

# Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 1 October 2024

## Capital City Partnership: Progress Update

Executive/routine  
Wards

Routine  
All

### 1. Recommendations

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- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee note:
  - 1.1.1 The progress being made by Capital City Partnership (CCP) against their Service Level Agreement (SLA) objectives and targets;
  - 1.1.2 That COVID-19 had a major impact on the employment landscape as a whole, with corresponding changes in the strategic and operational landscape at national and local level, impacting employability delivery across the city;
  - 1.1.3 That this was the final year of delivery under the previous SLA and, as of 1 April 2024, the SLA agreed by Committee in January 2024 has been implemented; and
- 1.2 Committee is also asked to refer this report to Governance, Risk and Best Value Committee for scrutiny.

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## Capital City Partnership: Progress Update

### 2. Executive Summary

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- 2.1 This report sets out the progress that has been made against the objectives and targets detailed within the Service Level Agreement (SLA) between the Council and Capital City Partnership (CCP).

### 3. Background

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- 3.1 CCP is an Arm's Length External Organisation (ALEO), with charitable limited liability company status, wholly owned by the City of Edinburgh Council.
- 3.2 Its activities are governed by its Memorandum and Articles of Association which enable it to:
- 3.2.1 Relieve poverty by the introduction of measures designed to alleviate unemployment and give access to employment;
  - 3.2.2 Advance education by the provision of training and educational opportunities and assist the participants to find work;
  - 3.2.3 Advance mental and physical health;
  - 3.2.4 Provide recreational facilities and organise recreational activities available to members of the public improving their conditions of life;
  - 3.2.5 Relieve those in need by reason of age, ill-health, disability, financial hardship or other disadvantages;
  - 3.2.6 Advance environmental protection and improvement and provide public amenities;
  - 3.2.7 Advance citizenship and community development; and
  - 3.2.8 Promote, establish, operate and/or support other similar schemes and projects which further charitable purposes.
- 3.3 The specific services which were funded by the Council for the year are detailed in an [SLA](#), which was reviewed, updated and approved by Housing and Economy Committee on 18 January 2018 (extract included in Appendix 1).

3.4 An updated SLA was agreed by Committee in January 2024 and has been in force since 1 April 2024.

#### **Governance of ALEOs**

3.5 An update on the reporting on the Council's Arm's Length External Organisations was approved by Policy and Sustainability Committee on [25 February 2020](#). This report confirmed that the responsibilities of Executive Committees and Governance, Risk and Best Value Committee were as follows:

3.5.1 Executive Committees – should scrutinise the future direction of the ALEO, performance of service delivery, progress against any agreements such as Service Level Agreements, and any emerging issues; and

3.5.2 Governance, Risk and Best Value Committee – should scrutinise the ALEO's financial performance and any risks impacting the Council and/or ALEO.

3.6 Therefore, it is recommended that this report be referred to Governance, Risk and Best Value Committee for scrutiny of the financial performance of the organisations and any risks impacting CCP.

## **4. Main report**

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4.1 CCP focuses on supporting the development of a more inclusive labour market, working in collaboration with the Council and other partners to maximise the impact of its activities on the city.

4.2 The SLA that governs the relationship between the Council and CCP requires the provision of services to the Council in three areas:

4.2.1 Effective Partnerships, Relationships and Leverage;

4.2.2 Performance Management; and

4.2.3 Quality Assurance.

4.3 To date, progress against the SLA commitments and the agreed Key Performance Indicators (KPIs) (detailed in Appendix 1) has been good.

4.4 Appendix 2 contains a Red/ Amber/Green rating (where Red means target not met, Amber target partially met and Green target fully met) of the KPIs.

4.5 The full report can be found in Appendix 3, but the key messages are outlined below:

#### **Effective Partnerships, Relationships and Leverage**

4.6 Following the decision to merge the Job Strategy Group and the Local Employability Partnership (LEP), CCP has acted as the chair and has provided secretariat support for the various underlying partnerships structures, including the providers' forum and allied working groups with the aim to support collaboration and continuous improvement. As part of this, they have also been developing the refreshed

Edinburgh Partnership Survey to give wider insights including needs for employability services.

- 4.7 During 2023/24, CCP commissioned Rocket Science (from external funds), on behalf of the LEP, to undertake a deeper analysis of the employability landscape and cross reference with the wider infrastructure membership provision to make recommendations to improve service offers and align efforts. These are now being implemented and include a new, refreshed governance structure, better alignment with the Edinburgh Partnership, and updated membership. This has allowed for better oversight and coordination of the city's employability offering, and for various sub-groups with specialist knowledge and interest to focus on specific topics or areas of concern as and when required.
- 4.8 CCP has continued to successfully attract external funding to add value to the Council core investment and complement its own external income raising activity. The target, to raise £2,000,000 annual cumulative over three years, has been achieved with significant margin, with the current total projected leverage over three years at £7,068,536 (equivalent to £2,356,179 per annum).
- 4.9 The company has been particularly successful in attracting funding from Edinburgh and South East Scotland (ESES) City Region Deal partners, but has focussed efforts over the last few years to diversify and, with current backing from several other public and private sources (as listed in the report), they demonstrate expanded leverage on the Council's investment for employability services.
- 4.10 In addition to this, CCP have supported grant funded external third-party projects to capacity build and used Council investment as match funding, resulting in extra investment by third parties of £690,629 secured for Edinburgh.

### **Performance Management**

- 4.11 CCP performs a contract management service, ensuring all outsourced Council employability contracts and grants deliver good value. It has maintained regular oversight of managed contracts, undertaken regular audit and compliance visits and provided quarterly reports to the Council.
- 4.12 Part of this has also included supporting and coordinating coproduction exercises, to ensure that contracts up for recommissioning or new grant programmes are fit for purpose.
- 4.13 The Annual Report provides a high-level overview of the individual services and breakdown of their performance. Notably, across all services, there had been 3,083 new client engagements in the year, and 4,857 individuals received support to progress across the pipeline. This provides a total of 3,283 outcomes against a target of 3,579 for all funded provision, which is **92% of target, above the overall target of 90%**.
- 4.14 With regards to outcomes, while some services had significantly exceeded their targets (notably, the Advance programme reported 123%), a few reported 70% or

less of their target. Some of these have been or are being changed this year (Childcare hubs, NOLB AA) and some have ended, but where these are ongoing projects CCP will be working with the providers and initiate performance improvement plans.

- 4.15 The SLA targets 60% of clients to sustain in employment for six months or more, and CCP reports that the current level is 74% which is a very good outcome considering the current job market. This target has been changed in the updated SLA to an aspirational target of 100% for 2024/25.
- 4.16 The SLA also includes targets for 60% of clients to be earning a Real Living Wage (RLW) six months after employment (without subsidy) where this was a KPI in the contract with the service provider. Contracts are currently achieving 82% RLW jobs as standard, which is an excellent achievement however, due to the current inflationary environment, there is a real risk that this number will slip back below target and so CCP has undertaken additional measures to ensure that clients are moving into fair, well-paid work.
- 4.17 Again, this target has been changed in the updated SLA to an aspirational target of 100% for 2024/25 onwards and CCP are adjusting contracts and grants and working with providers and employers to meet this going forward.

### **Quality Assurance**

- 4.18 CCP have systems in place to verify the collective impact and quality of services to inform targeting and future development. To ensure quality, CCP audits all funded organisations. All providers input data to the information management information system, Helix, which ensures accountability of public funds and ability to understand where services meet needs and where there are gaps.

## **5. Next Steps**

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- 5.1 There has been steady progress against the objectives and targets set in the SLA and work is ongoing to maintain this and identify areas for improvement.
- 5.2 The impact of the COVID-19 pandemic and Brexit has changed the employment landscape in Edinburgh and, given the context of the current cost of living crisis the full impact is not yet known. Work will continue with CCP, service providers and members of the LEP to ensure a swift and efficient response.

## **6. Financial impact**

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- 6.1 The SLA commits the Council to revenue support per year to cover the core staffing and accommodation cost of the organisation, plus a further contribution to the running costs of the directly delivered projects and partnership support structures.

- 6.2 The financial commitments detailed in the SLA were agreed for 2018/19 and indicative for the remaining years. The SLA and financial contribution of the Council is therefore subject to review annually, as a result of the Council's budget process.
- 6.3 In 2020/21 and onwards, the Council's core funding to CCP was reduced by £150,000 (from £647,000 to £497,000).
- 6.4 Other revenue funding provided is to cover the cost of contracts procured by the Council and passed to CCP to performance manage.
- 6.5 This report is for noting only and no financial implications arise directly from it.

## **7. Equality and Poverty Impact**

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- 7.1 As noted in 3.2, relieving poverty by introducing measures designed to alleviate unemployment and give access to employment is part of CCP's Memorandum and Articles of Association and as such is a fundamental part of all the work that CCP do.
- 7.2 Equality is integral to CCP's work and they have signed up to the Scottish Business Pledge and is a Real Living Wage accredited employer and has also recently acquired Living Hours Accreditation. In addition, they are Disability Confident 'Leader', Digital Participation signatory, accredited SCQF Recruiter and supporters of the Armed Forces Covenant.

## **8. Climate and Nature Emergency Implications**

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- 8.1 As noted in 3.2, advancing environmental protection and improvement and provide public amenities is part of CCP's Memorandum and Articles of Association and as such is a fundamental part of all the work that CCP do.
- 8.2 The importance of green skills is widely recognised, to ensure the success of a just transition to a greener and more sustainable world where all people benefit equally. Green skills include technical knowledge, expertise and abilities that enable the effective use of green technologies and processes in professional settings. They draw on a range of knowledge, values, and attitudes to facilitate environmentally sustainable decision-making at work and in life.
- 8.3 Through the work that CCP do, the Council is not only able to work with individuals to develop the relevant green skills but is also able to engage with businesses to understand what green skills look like in their sector and support businesses in transitioning to net zero.

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

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- 9.1 The requirements within the SLA have been updated to reflect agreed practice associated with Council arms-length companies and new obligations on the Council under recent legislative changes e.g. General Data Protection Regulation (GDPR).
- 9.2 Quarterly meetings are held with the CCP Chief Executive Officer to discuss SLA progress and ensure alignment with work directly undertaken by the Council.
- 9.3 The Board of CCP has three elected members to represent the Council's ownership and a Council officer acts as observer on board meetings. In their meeting on 3 September 2024, the Board agreed to sign off the Accounts for the financial year ending 31 March 2024 (Appendix 3), and these have now been submitted to Companies' House. Previous years' accounts can be found on [Companies House](#).
- 9.4 Partnership working is at the heart of CCP's work, both with Council departments and other partners and, as hosts of the LEP, they bring together partners to share information about their organisations and to discuss future changes and initiatives. This ensures a strategic approach to planning, implementation and delivery, and identifies opportunities for joint working and helps tackle inequality and poverty and improve job outcomes and increase skills.
- 9.5 The LEP in turn oversees the Joined Up for Jobs, Joined Up for Business, Joined Up for Young People, and Joined Up for Families elements, all providing support, training and collaboration opportunities for communities, third sector partners and businesses in the city to work together to help more people into employment, improve skills and reduce poverty through our Strategic Skills Pipeline

## **10. Background reading/external references**

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- 10.1 [Capital City Partnership Service Level Agreement](#) - Housing and Economy Committee on 18 January 2018.
- 10.2 [Joined up for Jobs website](#)

## **11. Appendices**

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- Appendix 1 Extract of Services and KPIs from CEC/CCP SLA 2018/2021, including RAG status
- Appendix 2 Progress Report by Capital City Partnership
- Appendix 3 CCP Accounts

# Appendix 1 – Extract of Services and KPIs from CEC/CCP SLA

## The Services

The Services comprise the following:

### 1 Effective Partnerships, Relationships, and Leverage

- 1.1 The development of the “Joined up for Jobs” (JUFJ) jobs and progression partnership to supports the implementation of the City Vision, Economic Strategy, and the Strategic Skills Pipeline. This includes the provision of a partnership secretariat.
- 1.2 The provision of information, analysis and support to partners to encourage them adapt individual or joint delivery arrangements to better match city need and opportunity.
- 1.3 Working jointly with Economic Development on evidence-led policy, strategic and operational development including pulling together responses to policy consultations where appropriate.
- 1.4 Identify and secure financial or in-kind contributions that add value to the Funders investment or enable financial savings to be realised with minimal loss in impact.

### 2 Performance Management Service

- 2.1 Where required, the negotiation, commissioning, sign off, and adaptation of projects and services on behalf of the Funder. This includes creating consortia, multi-agency funding packages, undertaking due diligence, target setting, and agreeing financial payment arrangements.
- 2.2 Putting in place a performance management service 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
- 2.3 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.
- 2.4 Managing and developing the city’s Employer Engagement Hubs (currently the Airport RC, Fort Kinnaird Recruitment Skills Centre and St. James) to; build 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.

### 3 Quality Assurance and Communications

- 3.1 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.
- 3.2 Providing a cross-cutting client management system (“Caselink” or any successor system) to support effective performance management and improved joint working across services. Working with Economic Development 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).
- 3.3 Developing and implementing, in conjunction with Economic Development, joint communication, marketing, and quality assurance tools including common branding, Funder acknowledgement boilerplates, the JUFJ website, service directory and noticeboard, and JUFJ customer charter schemes.



## Key Performance Indicators (KPIs)

The performance of the Services shall be in accordance with the following KPIs

INDICATOR	TARGET	TIMEFRAME	SOURCE	RAG
<b>KPI 1: Delivering effective operational partnerships &amp; relationship</b>				
a) Stakeholder and client satisfaction with services provided and effectiveness of the partnership.	90% Very satisfied	to be conducted in 2023/24	Internal evaluation across networks  External commissioned evaluations	
b) Facilitate four Job Strategy Groups, 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.  d) Support capacity of Third Sector to leverage match from CEC funds, including identifying opportunities	£2,000,000  £500,000 (10% match target)	Cumulative over 3 years  Cumulative over 3 years	Progress and performance reports  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.	25 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 new VTF with 50% achieving an employment outcome	Annual	Caselink (and new IKS system) 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	4 sessions	Annual	Progress and performance reports	
<b>KPI 2: An effective employability performance management service</b>				
a) Service are well targeted at agreed priority groups	90% 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 90% of agreed volumes delivered	Annual	Progress and performance reports	
c) Client supported into work sustain employment for at least 6 months	60% sustain employment for 6 months or over (where this is a contracted KPI)	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, community benefit)</p> <p>60% of clients supported into work earning living wage 6 months after employment (without subsidy) where this is a KPI.</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	

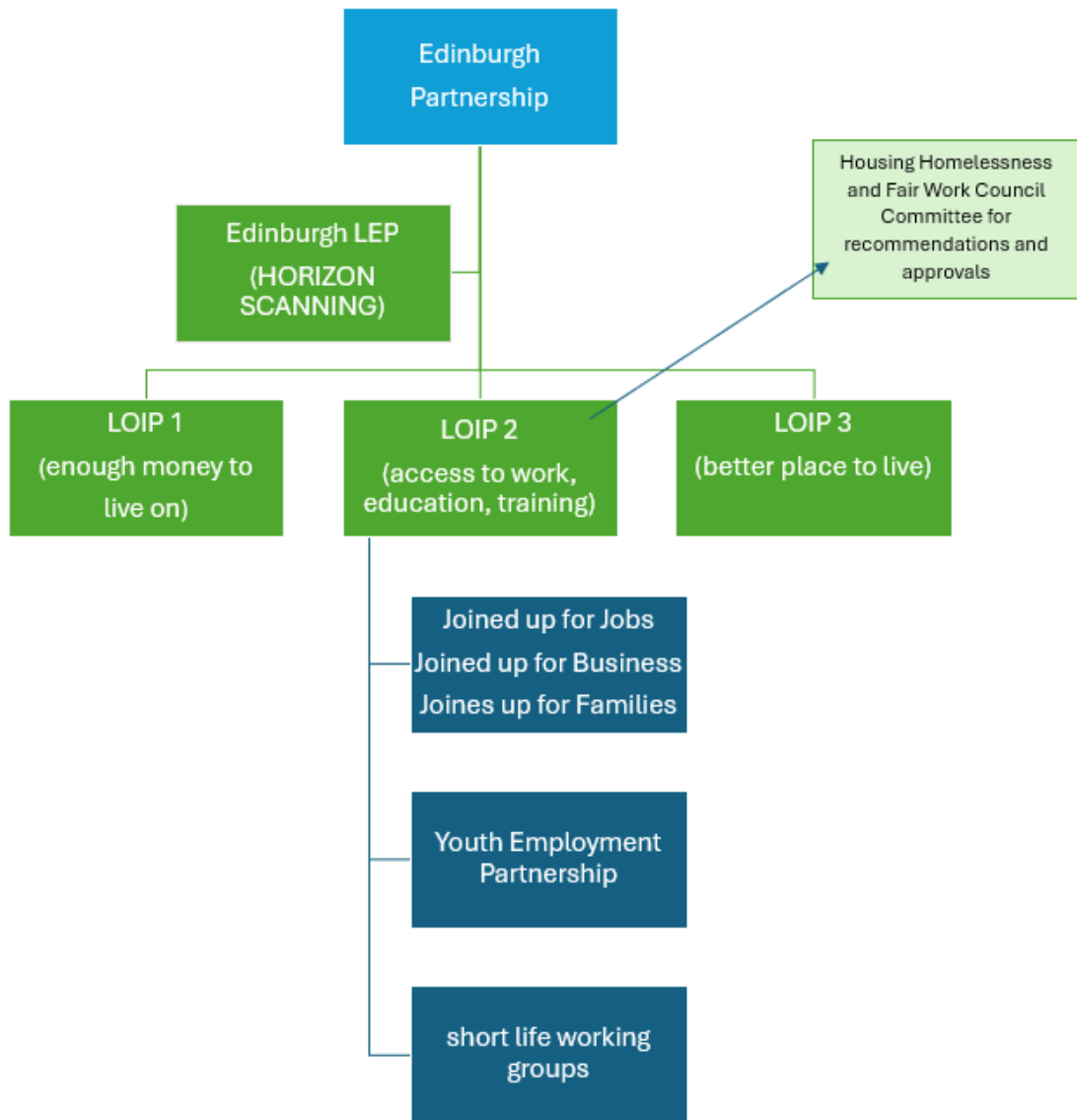
<b>KPI 3: Quality Assurance &amp; Communications</b>				
a) Employer satisfaction with scope and quality of service received and the positive impact made.	90% Very satisfied	Annually	Customer and Stakeholder feedback survey.	
b) High level of data completeness and accuracy maintained on client and other 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 JUFJ 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

## Appendix 2 - Progress Report by Capital City Partnership

### Progress against Capital City Partnership SLA Targets

<b>KPI 1: Delivering effective operational partnerships and relationship</b>
<b>a) <i>Stakeholder satisfaction with services provided and effectiveness of the partnership. Stakeholder feedback survey 90% Very satisfied</i></b>
CCP has completed its annual feedback survey for 2023/24 from stakeholders and funded providers. We can report that 93% reported they were at least very satisfied with over 72% extremely satisfied. Given the often-difficult conversations we must hold, and need to negotiate and issue performance improvement plans, we are pleased that stakeholders and providers have responded so positively.
<b>(b) <i>Facilitate four Job Strategy Groups, four JUFJ forums, and four Joined up for Business meetings per year. Deliver and source training and information products according to needs.</i></b>
CCP successfully co-ordinated the Local Employability Partnership for Edinburgh on behalf of The City of Edinburgh Council, bringing together stakeholders for joint working, collaborations and to align strategically where possible and avoid duplication of effort and resources. The Local Employability Partnership group also represents the Edinburgh Partnership Local Outcome Improvement Plan Priority 2 Access to Work, Learning and Training opportunities which CCP also supports.  The Local Employability Partnership met quarterly, with membership comprising of Skills Development Scotland, Department of Work and Pensions, NHS Lothian, Edinburgh College, Edinburgh Universities, Chamber of Commerce, The City of Edinburgh Council, EVOC (Third Sector Interface), and representation from the Joined up for Jobs third sector provider network forum.  CCP commissioned Rocket Science from external funds on behalf of the Local Employability Partnership to undertake a deeper analysis of the employability landscape and cross reference with the wider infrastructure membership provision to make recommendations to improve service offers and align efforts. These are now being implemented and include a new a refreshed governance structure, better alignment with the Edinburgh Partnership, and updated membership. Below is the new structure which is now being implemented.



There are permanent sub-groups under the Local Employability Partnership which are outlined below, namely Joined up for Jobs, Joined up for Business, and Joined up for Families. We also have specific area focus and responses such as the Youth Employment Partnership, Edinburgh Advice Networks and an Ethnicity and Employment Roundtable.

- **Joined Up for Jobs (JUFJ)** brings together the commissioned frontline service providers for a cohesive programme including running quarterly provider forums, a weekly bulletin, insight reports, latest news and strategic development and funding opportunities; a monthly bulletin on unemployment figures and analysis; and production of the website as a resource for all frontline workers. We co-ordinated a quarterly forum with over 233 attending from over 62 different providers.

Guest speakers invited included the City of Edinburgh Council, Edinburgh Voluntary Organisations Council, Scottish Government, Edinburgh University, the Data Skills Gateway, Skills Development Scotland, The Skills Network and BECTU Vision, as well as funded providers and CCP providing updates on Green Skills and recommissioning of services.

- **Joined Up for Business** is a partnership approach to employer facing activity to support business to meet skills and employment demands and to encourage and facilitate employment of our client group within Joined up for Jobs. We coordinated 12 Community Job fairs across the year which included seven Health and Social Care focused events and five Community Job Fairs across the city's four localities, attracting 1250 attendees. We co-ordinated four business meetings, including a Webinar on the theme of 'Unleashing Potential: The Untapped Workforce', centring on encouraging employers to ensure recruitment practices were inclusive and accessible for priority groups. We also chaired an Employer Roundtable in partnership with the Chamber of Commerce, 'Navigating the Edinburgh Labour Market: Recruitment and Skills'. The team were shortlisted in the Edinburgh Chamber of Commerce Business Awards in the *Inspiring Partnership* category for the New Futures pilot in partnership with the Learning and Work Institute (L&W), which supported individuals impacted by Covid to access training and employment.
- **Joined up for Families** This is an area that brings together council funded provision and other partners for a cohesive approach. This area reports into the Local Child Poverty Action Plan and has embedded recommendations from the Edinburgh Poverty Commission. CCP has supported the City of Edinburgh Council with strategic commissioning of a new grants programme for 2023/24, utilising Best Start Bright Futures: tackling child poverty delivery plan funding from Scottish Government. CCP continued to develop the minority-ethnic focused Whole Family Equality project in response to the Edinburgh Partnership call for a new approach, securing £300,000 from The Robertson Trust and additional funding from the National Lottery Young Start for an offer to 120 black and minority ethnic families.
- **Joined up for Young People** CCP co-ordinates the Youth Employability Partnership, bringing stakeholders and providers together to ensure there is enough positive destination provision across the city and capturing this in the Youth Employability Action Plan shared with the Government. Four of these meetings took place this year.

- **Edinburgh Advice Network** This is a new area under the Edinburgh Partnership as a response to a review of Welfare and Debt Advice Services with the aim to bring services together for a more unified and single-entry point, building on our established No Wrong Door Approach.

**c) External leverage (cash and in-kind) secured by the Recipient to add value to the Funders Investment or help deliver on savings targets. Target £2,000,000 Annual Cumulative over 3 years.**

CCP continues to attract significant additional funding through a range of funding bodies and opportunities, exceeding the target substantially. We are projecting a leverage of £7,068,536 over a three-year period. Average per annum leverage is currently standing at £2,356,179 against a target of £2,000,000. We continue to work to diversify the funding sources, accessing funds and support from both private and public sectors. Most of the funding goes to additional frontline services with a minimum (under 8%) for overheads. Funds from this other funding profile supplement the core Service Level Agreement activity costs, bringing additional staff and resources and saving efficiencies to the council.

**d) Support capacity of Third Sector to leverage match from CEC funds, including identifying opportunities**

We have supported grant funded external third-party projects to capacity build and use The City of Edinburgh Council investment as match funding. We can report an extra investment by third parties of £690,629 has been secured.

**e) Engagement with employers across Edinburgh to support with recruitment, training, and funding opportunities to enable business growth.**

As part of our Joined up for Business offer, CCP co-ordinates three Skill Centres which are clustered around large scale employment opportunities: Fort Kinnaird Recruitment Skills Centre is funded solely by private investment secured by CCP from British Land and supported by the Integrated Employer Engagement team under the City Region Deal; FUSE as part of the GAM agreement for St James Quarter; and the most recent addition, the MacMillan Skills Hub based in Muirhouse, funded through the UK Shared Prosperity Fund (UKSPF), to respond to opportunities within the Waterfront Development and as an early support in North Edinburgh to the emerging Green Freeport Leith offer. MacMillan Skills Hub has successfully bedded into the new area, with over 200 local individuals registered for support, forging strong relationships with local organisations alongside creation of a new

website to promote the offer to clients, employers and partners. Wider employer engagement supported organisations including the NHS, Lothian Buses, Royal Mail and Signature Pubs and provided intensive support to the Edinburgh Health & Social Care Partnership (EHSCP) in their entry-level recruitment. Employability focused Community Benefits were another key area of support and included construction contractors such as CCG, Cruden Homes, Robertsons and McAleer and Rushe.

**f) Linking Vocational Training Framework opportunities to priority groups and making recruitment more accessible.**

Under employer engagement, we have the Vocational Training Framework to offer accredited qualification-based training shaped by recruiting employers with guaranteed interviews for those who complete the short courses. The framework holds 12 third sector delivery partners within nine areas of sector provision which are Hospitality, Health and Social Care, Early Learning and Childcare, Warehouse, Manufacturing and Logistics, Construction, Digital and Creative, Business and Finance, Retail and a Miscellaneous lot which allows for flexibility and adaptation to employer requirements and market changes.

In 2023/24, 258 completed training with 129 (50%) moving into employment with a variety of employers, from national brands such as NatWest, Bank of Scotland, Diligenta, NHS and Boots to local organisations such as Edinburgh Health and Social Care Partnership, SMILE Childcare, OSCARS, Edinburgh Airport and Zest Energy.

A new website has been created and the VTF has also rolled out a new Green Skills course to respond to the increase in green jobs and associated skills as part of the Just Transition and embedding the sustainability message by incorporating a Green Skills module for all courses regardless of sector. There were also academies for prioritised groups, including economically inactive, who were provided with more intensive support to complete a Transferable Skills Academy course with employability support and guaranteed interviews with employers such as Leonard Cheshire and the Red Cross

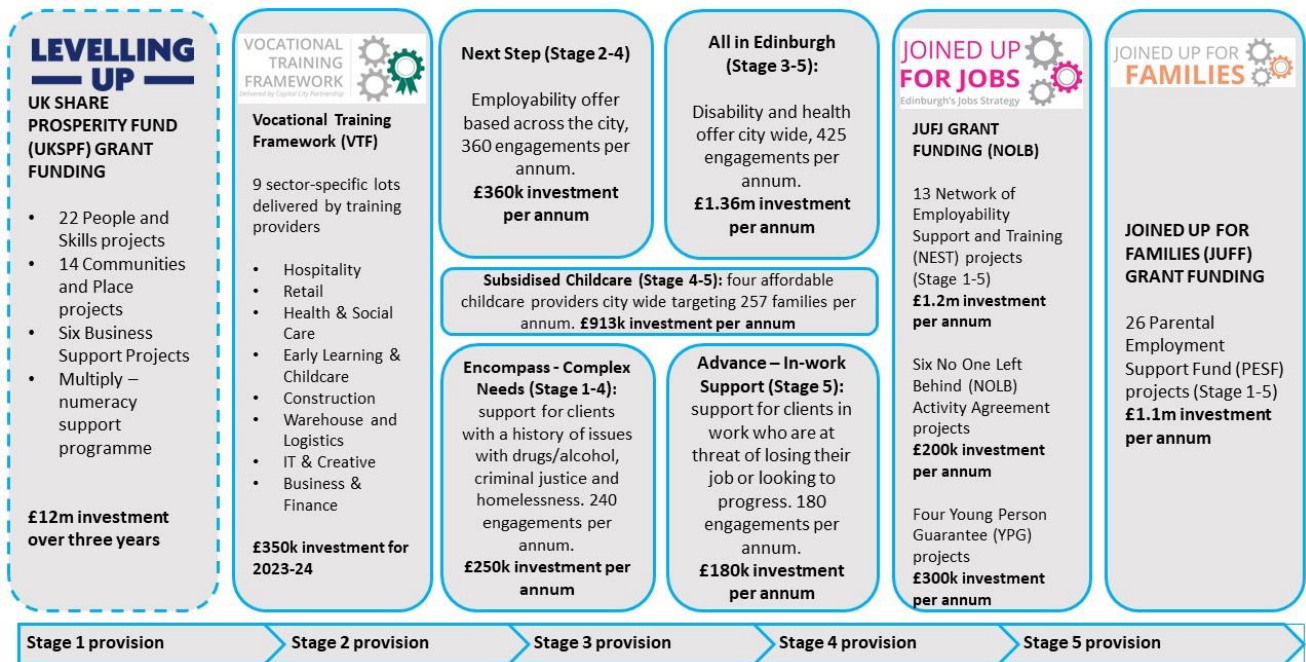


## KPI 2: An effective employability performance management service

### a) Services are well targeted at agreed priority groups.

Capital City Partnership performance manages nine contracts and 49 grants (detailed below) on behalf of the Council for a managed investment portfolio of £5,300,000. Contract management includes attending regular steering group meetings chaired by providers and chairing four quarterly contract management meetings per year, while hosting annual performance meetings for grant providers, along with regular ad-hoc meetings and co-ordinating meetings for providers under the same funding stream. Providers submit quarterly narrative reports and financial claims. Each organisation undergoes a stringent compliance audit, with follow up action if any concerns are raised or underperformance is an issue. CCP also manage grants under the UK Shared Prosperity Fund, which is allocated by UK Government as part of the Levelling Up agenda. This sees CCP managing an additional £12m of funding across the three years of UK Share Prosperity Fund.

#### CAPITAL CITY PARTNERSHIP – CONTRACTS AND GRANTS OVERVIEW 2023-24



- **Blended Employability Service: Targeted Employability Service (Next Step):** A city-wide integrated employability service operating from all localities and community outreach bases. Focus on short-term unemployed clients.
- **Blended Employability Service: Supported Employment Service (All in Edinburgh):** A pan-disability service open to all job-seeking disabled people or those with long term health conditions seeking employment support.

- **Blended Employability Service: Complex Needs Employability Service (EnCompass):** Advice and support to those typically in recovery from or living with issues which create barriers to employment, including people who have experience with substance misuse; homelessness; or offending.
- **Blended Employability Service: In-work Employment Support Service (Advance):** An in-work employment support service for people who are either experiencing in-work poverty; at risk of losing their job; or a career change.
- **Subsidised Childcare for Working Parents (delivered by Kidzcare, North Edinburgh Childcare, Smile Childcare and Childcare Connections):** Subsidised places are available for families who have income below 75% of the Scottish Median Income level at the four childcare providers. This is currently under review.
- **Network of Employability Support and Training (NEST):** Grant funded projects focusing on reducing poverty and increasing access to employment.
- **No-one Left Behind (NOLB) Activity Agreements:** Youth-focussed delivery in six locality hubs for young people on their employment journey.
- **Parental Employment Support Fund (PESF):** Employability and family support for parents from priority groups in and out of work, helping to tackle in-work poverty.
- **Young Person Guarantee (YPG) Funds:** Support to young people to access training, further education, employment, and volunteering. Focus on young people with barriers and protected characteristics in Scottish Index of Multiple Deprivation areas 1 and 2.
- **Vocational Training Framework (VTF):** Contract consisting of nine sector-specific lots, focusing on vocational training linked to guaranteed interviews.

We track all client details on the Helix client management system which has enabled better co-ordination of services for clients who often require a triage of support to move out of poverty and into sustainable employment. 42,000 Edinburgh residents are registered on the Helix system with an average of 5,500 actively engaged with a funded service at any one point. Helix is used to record clients' 'barriers to work' and collect evidence that we are focusing on the prioritised groups identified in all contracts and grants. A committee paper was produced for the Housing, Homelessness and Fair Work committee in May 2023 to explain the process, including a breakdown of all characteristics and inequalities.

From our data analysis for 2023/24, we know that 98% of clients had at least one barrier whilst 86.5% of the clients supported had three or more barriers to finding employment. Continual analysis of this data allows CCP to flex provision to ensure that it meets the needs of citizens as circumstances change or economic impacts emerge. CCP on behalf of the Local Employability Partnership used external funds to be a funding partner in the refreshed Edinburgh Partnership Survey to give wider insights into Edinburgh employability services, engaging with over 4000 Edinburgh citizens, to help inform and structure services and ensure they were fit for purpose.

Below is a map of all services by client group offers.



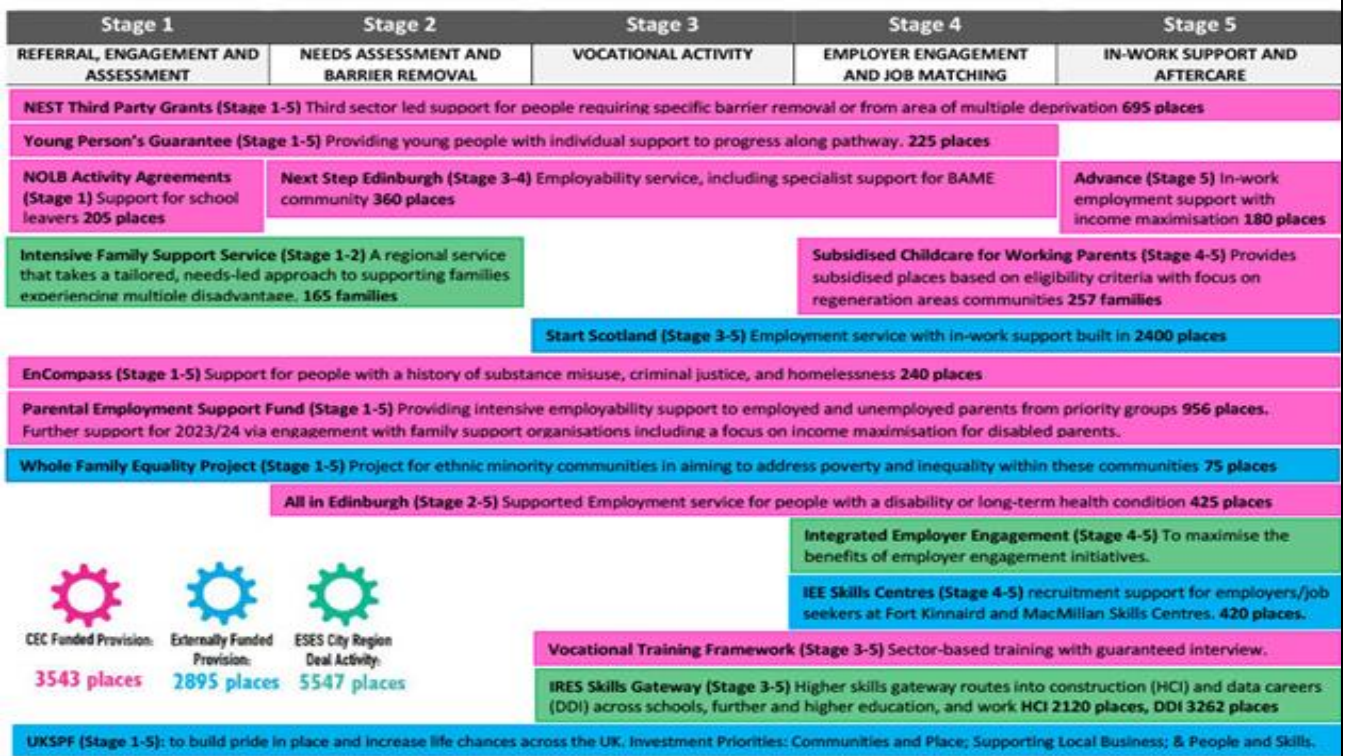
In 2023-24, 51% of clients were female, 47% male and others either preferred to self-describe or not to disclose. Young people under 25 made up 29% of the cohort, and 20% were over 50 years of age. 27% of participants had a disability or health condition that limited their ability to work. 23% of clients were from Black, Asian or minority ethnic communities. Providers routinely ask people about their barriers to employment and why they have sought help. 30% said their mental health was an issue, 21% had limited or no work experience to draw on and 18% said they did not have the skills required for their chosen career.

**b) Cumulative engagement, progression and outcome targets are achieved.**

Commissioning of third-party services are focused mainly on use of the Scottish Government No One Left Behind and Child Poverty funding across a 5 stage Strategic Skills Pipeline (below). Funds come with certain restrictions and client group priorities with a focus on the hardest to help groups. This has resulted in a commissioning portfolio that is more weighted to the early stages of the pipeline with higher barrier removal.

Below shows the full services with council funded provision in pink. At this moment, most of the Scottish Government funding around Stage Four and Stage Five sits with other providers in the Local Employability Partnership under Fair Start Scotland, which ends in 2024.

**Edinburgh Strategic Skills Pipeline Provision 2022-2025**





New engagements for 2023-24 reached 101% of target, with 3,083 new engagements achieved and 4,857 individuals received support to progress across the pipeline. This provides a total of 3,283 outcomes against a target of 3,579 for all funded provision, which is **92% of target, above the overall target of 90%**.

#### Contracted Providers

Service	Pipeline Stage and Type of Provision and Client Group	Funding	Outcomes Targets	Outcome Achieved	% Achieve
Next Step	Stage 3-4 clients in areas of deprivation short term unemployed.	£360,000.00	330	232	70%
All in Edinburgh	Stage 2-5 clients with a disability or long-term health condition.	£1,360,000.00	176	163	93%
Encompass	Stage 2-5 clients with addiction, homelessness and criminal justice	£250,000.00	100	105	105%
Advance	Stage 5 clients with in-work poverty; risk of losing job; career change	£179,034.00	150	184	123%
Childcare Hubs	Stage 5 support for low-income families needing affordable childcare.	£872,572.00	283	205	72%

#### Grant-funded Providers

Service	Pipeline Stage and Type of Provision and Client Group	Funding	Outcomes Targets	Outcome Achieved	% Achieve
NEST Grants	Stage 1-5 targeting clients requiring specific barrier removal or from area of multiple deprivation	£901,152.78	983	893	91%
NOLB AA	Stage 1 targeting young people leaving school not moving into employment, education or training.	£200,000.00	266	163	61%
NOLB PESF	Stage 1-5 providing employability support to employed/unemployed parents from priority groups.	£442,250.00	863	770	89%
NOLB YPG	Stage 1-5 providing young people with individual support to increase progression to positive destination.	£1,065,418.13	299	208	70%
Vocational Training Framework	Stage 3-5 employability and sector-based vocational training linked to guaranteed interviews.	£250,000.00	129	129	100%

The outcomes breakdown as 582 jobs, 356 in work progressions, 238 progressions to education and 2,107 other progressions (outcomes in training, volunteering, work placements etc). Significant challenges remain, including the housing emergency in Edinburgh making it difficult for those in unstable or temporary accommodation to progress into employment due to the impact it has on affordability of private tenancy with a lack of

housing benefit. Providers with underperformance with funding in 2023-24 will be put through performance improvement procedures. We are finding that engagement figures are high, and that people are spending more time with providers, due to the complexity of their barriers and other structural issues they face. To help this address this, we have started a rolling programme of community job fairs using the 20-minute neighbourhood to bring quality employers closer to local jobseekers and invited money and advice agencies to be present to counteract any concerns.

We have also worked closely with advice services for additional income calculations and support, working to develop the Edinburgh Advice Network offer with links to employability.

**c) *Client supported into work sustain employment for at least six months.***

Helix shows that 74% of contracted jobs recorded in 2023/24 were sustained at six months, more than the target of 60% sustainment. This target has been changed by the Housing Homeless and Fair Work committee to an aspirational target of 100% for 2024/25.

**d) *Providers have insight into local labour market information (LMI), and sectoral intelligence.***

We produce monthly insight data on NOMIS and unemployment rates and economic activity which also breaks down trends and demographics by wards and demographic profile. We also produce more detailed insights to inform strategic direction, including reports on ethnic minority engagement as part of the Edinburgh Partnership.

**e) *Providers adhere to the principles of Fair Work***

To date we have achieved a rate of 82% of contracted job outcomes secured paying the Real Living Wage for the financial year against a target of 60%. This target has been changed by the Housing Homeless and Fair Work committee to an aspirational target of 100% for 2024/25 onwards and we are adjusting contracts and grants and working with providers and employers to meet this going forward.

We have worked with the Local Employability Partnership under the Edinburgh Partnership remit to support the Edinburgh Living Wage City Action with a target of 100 new employer accreditations per annum with 500 by 2026 and 39,500 new living wage employees by 2026. Mid-point figures are 703 accredited employers, and 202,000 workers, exceeding target. CCP has used external funds to sponsor of an award at the Living Wage Foundation to use every avenue to increase the profile and benefits of paying the living wage.

<p>CCP surveyed all Joined Up for Jobs providers on Fair Work, with 80% of organisations showing they are Living Wage accredited, with 93% paying the Living Wage. 100% of organisations provide channels for staff to have an effective voice in the workplace.</p>
<p><b>f) <i>Projects and services comply with the associated terms, conditions, rules, and regulations.</i></b></p>
<p>All contracted providers and grant holders are audited for compliance (see KPI3b, below) regularly and CCP also logs information regarding, insurance, OSCR status, disclosure and safeguarding of all providers.</p> <p>Every user of the Management Information system (Helix) is required to register with the data commissioner. CCP underwent a rigorous GDPR compliance procedure with The City of Edinburgh Council as part of the maintenance of Helix and every organisation who uses Helix has signed an Information Sharing Agreement.</p> <p>CCP also produces monthly data intelligence reports on employability and poverty which is disseminated to the Local Employability Partnership and wider stakeholders to keep parties up to date with latest trends and developments. Spot focus reports are also produced for strategic consideration of approach.</p>
<p><b>KPI 3: Quality Assurance &amp; Communications</b></p>
<p><b>a) <i>Employer satisfaction with scope and quality of service received and the positive impact made.</i></b></p>
<p>Employer feedback showed 92% of respondents were highly satisfied with the service received, employers commenting that, <i>“They have listened ... about common themes or points of interest to include in training and have incorporated this into the program[me] for all candidates”</i> and a comment on one of our community job fairs stated it was, <i>“well run and organised compared to other events we have attended.”</i></p>
<p><b>b) <i>High level of data completeness and accuracy maintained on client and other project records.</i></b></p>
<p>CCP monitors all grants and contracts quarterly through our reporting systems. We ensure that reported figures match data on our management information system, Helix.</p> <p>In addition, each funded organisation receives an annual compliance and audit visit. This is to ensure that providers hold evidence of client support and outcomes.</p> <p>Our contract management and compliance function audit the following:</p> <ul style="list-style-type: none"> <li>• Correctly recording and retaining data</li> </ul>

- Maintaining correct legal documentation to satisfy GDPR
- Securely retaining data
- Updating and accurately reporting data
- Retaining adequate and appropriate evidence in support of declared outcomes
- Recording accurate and appropriate information to support the level of service provision reported to CCP

A mandatory awareness raising/training session is delivered annually to address common issues which were highlighted during the audit process. This is supplemented by individual support for contract and grant holders as necessary.

***c) Employability and contracts and grants holders are awarded the Joined up for Jobs Customer Charter within 6 months of programme start***

CCP has a Charter Award to verify service standards. The Charter promotes best practice for partnership working and integration across the network, developing the joined-up approach that ensures that barriers to employment are tackled collaboratively and employment opportunities for all are increased. A new refreshed Customer Charter for 2023-24 was rolled out, with all Joined Up for Jobs providers supported to achieve charter status last year. CCP aims to widen out charter status all contract and grant holders in the first six months of the contracts, to embed good practice and service standards. CCP follows the Scottish Government's [Approach to Service Design](#), ensuring services are client-led, holistic and co-designed by the people that use them. Ongoing projects are required to develop feedback with clients in accordance with our Joined up for Jobs Customer Charter. Recent audits demonstrated very high satisfaction with services.

***d) Support and maintain JUFJ website and directory. Deliver consistent communication and marketing to network providers.***

CCP produces and maintains the Joined up for Jobs website, with a live noticeboard, and complete directory of over 100 organisations. This is maintained so all information is current. This is currently undergoing a review and update to rebrand it under the Edinburgh Local Employability Partnership. We also produce a weekly bulletin linked back to the website, with 561 active subscribers. CCP continues to use and develop the 'Joined up for' branding suite, using colour schemes and cog logos for distinctive areas and to ensure clear communication within the professional sector we co-ordinate



**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

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**THE CAPITAL CITY PARTNERSHIP LIMITED**

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2024**

<b>Directors</b>	Donald Urquhart Bridget Ashrowan Jane Meagher Jack Caldwell Simita Kumar
<b>Company registered number</b>	SC193404
<b>Charity registered number</b>	SC031026
<b>Registered office</b>	Foxglove Offices 14 Links Place Edinburgh EH6 7EZ
<b>Company secretary</b>	Rona Hunter
<b>Independent auditors</b>	Sumer Auditco Limited Chartered Accountants Pentland House Saltire Centre Glenrothes Fife KY6 2AH
<b>Bankers</b>	The Bank of Scotland 52 Shandwick Place Edinburgh EH2 4SB
<b>Solicitors</b>	Burness Paul Solicitors 50 Lothian Road Edinburgh EH3 9WJ

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024**

The Directors have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2024.

#### **STATUS**

The company is an arm's length organization (ALEO) of the City of Edinburgh Council, a charitable company limited by guarantee incorporated on 5 February 1999 and recognized as a charity by the Inland Revenue on 1st April 2000.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

#### **PRINCIPLE ACTIVITIES**

The Capital City Partnership (CCP), since its formation, has promoted community regeneration by using a robust evidence base to report on and add value to local programmes and mainstream services aimed at tackling aspects of exclusion, disadvantage and poverty. It continues to bring together key statutory, voluntary, community and private sector organizations to promote change and joint working in order to address poverty. Drawing on the expertise of the staff team and its partners, CCP identifies and addresses the barriers to social inclusion by promoting a collaborative approach to tackling poverty.

The Partnership supports the Joined Up For Jobs, Joined Up for Business and Joined Up for Families strategies. It also supports specific elements of the Edinburgh and Southeast Scotland City Region Deal, UK shared Prosperity and Regional Prosperity programmes. Resources are focused on a range of activities including procurement and performance management of employment support services to supplement the statutory services delivered by its member agencies.

The status of the company as an arm's length organization (ALEO) of the City of Edinburgh Council is deemed to be the most appropriate means of providing an efficient delivery mechanism for employability services in a financially challenging economic situation. This mechanism is supported by a service level agreement between the City of Edinburgh Council and Capital City Partnership and secures funding levels on an annual basis. The SLA provides guidance on the respective roles and responsibilities of the two organizations and a robust collaborative approach to service delivery across key areas.

Under the Service Level Agreement, Capital City Partnership's focus is on provision of contract, performance, audit and compliance management functions for services funded within the city's Integrated Employability Service. It also provides development / administrative support to the city's Jobs Strategy including a web-based MIS, websites, directories and online forums.

The company also manages the Intensive Family Service, Integrated Knowledge Systems and Integrated Employer Engagement activities for six local authority regions under the Edinburgh and Southeast Scotland City Region Deal which runs until 2026.

#### **ORGANISATION STRUCTURE**

The Capital City Partnership is governed by a Memorandum and Articles of Association which stipulates the statutory and non statutory organizations which form the partnership and from which the Board of Directors is appointed. Members of the Board of Directors, who are Directors for the purposes of company law and trustees for the purposes of charity law, who served during the period up to the date of this report are listed on page 1. The Directors are elected at the AGM to serve at least until the next AGM.

The Board of Directors maintains its ability to gather opinion and expertise from a wide range of organizations, thus influencing policy and improving the steering role of the Board of Directors.

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

Board meetings are scheduled on a quarterly basis however the Chair can convene extraordinary meetings of the Board in addition to scheduled meetings if circumstances require urgent action. The Board is responsible for all strategic decisions. The Chief Officer has delegated authority from the Board to manage the organization on a day to day basis, to make funding decisions in relation to core operational matters and to recommend strategic decisions for discussion / homologation by the Board. The Chief Executive and staff hold fortnightly team meetings at which projects and activities are discussed and progress reviewed.

#### **ACHIEVEMENTS AND PERFORMANCE**

Over the course of the year, the company contract managed and performance monitored approximately 100 projects, 56 of which fall under the auspices of the CEC Employability Programme. The company also maintained common infrastructure including the web-based MIS and Joined Up For Jobs website / directories.

The key areas of focus in 2023-24 (as reported to the city council under our SLA reporting requirements) were;

- To monitor and report performance of the employability services contracts as specified under the SLA with the City of Edinburgh Council
- To facilitate the Job Strategy and Joined Up for Business Groups.
- To lead on and develop three workstreams of the Edinburgh and South East Scotland City Regional Deal Employability and Skills sector.
- To maintain a focus (in respect of services managed) on the city's most disadvantaged residents and communities while acknowledging that the economic situation was impacting across the wider population.
- To strive to impact upon the reduction of in work poverty
- To promote recruitment skills models in Fort Kinnaird, city centre and through a vocational training framework model

The company is a core stakeholder in the Employability Skills (IRES) element of the Edinburgh and Southeast Scotland City Regional Deal, with lead responsibility for the Integrated Knowledge Systems (IKS) and delivery of the Integrated Employer Engagement (IEE) and Intensive Family Support (IFS) services. The IKS team continues to develop the Helix Management Information System and continues to schedule on boarding of the six regional authorities along with an extended reach to other employability organisations. A funding model to develop and maintain the system is now in place. The IEE team managed another successful employer fund grants programme with Business Gateway, promoted the online Community Benefits portal, lead a successful sectoral awareness campaign for Green Economy jobs and expanded a Regional Accreditation Partnership, growing employer lead satellite training offers. The IFS team continued to contract manage services in the six LA regions.

The Whole Family Equality project continued to support efficacy and to empower minority ethnic communities in a respectful and collaborative approach with a range of agencies to deliver meaningful strategic change including continued collaboration with the Citizens Panel.

#### **Cost of Delivery**

Core expenditure for the company is primarily staff and office related however efforts were made to ensure that core costs remain low in proportion to overall expenditure. Net staff and operational costs account for 5% of overall expenditure.

#### **FUTURE PLANS**

The focus is upon continuing to monitor and support existing activity streams while securing additional funding and identifying emerging themes. The challenge continues to be the economic situation in terms of lower job security and increased poverty however CCP has demonstrated adaptability by seeking new, innovative and responsive approaches wherever possible and continuing to provide added value to the employability landscape with significant projected leverage annually against SLA target.

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

The company will continue to fulfill the requirements of the Service Level Agreement with CEC including additional contract management responsibility for UK Shared Prosperity Fund of circa £3 million per annum, Parental Employment Support, Vocational Training Framework and Young Persons Guarantee activity including operational elements and grant management. The company will continue to manage the Integrated Regional Employability Skills elements of the Edinburgh and Southeast Scotland City Regional Deal, forging strong partnerships with employability and employer engagement teams across the partner agencies and tackling poverty holistically through family focused support. The company is also managing a series of pilot projects for the six local authorities under the Regional Prosperity Framework.

Key national and local authority data will inform the direction of travel for CCP in the coming year.

#### **GRANT MAKING POLICY**

Capital City Partnership works with a range of funders and grant making policy is driven by specific funder requirements combined with statutory financial and regulatory rules but is founded upon a programme of funding which is outcome based and employability focused.

Grants are made to organisations for specific activities which meet the requirements set out in the funding guidance documents. Funding panels comprising representatives of each funding partner will score funding applications to strict criteria and award funds based both on aggregate score and funding limitations. Contracts drawn up with the successful organisations stipulate funding criteria, reporting format / timeframe, payment schedule and actions required throughout the year.

Progress is monitored by CCP and reported to the Board of Directors through performance management reports.

#### **RISK MANAGEMENT**

Systems and procedures have been reviewed and strengthened and risk assessments / mitigating actions have been developed to support staff since the shift to remote working. The company maintains an office base in Leith and satellite office in Fort Kinnaird while encouraging flexible and hybrid working patterns for staff to promote healthy work / life balance, good staff morale, high productivity and relatively low operating costs.

Financial controls were critically examined this year because the organization suffered a financial loss due to cybercrime. This was reported to the company's bank, the police the Board of Directors and the funding authority. Since the event in November 2023 further scrutiny is being undertaken for all payees including two person verifications to ensure all transactions are legitimate, authorised and documented. Investment in IT is integral to all projects in order to bolster the remote working capacity of the organization including improved cloud back up and anti-virus. The staff handbook and company policies have been comprehensively reviewed and updated to be compliant with current employment law / GDPR requirements. A risk register is reviewed regularly by the management team and the ESESCRD activities require mandatory monthly / quarterly risk reports.

#### **RESERVES POLICY**

Due to the requirements in respect of reporting on pension provision and the fluctuation of pension investments / returns it is difficult to identify with confidence the absolute level of reserves which the company is required to maintain in respect of pension liabilities. However, steps have been taken to make best use of any reserves available, to mitigate risk and to secure a diverse range of funding.

The Unrestricted General Fund represents the unrestricted funds arising from past operating results. It also represents the free reserves of the charity. The directors are satisfied that the fund, amounting to £717,437 (2023 £708,937) approximates to the equivalent of 13 months operating expenditure. The Board aims to have a free reserve target of up to 12 months, which at current operating levels equates to £682,261.

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

The Designated Fund was created by the Directors to cover costs in relation to company review and restructure over the next three years, in preparation for various programmes ending and new themes emerging. The Designated fund was set at £200,000 of which, £34,344 expenditure was incurred in Financial year 2023-24 and the balance is £165,656 however further expenditure is anticipated against the Designated Fund in financial years 2024-25 and 2025-26.

The Restricted Funds represent those activities which have included support from external funding sources whose criteria limits the use of the funds or stipulates specific reporting requirements. CCP aims to support activities using any appropriate funds made available for the purpose and in doing so, the organization takes care to scrutinize funding agreements and adhere to any specific requirements therein. The Directors are aware of the need for transparency and accountability; therefore all restricted funds are accounted for using dedicated cost centres and reports are provided to funders as per contractual agreements.

### **FINANCIAL REVIEW**

The Board of Directors regularly receives financial reports and exercises prudence when necessary. The annual budget is set at the first board meeting of the year alongside budget outturn for the preceding year. Routine updates are provided to directors in year with attention drawn to variations on budget. A report detailing performance of contracted services is also provided to the Board of Directors at each meeting along with a summary of contracted services values, leverage secured and current live funding bids. The reserves position is reviewed regularly to ensure an adequate but not excessive reserve is maintained for operational activities and other liabilities. Financial operations in general have been within the anticipated level. Given the fluctuating position year on year in respect of Lothian Pension Fund (LPF) liabilities and the continuing reductions in core income from the SLA, the company is focused on reducing overheads and maximizing / diversifying income. Biannual structural reviews are undertaken, financial forecasts are reviewed quarterly.

Income for 2024 was £11,763,710 against prior year £8,507,681. The increase of £3,256,029 is due to additional funding streams being secured and an expansion of the CEC service level agreement to incorporate new and additional funding for dispersal by CCP. Expenditure in 2024 was £11,403,313 against prior year £8,366,338 which represents an increase of £3,036,975 and reflects higher level of funding dispersal under CEC SLA arrangement plus increased project activity and higher associated staffing levels.

### **GOING CONCERN**

The Directors have prepared the financial statement on a going concern basis as a review of the budget for the 2024/25 period indicates that reserves are adequate to meet the needs of the organization for the foreseeable future. In making this assessment the Board have considered the 12 months period beyond sign off and in doing so are aware that the Service Level Agreement in place with the City of Edinburgh Council has been approved for a three year period to March 2027 with detailed funding allocation agreed annually. The Board are confident that adequate levels of funding will be received and in light of holding net current assets on 31 March 2024 of £2,694,526 which are mainly represented in cash they support the going concern basis of preparation for a period of 12 months from date of approval of these financial statements.

### **MEMBERS**

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees on 31 March 2024 was 5.

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

#### **DIRECTORS RESPONSIBILITIES**

The Directors are responsible for preparing the Directors report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.



**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**AUDITORS**

The auditors, Sumer Auditco Limited, have indicated their willingness to continue in office. The designated Directors will propose a motion reappointing the auditors at a meeting of the Directors.

Approved by order of the members of the board of Directors on 3 September 2024 and signed on their behalf by:

**Jane Meagher**  
Director

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED**

#### **Opinion**

We have audited the financial statements of The Capital City Partnership Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED (CONTINUED)**

#### **Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **THE CAPITAL CITY PARTNERSHIP LIMITED**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED (CONTINUED)**

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities and Trustee Investment (Scotland) Act 2005 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**THE CAPITAL CITY PARTNERSHIP LIMITED**

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAPITAL CITY PARTNERSHIP LIMITED (CONTINUED)**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Directors those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.

**Greg Stapley (Senior statutory auditor)**

for and on behalf of

**Sumer Auditco Limited**

Chartered Accountants

Statutory Auditors

Pentland House

Saltire Centre

Glenrothes

Fife

KY6 2AH

3 September 2024

Sumer Auditco Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2024**

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>As restated</i> <i>Total</i> <i>funds</i> 2023 £
<b>Income from:</b>					
Donations and legacies	4	647,212	10,970,558	11,617,770	8,502,870
Investments	5	145,940	-	145,940	4,811
<b>Total income</b>		<u>793,152</u>	<u>10,970,558</u>	<u>11,763,710</u>	<u>8,507,681</u>
<b>Expenditure on:</b>					
Charitable activities	6	719,996	10,683,317	11,403,313	8,366,338
<b>Total expenditure</b>		<u>719,996</u>	<u>10,683,317</u>	<u>11,403,313</u>	<u>8,366,338</u>
<b>Net movement in funds before other recognised gains/(losses)</b>		73,156	287,241	360,397	141,343
<b>Other recognised gains/(losses):</b>					
Actuarial gains on defined benefit pension schemes	20	184,000	-	184,000	2,236,000
Pension surplus not recognised	20	(283,000)	-	(283,000)	(2,063,000)
<b>Net movement in funds</b>		<u>(25,844)</u>	<u>287,241</u>	<u>261,397</u>	<u>314,343</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		908,937	1,539,652	2,448,589	2,134,246
Net movement in funds		(25,844)	287,241	261,397	314,343
<b>Total funds carried forward</b>		<u>883,093</u>	<u>1,826,893</u>	<u>2,709,986</u>	<u>2,448,589</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 38 form part of these financial statements.

**THE CAPITAL CITY PARTNERSHIP LIMITED**

(A company limited by guarantee)  
REGISTERED NUMBER: SC193404

**BALANCE SHEET  
AS AT 31 MARCH 2024**

		<b>2024</b>	<i>As restated</i>
		<b>£</b>	<i>2023</i>
			<b>£</b>
<b>Fixed assets</b>			
Tangible assets	12	<b>15,460</b>	17,324
		<hr/>	<hr/>
		<b>15,460</b>	17,324
<b>Current assets</b>			
Debtors	13	<b>575,368</b>	1,311,799
Cash at bank and in hand		<b>2,771,806</b>	2,296,724
		<hr/>	<hr/>
		<b>3,347,174</b>	3,608,523
Creditors: amounts falling due within one year	14	<b>(652,648)</b>	(1,177,258)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>2,694,526</b>	2,431,265
<b>Total net assets</b>		<b>2,709,986</b>	2,448,589
		<hr/> <hr/>	<hr/> <hr/>
<b>Charity funds</b>			
Restricted funds	15	<b>1,826,893</b>	1,539,652
Unrestricted funds			
General reserve	15	<b>717,437</b>	708,937
Designated fund	15	<b>165,656</b>	200,000
		<hr/>	<hr/>
Total unrestricted funds	15	<b>883,093</b>	908,937
<b>Total funds</b>		<b>2,709,986</b>	2,448,589
		<hr/> <hr/>	<hr/> <hr/>

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Directors on 03 September 2024 and signed on their behalf by:

**Jane Meagher**  
Director

The notes on pages 15 to 38 form part of these financial statements.

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

		<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	17	<b>435,892</b>	512,342
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Interest receivable		<b>43,940</b>	4,811
Purchase of tangible fixed assets		<b>(4,750)</b>	(8,313)
		<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>		<b>39,190</b>	<b>(3,502)</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>475,082</b>	<b>508,840</b>
Cash and cash equivalents at the beginning of the year		<b>2,296,724</b>	1,787,884
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	18	<b>2,771,806</b>	2,296,724
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 38 form part of these financial statements



## THE CAPITAL CITY PARTNERSHIP LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 1. General information

The Capital City Partnership is a charitable company limited by guarantee, incorporated in Scotland, UK. The company's registered office and company number are disclosed on the company information page. The Capital City Partnership Limited constitutes a public benefit entity as defined by FRS 102. The Company's principal activity is as described in the directors' report.

The presentation currency of these financial statements is GBP. Rounding to the nearest pound has been applied in the preparation of these financial statements

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### 2.2 Going concern

The company currently operates with a mixture of public and private sector funding. A Service Level Agreement (SLA) with the City of Edinburgh Council is a key aspect of the financial stability of the company as is the Edinburgh and Southeast Scotland City Regional Deal funding (ESES CRD). The SLA which was due to expire in March 2024 was renewed by the City of Edinburgh Council from April 2024 for a three year period.

Given the nature of the work undertaken by the company and the current economic climate, demand for services has been high, with employability, skills, labour market intelligence, welfare support and tackling poverty and social injustice being high on the national agenda. The need for this work is increasing as the detrimental effects of the economic situation become apparent. There is no indication that CEC SLA funding nor Scottish Government ESES CRD funding will cease and every indication that services will continue to be required at a more intensive pace.

The unexpected removal of either of these funding streams would not only impact on the company's ability to secure financial leverage which is key to current strategic plans, but would seriously affect the viability of the company, however as the demand for services is increasing and both funding streams are considered relatively stable, the risk that this scenario would arise is deemed relatively low and a policy of bolstering the general reserve last year was deliberately pursued with the aim of mitigating the effects of volatility such as may be generated by the current economic situation. Financial models have been prepared for the period to March 2026 which set out the funding streams, their probability and the associated costs as well as the cash flow position for the same period.

The Directors therefore consider that operational capacity, demand for services and current financial health of the company do not represent a material uncertainty in relation to the going concern basis of preparation of the financial statements.

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**2. Accounting policies (continued)**

**2.3 Consolidation**

The charity's financial statements are consolidated within the financial statements of the City of Edinburgh Council. As stated in the Articles of Association, The City of Edinburgh Council are the members of the charitable company and as a result have control over the activities of the charity as well as the ability to appoint and remove directors. The consolidated statements are available to the public and can be obtained from [www.edinburgh.gov.uk](http://www.edinburgh.gov.uk).

**2.4 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**2.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

Charitable activities	80%
Support costs	20%

Governance costs are charged directly to the Statement of Financial Activities when incurred and include audit and accountancy fees and any directors' expenses. These are charged to the activity to which they relate.

Grants are recognised in full in the Statement of Financial Activities in the year in which an offer is formally accepted by the benefactor.

All expenditure is inclusive of irrecoverable VAT.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- over 4 years
Office equipment	- over 3 years

**2.8 Debtors**

Short term debtors are measured at the transaction price, less any impairment. Grants receivable are recognized in so far as the conditions attached to the grants have been met and have been demonstrated to the grant giver. Prepayments are valued at the amount prepaid.

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.11 Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**2. Accounting policies (continued)**

**2.13 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

The Company participates in a multi-employer defined benefit pension scheme into which payments are made. The current service costs are charged to the Statement of Financial Activities as they fall due (see note 20). The information is based on a full actuarial valuation dated 31 March 2023.

The organisation fully adopts the Financial Reporting Standard FRS102 Section 28 'Employee Benefits'. The scheme actuary has calculated the split of net assets and liabilities between the participating employers. The impact on the results and on reserves is given in note 20 to the financial statements and the Statement of Financial Activities.

The Statement of Financial Activities is charged with the cost of providing pension benefits earned by employees in the period. The interest on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions, are included in total recognised gains and losses.

The organisation's share of the accumulated pension scheme surplus is not recognised or included in the balance sheet. The trustees do not believe the Company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

**2.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## THE CAPITAL CITY PARTNERSHIP LIMITED

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 3. Key judgement and areas of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Grants receivable and payable**

The level and timing of income and expenditure in relation to grants is an area of key judgement as it is determined for accounting purposes by referring to the conditions of grant. Grants receivable are recognised in so far as the conditions attached to the grant have been met and have been demonstrated to the grant giver. The level and timing of provision to grant recipients is determined by monitoring grant criteria and ensuring that conditions are being met.

##### **Pension**

The actuarial assumptions used in calculating the defined benefit pension scheme requires judgement on the part of the Directors. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are all shown in note 20.

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**4. Income from donations and legacies**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total funds 2024 £</b>
<b>Grants</b>			
Employer engagement	30,000	-	<b>30,000</b>
City of Edinburgh Council	617,212	3,911,265	<b>4,528,477</b>
City Regional Deal	-	1,486,957	<b>1,486,957</b>
Skills centres	-	1,008,151	<b>1,008,151</b>
Joined Up For Families	-	390,810	<b>390,810</b>
UK Shared Prosperity Fund	-	3,620,097	<b>3,620,097</b>
Regional Prosperity Framework	-	228,278	<b>228,278</b>
Youth Programme	-	325,000	<b>325,000</b>
	<u>647,212</u>	<u>10,970,558</u>	<u><b>11,617,770</b></u>
	<u><u>647,212</u></u>	<u><u>10,970,558</u></u>	<u><u><b>11,617,770</b></u></u>
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
<b>Grants</b>			
Employer engagement	30,000	-	30,000
City of Edinburgh Council	561,500	3,208,949	3,770,449
City Regional Deal	-	1,531,975	1,531,975
Skills centres	-	702,250	702,250
Joined Up For Families	-	630,431	630,431
UK Shared Prosperity Fund	-	572,347	572,347
Youth Programme	-	1,265,418	1,265,418
	<u>591,500</u>	<u>7,911,370</u>	<u>8,502,870</u>
	<u><u>591,500</u></u>	<u><u>7,911,370</u></u>	<u><u>8,502,870</u></u>

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**5. Investment income**

	<b>Unrestricted funds 2024 £</b>	<b>Total funds 2024 £</b>
Bank interest	43,940	<b>43,940</b>
Interest on defined benefit scheme asset	102,000	<b>102,000</b>
	<u>145,940</u>	<u><b>145,940</b></u>
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Bank interest	4,811	4,811
	<u>4,811</u>	<u>4,811</u>

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total 2024 £</b>
Furthering social justice in Edinburgh	719,996	10,683,317	<b>11,403,313</b>
	<u>719,996</u>	<u>10,683,317</u>	<u><b>11,403,313</b></u>
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Furthering social justice in Edinburgh	672,618	7,693,720	8,366,338
	<u>672,618</u>	<u>7,693,720</u>	<u>8,366,338</u>

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**7. Analysis of grants**

	<b>Grants to Institutions 2024 £</b>	<b>Total funds 2024 £</b>
Furthering social justice in Edinburgh	8,841,671	<b>8,841,671</b>
	<i>Grants to Institutions 2023 £</i>	<i>Total funds 2023 £</i>
Furthering social justice in Edinburgh	6,073,839	6,073,839

The Charity has made the following material grants to institutions during the year:



**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<b>Grants Payable</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Action for Children	226,099	125,000
All Cleaned Up Scotland	53,614	71,485
Access to Industry	546,789	627,954
Apex Scotland	221,106	36,272
AUGB	-	6,000
Barnardos	436,304	389,648
Bike Station	34,979	19,687
Broomhouse Centre	366,005	156,266
Canongate Youth Project	40,000	60,000
Caselink (Iconi)	-	3,600
CHAI	426,076	34,118
Challenges Worldwide	240,150	37,813
Childcare Connections	132,240	132,240
Children 1st	373,000	624,255
Circle	-	11,000
Citadel Youth Centre	141,899	117,546
City of Edinburgh Council	-	5,000
Codebase	386,500	19,500
Codeclan	-	43,500
Community Renewal	360,000	360,000
Datakirk	42,000	117,000
Dean & Cauvin	50,000	-
DNIPRO Kids	-	5,000
Dunedin Canmore/Wheatly	189,422	120,000
East Lothian Council	-	11,250
Edible Estates	169,053	14,063
Edinburgh Chamber of Commerce	121,532	56,935
Edinburgh Cyrenians	400,935	339,620
Edinburgh Trade Unions Council	49,000	49,000
Edinburgh Womens Aid	-	20,000
Empty Kitchens Full Hearts	77,819	17,110
ESESCRD IEE Employer Fund	49,512	48,193
ESESCRD IEE RSC Fund	18,283	50,816
ESESCRD IEE Enabling Grants	51,700	-
ENABLE Scotland	75,000	179,889
Energy Training Academy	6,276	-
ERCC	16,167	-
Everyones Edinburgh	6,250	6,250
EVOC	96,188	22,625
Fife Gingerbread	140,000	140,000
Freshstart	34,938	11,738
Foursquare	75,000	75,000
Hanlon Systems	57,900	58,100
Homestart	34,000	17,000
Impact Arts	75,000	70,000
Intowork	30,000	68,250
Kidzcare	126,950	86,150
LIFT	37,153	15,000
Linknet	59,980	59,980
Move On	-	62,352

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<b>Grants payable (continued)</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Napier University	30,000	13,972
NKS (Networking Key Services)	61,650	4,000
North Edinburgh Childcare	395,369	395,369
One Parent Family Scotland	64,452	35,000
Passion for Fusion	41,520	5,000
People Know How	60,000	25,000
Poverty Alliance	62,334	-
Prespect	-	50,370
Princes Trust	169,560	34,180
Project Esperanza	25,000	6,000
Ripple Project	-	6,000
Rural and Urban Training Scheme	75,000	73,050
Saheliya	44,626	44,000
Score Scotland	22,500	-
Scottish Borders Council	85,000	85,000
Smilechildcare	258,813	258,813
Sniffer	102,000	-
SOHTIS	53,193	-
South of Scotland Enterprize	2,000	-
Southside Community	23,210	-
Spartans Com Football Academy	330,000	20,000
Stepping Stones	20,584	6,000
Street League	-	67,621
Venture Trust	-	40,529
Volunteer Centre Edinburgh	209,062	139,031
Volunteering Matters	101,493	-
WHALE	-	20,000
Welcoming Association	55,807	-
West Lothian College	18,775	-
West Lothian Council	100,000	110,000
Womans Aid	72,859	-
Young Enterprise Scotland	-	16,200
Grants under £5,000	5,835	16,500
Grants repaid to City of Edinburgh Council	276,211	-
	<u>8,841,671</u>	<u>6,073,839</u>

**THE CAPITAL CITY PARTNERSHIP LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2024 £</b>	<b>Grant funding of activities 2024 £</b>	<b>Support costs 2024 £</b>	<b>Total funds 2024 £</b>
Furthering social justice in Edinburgh	2,035,743	8,841,671	525,899	<b>11,403,313</b>

	<i>Activities undertaken directly 2023 £</i>	<i>Grant funding of activities 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Furthering social justice in Edinburgh	1,833,999	6,073,839	458,500	8,366,338

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2024</b>	<i>Total funds 2023</i>
	£	£
Staff costs	<b>1,452,357</b>	1,422,222
Depreciation	<b>5,292</b>	8,162
Direct activity costs	<b>578,094</b>	403,615
	<b>2,035,743</b>	1,833,999

**Analysis of support costs**

	<b>Total funds 2024</b>	<i>Total funds 2023</i>
	£	£
Staff costs	<b>362,340</b>	312,304
Depreciation	<b>1,323</b>	2,041
Management, IT, finance and interest	<b>144,596</b>	134,135
Governance costs	<b>17,640</b>	10,020
	<b>525,899</b>	458,500

**9. Auditors' remuneration**

	<b>2024</b>	<i>2023</i>
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>13,000</b>	10,020

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**10. Staff costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,493,309</b>	1,200,290
Social security costs	<b>152,220</b>	125,867
Contribution to defined contribution pension schemes	<b>53,168</b>	97,369
Operating costs of defined benefit pension schemes	<b>167,000</b>	311,000
Refund of strain payment from defined benefit pension schemes	<b>(51,000)</b>	-
	<b>1,814,697</b>	<b>1,734,526</b>

Redundancy costs of £nil (2023: £8,062) in lieu of termination benefits are included within wages and salaries costs.

The average number of persons employed by the Company during the year was as follows:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Senior executive	<b>2</b>	2
Project and support staff	<b>34</b>	29
Finance and admin staff	<b>2</b>	1
	<b>38</b>	<b>32</b>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	1
In the band £70,001 - £80,000	<b>-</b>	1
In the band £80,001 - £90,000	<b>1</b>	-

**11. Directors' remuneration and expenses**

During the year, no Directors received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Director expenses have been incurred (2023 - £NIL).

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**12. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2023	77,277	80,567	157,844
Additions	1,198	3,552	4,750
At 31 March 2024	<u>78,475</u>	<u>84,119</u>	<u>162,594</u>
<b>Depreciation</b>			
At 1 April 2023	71,562	68,958	140,520
Charge for the year	874	5,740	6,614
At 31 March 2024	<u>72,436</u>	<u>74,698</u>	<u>147,134</u>
<b>Net book value</b>			
At 31 March 2024	<u>6,039</u>	<u>9,421</u>	<u>15,460</u>
<i>At 31 March 2023</i>	<u>5,715</u>	<u>11,609</u>	<u>17,324</u>

**13. Debtors**

	2024 £	2023 £
Grants receivable	575,368	1,311,799
	<u>575,368</u>	<u>1,311,799</u>

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**14. Creditors: Amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>224,104</b>	<b>301,762</b>
Accruals and deferred income	<b>189,939</b>	<b>229,482</b>
Other taxation and social security	<b>38,473</b>	<b>33,316</b>
Accruals for grants payable/repayable	<b>200,132</b>	<b>612,698</b>
	<b>652,648</b>	<b>1,177,258</b>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Analysis of deferred income</b>		
Deferred income at 1 April 2023	<b>190,473</b>	<b>120,728</b>
Resources deferred during the year	<b>159,834</b>	<b>190,473</b>
Amounts released from previous periods	<b>(190,473)</b>	<b>(120,728)</b>
	<b>159,834</b>	<b>190,473</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>					
General reserve	708,937	793,152	(784,652)	-	717,437
Pension reserve	-	-	99,000	(99,000)	-
Designated fund	200,000	-	(34,344)	-	165,656
	<u>908,937</u>	<u>793,152</u>	<u>(719,996)</u>	<u>(99,000)</u>	<u>883,093</u>
<b>Restricted funds</b>					
Employability Programme	693,024	3,911,265	(3,951,465)	-	652,824
Edinburgh and East of Scotland City Regional Deal	58,837	1,486,957	(1,502,501)	-	43,293
Recruitment Skills Centres	619,244	1,008,151	(839,671)	-	787,724
Joined Up For Families	155,924	390,810	(343,760)	-	202,974
Youth Programme	4,773	325,000	(325,194)	-	4,579
UK Shared Prosperity Fund	7,850	3,620,097	(3,599,951)	-	27,996
Regional Prosperity Framework	-	228,278	(120,775)	-	107,503
	<u>1,539,652</u>	<u>10,970,558</u>	<u>(10,683,317)</u>	<u>-</u>	<u>1,826,893</u>
<b>Total of funds</b>	<u><u>2,448,589</u></u>	<u><u>11,763,710</u></u>	<u><u>(11,403,313)</u></u>	<u><u>(99,000)</u></u>	<u><u>2,709,986</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2023</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General reserve	812,244	596,311	(499,618)	(200,000)	-	708,937
Pension reserve	76,000	-	(173,000)	-	97,000	-
Designated fund	-	-	-	200,000	-	200,000
	<u>888,244</u>	<u>596,311</u>	<u>(672,618)</u>	<u>-</u>	<u>97,000</u>	<u>908,937</u>
<b>Restricted funds</b>						
Employability Programme	693,024	3,208,949	(3,208,949)	-	-	693,024
Edinburgh and East of Scotland City Regional Deal	79,595	1,531,975	(1,552,733)	-	-	58,837
Recruitment Skills Centres	371,801	702,250	(454,807)	-	-	619,244
Joined Up For Families	125,812	630,431	(600,319)	-	-	155,924
Youth Programme	51,770	1,265,418	(1,312,415)	-	-	4,773
UK Shared Prosperity Fund	-	572,347	(564,497)	-	-	7,850
	<u>1,322,002</u>	<u>7,911,370</u>	<u>(7,693,720)</u>	<u>-</u>	<u>-</u>	<u>1,539,652</u>
<b>Total of funds</b>	<u>2,210,246</u>	<u>8,507,681</u>	<u>(8,366,338)</u>	<u>-</u>	<u>97,000</u>	<u>2,448,589</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Statement of funds (continued)**

Purposes of unrestricted funds

**General reserve** comprises funds utilised for core activities of the charity.

Pension reserve represents the actuarial asset of the defined benefit pension scheme as calculated by the pension scheme actuary.

The designated fund comprises £200,000 to cover the costs of a strategic and structural review around the forward plan for the entity to take place over the period to 31 March 2026.

**Purposes of restricted funds**

**Employability Programme** comprises grants to employability organisations, targeted integrated employability service, activity agreements, support to childcare hubs, parental employment support grants and a wider range of employability support.

Other funds managed by the company included:

**Edinburgh and Southeast Scotland City Region Deal (ESES CRD)** - This programme provides three key activities under the employability and skills element of the City Region Deal across six local authority regions, namely Intensive Family Services (IFS), Integrated Knowledge Systems (IKS) and Integrated Employer Engagement (IEE).

**Recruitment Skills Centres** - these funds support the operation of recruitment skills centre models in two locations, Fort Kinnaird Retail Park and the MacMillan Skills hub in Edinburgh Waterfront with the aim of maximizing employment and upskilling opportunities for disadvantaged communities while matching labour force supply and demand in targeted sectors.

**Joined Up for Families** - this is a collaborative activity which support a range of employability, financial, welfare support and advice to families via schools and community hubs.

**Youth programme** - provides support and services to disadvantaged young people by identifying innovative and timely interventions to move young people into employment, training and life experience.

**UK Shared Prosperity Fund (UKSPF)** - this is a levelling up fund provided through the City of Edinburgh Council, which supports a diverse range of projects under three overarching priorities: communities and place, supporting local business and people/skills with the aim of building pride in place and increasing life chances.

**Regional Prosperity Framework (RPF)** - this a levelling up fund provided through six local authorities which aims to develop innovative regional projects in a range of fields including energy, tourism and climate research.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Analysis of net assets by fund**

	<b>General reserve 2024 £</b>	<b>Designated fund 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total funds 2024 £</b>
Tangible fixed assets	15,460	-	-	<b>15,460</b>
Net current assets	701,977	165,656	1,826,893	<b>2,694,526</b>
<b>Net assets at 31 March 2024</b>	<u>717,437</u>	<u>165,656</u>	<u>1,826,893</u>	<u><b>2,709,986</b></u>
	<i>General reserve 2023 £</i>	<i>Designated fund 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	17,324	-	-	17,324
Net current assets	691,613	200,000	1,539,652	2,431,265
<i>Net assets at 31 March 2023</i>	<u>708,937</u>	<u>200,000</u>	<u>1,539,652</u>	<u>2,448,589</u>

**17. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2024 £</b>	<b>2023 £</b>
Net income for the period (as per Statement of Financial Activities)	<b>360,397</b>	141,343
<b>Adjustments for:</b>		
Depreciation charges	<b>6,614</b>	10,204
Decrease/(increase) in debtors	<b>736,431</b>	(424,303)
Increase/(decrease) in creditors	<b>(524,610)</b>	616,909
Interest receivable	<b>(43,940)</b>	(4,811)
Net Interest receivable - pension scheme	<b>(102,000)</b>	-
Defined benefit pension scheme - FRS 102 adjustment less employer contributions	<b>3,000</b>	173,000
<b>Net cash provided by operating activities</b>	<u><b>435,892</b></u>	<u>512,342</u>

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**18. Analysis of cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>2,771,806</b>	<b>2,296,724</b>
<b>Total cash and cash equivalents</b>	<b>2,771,806</b>	<b>2,296,724</b>

**19. Analysis of changes in net debt**

	<b>At 1 April</b>	<b>Cash flows</b>	<b>At 31 March</b>
	<b>2023</b>	<b>£</b>	<b>2024</b>
	<b>£</b>		<b>£</b>
Cash at bank and in hand	<b>2,296,724</b>	<b>475,082</b>	<b>2,771,806</b>
	<b>2,296,724</b>	<b>475,082</b>	<b>2,771,806</b>

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**20. Pension commitments**

The Capital City Partnership operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £53,168 (2023 - £97,369). No amounts were payable to the fund at the balance sheet date (2023 - £nil).

The Company operates a defined benefit pension scheme.

The Capital City Partnership participates in The Lothian Pension Fund Final Salary Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme and is funded.

During the accounting period The Capital City Partnership paid contributions at the rate of 18.8%. Member contributions were paid on a sliding scale dependent upon salary level and range from 5% to 9%. The Capital City Partnership contribution rate from April 2024 is 18.8%.

As at 31 March 2024 there were 14 active (2023 - 14) and 15 deferred (2023 - 14) members of the Scheme employed. The Capital City Partnership continues to offer membership of its scheme to its employees and pensioners.

The last full valuation of the scheme was performed as at 31 March 2023 by a professional qualified actuary using the "projected unit credit" method. This has been updated to reflect conditions at 31 March 2024.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<b>At 31 March 2024</b>	<i>At 31 March 2023</i>
	%	%
Future pension increases	<b>2.75</b>	2.95
Future salary increases	<b>3.25</b>	3.45
Discount rate	<b>4.85</b>	4.75

	<b>At 31 March 2024</b>	<i>At 31 March 2023</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	<b>21.3</b>	19.9
- at 65 for a male aged 45 now	<b>21.7</b>	21.2
- for a female aged 65 now	<b>23.8</b>	22.9
- at 65 for a female aged 45 now	<b>24.9</b>	24.7

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**20. Pension commitments (continued)**

The Company's share of the assets in the scheme was:

	<b>At 31 March 2024 £</b>	<i>At 31 March 2023 £</i>
Equities	<b>5,240,160</b>	<i>4,672,080</i>
Bonds	<b>1,237,260</b>	<i>973,350</i>
Property	<b>582,240</b>	<i>519,120</i>
Cash and other liquid assets	<b>218,340</b>	<i>324,450</i>
<b>Total fair value of assets</b>	<b><u>7,278,000</u></b>	<i><u>6,489,000</u></i>

The actual return on scheme assets was £436,000 (2023 - £143,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2024 £</b>	<i>2023 £</i>
Current service cost	<b>167,000</b>	<i>311,000</i>
Interest income	<b>(310,000)</b>	<i>171,000</i>
Interest cost	<b>208,000</b>	<i>(171,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b><u>65,000</u></b>	<i><u>311,000</u></i>

Movements in the present value of the defined benefit obligation were as follows:

	<b>2024 £</b>	<i>2023 £</i>
Opening defined benefit obligation	<b>4,350,000</b>	<i>6,244,000</i>
Current service cost	<b>167,000</b>	<i>311,000</i>
Interest cost	<b>208,000</b>	<i>171,000</i>
Contributions by scheme participants	<b>60,000</b>	<i>48,000</i>
Actuarial losses/(gains)	<b>252,000</b>	<i>(2,269,000)</i>
Benefits paid	<b>(181,000)</b>	<i>(155,000)</i>
<b>Closing defined benefit obligation</b>	<b><u>4,856,000</u></b>	<i><u>4,350,000</u></i>

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**20. Pension commitments (continued)**

Movements in the fair value of the Company's share of scheme assets were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>6,489,000</b>	6,320,000
Interest received	<b>310,000</b>	171,000
Contributions by scheme participants	<b>60,000</b>	48,000
Contributions by employer	<b>164,000</b>	138,000
Return on assets	<b>436,000</b>	(33,000)
Benefits paid	<b>(181,000)</b>	(155,000)
<b>Closing fair value of scheme assets</b>	<b>7,278,000</b>	6,489,000

**21. Operating lease commitments**

At 31 March 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>18,552</b>	18,696

**22. Related party transactions**

The charity has a code of conduct whereby a director of the charity must note his interest and withdraw from the discussion where the charity is considering awarding a grant to an organisation over which that director has an influence.

No transactions with relating parties were undertaken as are required to be disclosed under Section 33 of Financial Reporting Standard 102.

Key management personnel include all Directors and 2 members of senior staff who together have responsibility for planning, directing and controlling the activities of the company. The total compensation in respect of key management for services provided to the company in the year, inclusive of employer's national insurance contributions was £ 202,535 ( 2023 £186,926).

No directors' expenses were reimbursed or received remuneration during the year (2023: £nil).

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**23. Prior year adjustments**

Unrestricted funds have been restated to adjust for a gain on the defined benefit pension scheme resulting in a pension asset recognised erroneously in 2023 and 2022, where the trustees do not believe that the charitable company will recover the surplus through either reduced contributions in the future or refunds from the plan.

The effect within the Statement of Financial Activities is to reduce other gains by £76,000 in the year to 31 March 2022 and by £2,063,000 in the year to 31 March 2023, reducing the net assets of the charity by £76,000 at 31 March 2022 and by £2,139,000 at 31 March 2023.