

Economy Committee

10.00am, Tuesday, 20 September 2016

Unemployment Trends and Correlated Factors – Follow Up

Item number	7.7
Report number	
Executive/routine	
Wards	All

Executive Summary

This report is in response to a request by Economy Committee for an update on worklessness and poverty in the city, and contribution of the Economy Service and the Edinburgh Partnership in tackling poverty and inequality.

Links

Coalition Pledges	P7
Council Priorities	C06, C07, C08, C09, C010, C023
Single Outcome Agreement	SO1, SO2, SO3 and SO4

Unemployment Trends and Correlated Factors – Follow Up

1. Recommendations

- 1.1 To note the updated analysis of unemployment and poverty in the city.
- 1.2 To note the work of the Economy Service in supporting a reduction in worklessness and poverty.
- 1.3 To note the work of the Edinburgh Partnership, and the newly established Edinburgh Equalities and Rights Network (EaRN), to tackle poverty and inequality.
- 1.4 That Economy Committee receives an update in early 2017, on work to tackle poverty and inequality as part of the Locality Improvement Plans.

2. Background

- 2.1 Analysis was presented to the Economy Committee setting out unemployment rates and areas of poverty within Edinburgh, with some indication of the rates at ward level.
- 2.2 This analysis also highlighted the Council monitoring reports available to track trends, including Economy Watch (monthly), the Corporate Business Insight Dashboard, and Edinburgh by Numbers (annual). In addition, bespoke research and analysis can also be compiled by Strategy and Insight Division on request.
- 2.3 The Committee noted the report, and the interventions the Economic Development Service had already put in place to target priority areas in the City. The Committee also requested that the research and analysis be presented to the Poverty and Inequality Partnership (which was part of the Edinburgh Partnership) to inform their future planning and interventions.
- 2.4 A recent multi agency review of partnership arrangements in the City, initiated by the Edinburgh Partnership Lead Officers Group, led to the Poverty and Inequality Partnership, the Health Inequality Standing Group, the Edinburgh Partnership Prevention Group and various equality networks being merged into one consolidated strategic network. This new network will advise all elements of the Edinburgh Partnership ‘family’ (comprising the Board, eight strategic partnerships and 12 neighbourhood partnerships), and will operate under the banner of the Edinburgh Partnership Equality and Rights Network (EaRN).
- 2.5 Following a seminar involving members of the new Network, where the Economy Committee’s research and analysis was discussed along with other evidence, it was

agreed that network members would focus on three core areas for action in the coming year (until October 2017, when Locality Improvement Plans will be in place);

- a. Income maximisation, including employability and tackling in work poverty and inequality;
 - b. Tackling child poverty; and
 - c. Developing community asset based approaches to tackling poverty and inequality.
- 2.6 This report presents a detailed update on unemployment and poverty in the City, and highlights the steps being taken by the Economy Service, and the Edinburgh Partnership, to support a reduction in poverty and worklessness.

3. Main report

Update on Poverty and Unemployment trends

- 3.1 Statistics show that Job Seekers Allowance (JSA) claimant levels have been reducing, but the introduction of Universal Credit (UC) to replace JSA and related benefits has made this proxy measure for unemployment increasingly inaccurate, so a new measure “Claimant Count” (combining JSA and UC out of work claimants) has been introduced to replace it.
- 3.2 This new measure highlights that the city’s claimant count reduced significantly between June 2014 and June 2015, but remained steady in the subsequent years at 1.5%- below the Scottish and UK Average.

	June 2014		June 2015		June 2016	
	Number	Rate	Number	Rate	Number	Rate
Aberdeen City	2,060	1.3	2,205	1.4	3,380	2.1
Dundee City	4,315	4.4	3,470	3.5	3,525	3.6
Glasgow City	17,085	4.1	14,825	3.5	13,445	3.2
Edinburgh, City of	7,990	2.3	5,295	1.5	5,110	1.5
Fife	7,330	3.2	5,965	2.6	5,495	2.4
Midlothian	1,370	2.5	885	1.6	840	1.6
East Lothian	1,430	2.2	1,095	1.7	770	1.2
Scottish Borders	1,475	2.2	1,055	1.5	1,090	1.6
West Lothian	2,925	2.5	2,070	1.8	1,970	1.7
SCOTLAND	97,315	2.8	77,595	2.2	75,265	2.2
<i>Source: nomis</i>						

- 3.3 At ward level there are significant variations between claimant rates with Forth twice the city average and Leith, Liberton/Gilmerton, Portobello/Craigmillar and Sighthill/Gorgie all significantly above the average.

2015 electoral wards	June 2014		June 2015		June 2016	
	Number	Rate	Number	Rate	Number	Rate
Almond	200	1.3	125	0.8	115	0.7

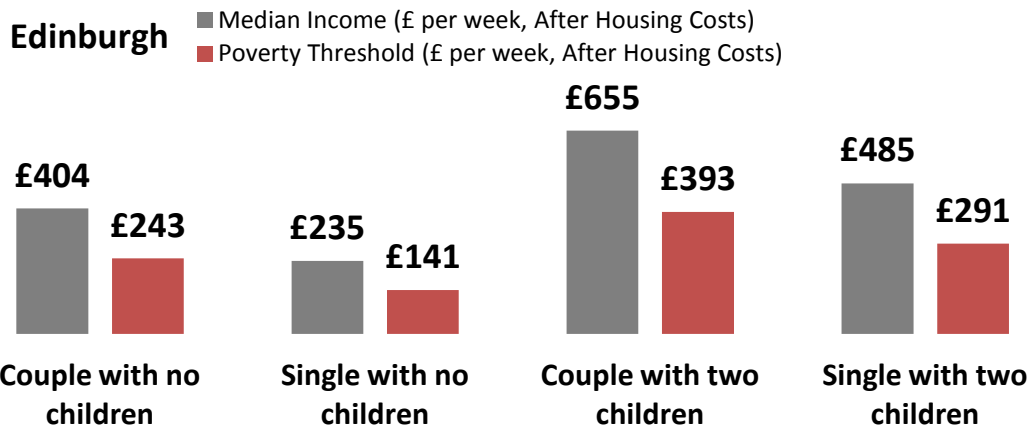
2015 electoral wards	June 2014		June 2015		June 2016	
	Number	Rate	Number	Rate	Number	Rate
City Centre	395	2.0	225	1.2	270	1.4
Colinton/ Fairmilehead	205	1.2	145	0.9	155	0.9
Corstorphine/ Murrayfield	190	1.3	140	1.0	120	0.8
Craightinny/ Duddingston	475	2.9	315	1.9	305	1.8
Drum Brae/Gyle	250	1.7	145	1.0	150	1.0
Forth	1,005	4.5	680	3.1	655	3.0
Fountainbridge/ Craiglockhart	300	1.7	210	1.2	225	1.2
Inverleith	280	1.3	195	0.9	170	0.8
Leith	710	3.5	470	2.3	490	2.4
Leith Walk	675	2.6	425	1.6	400	1.5
Liberton/Gilmerton	660	3.1	425	2.0	430	2.1
Meadows/Morningside	235	0.9	150	0.6	180	0.7
Pentland Hills	300	2.0	220	1.5	200	1.3
Portobello/Craigmillar	620	3.8	405	2.4	370	2.2
Sighthill/Gorgie	1,140	4.2	780	2.9	665	2.4
Southside/Newington	350	1.4	235	0.9	210	0.8
EDINBURGH	7,990	2.4	5,295	1.6	5,110	1.5
<i>Source: nomis</i>						

- 3.4 Considering the age profile of claimants, we can see that levels have been falling across all age groups except in the 60-64yrs age band which has increased slightly.

Age	June 2014	June 2015	June 2016
All categories: Age 16+	7,990	5,295	5,110
Aged 16-17	30	15	20
Aged 18-24	1,610	970	880
Aged 25-29	1,170	730	710
Aged 30-34	1,040	660	630
Aged 35-39	875	580	575
Aged 40-44	865	610	540
Aged 45-49	910	615	525
Aged 50-54	745	520	555
Aged 55-59	540	420	425
Aged 60-64	200	170	215
Aged 65+	0	0	0
<i>Source: nomis</i>			

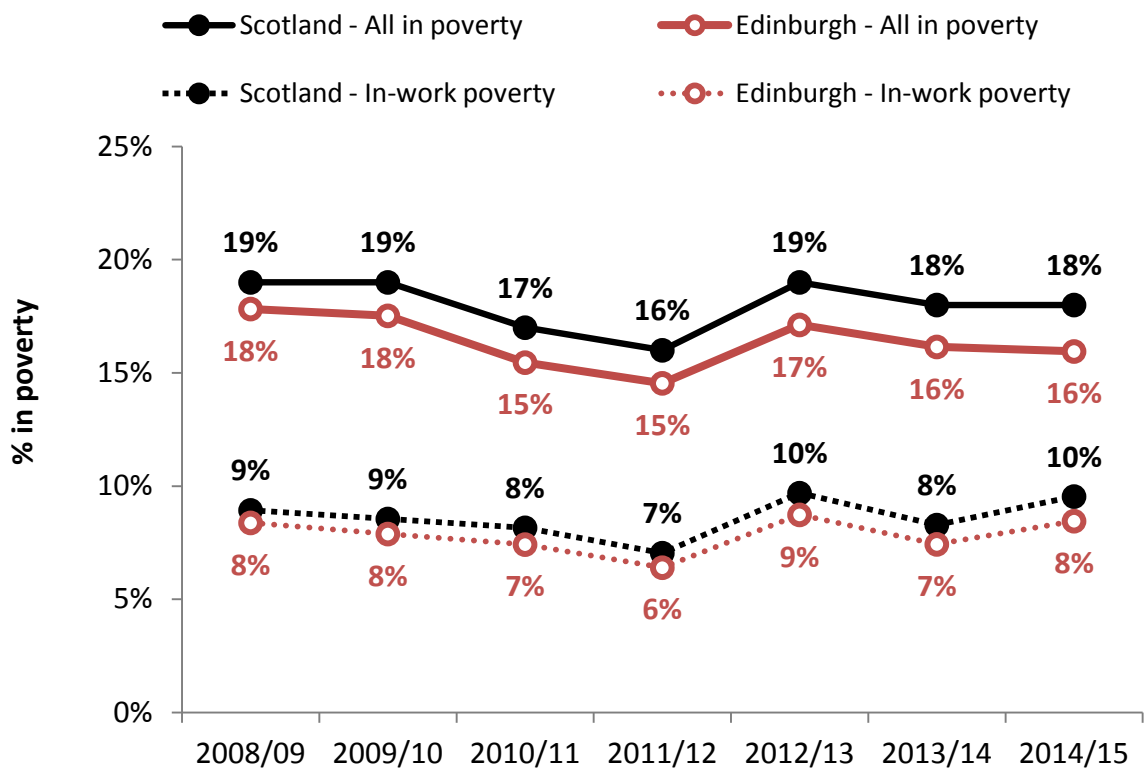
*It should be noted that due to benefit eligibility rules not all of those aged 16-17yrs who are looking for work will be included in the figures so unemployment for this group will be under-represented.

- 3.5 Individuals are said to be in relative low income if they live in a household with an equivalised income below 60% of median income.



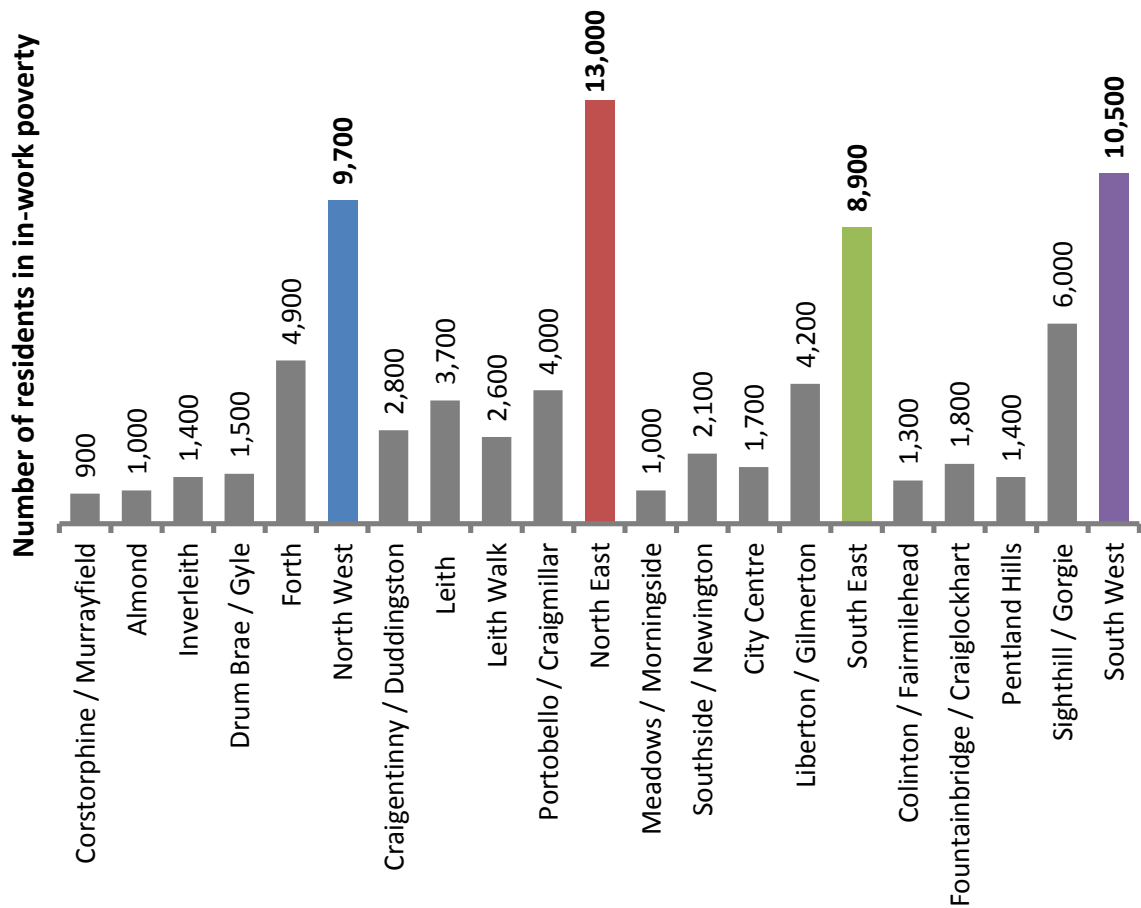
3.6 Although there are no official local authority level estimates of poverty and low income trends, recent analysis by the Council's Strategy and Insight team estimate that 16% of Edinburgh residents live in poverty with 8% of residents experiencing in-work poverty, both slightly below the Scottish average.

3.7 This means 79,550 of Edinburgh residents live in households whose income falls below the poverty threshold.



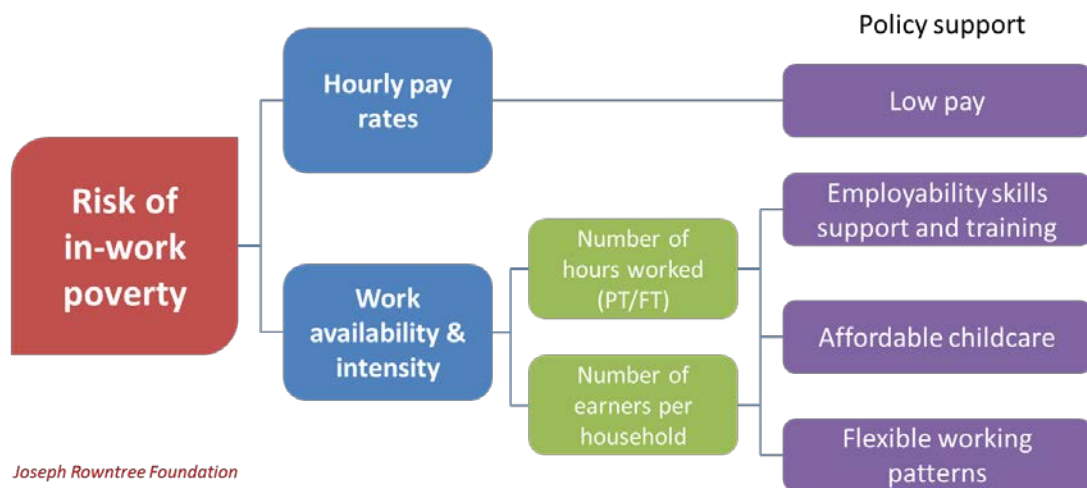
Source: Scottish Government (Scotland); CEC Strategy & Insight modelled estimates (Edinburgh)

3.8 Drilling this analysis down to ward level for in-work poverty highlights concentrations in communities that broadly mirror the claimant count (unemployment) picture.



CEC Strategy & Insight modelled estimates 2016

- 3.9 The analysis also highlighted that although there has been modest growth in median income, those on low incomes have experienced no real growth in earnings and there is some evidence of a growth in the proportion of individuals earning below the Living Wage Foundation’s “Living Wage”.
- 3.10 Work by the Joseph Rowntree foundation on the risk factors of becoming ‘working poor’ included the availability of work, the work intensity, rates of pay and the additional costs associated with work.



Joseph Rowntree Foundation

- 3.11 When looking at the data from this perspective, it would seem to indicate that although there has been good progress in the availability of work, this has not been matched by progress on work intensity and pay rates for those on the lowest incomes.

Steps being taken to address poverty in Edinburgh

- 3.12 There are a number of steps that have been adopted so far by the Council in response to the issues around poverty and inequality within Edinburgh. These range from strategic and holistic Council approach, locality improvement plans through to economic interventions as part of Council's employability programmes.

Strategic and holistic Council approach

- 3.13 At the Council Leadership Team (CLT) away day held a session on poverty and inequality on the 23 and 24 August 2016. During this session it was agreed that further plans are required to look at all council services. Further detail on these plans will be available in October 2016 and will also seek to identify linkages between service areas to ensure we deliver an all service response to the addressing the issues of poverty and inequality in Edinburgh.
- 3.14 There is also a national focus on closing the attainment gap between children and young people living in the most and least deprived communities raising educational attainment in schools. Education Services within Edinburgh are already responding positively to this challenge. For example: a plan has been developed for the improvement of attainment for Looked After Children across Edinburgh's Primary and Secondary schools. Looked After Children is a subset of pupils where the attainment gap for many is quite stark. Work has also started on 'Poverty proofing' schools with the specific aim of addressing some of the disadvantages for children and families living in poverty.
- 3.15 Meetings have taken place between the council and the Scottish Government on the National Economic Strategy. The main focuses of the Economic Strategy is to creating competitiveness and tackling inequality. These meetings between the two organisations are to help inform the future direction of Edinburgh's Economic Strategy for 2017 onwards.
- 3.16 Work continues in the Strategy and Insight Division to provide analysis below ward level, at data zone and sub data zone level, and to undertake other poverty and inequality research. This data and research will inform a new targeted area based approach to tackling poverty and inequality across the City as part of locality working. Importantly, it will guide co-production activity, with citizens and community groups in identified areas, to agree key actions to address poverty and inequality. These issues will be described in Locality Improvement Plans, and will be referenced in the City Vision 2050 programme.

City Vision 2050 and Locality Improvement Plans

- 3.17 Locality Improvement Plans are a key element of locality working, the Edinburgh Partnership, and the Council’s Strategic Planning Framework and Business Plan. They are also required by the Community Empowerment (Scotland) Act 2015.
- 3.18 In Edinburgh, all community planning partners have signed up to an integrated approach to Locality Improvement Planning, with a plan being created for each of the four new localities. Tackling poverty and inequality will be a central ambition of these plans.
- 3.19 Community engagement and co-production in areas of high social deprivation to help develop these plans will take place from February 2017 to early April 2017, and will involve all stakeholders including local elected members. A detailed report is scheduled to be considered by the Communities and Neighbourhoods Committee on 27 September 2016.
- 3.20 This locality level planning will be underpinned by the development of a City Vision setting out what Edinburgh will look like in 2050, and what will make it successful economically, environmentally, and in improving the quality of life of our citizens.

Interventions on Poverty and Inequality

- 3.21 Poverty and inequality are complex and interconnected issues that require strong leadership and joint action across the public, private and third sectors to make tangible progress.
- 3.22 The changes to Edinburgh Partnership’s structures, including the creation of the Edinburgh Partnership Equality and Rights Network (EaRN), City Visioning and Locality Improvement Planning aim to improve the focus on these important issues.
- 3.23 Following consideration of the evidence by the EaRN network it was agreed that action should focus on three core areas;
- a. Income maximisation, including employability and tackling in work poverty and inequality;
 - b. Tackling child poverty; and
 - c. Developing community asset based approaches to tackling poverty and inequality.
- 3.24 Consequently work will continue on the following priority projects until the new Locality Improvement Plans come into force during October 2017:

Network Strategic Themes	Key Interventions	Council Lead Service
Income Maximisation	A Strategy for Jobs (inc. Employability Programmes)	Economy Service, Employability and Talent Development

	Benefits maximisation	Work by Council advice services, and Council funded advice services, to improve benefits take up, and refer to other relevant services. The Edinburgh Health and Social Care Partnership is also looking at advice service provision in GP surgeries.
	Energy switching	Changeworks and other third and community sector organisations have been encouraging energy switching in households and communities affected by fuel poverty.
Tackling Child Poverty	1 in 5 Project	This project led by Communities and Families is addressing child poverty in schools and early years settings, through training and policy development
Community Asset based Approaches	Twenty More	Twenty More is a third sector project led by COMAS working directly with citizens and households in Dumbiedykes to increase household income and address other forms of poverty.
	Inclusive Edinburgh	The Council's Safer and Stronger Division continues to co produce new service solutions with people with substance misuse problems and who experience homelessness.
	EaRN Equality Ambassadors	The EaRN has recruited round 15 equality ambassadors to engage with public services to co produce new solutions to advancing equality and rights.

A Strategy for Jobs (inc. Employability Programmes)

- 3.25 The City's Economic Strategy 2012-17, 'A Strategy for Jobs' aims to achieve economic growth through investment in jobs and bring about equity of opportunity for all, with a specific focus on helping; young and other vulnerable people, those in low paid employment, and targeted support for regeneration areas.
- 3.26 This approach has delivered good results with the last performance report to committee highlighting that the service has directly created or safeguarded 12,813

jobs and supported 13,191 supported into work and learning, and the aim is to build on this success as part of the wider effort on tackling poverty and inequality.

3.27 Employability support has been targeted at those who are or at risk of being excluded from work or those in low paid employment through the following interventions:

3.27.1 Early Intervention: The Edinburgh Guarantee Partnership is improving the number of school leavers making the transition from school to work or learning to help prevent worklessness and poverty. Since 2011 this helped increase positive destinations from 82% to 92% and the Council's Guarantee team has directly supported 2,127 additional young people into jobs and apprenticeships secured through our active engagement with the city's employers.

3.27.2 Targeting Individual Disadvantage: The "All in Edinburgh" and "Project SEARCH" programmes to enhance the employment support for individuals with a disability, many of whom face significant obstacles in accessing work. Over the four years of the contract it will aim to support 800 individuals into work.

3.27.3 Targeting Complex Needs: work is underway to commission (jointly with the Alcohol and Drugs Partnership and Criminal Justice team) an early stage employability service for those recovering from substance & alcohol misuse and ex-offenders. This will aim will be to support 80 families/households over the a four year period.

3.27.4 Targeting Disadvantaged Communities: The "Employability hub" and "Childcare support for working parents" programmes support those in our most disadvantaged communities to secure and sustain work. Over the next 4 years the hubs consortium will use hotspot approach to support 2,400 into work, while our Childcare providers will offer 1,400 supported childcare places to help remove the obstacle to work for low income families.

3.27.5 Increasing Empowerment: To support the development of more preventative measures the employability team is working with Locality Leadership Teams on the development and piloting of a participatory budgeting approach with young people. This is currently being evaluated and will inform future development.

3.27.6 Active Employer engagement: Our direct Employer engagement and Community Benefit activities to open up employment opportunities for disadvantaged citizens and promote to business the benefits of the "Living Wage" and responsible employment practice.

3.28 This work is supported by the Edinburgh Partnership's Economic Development Strategic Partnership, the Joined up for Jobs employability partnership and network and more recently colleagues in other authorities through the South East Scotland City Region Deal Partnership.

The Edinburgh Equalities and Rights Network (EaRN)

- 3.29 The Edinburgh Equality and Rights Network (EaRN) was established in summer 2015 as an advisory body to the Edinburgh Partnership Board. The network is run, through a Council grant agreement approved by Communities and Neighbourhoods Committee, by Volunteer Edinburgh, who report to a board of advisors made up of the public sector funders.
- 3.30 The focus of the network is not to duplicate the work of partners, but to support better focus, coordination, innovation, learning and share of information on poverty, inequality, equality and rights issues.
- 3.31 The initial work of EaRN has focussed on membership recruitment, events for members, setting up a website and importantly recruiting 15-20 equality and rights ambassadors who have lived experience of poverty and inequality.
- 3.32 In addition, EaRN will also assist with engagement and co production activities related to the development of Locality Improvement Plans. This will ensure that tackling poverty and inequality in communities of interest also features in locality Improvement Plans.
- 3.33 Reports on the progress of the EaRN are presented to the Communities and Neighbourhoods Committee, and the Edinburgh Partnership Board.

4. Measures of success

- 4.1 The measures of success in tackling poverty and inequality will be built around actions to be established in the Locality Improvement Plans. These are further supported by Outcomes identified in the Council's Business Plan 2016-2020 ensuring that services are redesigned around the needs of our customers, protecting the most vulnerable citizens.

5. Financial impact

- 5.1 It is not anticipated that there will be any financial impact as a result of this report.

6. Risk, policy, compliance and governance impact

- 6.1 As this is a statistical analysis and update on progress being made on existing developments there will be no adverse impacts relating to risk, policy, compliance or governance.

7. Equalities impact

- 7.1 There are no adverse equalities impacts arising from this report. The information presented can help inform the channelling of resources and joining up of services to help alleviate poverty and inequality in the city.

8. Sustainability impact

8.1 There are no adverse sustainability impacts arising from this report.

9. Consultation and engagement

9.1 There is no specific additional consultation and engagement activity arising from this report.

10. Background reading/external references

10.1 Nomis: official labour market statistics <https://www.nomisweb.co.uk/>

10.2 Item 8.1 Tackling Poverty and Inequality and Advancing Equality and Rights – Update - referral from the Communities and Neighbourhoods Committee, City of Edinburgh Council, Economy Committee, 28 June 2016

10.3 Item 7.4 Employability and Skills Annual Report, City of Edinburgh Council, Economy Committee, 17 November 2015

10.4 Item 7.12 Unemployment, trends and correlated factors, City of Edinburgh Council, Economy Committee, 23 June 2015

10.5 Edinburgh Partnership Reports,
http://www.edinburgh.gov.uk/info/20133/community_planning

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11. Links

Coalition Pledges	P7
Council Priorities	C06, CO7, CO8, CO9, CO10, O23
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Appendices	