

SUPPLEMENTARY EVIDENCE FROM FORTH SECTOR

1. The Project

1.1. Forth Sector is investing £2.2 million to create an enterprise and employment facility in Edinburgh's Craigmillar area, one of Scotland's most challenged communities. The facility will provide personalised employment training and support and critically, real work experience in Forth Sector's social businesses located there. The development will be of a quality and scale which will enable it to meet need and demand. It will use an innovative yet proven means of transforming the lives of some of our most disadvantaged citizens through employment. It will be sustainable without public subsidy.

2. Current Priorities and how they fit with priorities outlined in related Scottish and UK Government strategies

2.1. Current priorities are:

- Helping the most disadvantaged in society to secure meaningful employment, with all the benefits which accrue to them, the community and society in general.
- Ensuring that Forth Sector is sustainable without the need for public sector grants so it can continue to provide these essential services.

3. Need The Project Will Address

3.1. There are around 2.7 million people receiving Incapacity Benefit (IB) in the UK and 280,000 in Scotland, this has more than trebled since 1979. The proportion of IB claimants with mental ill-health as their main disability has increased steadily over recent years from a quarter of claimants in 1996 to over 40%, with a further 10% of claimants with mental health conditions as a secondary presenting factor in their incapacity.

3.2. Levels of those claiming unemployment benefits (now Job Seekers Allowance or JSA) have reduced over the last two decades through a favourable economic climate. Incapacity claims, however, have continued to rise and now represent the largest group of working age benefit claimants without employment. There are currently more mentally ill people drawing IB than there are claiming JSA, resulting in a huge cost to the Exchequer and an incalculable social cost, which inevitably falls on the public sector in Scotland.

3.3. Welfare reform will affect large numbers of claimants, half of whom have a mental health issue. The full effect of these reforms has yet to be felt. In the non-disabled population 80% of people are employed and only 4% are dependent on benefits. For people with a disability the employment rate is 50%, but those with mental health issues have the lowest employment rate of any disabled group with the exception of learning disabilities, at 20%.

- 3.4. Two-thirds of people with mental ill-health are dependent on state benefits, compared with one-third of disabled people in general. It has been estimated that the reduced employment rate of those with mental illness costs £10 billion a year in lost productivity. Extrapolated, this represents more than £1 billion a year in Scotland. Locally, i.e. in Craigmillar Edinburgh data show that the economic and social costs are considerable.
- 3.5. UK Government strategy for employment is to bring large number of unemployed people into work, thus increasing economic activity and reducing welfare dependency.
- 3.6. Though employment and benefits are not devolved matters, Scottish Government policy and local government policies address the reduction of poverty and levels of mental ill-health. Meaningful employment is recognised as an effective way of meeting these policy objectives. The City of Edinburgh Council's strategies recognise national priorities and local need.

4. Fit With National and Local Strategies

- **National Outcome (2):** "We realise our full economic potential with more and better employment opportunities for our people". At a local level Forth Sector's work contributes to local outcome "more service users undergoing employability training gain sustained employment". By assisting people with mental health issues become better equipped to access sustainable employment.
- **National Outcome (6):** "We live longer, healthier lives". By assisting beneficiaries to overcome their barriers to employment Forth Sector's work contributes to improved mental health in the local community.
- **National Outcome (7):** "We have tackled the significant inequalities in Scottish Society". By equipping beneficiaries to become economically active Forth Sector's work contributes to a reduction in poverty and disadvantage.

Specific Strategies and Policies Addressed Include:

- 'The Mental Health (Care and Treatment) (Scotland) Act 2003' and the summary of principles which underpin the Act.
- 'The Lothian Joint Mental Health and Wellbeing Strategy 2010 – 2015'
- 'A Working Life for All Disabled People: The Supported Employment Framework for Scotland', The Scottish Government, 2010
- 'The Joint Health Improvement Plan 2008'
- 'Towards a Mentally Flourishing Scotland: the Future of Mental Health Improvement in Scotland 2008 -11'
- 'The Edinburgh Joined up for Jobs Strategy' (JUFJ)
- 'The City of Edinburgh Council Single Outcome Agreement 2008-11'
- 'The City of Edinburgh Economic Development Plan 2009-2013'

5. Social Enterprise

5.1. Forth Sector's work meets the objectives set out in the Scottish Government's 'The Enterprising Third Sector Action Plan',

5.2. Forth Sector's work fits with the 'Social Enterprise Strategy for Edinburgh 2005-2008 (revised)' which seeks to integrate with respective plans for economic development, regeneration, job creation, social inclusion and health inequalities. These include:

- The City Community Plan,
- The Regeneration Outcome Agreement,
- Community Care Partnership, Compact Partnership,
- Edinburgh Community Learning and Development Partnership,
- Capital City Partnership and the Edinburgh Joint Health Improvement Plan.

Forth Sector's work also fits with the Council's aims of incorporating social enterprise activity into the City's Resilience Plan.

6. Building and land-use

- 'The Finalised Edinburgh City Local Plan 2007' sets out the land use policies for the city & encourages the development for employment purposes of business and industrial sites, or premises, which are in urban areas. The Plan recognises that premises in urban areas that were once in employment use could still be used to provide suitable accommodation for business and general industrial use.
- The policy supports proposals that provide new workspace designed to suit a range of business uses. It also supports proposals that help to improve the regeneration and improvement of urban areas.

7. Outcomes

Forth Sector's work is ongoing. The development project is expected to produce the following outcomes:

7.1. Numbers of jobs safeguarded

- This project will safeguard 78 jobs, which includes at least 48 people with a physical, mental or learning disability. It will create a further 30 establishment jobs over five years. The majority of new jobs created will be taken up by disadvantaged, local people.

7.2. Number of construction jobs created

- The estimated number of construction jobs created over the six-month construction period for this project is 20. Work will also be provided for sub-contractors, both companies and sole-traders.

7.3. Number of training opportunities created

- 2180 beneficiaries will receive training, support and work-placements through the project over a five-year period, 700 of whom are expected to secure meaningful employment.

8. Annual Budget

	£
Revenue from trading activities	1,452,000
Service contracts	285,000
Revenue grants (ESF)	108,000
Total Income	1,845,000

9. Capital Asset Value (on completion) £1.9 million

10. Project Capital Funding:

	£
Big Lottery Capital Grant:	1,000,000
Scottish Investment Fund:	500,000
Reserves/Borrowing:	700,000
Total Capital Investment	2,200,000

Mike Finlayson
Forth Sector
Chief Executive
28 October 2012