

Housing and Economy Committee

10.00am, Thursday, 18 January 2018

Capital City Partnership Service Level Agreement

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| Item number | 7.5 |
| Report number | |
| Executive/routine | Executive |
| Wards | Citywide |
| Council Commitments | C2, C3, C7 |

Executive Summary

The Council has a Service Level Agreement (SLA) with the Capital City Partnership to support the development of an effective employer-led, client centred, outcome focused and collaborative employability service in the city. This SLA is due to expire on 31 March 2018.

Capital City Partnership Service Level Agreement

1. Recommendations

- 1.1 Committee is asked to:
 - 1.1.1 Note the progress made by the Council and Capital City Partnership in supporting people into work and learning; and
 - 1.1.2 give in-principal approval to concluding an updated SLA with Capital City Partnership (three year, extendable to a maximum of six years), subject to the outcome of the Council budget setting process each year.

2. Background

- 2.1 The employability review 2010 initiated a new approach to Council funded employability services. This delivered significant efficiency savings and increases in the outcomes and progression achieved for the investment made.
- 2.2 This change coincided with the development of “A Strategy for Jobs- Edinburgh’s Economic Strategy”, which had an ambition of;
 - “A confident, creative and inspiring city, powering growth and jobs.... where the public, private and third sectors collaborate with common purpose...putting people of Edinburgh at the heart of its economic success”.*
- 2.3 One of the key priorities within this strategy was to help 10,000 unemployed people into work or learning.
- 2.4 To align with the priorities of the strategy and the finding of the Employability Review the Capital City Partnership was refocused and restructured to support the coordination and active management of employability services in the city and help ensure a good fit with the labour market and demonstrable value for money.
- 2.5 This change was undertaken in conjunction with a restructuring of the Council’s Employability and Skills team to minimise any duplication of effort.
- 2.6 This arrangement aimed to give increased flexibility to bring together funding from different policy areas and translate them into a simpler and more joined up set of services that better matched the lives of the people supported.
- 2.7 The current SLA has been in force since 2014 and will expire on 31 March 2018 and it therefore requires to be reviewed and, if approved, renewed.

3. Main report

- 3.1 Good progress has been made against the current Economic Strategy's performance indicator of "Helping unemployed people into work or learning" with 17,587 people (1 April 2012 to March 2017) supported into work or learning (3% above target).
- 3.2 The priority areas within this indicator have been:
- The coordination and active management of employability services to ensure a good fit with the labour market need and demonstrable value for money;
 - Helping school leavers and young people (14-19yrs) make the transition into work;
 - Early intervention on unemployment to ensure unemployment does not become long term;
 - Supporting those in low paid and insecure employment to progress into higher earnings and more stable employment; and
 - Providing targeted employability support for regeneration areas and vulnerable individuals.
- 3.3 As part of the delivery of these objectives the Council has utilised the expertise of the Capital City Partnership (a Council owned charitable company) to:
- Support the development of effective operational partnerships between employability agencies and other stakeholders;
 - Provide a contract performance management service for the Council and other funders that helps drive good outcomes and a more joined-up service;
 - Implement mechanisms to support the development of good quality services and a consistent service offer; and
 - Support ongoing operational development and the securing of external funding that would be difficult for the Council Employability team to source that helps improve the impact that can be achieved.
- 3.4 This arrangement has been a critical component of enabling the Economic Development Service to build a more employer-led, client centred, outcome focused and collaborative approach to the employability services we offer.
- 3.5 The company has made solid progress against the requirements in the current SLA, with highlights outlined below.

Effective Operational Partnerships and Relationship

- 3.6 The creation of a strong and well-regarded jobs partnership (Joined up for Jobs) with a Senior Level Strategy group to support collaboration. This has maintained good and regular participation from the City of Edinburgh Council, Skills

Development Scotland, Edinburgh College, Edinburgh Chamber of Commerce, The Department for Work and Pensions, and NHS Lothian, which demonstrated the value these partners put on this arrangement.

An Effective Employability Contracts Performance Management Service

- 3.7 The introduction and management of the “All in Edinburgh” service (being delivered by a third sector consortium) for people with long term disabilities and health conditions that has increased job outcomes by 70% at a lower cost compared to the previous arrangements.
- 3.8 The introduction of the new EnCompass service for vulnerable adults with background of complex needs, trauma and substance abuse that brought together three separate funding streams into a unified service.
- 3.9 Effective support for the Council’s Employability Challenge Grant Fund that has co-production and co-decision making at its heart, which is recognised as good practice.

Quality Assurance & Communications

- 3.10 The development of the [Joined Up for Jobs](#) website as an information hub for the city’s employability services, which incorporates a 170-strong organisational service directory, combined with the introduction of a Charter (quality) Award that all 60 of our funded providers have signed up to and achieved the required standard
- 3.11 The production of performance and trend analysis reports for the Job Strategy Group and partners to inform future collaborations and focus. This analysis draws on information stored in the client management system (Caselink) that company maintains on behalf of the jobs partners.

Operational Development and Leverage

- 3.12 Over the course of the current SLA Capital City Partnership has sourced over £5,000,000 of additional funding. This has been secured from a range of sources including JP Morgan Chase & Co Global Philanthropy and the Big Lottery.
- 3.13 The development of an Employer-led Recruitment and Skills Centre at Fort Kinnaird jointly resourced by British Land, Edinburgh, East, and Midlothian Council’s, DWP Jobcentre Plus, and Skills Development Scotland. This has led to a similar approach being developed at Edinburgh Airport that also includes West Lothian and Fife Councils in its list of partners and another centre planned for the new St. James Development that is being developed in conjunction with TH Retail.

Service Level Agreement Update 2018

- 3.14 The current SLA between the Council and Capital City Partnership expires on the 31 March 2018 and a revised agreement has been prepared that builds on the previous 2014 agreement by:
 - 3.14.1 incorporating the latest good practice for Council Companies within the general terms and conditions; and

- 3.14.2 updating the service requirement, indicative three-year financial profile, and performance targets to reflect the changes in the strategic and operational context since the last agreement was concluded.
- 3.15 It is recommended that committee gives in-principal approval to concluding an updated SLA with Capital City Partnership (three year, extendable to a maximum of six years), subject to the outcome of the Council budget setting process.

4. Measures of success

- 4.1 The Employability and Skills team leads on the Key Performance Indicator – support the movement into work or learning of 17,000 people (target revised upwards in 2015) and progress against this target and contribution to Council priorities is reported quarterly to committee as part of the Economic Strategy Performance Report
- 4.2 The Capital City Partnership SLA contains a set of agreed services, Key Performance Indicators, and reporting requirements and progress is reported to Economic Development lead contact on a quarterly basis and annually to Council.

5. Financial impact

- 5.1 The SLA commits to a £387,000 per year to cover the core staffing and accommodation cost of the organisation, plus a further £260,000 contribution to the running costs of the Employer Hubs network (Fort Kinnaird, Airport, and St James Development. Other funding provided is to cover the cost of contracts procured by the Council passed to the company to performance manage.
- 5.2 This represents a saving of 3% on core costs compared with the previous Service Level Agreement (£400,000), whereas the value of projects and contracts managed on behalf of the Council (excluding external funding sourced directly by the company) has increased from £4.0m to £5.5m.
- 5.3 The financial commitments detailed in the SLA are agreed for the 2018/19 and indicative for the remaining years. The SLA and financial contribution of the Council will be subject to decisions made in the Council's annual budget process.
- 5.4 The funding commitments detailed in the SLA will be met from Economic Development's budget allocation.

6. Risk, policy, compliance and governance impact

- 6.1 An assessment of risk has been undertaken for all Employability and Skills activities and this is monitored on a regular basis.
- 6.2 The requirements within the SLA have been updated to reflect current agreed practice associated with Council arms-length companies.

7. Equalities impact

- 7.1 The Council's employability services support the Council's commitment to equal opportunities.

8. Sustainability impact

- 8.1 There are no impacts on carbon, adaptation to climate change and sustainable development arising directly from this report. The future Structural Funds programmes include support for low carbon activities

9. Consultation and engagement

- 9.1 The Employability and Talent Development team uses the Jobs Partnership, co-production and participatory budgeting techniques to ensure services are fit for purpose and deliver demonstrable value for money. This involves structures dialogue with service users, partners and other stakeholders.

10. Background reading/external references

- 10.1 Employability and Skills Update, City of Edinburgh Council, Economy Committee, [19 August 2014](#)
- 10.2 Investing in Jobs Economic Development Service Performance Update, City of Edinburgh Council, Housing and Economy Committee, [7 September 2017](#)
- 10.3 Employability and Talent Development, Annual Report 2016/17
<http://www.joindupforjobs.org.uk/service-providers/resources/strategy-documents/>

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11. Appendices

None.

