

Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 27 February 2024

Capital City Partnership Service Level Agreement

Executive/routine
Wards

Executive
All

1. Recommendations

1. It is recommended that Committee agree:
 - 1.1.1 The updated Service Level Agreement (SLA) with Capital City Partnership (CCP), as summarised in Appendix 1; and
 - 1.1.2 That the SLA will be effective for three years from 1 April 2024, with the option to extend for a further three years (one year at a time) up to a maximum of six years in total. This will be subject to performance and the outcome of the Council budget setting process each year.

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Capital City Partnership Service Level Agreement

2. Executive Summary

- 2.1 The Council has a Service Level Agreement (SLA) with Capital City Partnership (CCP) to support the development of an effective employer-led, client centred, outcome focused and collaborative employability service in the city. The current SLA is due to expire on 31 March 2024 and this report seeks Committee approval to conclude an updated SLA (Appendix 1) for a period of three years, with the ability to extend for a further three one-year periods, up to a maximum of six year in total.

3. Background

- 3.1 A review of employability services in 2010 initiated a new approach to Council funded employability services. This delivered significant efficiency savings and increased outcomes and progression achieved for the investment made.
- 3.2 To align with this, the Council's Arms Length External Organisation (ALEO) CCP was refocused and restructured to support the coordination and active management of employability services in the city, to help ensure a good fit with the labour market and demonstrable value for money.
- 3.3 Since that time, CCP have worked closely with the Council in overseeing and supporting the wider employability efforts in the city.
- 3.4 This arrangement is aimed to provide 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 match the lives of the people supported.
- 3.5 The current SLA has been in place since 2018 and will expire on 31 March 2024 and therefore requires to be reviewed and renewed.
- 3.6 When the SLA update [report](#) for 2022/23 was presented to Committee in October 2023, it was [agreed](#) that the updated SLA should include an increased and renewed focus on green skills and the green economy so that the work of CCP complemented the Council's climate strategy and helped to address the workforce needs / skill gaps identified in that strategy.

- 3.7 It was also agreed that consideration should be given for how CCP could include a workstream / programme focused on retraining workers in carbon intensive industries to transition into green jobs, in line with a just transition approach, and as a preventative action against unemployment.

4. Main report

- 4.1 The SLA is the legal agreement between the Council and CCP and has been updated to reflect changes in the legal landscape since 2018.
- 4.2 The SLA contains, in a number of schedules (sch), the strategic goals (sch. 1), a set of agreed services (sch. 2), Key Performance Indicators (KPIs) (sch. 3), and reporting requirements (sch. 4). These are included in Appendix 1 for approval from Committee.
- 4.3 Progress against these is reported to the Council on a quarterly basis and annually to Committee.
- 4.4 The strategic goals have been updated to reflect the Council's current business plan and economy strategy.
- 4.5 These include establishing that, in addition to the core service priorities around employment support, enabling a just transition to a net zero economy through supporting the creation of green jobs and training in green skills is key to the services. CCP have created training via their Vocational Training Framework, which is aimed at green jobs and are in continuous contact with employers to understand what up- and reskilling requirements will be required to support the just transition.
- 4.6 The services remain largely unchanged, and there is still a focus on CCP supporting the Council and the Local Employability Partnership in developing and delivering Edinburgh's Strategic Skills Pipeline and the Edinburgh Guarantee, as well as providing performance management services for those employability services contracted by the Council.
- 4.7 Following feedback from elected members on the SLA Update report for 2022/23, some of the KPIs have been increased. These are:
- 1 e) Number of employers to engage with has increased from 25 to 50;
 - 1 f) Increase of expected agreed outcomes achieved from the Vocational Training Framework from 50% to 70%;
 - 1 h) New KPI, reflecting a key focus on support for green jobs and skills;
 - 2 a) Increase expectation that 100% of active clients are from priority groups, up from 90%;
 - 2 b) Increase expectation that over 95% of agreed volumes should be delivered, up from 90%;

- 2 c) Increase expectation that 75% of clients should sustain employment for 6 months or longer, up from 50%; and
- 2 e) Increase expectation of number of clients supported into Real Living Wage jobs – up from 60% to 80%.

- 4.8 There is an understanding that some of these targets may not be achieved immediately as employability work is by its very nature an iterative process. For example, while the Council, CCP and all employability service providers aim to support all individuals into Real Living Wage paying jobs, there are other circumstances that need factored in with the aim to support them into suitable employment in the first instance (recognising that in some instances this may mean initially a lower wage but better opportunities for the individual).
- 4.9 The reporting schedule remains the same, but the payment schedule (sch. 5) has been updated to reflect a c. 5% inflationary uplift in 2025/26 and 2026/27, subject to Council's annual budget setting process. The current payment levels have remained constant since 2020, when CCP agreed to a reduction in payments, and are still below what was agreed in 2018.

5. Next Steps

- 5.1 If Committee agree the SLA as appended to this report, officers will arrange for this to be signed and implemented as of 1 April 2024.
- 5.2 Officers from the Council and CCP will continue to work closely together to ensure that the city's employability provision meets the requirements of the skills pipeline and enables a just transition to a net zero economy.

6. Financial impact

- 6.1 The cost for the SLA with CCP is met through the Council's employability budget, which is dependent on the Council's annual budget setting process.
- 6.2 The proposed SLA includes a small uplift in 2025/26 and again in 2026/27 to meet inflationary pressures. This will be subject to any decisions as part of the budget setting process for those financial years.

7. Equality and Poverty Impact

- 7.1 There is no equality and poverty impact directly arising from this report.
- 7.2 As highlighted in the Strategic Goals in the SLA, the funder's Service Priorities lie in five areas:

- 7.2.1 Helping School leavers and Young People make the transition into work or learning, particularly those with significant disadvantages and barriers to work;
 - 7.2.2 Supporting the unemployed, both newly and long-term, who face significant disadvantages to re-enter the workforce and sustain work;
 - 7.2.3 Supporting individuals with significant disadvantages or barriers to progression access and sustain work or learning;
 - 7.2.4 Help those in low pay to progress to higher earnings and more fulfilling employment or self-employment, supporting income maximisation; and
 - 7.2.5 Enabling a Just Transition into a Net Zero economy by 2030 by supporting the creation of green jobs, and retraining workers in carbon intensive industries to transition into these, as well as supporting the provision of other green skills for the future.
- 7.3 More broadly, through the work of CCP and other partners, the Council is able to reach thousands of citizens who are experiencing barriers to employment and provide support for them to reach a positive destination, lifting people out of poverty.

8. Climate and Nature Emergency Implications

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties requiring public bodies to contribute to climate change mitigation and to climate change adaptation, and to act sustainably. Relevant Council sustainable development policies have also been considered.
- 8.2 There are no direct negative impacts in the effects of climate change or improving the resilience to the effects of climate change as a result of this report.
- 8.3 There are no direct nature emergency implications as a result of this report.
- 8.4 More broadly, there is an opportunity to utilise CCP and its contact network to promote awareness of environmental issues and carbon impact throughout the city.

9. Risk, policy, compliance, governance and community impact

- 9.1 There is no risk, policy, compliance, governance and community impact directly arising from this report.
- 9.2 An assessment of risk is continuously undertaken for all employability and skills activities, and this is monitored on a regular basis.
- 9.3 The requirements within the SLA reflect current agreed practice associated with Council ALEOs

- 9.4 Employability services are always commissioned following coproduction exercises with strong community and service user input as well as from service providers. The Local Employability Partnership, who oversees the coproduction exercises, has representatives from several public sector organisations, as well as third and private sector and education providers.

10. Background reading/external references

- 10.1 None

11. Appendices

- 11.1 Appendix 1: Capital City Partnership SLA schedules 1-5.

Appendix 1: Capital City Partnership SLA schedules 1-5

Schedule 1 Strategic Goals

- 1.1 The Funder's Strategic Goals are reflected in the City of Edinburgh Council's [Economic Strategy \(Stronger, Greener, Fairer\)](#) which sets out the following ambition;

The strategy aims to ensure that the city's economic priorities continue to meet the needs of citizens and businesses and drive a strong and fair recovery from the economic effects of the Covid 19 pandemic, adapt to the changes driven by the UK's withdrawal from EU, and ensure a just transition to a net zero economy, alongside other economic changes anticipated in the coming few years.

- 1.2 The Funder's Service Priorities lie in five areas:

- a) Helping School leavers and Young People make the transition into work or learning, particularly those with significant disadvantages and barriers to work
- b) Supporting the unemployed, both newly and long-term, who face significant disadvantages to re-enter the workforce and sustain work
- c) Supporting individuals with significant disadvantages or barriers to progression access and sustain work or learning.
- d) Help those in low pay to progress to higher earnings and more fulfilling employment or self-employment, supporting income maximisation.
- e) Enabling a Just Transition into a Net Zero economy by 2030 by supporting the creation of green jobs, and retraining workers in carbon intensive industries to transition into these, as well as supporting the provision of other green skills for the future.

- 1.3 The Funder's aim is to maximise the added value it achieves through its investment through piloting new innovative approaches, plugging gaps in statutory or private sector provision, or boosting capacity where there is significant labour market inequality.

- 1.4 This will be achieved by using the combined knowledge of our partners and labour market statistics to create a well targeted, integrated and outcome focused service structure (Strategic Skills Pipeline and Pipeline Plus) that meets the current and future needs of our city and communities.

- 1.5 The Recipient will align its decision-making to the following:

- 1.6.1 The Funder's Business Plan for 2023-27;
- 1.6.2 The Funder's commitment to end poverty in the city of Edinburgh by 2030;
- 1.6.3 The Funder's commitment to a net zero climate emissions city by 2030.

Schedule 2 The Services

The Services comprise the following, together with the associated Key Performance Indicators (“KPIs”):

1. Effective Partnerships, Relationships, and Leverage

1. The co-ordination of the “Local Employability Partnership” (LEP), a strategic jobs and progression partnership to support the development and delivery of Edinburgh’s Strategic Skills Pipeline and the Edinburgh Guarantee. This includes the provision of a partnership secretariat.
2. Working jointly with the LEP and BGI on evidence-led policy, strategic and operational development including pulling together responses to policy consultations where appropriate.
3. Support employer engagement under the Edinburgh Guarantee banner by building better relationships with key industries, create effective public/private delivery structures, maximise the community benefits realised from developments, and unlock good job opportunities for citizens.
4. Identify and secure financial or in-kind contributions that add value to the Funder’s investment, or enable financial savings to be realised with minimal loss in impact.

2. Performance Management Service

1. A performance management service (integrated with any cross-partner processes advised by the funder) to oversee projects or services passed to the Recipient by the Funder (or co-funding partners) that drives good progress against targets and delivers excellent value for money
2. Where required, the negotiation and adaptation of projects and services on behalf of the Funder. This includes multi-agency funding packages, undertaking due diligence, target setting, and agreeing financial payment arrangements.
3. Monitoring, auditing, and evaluating projects or services managed on behalf of the Funder to ensure good quality and well targeted services, compliance with any rules and regulations to mitigate any financial risks or reputational damage and, where applicable, the recovery of any overpayments.

3. Quality Assurance & Communications

1. Putting in place processes and systems to track and verify the impact and quality of services (including feedback from beneficiaries, employers, providers, and other stakeholders) and making this data and any analysis readily available to the Funder.
2. Providing a cross-cutting client management system (“Helix” or any successor system) to support effective performance management and improved joint working across services. Working with BGI to ensuring that data scope and analytical functionality is fit for purpose, there is high level of data accuracy, and measures are put in place to comply with any legal obligations (e.g. GDPR).
3. Developing and implementing, in conjunction with BGI, joint communication, marketing, and quality assurance tools including common branding, Funder acknowledgement boilerplates, the LEP website, service directory and noticeboard, and any customer charter schemes.
4. The provision of information, analysis and support to partners to encourage them to adapt delivery arrangements to better match city need and opportunity.

Schedule 3 - Key Performance Indicators

The performance of the Services shall be in accordance with the following Key Performance Indicators (“KPI”s)

Indicator	Target	Timeframe	Source
KPI 1: Delivering effective operational partnerships & relationship			
a) Stakeholder and client satisfaction with services provided and effectiveness of the partnership.	90% Very satisfied	Annual	Internal evaluation across networks External commissioned evaluations
b) Facilitate four LEP meetings, four JUFJ forums, and four Joined up for Business meetings per year. Deliver and source training and information products according to needs.	Average 75% participation by partners and/or funded organisations	Annual	Attendance monitoring / Webinar data
c) External leverage (cash and in-kind) secured by the Recipient to add value to the Funders Investment or help deliver on savings targets.	£2,000,000	Cumulative over 3 years	Progress and performance reports
d) Support capacity of Third Sector to leverage match from CEC funds, including identifying opportunities	£500,000 (10% match target)	Cumulative over 3 years	Financial Reports and Audited Accounts Progress and performance reports
e) Engagement with employers across Edinburgh to support with recruitment, training, and funding opportunities to enable business growth.	50 employers	Annual	Progress and performance reports
f) Linking Vocational Training Framework opportunities to priority groups and making recruitment more accessible.	Programme of training opportunities sourced and made available under VTF with 70% achieving one of the agreed outcomes.	Annual	Helix and Job Portals
g) Deliver business insight sessions to employability advisors and employers supporting a more diverse and inclusive workforce and reflecting Fair Work practices and deliver community job fairs.	4 sessions	Annual	Progress and performance reports
h) Spearhead a Just Transition by supporting the creation of green jobs and associated skills.	Programme of training opportunities sourced and made available with 70% achieving an agreed outcome	Annual	Helix and Job Portals

KPI 2: An effective employability performance management service			
a) Services are well targeted at agreed priority groups	100% of active clients are from priority groups	Annual	Verified client records and audit trails
b) Cumulative engagement, progression, and outcome targets are achieved. Underperformance is managed and mitigation reported.	Over 95% of agreed volumes delivered	Annual	Progress and performance reports
c) Client supported into work sustain employment for at least 6 months	75% sustain employment for 6 months or more	Annual	Progress and performance reports
d) Providers have insight into local Labour Market Information (LMI), sectoral intelligence	12 Monthly claimant count reports; quarterly LMI digests	Annual	Insight reports
e) Providers adhere to the principles of Fair Work	<p>Monitor fair work indicators (living wage, living hours, effective voice etc.)</p> <p>80% of clients supported into work earning living wage.</p> <p>Annual report on fair work measures and monitoring via Customer Charter</p> <p>Support JUFJ providers to become Living Wage accredited</p>	Annual	Progress and performance reports
f) Projects and services comply with the associated terms, conditions, rules, and regulations.	100% compliance demonstrated	Annual	Progress and performance reports

KPI 3: Quality Assurance & Communications			
a) Employer satisfaction with scope and quality of service received and the positive impact made.	90% Very satisfied	Annually	Customer and Stakeholder feedback survey.
b) High level of data completeness and accuracy maintained on client and other project records	95% of records are accurate and contain all the data required to satisfy funding and operational commitments	Ongoing	Sample checks and audits of client records Contractual Regulations
c) Employability contracts and grants holders are awarded the Joined up for Job Customer Charter within 6 months of programme start	90% hold charter mark status within 6 months of project start	Annual	Progress and performance reports
d) Support and maintain LEP website and directory. Deliver consistent communication and marketing to network of providers	Comprehensive and up-to-date directory held. 48 weekly bulletins sent to network	Annual	Progress and performance reports

Progress and performance reports to be provided quarterly with Ad hoc reports on red-rated provision

Schedule 4 Reporting requirements

As part of this Agreement regular reports will be provided to BGI, who will define the format of these reports, in consultation with Recipient, and can be amended at any time.

Report	Frequency
<p>Forward Plan (1 April to 31 March) setting out the priorities, planned activities and phasing for the next year covering the following areas;</p> <ul style="list-style-type: none"> • <u>Partnership and Relationship</u> development and support activities including joint communications and brand Development • <u>Performance management and operational development</u> activities including any process changes and the monitoring, audit, and evaluation schedule for all managed projects. • <u>Quality Assurance and Communication</u> covering the development and maintenance of client management and quality verification systems including Caselink, JUFJ Charter Schemes, and Client Survey and feedback. • <u>Financial and In-Kind Leverage</u>: activities to attract external leverage, mitigate any loss or clawback of existing external funds, or help achieve savings future targets for the Funder. • <u>Risks and Dependencies</u> along with details of how any significant risks would be reduced or mitigated. • <u>Support</u> required by the Recipient to deliver the plan 	<p>Annual</p> <p>Draft submitted at start of Q4 in previous year.</p> <p>Agreed at end of Q4 in previous year.</p>
<p>Progress reports (quantitative and qualitative) to demonstrate progress against overall service priorities and objectives, the forward plan, and identify obstacles or areas of concern. The report should include:</p> <ul style="list-style-type: none"> • The <u>period</u> covered by the report • <u>Progress</u> against forward plan and Schedule 3 KPI's including general areas of concern, improvement measures proposed or taken, and proposed updates to the forward plan. • <u>Cumulative performance</u> summary for managed projects and services including a breakdown of; <ul style="list-style-type: none"> ○ total numbers supported with a breakdown by client type (e.g. Gender, age group, protected characteristic, economic status) and residency (locality and target small areas), ○ total progressions and outcomes with a breakdown by client type and residency. ○ total sustained progressions and outcomes with a breakdown by client type and residency (inc. Level of unknowns) • <u>One page synopsis</u> for each managed project or service with; <ul style="list-style-type: none"> ○ Description of the Service or Activity and profile of clients supported ○ Financial profile including award, leverage and amount paid out to date ○ Project review frequency and date of last meeting, ○ Cumulative performance against targets and any areas of concern identified along with agreed remedial measures. • <u>Any Updates to Risk Plan</u> • <u>Data Security, PVG, or Health and Safety Issues</u> notified in period along with remedial and preventative actions taken. 	<p>Quarterly</p> <p>(1 Apr to 31 Mar)</p> <p>Q1 submission by end of July</p> <p>Q2 submission by end of October</p> <p>Q3 submission by end of January</p> <p>Q4 submission by end of April</p>

Report	Frequency
<p>End of Year Performance and Learning Report (qualitative and quantitative) will be produced giving the verified statement of the achievements in the preceding year, including any completed evaluation work. This will be in a similar format to the quarterly reports detailed above.</p> <p>This is to enable any in-year adjustments to be finalised into an agreed final statement, share any best practice identified, and identify areas for improvement in future.</p>	<p>Annual</p> <p>Draft submitted at start of Q2 (July) in year following period considered.</p> <p>Agreement at end of Q2 (August).</p>
<p>Financial Reports and Audited Accounts</p> <p>Statement on the use of Funders investment including any financial carry over to cover contractual commitments, restricted funds available for virement (by agreement with BGI) to other related activities or return to the Funder, and financial or in-Kind (monetised) leverage secured by the Recipient.</p> <p>Full year audited accounts.</p> <p>Council Companies Evidence of Assurance Questionnaire</p>	<p>Quarterly progress reports</p> <p>Annual</p> <p>Annual</p>
<p>Additional Reporting as required by the Funder to comply with, Freedom of Information requests, service reviews, audit requests or other contract commitments involving the Recipient.</p>	<p>On request by stated deadline</p>

Schedule 5 Payment Schedule (1 April to 31 March)

The following table sets out the funding that the Funder intends to provide to the Recipient to undertake the services outlined in Schedule 2. Funding for 2025/26 and 2026/27 is subject to approval by the Funder, following the annual budget setting process.

Budget Item (Paid in advance in quarterly payments)	24/25 (£,000)	25/26 (£,000)	26/27 (£,000)	Comment
Core Funding	420	440	465	Staffing, building, and support costs contribution to the Recipient and development costs of Private/Public sector partnership working
Direct Costs Case Management System and Partnership Websites	80	80	80	Licencing, fees, support, and development costs
Total	500	520	545	
Additional Funding				<p>1. The Funder reserves the right to require the Recipient to deliver OR enter into agreement with a third party for the delivery of Additional Services, in respect of which the Funder will pay to the Recipient the Additional Funding.</p> <p>2. The Recipient will accept instructions from the Funder in respect of Additional Services from the Head of BGI, or their deputy, via email or hard copy headed “Formal Instruction for Additional Services”, setting out the detail of the Additional Services and the relevant Additional Funding.</p>