited onto this group or remain engaged through appropriate reporting arrangements; including:

- Scottish Prison Service and/or the Community Justice Authority;
- Edinburgh Drugs and Alcohol Action Team;
- Lothian Employability Forum (for disability agencies)

Any extension of geographical coverage will be taken forward through a Lothian steering

group involving the three other Lothian Councils (Midlothian, East Lothian and West Lothian). This will build on the local partnerships in the other Council areas and the related Community Planning processes.

The preparation of this Expression of Interest has drawn on the existing channels of communication with all of these agencies and has been done in consultation with the Partnership Forum, EVOG, the Academies Collective, the Lothian local authorities, ETUC, and the Scottish Prison Service, as well as the members of the Strategy Group.

#### Employer Engagement

At present strategic employer input comes from the Chamber of Commerce and operational collaboration via the employment academies, which have approximately 55 employers (including the two largest in Edinburgh, the NHS and the Council) on their boards or similar management structures, and work regularly with another 200. In the pathfinder this foundation will be built on by seeking to extend this approach to other sectors and through creating mechanisms for greater linkages to the City Strategy level rather than the sectoral level, for example consideration of convening an employers' advisory committee.

In addition to the resources identified in the table above the consortium/CCP will enter discussions with the Big Lottery Fund and the ESF Programme Management Executive about alignment of funding decisions and processes.

### **How will your consortium integrate the efforts of all partners behind chosen priorities? What will change as a result?**

#### Integrating Effort

The consortium and city strategy will build on the existing foundations laid by Joined Up For Jobs (JU4J) and the Capital City Partnership (CCP) – the partnership organisation which leads this strategy within the framework of the Regeneration Outcomes Agreement.

- JU4J takes very much a 'Demand-led, Client-Centred and Joined-up' approach to services in Edinburgh and is supported by JCP, City of Edinburgh Council, Scottish Enterprise, Careers Scotland, CCP (funded by Communities Scotland) and Edinburgh Chamber of Commerce. These foundations offer the benefits of: an existing consortium with a track record of innovation and employer engagement;
- a recent process of strategy development which has clarified local priorities; and
- a well-developed infrastructure for implementation of the strategy.
- A market led approach

The challenge at this point at which funding resources are shrinking is to use the city strategy to find ways of getting more from less.

The City Strategy will add significant benefits for the city:

- Capacity to achieve challenging targets (through enabling measures and reward funding)
- Development of more thorough, radical and deep-rooted innovations in the management of the access-to-work infrastructure around shared objectives.
- Extension of the partnership to include the NHS, Further Education, Scottish Prison Service, and Social Care
- Opportunity to extend the strategy to wider city region area through the period of the pilot
- Framework for linking employability and skills agendas

- Better Value for Money by reducing duplication,improving alignment of funding streams and better procurement processes

This proposal seeks to pilot ways in which services can be made to operate in a co-ordinated way and managed around shared objectives. Establishing the common vision of the employability infrastructure and implementing a plan 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.

These are the pre-requisites of setting out and delivering the overall offers to employers and jobseekers in the city. Changed behaviour of funders will drive changes in behaviour of providers; but there is also a need to actively foster innovation from the bottom up and engage service users; and a need to work more closely with employers to address their recruitment, retention and progression issues.

The management of the city strategy requires all of these elements to be linked. The starting point of this will be the disaggregation of headline targets. For example there will be a target for increasing flows of people in specific target groups into work, which will be monitored through the systems to be put in place for each target group – prison-leavers, recovering addicts. Similarly for specific areas of the city where indicators are most intractable.

#### What will change?

##### Joining Up the Employability Infrastructure

The proposed City Strategy has at its core the intention to see the access-to-work infrastructure as a whole so that it can act in a joined-up, co-ordinated fashion – as a supply chain. Crucial to this will be:a) enhancing joint work with clients by mainstream partners and services(JCP and Careers Scotland) and intermediaries and b) joined-up, aligned or shared procurement by key funders which will lead to better configuration of services and incentivise provider behaviour around pathways to work – including rewards for moving people along to intermediate stages provided there is evidence of further progression. Pooled funding will be piloted, to some extent dependent on the outcomes of requests for enabling measurers.

The information base (who is doing what) for this is already in preparation and will also provide the platform for enabling providers to better work together – through for example a directory of employability services, and mechanisms for matching of clients to opportunities city-wide.

##### Defining and refining the offer to employers.

The overall offer should be that each provider organisation contacting employers should know and front-up for what the whole network can offer, building on the incentives for JCP to share efforts arising from the shift to Job Outcomes Targets. This will have specific focuses on 1. an offer to sectoral groupings of employers (building up the employment academies around a job brokerage approach) and 2. responses to large scale recruitments (e.g. at the Edinburgh Waterfront developments). In addition we will enhance capacity to help employers with a) legislative change b) supporting beneficiaries

after recruitment and with progression and c) upskilling.

#### Improving the offer to jobseekers/customers and organising its delivery

The aspiration is:

- to be clear what can be offered to which customers;
- that they (customers) are enabled to access services of all relevant providers (subject to eligibility and funding);
- that funders pool resources to achieve a desired pattern of delivery (using the JU4J Service Delivery Model) based on a combination of universal (JCP) and targeted/specialist services.

This (change process) will also be the foundation for improving linkages with health and social care sectors; in order to increase the quantity and quality of referrals. This will build on existing pilots which map employability services for the homelessness and disability sectors and build capacity for informed referrals into them from frontline agencies. It should be clear that their support in the initial engagement of customers will lead into reliable pathways to work which can incorporate the soft and hard skills needed to get work and the ongoing support through the process and after entering work. This will require the identification of all the necessary elements of provision (inc. e.g. Money Advice) and seeking to fill any gaps (e.g. structured employability or transitional employment programmes); and responding to anticipated loss of funding by preserving key elements of the infrastructure and focusing on increased outputs via better co-ordination.

Core elements of the implementation will be:

#### Joined-up funding and procurement based on

- a mapping of provision funded by the main partners;
- assessing the match with the desired pattern of services;
- aligning commissioning and contracting by funding partners with local priorities;
- reducing duplication;
- pooling funds and resources (including JCP services) where possible and desirable.

Initially the most flexible funding available to partners (e.g. New Futures Fund successor, IDP, CEC Social Justice Fund; CCP funding of area intermediaries) will be used to create the skeleton of this system, built around more restricted programmes like New Deal. Big Lottery applications will be supported to seek to fill gaps; there will be dialogue with the Big Lottery; and with the PME over the use of much-reduced ESF, exploring the opportunities for co-financing.

Funding for specific new programmes supporting progression into the job market for IB customers. A number of gaps in the pattern of provision needed to maximise flows into work can be identified. Using available resources, including the prospect of reward funding, the partners will seek to create innovative new programmes.

Creation of 'virtual infrastructure' using ICT, in which the recruitment needs of employers and the aspirations of beneficiaries can be matched. This is a brokerage model – that is, the matching and consequent support will be brokered. An employer will receive the help of an intermediary (e.g. an academy); a jobseeker will only be matched if introduced by an intermediary (not necessarily the same one).

An employability case management system (defining who will help, when and how,

across the whole process to and beyond recruitment) will underpin the offer to beneficiaries with multiple disadvantages. Not all beneficiaries need the intensive support implied by this, but it creates a framework for assessing who does, and tracking progress and outcomes. Health and treatment agencies will be integrated into the start of this process and will supply ongoing support if needed to customers (e.g. condition management or support with avoiding relapse to addiction).

Integration of skills training into pathways to work has been demonstrated by existing local pilots (e.g. Transition and DELIVER) giving models which both attend to job entry after getting qualifications and enable use of training programmes as a structured element of employability development. Opportunities for extending this approach will be pursued through improving the existing co-operation with Further Education colleges and dialogue with the Scottish Funding Council.

Generation of region-wide labour market information through co-operation, pooling of efforts and resources by the participating local authorities and other partners; hopefully leading also to shared performance monitoring system for funded providers.

Generation and use of management information which traverses the whole pathway, using these systems. The intention is to use beneficiary data much better for monitoring, programme management; analysis of beneficiary pathways between multiple providers (tracking); and analysis of needs of target groups. This needs to be underpinned by recording of which organisation does what; (and assessment of quality) which also allows assessment of gaps. The data will also be used for feeding back to referral agencies to build confidence in the process; and for driving up provider performance.

Infrastructure of co-operation: Establishing common methods for improving information flow and co-operation between provider organisations. Agreed methodologies (e.g. common assessment framework; employability case management; reporting mechanisms).

Linking jobs in new development to disadvantaged areas and jobseekers. There is a going to be substantial development (and therefore construction contracts) in Edinburgh for the foreseeable future. Public sector agencies have significant stakes in most of them. There is an aspiration, well-supported at local and city level, that they should provide opportunities for entry into the construction sector for people who encounter barriers in their aspiration to do so – especially from disadvantaged communities adjacent to these physical developments. The City Strategy will seek to follow best practice models linking procurement and Best Value to regeneration (employment) outcomes.

Because of the diminishing overall resource context the introduction of a major new provision is not feasible or sustainable without an active partnership with government. The local consortium can introduce this provision at a level consistent with need if we can formulate an outcomes based reward funding agreement with DWP which allows an agreed proportion of benefits system savings accrued from the activity of the new service to be recycled and re-applied locally to fund its continued provision. This formulation can be developed as an active stand alone partnership agreement or might, in itself, be seen as an important flexibility request.

**Do national policies or practices throw up any barriers to partnership working or efficient delivery at local level? For each barrier please state:**

- **the precise nature of the problem**
- **how you would like to see this overcome**

**how, and how much, performance would improve as a result**

## Barrier 1 – JCP contracting

### The problem

The tendering and contracting for major JCP delivery programmes, including New Deal, does not offer sufficient scope for responding to local strategies and involving local partners/consortia. Assessments of tenders are done nationally with recommendations made to the District Manager for their consideration with little local input. Where existing contracts are already in place they do not require any participation in the structures or processes of local strategies and are not flexible.

### Change requested

There should be input from the local consortium to the specification of New Deal programmes prior to tendering and the inclusion of any requirements or conditions which arise from the City Strategy. This input should also cover the criteria for awarding the contracts and the means of assessing these criteria, particularly where local knowledge is necessary for making this assessment.

Existing contractors should be required to participate in City Strategy monitoring and evaluation schemes; and the JU4J 'virtual infrastructure' for information sharing, matching and brokerage; and to enter in discussion with the partners about the alignment of their delivery and matching with other programmes and funds. These arrangements will enable providers to offer their services to ND contractors and will enable customers and their advisers to see what opportunities exist for them across the city, including via New Deals.

### Impact on performance

These changes would improve the overall outcomes of the access-to-work infrastructure in the city, by allowing the configuration of JCP programmes some flexibility to align with locally-funded services (as well as vice versa as at present). In addition the expectation of participation in the implementation infrastructure of the City Strategy counterbalances the fragmenting tendencies in competitive contracting processes which can encourage providers to restrict co-operation and the sharing of customers. They will enable JCP programmes to be seen to be part of the mix of opportunities available for matching to customer need.

Together the impact will be to make it easier to achieve and/or exceed the JOT targets for the District/city and our own local area agreement targets, which are dependent on the activities of the full range of provision in the city.

## Barrier 2 - design of New Deal

### The problem

The national design of New Deal sets up some rigid requirements of programme delivery and participation which restrict the capacity of JCP staff to offer customers the most effective combination of measures from the full menu of opportunities. Such restrictions make it harder to maximise outcomes within given budget limits.

### Change requested

JCP Districts should be able to operate New Deals on a flexible basis within agreed targets and funding, enabling them to offer customers the full range of options in response to their Action Plan rather than their age or eligibility criteria. This should retain

the core elements of ND design like e.g. Gateway period, an Action Plan and a set of options but loosen constraints about what options and which providers are available to the individual. In addition JCP District Office should be able to manage the overall funding available for customers without specific allocations of resources to each individual (i.e. using an average cost per head according to category) allowing flexibility to meet targets.

For the City Strategy area, a proportion of JCP programme funds should be designated as a 'partner' or 'co-decision' fund which can only be applied through the local funders group or wider consortium, but operating towards JCP District targets. Local match funding might be required to ensure genuine co-funding of joint priorities.

#### Impact on performance

These changes would improve the overall outcomes of the access-to-work infrastructure in the city, by allowing the configuration of JCP programmes some flexibility to align with locally-funded services, strategy implementation vehicles and priorities. The spirit and practice of co-operation between funders will be enhanced when JCP can 'come to the table' with the ability to participate in the local methods of aligning funding and procurement. The impact will be to make it easier to achieve and/or exceed the JOT targets for the District/city and local area agreement targets, which are dependent on the activities of the full range of provision in the city.

### Barrier 3 – Administrative rules on sharing customer data

#### The problem

It is impossible for other providers to have access to customers' personal data held by Jobcentre Plus, even when working together under a SLA and the customer is happy with this. If available for sharing some of this information will help the claimant get a better service, at minimum through not having to repeat large parts of the dataset when referred from JCP to other providers.

#### Change requested

JCP systems and rules should be amended to ensure that customers are entitled to exercise discretion about the use of data about them stored by JCP, in particular that if they wish it should be used by other organisations which are working with them to help them into work. To enable JCP staff to ask for this a locally generated informed consent form should be included as an optionally-signed part of referral forms, so that the question is posed at the appropriate time and the burden on JCP is minimal. The form should also be made available to intermediaries with SLAs with JCP. Arrangements should be in place under SLAs for sharing data. This should be a pilot designed to draw conclusions about the best way to manage customer information for their benefit.

#### Impact on performance

These changes will help JCP and intermediaries assist customers by reducing duplication of effort (collecting the same data a number of times); enabling advice and support to be given on the basis of fuller and more accurate information; and locating errors or out-of-date data (where one partner can identify that data held by another contradicts theirs). They will also give concrete underpinning to the message that they are working together for customer benefit. The overall impact will be it increase job outcomes for the city and improve sustainable job entries by customers.

### Barrier 4 – Availability of individualised outcome data from Inland Revenue

#### The problem

It is understood that Inland Revenue will supply only aggregated data about job outcomes to JCP Districts, even though they hold it at individual level. Availability of this data to providers and other funders will assist greatly in verifying outcomes.

#### Change requested

Individualised data about job outcomes should be made available to JCP Districts and to providers under SLAs, as a pilot in this area. The introduction of this arrangement for Job Outcomes Targets is clearly in its early stages so this proposal seeks to add benefit from it as a pilot, the implementation of which will depend on the form in which Inland Revenue can supply the data; and will need to avoid being demanding of any extensive effort of JCP staff. In the first place its use will be piloted for a) assisting JCP staff in their work with customers; b) assisting other funders in verifying outcomes of their contractors (using anonymised data or NI numbers); and c) assisting joint work between JCP and intermediaries where staff of both organisations are co-operating to support an individual (i.e. available on request under an SLA and when consent has been given). In the long run it may be desirable to set up electronic transfer of the data under SLAs, provided the right safeguards are in place.

#### Impact on performance

These changes will be important contributors to the more effective management of contracts, and in particularly output-related funding, within the City Strategy. This in turn will improve value for money by creating a more reliable basis of measuring contract performance. (It will also help with efforts to incentivise and reward the contribution of providers further back from job-entry in the supply chain).

### Barrier 5 - Training for Work contracting

#### The problem

The priorities of Training for Work (TfW) set by Scottish Enterprise National are not appropriate for Edinburgh's labour market nor responsive to local strategy, since they drive prioritisation of the recruitment of the most able in the eligibility group and do not encourage participation in the local provider network. Data gathered from providers does not measure impact on local target groups or areas.

#### Change requested

TfW contractors should be required to participate in the common monitoring and evaluation framework and the 'virtual infrastructure' which is being established, with the intention that they can be shown to function as a last link of the chain established within Joined Up For Jobs. Setting of targets and contracting for TfW should be devolved to LECs in consultation with the local consortium.

#### Impact on performance

These changes would improve the overall outcomes of the access-to-work infrastructure in the city, by allowing the configuration of Training for Work flexibility to align with other services, strategy implementation vehicles and priorities. The spirit and practice of co-operation between funders will be enhanced by ability of SE to participate in the local methods of aligning funding and procurement. They will make the TfW programmes

demonstrably accessible as an important 'last link in the chain'; and so make it easier to achieve and/or exceed the JOT targets for the District/city, to which are dependent the activities of TfW should make a contribution.

#### Barrier 6 – JSA rules

##### The problem

JSA rules can make it difficult for jobseekers on JSA to attend vocational skills training which could be part of their pathway to work: the 16 hour rule (Max period of part-time study while claiming JSA); and the two week rule (max period for attending a full-time employment-related course while still claiming JSA). A limited period of training and coursework, can be a vital part of the process of preparing the individual with multiple disadvantages for work (improved employability/habits of work; increased confidence), in particular for specific job opportunities/employers. It also links the employability and skills agendas.

##### Change requested

To pilot a scheme whereby there is local discretion for JCP advisers/managers to relax these rules where there is clear evidence that the training proposed (over 16 hours per week and/or two weeks) is part of a managed pathway to work. Such discretion to be subject to agreed limits. CCP is starting to pilot an Employability Case Management system for hard-to-help groups, with the purpose of overseeing the whole pathway from engagement to work in which FE/training courses should be an option (provided jobsearch is assisted and job entry is supported after training is completed). This system can offer the assurance that the training is going to lead to employment, and is therefore a useful and appropriate use of time while claiming JSA since it will contribute to sustainable job outcomes. The same assurance can be offered by employment academy programmes or employer-customised training which feature guaranteed jobs subject to successful completion; or guaranteed interviews.

##### Impact on performance

These flexibilities will increase the capacity for customers to benefit from job preparation programmes which are there to help them get a job. Therefore, because they will be deployed as part of a managed pathway to work, they will improve job entry rates; and also their quality – better preparation for work will increase sustainability.

#### Barrier 7 – rules on eligibility for benefit run-ons

##### The problem

Time spent on IB or SDA does not count towards qualifying period for Council Tax and Housing Benefit run-ons on entering employment. Therefore individuals leaving IB for JSA to pursue their intention to get work (since claiming is an eligibility requirement for e.g. some New Deals) have to claim JSA for 26 weeks before being eligible for these run-ons. They would retain eligibility for run-ons if remaining on IB/SDA.

##### Change requested

Allow adjacent time period of claiming IB and SDA to contribute to the eligibility period for benefit run-ons when leaving JSA for work. And vice versa.

##### Impact on performance

Removing this anomaly will make it more likely that IB claimants who are interested in returning to work will consider it a feasible option, since the financial challenges of managing the first month of work are substantial and can be a real discouragement. It will allow the passage from IB to JSA and then onto work to be easier.

Barrier 8 – lack of requirement of community benefit from publicly-funded development and construction procurement

The problem

There is a going to be substantial development (and therefore construction contracts) in Edinburgh for the foreseeable future. Public sector agencies have significant stakes in most of them. There is an aspiration, well-supported at local and city level, that they should provide opportunities for entry into the construction sector for people who encounter barriers in their aspiration to do so – especially from disadvantaged communities adjacent to these physical developments. Many studies have shown that achieving this needs firstly a clear statement from the public sector that there should be community benefits from major developments; carried through into a stated intention from developers and so onto contractors.. (In addition there should be a mechanism for expressing the number of apprenticeships and trainee opportunities which can be expected; and a supply-side infrastructure which can deliver appropriately prepared recruits for these opportunities – these are in place in Edinburgh). This is not being led from the Scottish Executive.

Change requested

The Scottish Executive should make it clear that Best Value at city level requires that publicly-funded construction contracts play their appropriate part in training and recruiting the workforce; and that all contracts where there is a regeneration element should include appropriate recruitment and training outcomes in their project specifications. This should be a requirement established by the Scottish Executive and passed on to be implemented by all public sector agencies funded by the Scottish Executive, which should produce clear enabling guidance to legal and development professionals about the way to do this within legislation.

Impact on performance

This measure will greatly assist opening up opportunities in construction and in the new workplaces being built. These will create the foundation for a concerted effort to drive down unemployment and inactivity rates in disadvantaged areas by a range of supply-side measures which will prepare and train people for the vacancies and training opportunities which will be identified through these processes. This can make a significant contribution to the objective of reducing the gaps between the disadvantaged areas and the city average.

**What will your consortium achieve for its target groups, over and above existing targets? Please briefly explain how you have arrived at these targets. Who will be accountable for their achievement?**

The targets for the City Strategy will be based on those of the jobs section of the Edinburgh Regeneration Outcomes Agreement, which themselves form the overall targets of Joined Up For Jobs. As they include raising the city employment rate they can

be articulated as a contribution to the 80% employment rate target for the UK and the targets for reduction of child poverty.

The targets in the ROA are

- Reduction in gap in unemployment rate between worst wards and city average by 20%
- Increase economic activity by 1.5% of population
- Increase employment rate by 4% of population
- Reduce benefit dependency: IB claims from 7.28% to 6% of population

All of these targets have an impact on the target groups for the City Strategy and, vice versa, a successful City Strategy will enhance the capacity to meet or exceed the ROA targets. They will be updated and adapted for the City Strategy (timescale and baselines) in line with DWP's evaluation framework for City Strategies; and disaggregated to specific target groups.

The one which has the strongest direct relation to the target groups of the strategy is the one for IB claim rate. For the two year period of the City Strategy the proposed aim is to reduce the total IB claimant count in the city by 1500. This represents a stretching of the existing target. It is anticipated that similar targets could be set in the City Strategy for other key benefits.

In addition, as far as data and methodologies allow, there will be targets established for specific target groups and areas. It should be possible to establish baselines and monitor flows into work, in some cases from ongoing survey work and administrative data (e.g. homelessness database, ECHO; and Drugs Misuse Database, Careers Scotland records for the NEET group). Since individuals often fit into a number of these groups it is understood that these data are not additive; the purpose of this approach is to give a more fine-grained insight into the impact on the overall target group. (All the same it is planned that the virtual IT infrastructure will yield information about this overlap).

Where effective joined-up working has been established which can capture the numbers of people in a target group being referred into employability provision (e.g. prison-leavers) then targets will be set in terms of increasing the flows into employability provision and then into employment. Closer work with health and social care should yield data for other target groups.

The actions necessary for the achievement of the targets will be set out in an Action Plan. This will identify a lead partner for each area of work. Progress on the Action Plan and its component parts will be monitored by the Strategy Group, using regular reports from the partners.

**Please outline a robust system for tracking performance against your consortium's targets.**

The monitoring of performance of the City Strategy will fit within the structures of reporting on the Regeneration Outcomes Agreement (itself fitting with the Community Planning framework). Outputs and labour market trends (outcomes) are reported to the JU4J Strategy Group, having first been considered by its Evaluation Sub-group. There is a report to the CCP Board once a year on the jobs strategy; and the Annual Report on the ROA by CCP to Communities Scotland (Executive Agency of the Scottish Executive) includes reporting on the key headline data for the jobs strategy. In addition there is a Half Year Review which includes more detail on outputs from funding streams.

The City Strategy will all the same create the need and opportunity for developing these

processes. There are two levels of data and reporting – outputs and outcomes.

On outputs (the measures of what individual projects do; their immediate results) CCP has developed a Monitoring and Evaluation Framework for providers which it funds. This is starting to generate useful performance data which is being used to manage the programme; and to provide analysis of the nature of the beneficiaries and the barriers they face. The direction of development, which will be incorporated into the City Strategy, is to integrate this with an IT infrastructure which simplifies reporting and analysis; and to extend the scope to cover programmes funded by other partners. This will be achieved by a combination of voluntary participation (because it offers benefits to providers) and requirements set into contracts.

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 in the city. The intention is to include as many providers as possible so that the full extent of the pathways from exclusion to work; and the contribution from a number of agencies to this, can be captured and reported on. The potential to integrate this with performance monitoring (on a contract-by-contract basis) is clear.

This integrates approach integrates with the development of methodology for an Employability Case Management System for the hardest-to-help groups, starting with Prison-leavers. This is the basis of the intention to be able to report on the annual flows of a number of target groups into work – it is possible to capture the outputs of all agencies working with e.g. ex-prisoners and recovering addicts.

Outcomes (the measurement of the impacts of the strategy on the labour market) are monitored using the standard labour market statistics available via Nomis. These are reported through the structures described above. -However there are difficulties with using these data (beyond the obvious ones that changes are not attributable only or directly to activities of the City Strategy). Part of the City Strategy is to improve the quantity and quality of labour market information in Edinburgh and the Lothians, building on what is available from Future Skills Scotland.

**What will be the impact of your proposal on the wider LAA (or LAAs) - or equivalent - and other existing employment and skills strategies or initiatives?**

The Edinburgh Partnership is responsible for the overall community plan for Edinburgh; and the Capital City Partnership is responsible for the Regeneration Outcomes Agreement within that. Getting People Into Work is the largest element of the ROA and is delivered by the Joined Up For Jobs (JU4J) strategy. The JU4J Strategy Group comprises the main funding and policy agencies and is a sub-group of the CCP Board. The fundamental effect will be to improve the delivery of, and therefore the outcomes from one of the city's core strategies linking economic and inclusion objectives.

Community Planning links this strategy to the Scottish Executive's Closing the Gap and Smart Successful Scotland strategies. The Lothian Economic Forum is the basis for co-operation between the Lothian local authorities, Scottish Enterprise Edinburgh and Lothian, and other key partners in economic development. The City Strategy and in particular the aspiration to extend it to the wider city region, will be reported to this forum.

JU4J and its development into the City Strategy are seen as the local implementation of the Scottish Executive's 'Workforce Plus – an Employability Framework for Scotland'. The preparation of this document drew heavily on pioneering work of JU4J in the field of co-ordination of welfare-to-work, to provide local solutions to local problems. JU4J has

sought to pull together all existing employment initiatives – for example through mapping of what each funder funds; and through the creation of a website and on-line Directory of Provision. It has also linked to other active strategies like those operating in homelessness, basic skills (CLAN), enterprise, arts and social inclusion, and addictions (Edinburgh Drugs and Alcohol Action Team).

As regards skills there has been strong linkage with the Edinburgh Lifelong Learning Partnership, which last year was superceded by the Edinburgh Community Learning and Development Strategic Forum. These linkages will provide the starting point for stronger strategic and joint working arrangements with the three Further Education Colleges in Edinburgh.

**How will governance arrangements need to change to accommodate and support new ways of working under your consortium? How will this fit with and relate to existing regional or local structures?**

The existing structures of Community Planning are judged to be the right framework at this stage. These are that the Edinburgh Partnership is responsible for the overall community plan for Edinburgh; and the Capital City Partnership is responsible for the Regeneration Outcomes Agreement within that. Getting People Into Work is the largest element of the ROA and is delivered by the Joined Up For Jobs (JU4J) strategy. The JU4J Strategy Group comprises the main funding and policy agencies and is a sub-group of the CCP Board.

Further developments of these structures will however be needed for the implementation of the City Strategy. These relate to the questions of a) accountability for delivering the Action Plan (which will have to be managed more tightly against delivery milestones); and b) procurement issues if and when the City Strategy involves procurement of pooled funds, when procedures would be needed to add clarity to the distinction between funder and provider (which is anyway the foundation of management structures for JU4J).

The Edinburgh Partnership comprises City of Edinburgh Council, NHS Lothian, Scottish Enterprise, Communities Scotland, Lothian and Borders Police, Lothian and Borders Fire Service, Edinburgh Chamber of Commerce, Edinburgh Voluntary Organisations Council and representatives of Higher Education, Communities of Interest and Communities of Place. The Capital City Partnership's Directors are drawn from representatives of The City of Edinburgh Council, Community Representatives Network, JobcentrePlus, Scottish Enterprise Edinburgh and Lothian, Edinburgh Chamber of Commerce, Lothian and Borders Police, Capital Credit Union Limited, NHS Lothian, and Edinburgh Voluntary Organisations Council.

As regards existing regional and local structures, the answer to this is provided in the response to the previous question. Any required changes in governance in the other Lothian Council areas will be addressed as the potential extension to the whole of Lothian unfolds.