

Stronger City Economy Scrutiny Panel

1 December 2015

Time 6.00 pm **Public Meeting** YES **Type of meeting** Scrutiny
Venue Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr Jacqueline Sweetman (Lab)
Vice-chair Cllr Jonathan Yardley (Con)

Labour	Conservative	Liberal Democrat
Cllr Harman Banger Cllr Philip Bateman Cllr Payal Bedi Cllr Val Evans Cllr Welcome Koussoukama Cllr John Rowley Cllr Tersaim Singh Cllr Martin Waite Cllr Daniel Warren	Cllr Paul Singh	

Quorum for this meeting is three Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Deb Breedon
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Wolverhampton WV1 1RL

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies |
| 2 | Declarations of Interest |
| 3 | Minutes of Previous Meetings (Pages 1 - 14)
To approve the minutes of meetings held on 24 September 2015 and 6 October 2015 as a correct records |
| 4 | Matters Arising |

DISCUSSION ITEMS

- | | |
|---|---|
| 5 | Budget (Pages 15 - 20)
To consider the Draft Budget 2016/17 including the related Savings and Redesign and Income Generation Proposals, Financial Transactions and Base Budget Revisions, and underlying Medium Term Financial Strategy (MTFS) assumptions. |
| 6 | Employment and Skill Commission Report (Pages 21 - 82)
To consider the progress by the Council, and its partners, to develop and deliver a Skills and Employment Action Plan for the City to take forward the recommendations emanating from the work of the Skills and Employment Commission, led by Professor Tony Travers. |

Stronger City Economy Scrutiny Panel

Minutes - 24 September 2015

Attendance

Members of the Stronger City Economy Scrutiny Panel

Cllr Harman Banger
Cllr Philip Bateman
Cllr Welcome Koussoukama
Cllr John Rowley
Cllr Paul Singh
Cllr Tersaim Singh
Cllr Jacqueline Sweetman (Chair)
Cllr Martin Waite
Cllr Daniel Warren
Cllr Jonathan Yardley (Vice-Chair)

Cllr John Reynolds Cabinet Member

Employees

Jim Cunningham Head of Service
Keren Jones Service Director - City Economy
Deb Breedon Scrutiny Officer

Witness
Dan Corrigan Operations Development Manager, Wiggle

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies
 Apologies were submitted on behalf of Cllrs Payal Bedi and Val Evans
- 2 Declaration of interest
 Cllr Phil Bateman declared a non-pecuniary interest in item five on the agenda 'Attracting inward Investment' relating to transportation
- 3 Minutes of previous meeting (28.07.2015)

Resolved:

That the minutes of the previous meeting be approved and signed as a correct record subject to Cllr John Reynolds being included on the attendance list.

- 4 The City of Wolverhampton - 'Making it Happen' Video
- Keren Jones, Service Director City Economy provided a video presentation to demonstrate the key values of the Wolverhampton 'Making it Happen' brand. She advised the Panel that the video had been produced following the 'First Impressions of the City' scrutiny review to provide a marketing framework, the video gave a summary of the Wolverhampton story and which had been produced by Connect PR very much in partnership with business to attract inward investment to the City. She explained that the video would be available in different versions for the target audience.

Following the presentation the following observations were made:

- The slides moved forward too fast in some places.
- The video would be geared toward the inward investor.
- The content of the video is an excellent introduction to Wolverhampton, with accurate facts and figures about Wolverhampton that can be used by anyone.
- It is a good starting point for refreshing the City brand.
- Some were of the view that there not enough visitor attractions highlighted, it needs more than the Civic Halls and the Grand Theatre incorporated.
- The video prioritised the developer and investor audience as a priority; however a different version can be developed for the visitor economy.
- The style of the video is good, it created a buzz about the City which would challenge perceptions, and encourage investors and developers to take further interest in what the city has to offer.
- Some members would like to see some of Wolverhampton's distinctive buildings.
- It is encouraging that the video was being presented at their annual AGM by Benson and Elliot, developers of the Mander Centre.
- The video was effective at holding the audience focus.
- The headlines are factual, short and snappy which aims to get investors in for further discussions.
- Further versions should be tailored to target audiences.
- The video highlights what the City can offer, and a hopeful industrial future.
- The identity of Wolverhampton should include the new City of Wolverhampton logo.

In response to a question from the Chair about relationships with inward investors Jim Cunningham, Head of Enterprise and Skills advised that there is a need to get a good working relationship with the company, to promote. The messages are powerful if they come from a Wolverhampton based business. It is important to have an ambassador for Wolverhampton if an overseas company is the target audience.

- 5 Attracting inward investment
- The Head of Enterprise and Skills introduced the report, highlighting the need to work closely with the Wolverhampton Business Champions including Carvers, Carillion, Marston's and UTC Aerospace. Business champions promote the city and how the Council works with the business community.

The Service Director highlighted that the business champions played a tremendous role to raise the profile of Wolverhampton internationally, as 'premium league' businesses they stand up for the City, talk for the City and promote Wolverhampton

in the business world. She advised that the University also has strong links with the business champions.

In response to a question from the Chair, relating to further collaborative work with businesses, the Service Director advised that alongside the business champions, there is the Economic Growth Board, which has representatives from a wider range of sectors. She advised that John Wood, the Managing Director for Caparo Industries is chairing the group and Wolves Chair, and Matt Grayson, Chair of the sub-group that helped develop the film. The Head of Enterprise and Skills highlighted his role to outward facing promoting the City creating infrastructure and that this was a whole team approach.

The Head of Enterprise and Skills outlined the Councils approach to account management; the need to be fleet of foot, open and be the go to manager to the team. He advised that planning and financial support is of particular importance to inward investors.

Cllr Harman Banger asked what information is available on the internet to assist potential investors from abroad; he suggested areas of interest, frequently asked questions and a pro-forma should be available for the investor to highlight different requirements such as visa and immigration details. He suggested that particulars of available sites in different bands of investment and different ranges should also be available.

The Head of Enterprise and Skills advised that business opportunities are split into different bands and that there is knowledge of where and what is available and that the team work with the investor to tailor a response to the needs of the bespoke company. He highlighted that if a company that wants to invest in the City it would have to take into consideration the relocation of key staff, maybe ten people and their families to set up the business in order to create 150 jobs for the area. He advised that the Council should support them to secure the investment and to develop a strong relationship. Cllr Harman Banger indicated that many businesses would want to browse the website to see what was available.

The Service Director explained that the City Economy Service recognised the need to develop our approach with the land agents and launch the city investment and destination website.

6 Case study

The Chair, Cllr Jacqueline Sweetman welcomed Dan Corrigan, from Wiggle, a high growth company that has recently located in the city.

Dan Corrigan provided the Panel with a brief history of the Wiggle Company; he highlighted the following milestones in the Company's development:

- Started in 1992 from the back room of a shop.
- Developed ecommerce and launched globally in 2008. The exchange rate worked in their favour to enable the company to grow. e.g. it was cheaper for trainers to be shipped from UK, than to be produced and bought in Australia or United States of America (USA).
- Wiggle now deliver to 75 countries in four core markets.

- Based in Portsmouth, the company had started to become inefficient, requiring larger premises to expand. They started searching for a new location.
- They began logistics mapping in February, taking into account physically coping with projected growth in 3, 5 and 7 years without disturbing their growth curb.
- The main growth area of the company is international - specifically USA and Europe. This meant location to international ports (both air and shipping) in the UK is critical.
- Business will stay in the UK as logistics make it the centre of the universe.
- More investment would be needed to move to the USA.

The Chair asked why Wolverhampton and not Manchester. Dan Corrigan responded that many of the goods shipped (96%) are tracked; by tracking the cost of 'goods lost in the post' has been reduced. The Midlands is central to many main hubs for tracking goods, motorway network and airport; East Midlands airport, main hub to ensure midnight flight to ensure next day delivery; DHL hub in Birmingham.

In response to questions about the size of storage and the length of lease Dan Corrigan advised that the 500,000 square metre site allows for projected growth, any larger than that and it would be more cost effective to buy land and build. He confirmed the lease was for 15 years initially he advised 170-180 employees would be appointed and as the company grows into the space it is anticipated that 500 employees will be employed in three years.

Dan Corrigan advised that the support from Wolverhampton Council had been excellent during the preparation to relocate. He advised that initially three members of the management team had moved to Wolverhampton in a shared house, middle management members were relocated some with families that required school places and housing to be identified and Council support with processes to settle employees as soon as possible.

The Chair asked Dan Corrigan to identify any areas that Wolverhampton could improve. He advised that from a people point of view he had to go through many people to find the skill set he needed and could have tried to find them earlier in the process. There could also be better information about local suppliers e.g. when trying to put up perimeter fences on site it had taken time to find a local company who could provide the service, more support to find the set up services may have been helpful. The Head of Enterprise and Skills advised that there is a challenge for the City to give intensive support to companies and their employees when relocating a major business.

Cllr Phil Bateman welcomed that Wiggle had found the site and supply chain it needed and asked about the cultural offer. Dan Corrigan advised that the company has great interest in bicycles and fitness and would like to see fitness events in the City. He was advised that the City has a cycling forum and active to work initiative which Wiggle may want to get involved with. He acknowledged that there were synergies and that Wiggle would want to get involved as the company has a professional cycle team and have supported road races in Portsmouth. Panel members referred to the Mayoral role and indicated that the City supports the Carver Marathon and would consider support for a cycle road race.

Cllr Phil Bateman highlighted the good rapport and working relationship between Wiggle and Council employees and suggested that further goodwill to other staff at Wiggle could be demonstrated by a visit from the Mayor. Cllr Phil Bateman asked if Wiggle have been invited to be business champions for the City. The Service Director advised that it was early days. The Service Director also advised that providing intensive assistance to an inward investor creates a capacity issue, as one member of the business team is essentially taken out of day to day work load and that in a team of three this can be very challenging. The Panel highlighted the need to expand the team.

Cllr Martin Waite asked about protocols for establishing leads and contacts for business and whether there is risk to taking on a big factory space when technology is progressing so quickly and the need for moving goods from one place to another may be obsolete due to the ability to create items by 3D printing. The Service Director indicated that there is a lot more development work the Council can do to gather qualitative information about the service sectors and business base in the City.

The Head of Enterprise and Skills indicated that in terms of getting the message out there, Wolverhampton is a place to make things happen. The City has high level manufacturing base, but also high level unemployment and the need to attract floor level into jobs in a mixed bag of businesses. The Service Director advised that there is a good relationship with the University to get more investment into innovation.

Cllr Phil Bateman asked how the Council is supporting the indigenous businesses and was advised that the Council has been strong in business start-ups in its third year, but survival rates were still lower than average at five years after the birth of a company. The reasons for this are complex. She clarified the need to be able to help and support growing businesses as a priority for the city.

The Chair thanked the City Economy Service, particularly the Enterprise team, for the work they were carrying out to raise the profile of the city and to get business into Wolverhampton.

The Chair thanked the Inward investment team for the work they were carrying out to raise the profile of Wolverhampton and to get business into Wolverhampton.

Resolved:

1. That the observations given by Dan Corrigan of Wiggle be taken into account by the inward investment team to strengthen the inward investment offer.
2. That the appropriate employee enters into further discussion with Wiggle to develop the cycle marathon idea.
3. That further consideration is given by the inward investment team to a mayoral visit to Wiggle.

7 Background papers - leaflets and factsheets

Resolved:

That the information was received

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Stronger City Economy Scrutiny Panel

Minutes - 6 October 2015

Attendance

Members of the Stronger City Economy Scrutiny Panel

Cllr Philip Bateman
Cllr Payal Bedi
Cllr Val Evans
Cllr Welcome Koussoukama
Cllr John Rowley
Cllr Paul Singh
Cllr Tersaim Singh
Cllr Jacqueline Sweetman (Chair)
Cllr Martin Waite
Cllr Daniel Warren

Employees

Mark Blackstock	Head of Visitor Economy
Deborah Breedon	Scrutiny Officer
Keren Jones	Service Director - City Economy
Crissie Rushton	Marketing and Development Manager

Witness

Adrian Jackson	Chief Executive, The Grand Theatre
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Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies**
Apologies for non-attendance were submitted on behalf of Cllrs Jonathan Yardley
- 2 Declarations of Interest**
Cllr Phil Bateman declared a non-pecuniary interest in item 3 relating to the visitor economy relating to public transportation
- 3 Visitor Economy**
Cllr Jacqueline Sweetman, Chair welcomed to the meeting Mark Blackstock, Head of Visitor Economy, Chrissie Rushton, Marketing and Development Manager and Adrian Jackson, Chief Executive Grand Theatre.

Keren Jones provided an overview and update of the Visitor Economy report highlighting that section three of the report provides the current evidence base, as follows:

- Understanding our markets
- Shoppers
- Cultural visitors
- Students
- Business developers and investors

She advised that section four builds on the assets that the City has which sets Wolverhampton as distinctive from others highlighting the three defined areas: Central, East and West. She emphasized the importance of business improvement and the need for City ambassadors and that Panel would hear more detail about this later in the meeting from the Head of Visitor Economy who would talk about the cultural offer and from the Chief Executive of the Grand Theatre who would talk about the Grand Theatre.

The Service Director referred to section 4.4 'Wolverhampton West' and advised that the planned improvements to Bantock House would need to be done under reducing resources. She referred to section 4.5 'Wolverhampton East' and advised that the Bilston Business Improvement District had been secured. She referred to the geology and fossils exhibition at the craft gallery and that Dudley Council were looking at developing a geopark.

The Service Director highlighted that section 4.6 'Visitor Week' had been very useful and that a summary was appended to the report (Appendix 3). She advised that each time the process is useful to improve on the Wolverhampton offer and to provide opportunity to support industries involved in the visitor economy, of particular interest is to build on the hospitality and hotel sector.

The Service Director referred to Section 5 'Improving our visitor offer', she highlighted the following:

- City centre regeneration
- The Canal Side Quarter
- Hotels and hotel study
- Business conferencing
- City of Wolverhampton Council owned venues
- Complimentary visitor offer
- Marketing and publicity

She summarised that improving the visitor offer is partly about leisure, and less obviously about improving the housing offer, to support the local economy. She highlighted that new developments are spreading the areas of interest to the Springfield Brewery site, the new Youth Zone and she emphasized the need to make

sure things connect, creating real reasons for people to move from one place to another.

Presentation - 'Visitor Economy', Mark Blackstock, Head of Visitor Economy

The Head of Visitor Economy reminded the Panel that the Council are not the only organisation to provide visitor attractions. He highlighted that the Racecourse holds concerts and shows; the Monmore Green Dog track holds events and racing is filmed and transmitted around the world; Television has recorded five programmes of 'Flog it' in Wolverhampton and the Civic Halls and Grand Theatre are being transformed to increase footfall. He highlighted that each of these attractions positively increased the Wolverhampton Visitor Offer and that they were responding to change with different business models, considering licensing laws and capacity in the Civic Hall and Grand Theatre. The panel noted that increased planning and licensing fees also adds value to the City centre.

In response to a question about increasing the number of concerts, the Head of Visitor Economy advised that artists performing at concerts or festivals allocate so many dates to the UK and that the arrangements are complex.

In response to a question relating to a 'City Visitor Ticket' or discount offer the Head of Visitor Economy advised that the offer does not currently exist and that negotiations would take place between attractions. He did however acknowledge that Cineworld could link with the Lighthouse theatre.

The Head of Visitor Economy advised that the visitor economy supported over 700 jobs, recruited 286 volunteers, taught 92 students on site and was visited by 7500 school children.

In relation to the integration of services Panel were advised that there is a new regime moving away from the cultural offer and toward a local community offer balanced with proactive commercial activity, in the form of family activities, puppet shows, fossil exhibits and increased sales at Bantock Park. He advised that smaller community based shows and exhibits will be displayed at several venues including the Lighthouse Theatre, Billston Art Gallery and others, to raise community attendances. Cllr John Rowley welcomed the opportunity for community groups to exhibit arts and crafts, the Head of Visitor Attractions indicated the community groups will bring friends and families to visit and that this is an opportunity to connect with local groups.

The Scrutiny Panel highlighted that no visitor attractions are open on a Sunday and suggested perhaps closing on a Monday or Tuesday to facilitate the visitors to the City. Cllr Phil Bateman asked if a list of venues and facilities was available to the public. The Head of Visitor Economy advised that there had been a list but that it was no longer available but that it is the intention of the section to create a hire section

Cllr Daniel Warren referred to the struggling night-time economy in Wolverhampton, he highlighted the Slade rooms and Lighthouse theatres as being in the same area of

the City and shared some examples of how businesses work to support each other, such as in Sheffield showrooms you buy a meal and a bottle of wine with a cinema ticket for £30, he asked if Wolverhampton has fully explored these types of offers. The Head of Visitor Economy clarified that cross over marketing has been considered but that the offer would be different in every City.

The Head of Visitor Economy referred to the old post house and the move to develop into incubation space for creative businesses. He advised that this year every Council property has a business plan and that the business plan can be developed to consider cross over marketing to see how income streams are growing. He advised that Wolverhampton is getting there, but not quite there yet, he shared that The Art Gallery was being considered as a wedding venue amongst other initiatives.

Cllr Waite referred to this as a cluster opportunity and suggested that to a certain extent this was happening; he referred to the Lichgate, Slater's and Boughs Brewery. The Service Director confirmed that this is happening and it was touched on last time, the Council can create a buzz in the proximity of buildings by managing public buildings differently; the next phase will be to look at Private sector. Cllr Martin Waite indicated that if he was a top end food outlet he would want to know that there is a market five days a week and there needs to be retail in the mix. The Chair suggested the scrutiny panel should visit the racecourse as part of the visitor economy scrutiny.

In relation to the threats identified through the Swot analysis outlined in the presentation the Head of Visitor Economy indicated that in the long run there should be greater success through entrepreneurialism, he highlighted an example that you can book an act easily but it can be the hardest thing to get them to make money. An example of this was the City Show that lost money this year because it rained and half of the fee was lost. The Service Director highlighted that there is a risk with most things but that the Council is addressing it by not letting the fear of risk stifle creative thinking. She highlighted that the Council can make bids as a public organisation to fill the funding gap, providing a public benefit and managing risk in a different way can make a huge difference. The Head of Visitor Economy gave an example of changing things around to create opportunity, he identified that the curators flat was on the ground floor at Bantock Park; it has moved opening up the ground floor opportunity for visitor space.

In response to points raised the Service Director advised that the savings proposals are really challenging and that partners are working together there are challenges but they are getting there.

The Head of Visitor Economy advised that in the new business model change is been driven by a reduction in funding, but also the fact that society is changing at a huge rate and expectations are rising given the competition. He advised that Visitor Economy Services were challenging every service.

Wolverhampton's Cultural Offer – The Grand Theatre Case Study

The Chair welcomed Adrian Jackson Chief Executive of the Grand Theatre (GT). The Chief Executive GT highlighted four aims of the strategy of the GT:

1. Artistic and Creative
2. Education and Community
3. Commercial viability
4. Visitor Economy (making GT a destination venue)

He advised the Panel that the aim is to make the GT a venue of choice.

1. Artistic and creative

The Chief Executive advised that he aims to push the boundaries of the theatre from 2017. He revealed that GT would be developing intermediate theatre to penetrate the area of the community not touched before.

2. Education and Community

He advised that confidence building life skills are things that are really key to audience participation. He planned to develop good and strong confidence building through education. He indicated that GT can expand into schools and community. He shared his experience as a Stafford Magistrate and his frustration that young people get into trouble when they could be involved in the theatre through school or community. He shared that this is key to the GT objectives.

3. Commercial Viability

The Chief Executive GT shared the need for GT to develop and bring in more revenue. He advised that the expansion and spend had to bring returns. He advised that the GT is making enquiries about buying and developing the neighbouring premises, the old post office. He advised that the location of the GT means that this ground floor space is the only opportunity for expansion of the GT and GT is currently trying to develop a proposal.

4. Visitor Economy

The Chief Executive compared the GT with larger theatres and highlighted that GT shares the same audience, the product is the same. He advised that the difference for GT will be the funding from LEP and Match funding to move GT into the destination of choice, perhaps with jazz bands playing in front of house and a great restaurant right next door.

Cllr Phil Bateman indicated that during the development of the bus station and road disruption GT had lost coach loads of visitors. He asked how the GT was

going to look at ticket booking and coach liaison; he felt that coach liaison is a key part of group booking.

Cllr Sweetman, Chair, welcomed the information and asked if there was a lot of work going on to secure the visitor offer and how far this work was at the GT and if it was integrated. The Chief Executive advised that there is more work to do and he expressed an interest in working with other organisations. He advised that there are three other venues, also slightly in different in the makeup but core offer is the same and there were also lots of similarities and synergies. He said there is a need to look at the GT as producers and venues, people will be supportive and that there is a journey to go on.

In response to a question from Cllr Martin Waite relating to the show hours 7.00 – 10.30 and having appropriate other facilities the Chief Executive GT advised that one of the reasons that the alterations have to happen is enable the other facilities. He identified preshow entertainment as a must to enhance the theatre offer, such as 'Champaign reception before the ballet'; he highlighted the need for a good restaurant to provide a meal to make a full evening in Wolverhampton which would add economic impact. He highlighted the need to publicise the whole offer and gave some examples of income spend as follows:

- GT £38 in the City ; £13 at the venue
- Civic Halls £44 in the City ; £15 at the venue

In response to comments made about capturing coaches at the GT, Mark Blackstock, Head of Visitor Economy advised that in 2014 two coach trips had been running, one to Bantock House, one to the Art Gallery; He advised that the coach trips had been failed by the catering facilities, they simply were not big enough to cope with the amount of people descending. The Chief Executive GT advised the Panel that he will demonstrate how this can be done, how putting more resources in and thinking differently can help synchronicity and turn things around. Cllr Martin Waite indicated that customer database can be revisited to get customers back, which is easier than starting afresh with the aim to sell more tickets and products.

In response to questions from Councillors about the synchronicity of marketing the City the Head of Visitor Economy advised that there had been a monthly meeting of representatives from top venues in the City to consider event timetabling; He advised the group had failed in October 2014 but had been re-established in March 2015 and that there was a meeting coming up; He advised that Websites are also to be completely redesigned to develop a joined up approach across the City for potential visitors looking at Wolverhampton using the internet. The Service Director advised that part of the funding for the Civic Halls was to look at the closure period how we communicate and support the visitor economy through business.

The Chief Executive GT shared the launch of GT TV with the scrutiny panel, highlighting the need to change the way GT works, to diversify and reach out and promote the visitor economy.

Resolved:

That the Scrutiny Panel endorse the approach to developing Wolverhampton's visitor economy.

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Stronger City Economy Scrutiny Panel

01 December 2015

Report title	Budget Review - Draft Budget 2016/17	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Director of Finance
	Tel	01902 554410
	Email	Mark.Taylor@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2016/17, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
 - a. the Savings, Redesign and Income Generation Proposals summarised at Appendix A.
 - b. the Financial Transactions and Base Budget Revisions summarised at Appendix B.
2. Approve that the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

1.0 Purpose

- 1.1 The purpose of this report is to seek the Panel's feedback on the Draft Budget 2016/17 including the related Savings, Redesign and Income Generation Proposals (referred to herein as Savings Proposals) and Financial Transactions and Base Budget Revisions (referred to herein as Base Budget Revisions) that was approved by Cabinet to proceed for formal consultation and scrutiny stages of the budget process on 21 October 2015.

2.0 Background

- 2.1 At its meeting on 21 October 2015, the Cabinet considered the Draft Budget for 2016/17. Cabinet approved this as the basis for budget consultation and scrutiny over the forthcoming months.
- 2.2 The Cabinet report identified that due to the uncertain financial future, a full update of the Medium Term Financial Strategy (MTFS) 2016/17 – 2018/19 would only be conducted once the Spending Review and the Provisional Local Government Finance Settlement have been announced on 25 November and mid-December 2015 respectively.
- 2.3 The Cabinet report recommended that Savings Proposals amounting to £14.1 million in 2016/17 proceed to the formal consultation and scrutiny stages of the budget process. The Savings Proposals that fall within the scrutiny remit of this Panel are shown at Appendix A.
- 2.4 The Cabinet report further identified that £7.1 million of Base Budget Revisions be incorporated into the 2016/17 Draft Budget. The Base Budget Revisions that fall within the scrutiny remit of this Panel are shown at Appendix B.
- 2.5 As detailed in the Cabinet report, the 2016/17 Draft Budget will be considered by Scrutiny Panels during the November/December round of meetings and the feedback from those meetings will be reported to Scrutiny Board on 15 December 2015, which will consolidate that feedback in a formal response to Cabinet on 13 January 2016. The feedback provided to Scrutiny Board will include questions asked by Panel members, alongside the responses received. These arrangements have been endorsed by the Chair and Vice-Chair of the Scrutiny Board. Cabinet will take into account the feedback from Scrutiny Board when considering the final budget setting report in February 2016, for approval by Full Council in March 2016.
- 2.6 It is important to note that any savings proposals approved as part of prior year budget setting processes have already been scrutinised and approved by Cabinet and are therefore, already included in the MTFS.
- 2.7 In order to limit the volume of paper used as part of the budget reporting process, the Cabinet report has not been appended to this covering report. Panel members are instead requested to bring their copy of the 2016/17 Draft Budget report, which was circulated with the 21 October 2015 Cabinet agenda. Detail of all the Council's individual

savings proposals, including the latest to be considered by Cabinet on 21 October 2015, can be found on the council's website at:

<http://www.wolverhampton.gov.uk/budgetsavings>

3.0 Proposals relating to the work of this Panel

3.1 Included in the Draft Budget strategy are savings proposals and base budget revisions relating to the remit of this Panel. These are listed at Appendices A and B. The Panel is requested to provide and record its comments on these proposals, for submission to Scrutiny Board and then Cabinet.

3.2 In addition to commenting on these specific proposals, the Panel may also request additional information or clarification in relation to the budget and MTFS. Any such requests will be noted separately, either for consideration by the Panel at a future date, or for information to be forwarded to the Panel members concerned.

4.0 Financial implications

4.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. MH/17112015/V

4.0 Legal implications

5.1 The legal implications are discussed in the report to Cabinet. RB/18112015/Y

5.0 Equalities implications

5.1 The equalities implications are discussed in the report to Cabinet.

6.0 Environmental implications

6.1 The environmental implications are discussed in the report to Cabinet.

7.0 Human resources implications

7.1 The human resources implications are discussed in the report to Cabinet.

8.0 Schedule of background papers

9.1 Draft Budget 2016/17, report to Cabinet, 21 October 2015

Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

City Economy

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p>Phased Removal of remaining Grand Theatre Grant</p> <p>The proposal is a phased removal of remaining grant funding to Grand Theatre. Continuing the agreed approach to overall savings in the City Economy Service.</p>	Councillor John Reynolds	Place	(124)	(124)	-
<p>Review remaining Lighthouse Media Centre Grant</p> <p>The proposal is to remove the remaining grant funding to Light House Media Centre. Continuing the agreed approach to overall savings in the City Economy Service.</p>	Councillor John Reynolds	Place	(73)	-	-
<p>Further Restructure of City Economy Services</p> <p>Rationalisation of the City Economy Service to meet savings targets and increase flexibility to meet new economic priorities</p>	Councillor John Reynolds	Place	(68)	-	-
<p>Increase new commercial activities within cultural venues (Archives, Art Gallery, Bantock House)</p> <p>Increased net income across sites</p>	Councillor John Reynolds	Place	(25)	(25)	(25)

Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p>Further external funding of Outdoor events.</p> <p>Reduction of £20,000 from the remaining Outdoor Events budget. Part of the refinement to the Approach to City Economy Events Programme yet to be approved.</p>	Councillor John Reynolds	Place	(20)	(20)	-
<p>Bilston Craft Gallery – review current service provision including delivery of exhibitions and craft play</p> <p>Continue to deliver craft play and one off events that are externally funded at the Craft Gallery. The main collection and exhibitions to be relocated at the Art Gallery. Make the remaining space available for events and studio hire.</p>	Councillor John Reynolds	Place	(20)	-	-

Financial Transactions and Base Budget Revisions

City Economy

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
Drawdown of one off grants for City Economy As a result of grant funding being available it is possible to reduce the net costs of the service for 2016/17 without impacting on service delivery.	Councillor John Reynolds	Place	(139)	139	-

Stronger City Economy Scrutiny Panel

1 December 2015

Report title	Skills and Employment Commission	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Wards affected	All	
Accountable director	Keren Jones, City Economy	
Originating service	City Economy	
Accountable employee(s)	Jim Cunningham	Head of Enterprise and Skills 01902 550166 Tel James.Cunningham@wolverhampton.gov.uk Email v.uk
	Sheila Collett	Head of Economic Inclusion 01902 551848 Tel Sheila.Collett@wolverhampton.gov.uk Email
Report to be/has been considered by	City Board	

Recommendation(s) for action or decision:

1. The Scrutiny Board is recommended to endorse the framework and priorities for the Wolverhampton Skills and Employment Action Plan, that form a key strategy for managing the City of Wolverhampton Council's Corporate risk of "Skills for Work".

1.0 Purpose

- 1.1 The purpose of this report is to update Stronger City Economy Scrutiny Panel on the progress by the Council, and its partners, to develop and deliver a Skills and Employment Action Plan for the City to take forward the recommendations emanating from the work of the Skills and Employment Commission, led by Professor Tony Travers.

2.0 Background

- 2.1 In October 2014, the Leader of the City of Wolverhampton Council Leader, Roger Lawrence made it clear that tackling unemployment and skills shortages in Wolverhampton is a top priority. Whilst the economic success of the City in creating new employment opportunities is apparent, the City also has considerably higher unemployment levels and a lower skills base than the national average. Employment growth alongside a low skills base presents challenges and opportunities for the City that need to be addressed so that Wolverhampton can be confident and optimistic about its future.
- 2.2 To help understand and address this issue the creation of an independent Skills and Employment Commission was announced, the purpose of which was to ensure that Wolverhampton had the appropriately skilled workforce to support the City's economic growth. This would encompass supporting the sustainability of businesses in the city and critically to ensure that Wolverhampton residents and young people have access to the right skills provision and employability support to give them the best chance of securing employment.
- 2.3 The Skills and Employment Commission was set up as an independent Board, with its membership drawn from businesses, higher education and the voluntary sector, and a balance between capitalising on local knowledge alongside sufficient challenge from outside Wolverhampton and the Black Country.
- 2.4 The Commission had five key lines of enquiry:
- Entering and leaving the labour market
 - Employer demand and churn in the labour market
 - The employment and skills system in Wolverhampton
 - The connectivity between schools, colleges, providers and employers
 - Policy development
- 2.5 The Commission met on six occasions to receive a wide range of information and evidence from employers, providers, the local authority and the community and voluntary sector. This included drawing from the substantial

evidence base that the Council compiled during the earlier Skills and Employment Scrutiny Review.

- 2.6 The Commission's findings have now been reported to the Wolverhampton City Board which comprises of the Council, leading business figures, the voluntary and community sector and key public sector organisations charged with overseeing the on-going regeneration of Wolverhampton. A copy of the full report can be found on the Wolverhampton Skills and Employment website: <https://wolvesskills.wordpress.com/>
- 2.7 In summary, the report advised that the city should prioritise interventions that were focused on the following five key themes:
- **Holistic careers advice:** Providing an improved joined up approach to careers advice for people of all ages
 - **A city skills system:** Improved use of resources and clearer roles across institutions and organisations concerned with education, training and skills development
 - **Ready for work:** Improving soft skills and addressing wider barriers to work.
 - **Moving up:** Working with employers to address under-employment and in-work progression.
 - **Cross sector collaboration:** Improving communication and collaboration with employers
- 2.8 The Commission's findings and recommendations were as presented to the City Board in July 2015, and at Wolverhampton Business Week 2015 in September 2015.
- 3.0 Skills and Employment Commission**
- 3.1 The City Board identified a need to rationalise and consolidate the activities to a few projects or interventions that had the potential to be transformational. The Board requested that the Strategic Director for Place establish a steering group, with the objective of finalising the Skills and Employment Action plan, and overseeing its implementation. This includes membership drawn from across the Council, University of Wolverhampton, the College, Hospital Trust and Voluntary Sector.
- 3.2 Alongside the main steering group, a forum for businesses to contribute to this agenda will also be developed, building on the core membership of the former Skills Board. This will be championed by the City Growth Board and

Wolverhampton Business Champions. The Economic Growth Board has already agreed to contribute by developing an education/business partnership mentoring and awards scheme.

- 3.3 This report sets out in more details the background and recent development, and a revised framework for the Action Plan, taking account of the City Board's instructions. These documents capture the current position, following the first meeting of the Steering Group and recent discussions at Strategic Executive Board.
- 3.1 Given that Wolverhampton is part of a broader sub-regional and national economy the Commission emphasised that intervention was required at three levels: local, sub-regional and national – and that some actions may be taken more effectively at a sub-regional (or national) scale than locally.
- 3.2 In respect of wider context, the priorities for action are:
- **Influencing the Wider West Midlands agenda for Skills and Employment.** The City of Wolverhampton is playing an active role through the Public Sector Review Board, which forms part of the operational structures of the shadow West Midlands Combined Authority.
 - **Securing additional funding from Black Country European Union Structural Investment Funds.** The City of Wolverhampton Council and its local partners have been active in preparing and submitting bids, the results of which will be known shortly.
- 3.3 **City Level Action:** The main thrust for the Skills and Employment Action plan is working with partners at the city level, making better use of our current resources through a more joined up approach. Appendix A sets out the revised framework for the City of Wolverhampton's Skills and Employment Action Plan, agreed with partners at the meeting of the Steering group on 12th November. There are two main drivers:
- A customer focused approach for the individual
 - Strategic working with employers
- 3.4 **The City Job Box.** The City Board is keen to develop a Flagship Project for the Action Plan that delivers against all five Skills and Employment Commission priorities:
- **Holistic careers advice**
 - **A city skills system**
 - **Ready for work**
 - **Moving up**
 - **Cross sector collaboration**
- 3.5 The City Economy Team have explored a number models of operation established in other Local Authority areas in particular, Telford Job Box and Coventry One Stop Shop.

- 3.6 The Job Box is in effect a virtual one stop shop for information and support on job vacancies, training and employment. It aims to provide residents with links to the support on offer through a single portal. The Telford model initially aimed to tackle Youth Unemployment, but its success has included an improved web based approach to market a range of services supported by better internal alignment of skills and employment services. The model brought services together under one brand but part of its success was a senior manager having oversight of the brand and the service delivery under its banner. Internally services were supported by having access to a single client information system.
- 3.7 The One Stop Shop model in Coventry takes the virtual model into a physical entity by having a highly visual presence within a City Centre location. The One Stop Shop provides a drop-in facility for job seekers but also has an Employer Hub actively working with local employers to generate opportunities for local people. The model has the ability, as in Coventry, to bring partners together including the Chamber, the NHS Trust, the Growth Hub and local colleges. It is also a model that provides a natural opportunity to align/merge services under a Skills & Employment Team type approach.
- 3.8 Both the Telford and the Coventry models provide the delivery vehicle to achieve the priorities outlined above, as follows:
- Provides an integrated offer both internally and externally and provides clients with single point of service access.
 - A better aligned and marketed service creates the building blocks to promote and develop all age Information Advice and Guidance provision.
 - An aligned or merged service improves the use of limited resources and makes clear the roles of individuals and organisations and allows for effective targeting.
 - Improves our engagement and relationship with employers
- 3.9 Building on this research, it is proposed that a City of Wolverhampton Job Box model consist of the following elements:
- **Marketing and engagement**
 - **Individual assessment**
 - **Informed choices**, with information and guidance based on employer intelligence and economic research.
 - **Right route**, either mainstream, or bespoke
 - **Right support**, including mainstream provision that is enhanced by specific projects and programmes.
- 3.10 This customer focused approach will sit within a wider system that key partners have committed to supporting. The proposed system recognises that not only mainstream providers have a role to play, but there are key stakeholders that can make significant contributions. The key components of the wider system will be:
- A robust evidence base:**
- Current and future employment and self-employment opportunities

- Labour market analysis

Creating “active” stakeholders:

- The family
- The school, education and employment providers
- The employer
- The community

Making the system work:

- Research and intelligence
- Marketing , communications and engagement
- Performance management – both provision and progression
- Review, strategic direction and governance

- 3.11 It is proposed that a City Job Box for Wolverhampton could be developed through a number of phases:
- **Phase 1 - Virtual Job Box**, presentation of the Council’s own integrated model through a single platform and range of e-communication channels
 - **Phase 2 – Virtual Job Box with partners**, presentation of the Council’s own integrated model through a single platform and range of e-communication channels
 - **Phase 3 – A one stop shop**, as part of the City Centre Regeneration Education Estate Programme. Phase 3 would also link with the development of the Combined Authority and the proposed devolution of various budgets.
- 3.12 Taking such a phased approach allows the development of a virtual model to internally align services and externally market services more effectively.
- 3.13 A key aspect of the service delivery will be our engagement with employers and the management of that relationship. A good, user friendly client relationship management system is key to success in this area, as well as a pro-active connection to the Growth Hub.
- 3.14 Another key component of the Job Box model is integrating, in a coherent way, the wide range of specific projects and initiatives that enhance mainstream and bespoke delivery. This includes the active participation of key stakeholders e.g. schools, employers, families and communities. For example:

Project or Intervention	Skills and Employment Commission priorities
<p>Schools Improvement project: focusing on every Child Counts A cross cutting programme by the City Education and City Economy Departments</p>	<ul style="list-style-type: none"> • Holistic careers advice • Ready for work:
<p>Education Business partnership mentoring and “Reaching for Gold” style awards ceremony Sponsored by the Economic Growth Board and Wolverhampton Business Champions</p>	<ul style="list-style-type: none"> • Holistic careers advice • Ready for work • Cross sector collaboration

<p>Enhanced Youth Employment Initiative. Using new resources available through the EU Structural Funds,</p>	<ul style="list-style-type: none"> • Holistic careers advice • A city skills system • Ready for work • Cross sector collaboration
<p>WV Creative Intermediate labour Market Being developed as part of the Civic Halls Improvement Programme</p>	<ul style="list-style-type: none"> • Moving up • Cross sector collaboration

3.15 Alongside the flagship City Job Box programme, the other main programmes for inclusion in the Action Plan are:

- **Skills for Growth**
 - City Support for the employer
 - Integration with the Growth Hub
- **Centre Education Estate – One City Campus**
 - The University, College and Council are working together under the auspices of the City Centre Education Estate Programme to consolidate post 16 education provision within the City Centre. This also includes specialist provision, such as the UTC and Elite Centre
- **Strategic Influencing**
 - Combined Authority and Devolution Deal
 - Area review process
 - Opportunities for regeneration
 - Wider quality of life offer (graduate and skills retention)

3.16 It has been agreed that partner task and finish groups will be set up to develop the details of each of the four main programmes. They will be supported by a Development Officer employed for a six month period by the City of Wolverhampton Council. A detailed implementation plan will be completed for implementation in 2016/17, alongside on-going work to refine and develop the approach.

4.0 Financial implications

4.1 There will be initial costs of £30,000 to employ a Skills and Employment Development Manager for 6 months to develop the virtual offer. This will be met from the LPSA reserve. The Commission's report endorses the better use of existing resources including Central government transferring more skills and training programmes to the city or city regional level, employers providing apprenticeships and schemes and the Council supporting businesses to move into Wolverhampton. The Economic Inclusion team is currently funded to support residents into employment working closely with partners. The Council

has been involved in influencing the priorities in the Black Country European Structural and Investment Fund strategy in terms of the Black Country's European Social Fund allocation fund will be allocated including Skills for the Unemployed and Workforce Skills. In addition, additional external funding will be sought to deliver of the recommendations. ES/19112015/Z

5.0 Legal implications

5.1 There are no direct legal implications arising from this report. RB/20112015/Z

6.0 Equalities implications

6.1 The report will have positive equalities implications since many disadvantaged groups are excluded in the labour market facing additional barriers to participation. Therefore recommendations will have a positive effect on equalities.

7.0 Environmental implications

7.1 There are no environmental implications to this report.

8.0 Human resources implications

8.1 Recruitment of a Skills and Employment Development Manager to support the Strategic Director of Place and the Service Director City Economy in driving forward this agenda.

9.0 Corporate landlord implications

9.1 There are no corporate landlord recommendations.

10.0 Schedule of background papers

Skills and Employment Commission Final Report

Wolverhampton Skills and Employment Commission Final Report

‘There is no doubt of the resolve of the key civic institutions to work together for the common good. This joint working is of great benefit to Wolverhampton.’

Professor Tony Travers, chair of Wolverhampton Skills and Employment Commission



SKILLS AND EMPLOYMENT COMMISSION

FINAL REPORT

September 2015

1. FOREWORD

Wolverhampton has many advantages: historic industrial strength, an excellent location within Britain and a civic community committed to radical improvement. Growth in the UK economy creates a great opportunity for the City to develop itself into a place people want to stay and build their businesses. But to achieve this goal, there will need to be changes. The Wolverhampton Skills and Employment Commission provides, we hope, an opportunity for the City and its people.

It would be naïve to pretend all was well with the local economy and with the propensity of residents to access jobs. Unemployment has been stubbornly high and the proportion of local people cut off from the world of work is unacceptably large. Despite local opportunities to work in advanced manufacturing, business services, health, education and retail, some residents of all ages can find the steps into employment almost impossible to take.

Wolverhampton, in common with many cities and towns across the country, has witnessed several decades of industrial change. Global trends have had the effect of making it harder for British companies to compete with those in lower-cost countries within the developing world. The City has been affected by a decline in the UK's traditional industrial base and the second-order problems facing former manufacturing areas as they adjust to new industries. For example, areas of dereliction need to be nurtured, often at great expense, back into productive life.

The Commission took evidence from many companies, voluntary organisations and from the council itself. There is no doubt of the resolve of the key civic institutions to work together for the common good. This joint working is of great benefit to Wolverhampton. But we conclude there are probably too many organisations and too much complexity. This is not the fault of the council, but can more fairly be blamed on central government's many short-term initiatives, particularly in the field of skills, employment, further education and training.

We also believe schools have an important role in improving careers advice to young people. At present, this part of the system is not working as effectively as it needs to. It

is impossible to understate the importance of the City's schools, the further education college and the university to its economic future.

The voluntary sector has a key role in providing stepping-stones between, on the one hand, residents who find themselves excluded from the workplace and, on the other, employers who can allow people to progress to higher-skilled and higher-paid jobs. Intermediary institutions which are accessible to the unemployed can then give people the life skills necessary to move into the more formal world of work.

The Commission's report is not a plea for more money, but rather for the better use of existing resources. Central government should transfer more skills and training programmes to the city or city regional level, so as to ensure rational use of public money. Employers must expand their role in providing apprenticeships and schemes which allow young people to learn about the world of work. The City Council needs to make it welcoming and easy for businesses to move into Wolverhampton. It must also ensure city centre is attractive and vibrant.

None of this can be achieved overnight. Some improvements can be made immediately, but others will take 10 or 20 years to have an effect. The sooner change starts, the earlier Wolverhampton can.

Tony Travers
August 2015

2. EXECUTIVE SUMMARY

Context

- In his 'State of Wolverhampton' speech to Wolverhampton City Council in September 2014, Council Leader Roger Lawrence made it clear that tackling unemployment and skills shortages in Wolverhampton is a top priority.
- The *Wolverhampton City Strategy – Prosperity for All 2011-2026* set ambitious goals to increase jobs, increase employment levels, tackle health inequalities and reduce child poverty. All the key partners across the public, private and voluntary sector have signed up to these priorities for the city.
- The Wolverhampton City Board is responsible for overseeing the delivery of the City Strategy. It is supported in driving delivery by the Economic Growth Board and the Inclusion Board.
- The City Strategy is aligned to the Black Country Strategic Economic Plan (SEP). Delivery of the SEP is overseen by the Black Country Local Enterprise Partnership (LEP) and other partnerships at Black Country level. In future the broader sub-regional level will assume greater significance with a Combined Authority.
- The scale of the challenge facing the City is linked to four key features of the local economy, the skills characteristics of Wolverhampton residents and the nature of current and future employment:
 - 1) Wolverhampton has a relative large local economy, as measured by employment and GVA, but despite new employment opportunities has seen slower than average growth. Manufacturing and engineering are important sectors locally in terms of employment (in common with the rest of the Black Country and the wider West Midlands) relative to the national average, but there is increasing diversification of sectors within the local economy.
 - 2) Wolverhampton residents are not competing as successfully as they might be for employment opportunities in Wolverhampton (and beyond)
 - 3) Wolverhampton has a lower than average skills base, for example a further 20,000 of the working population would need to obtain a qualification for the city to reach the England average
 - 4) While there will be future employment opportunities in most sectors and most occupations projected growth is increasingly biased towards higher level skills.
- The Skills and Employment Commission was set up by the Leader of Wolverhampton City Council to find solutions aimed at improving the City's prospects for sustainable, long term economic growth and prosperity and ensure that the city's residents can develop the skills to compete successfully for local job opportunities.

Scope of the Skills and Employment Commission

- The purpose of the Skills and Employment Commission is to ensure that Wolverhampton has the appropriately skilled workforce required to support the City's economic growth, to support the sustainability of businesses in the city and critically to ensure Wolverhampton residents and young people have access to the right skills provision to give them the best chance of securing employment.

- The Commission was independent, with its membership drawn from businesses, higher education and the voluntary sector, balancing local knowledge with challenge from outside Wolverhampton and the Black Country.
- The Commission had five key lines of enquiry:
 - i. Entering and leaving the labour market
 - ii. Employer demand and churn in the labour market
 - iii. The employment and skills system in Wolverhampton
 - iv. The connectivity between schools, colleges, providers and employers
 - v. Policy development
- The Commission met on six occasions to receive a wide range of information and evidence from employers, providers, the local authority and the community and voluntary sector.

Summary of evidence and analysis

Entering and leaving the labour market

- In functional terms the local labour market extends beyond the City's administrative boundaries – a higher proportion of high skilled than low skilled jobs are filled by non-residents, particularly from South Staffordshire.
- Job seekers need to be able to use a variety of job search channels – including the Internet – to apply for vacancies given that employers use a variety of recruitment channels.
- Those with high level and technical skills are in the most advantageous position for entering the labour market. Large employers have the pick of the best candidates.
- A lack of one or more of basic skills in English, Maths and IT, soft skills, qualifications and entrepreneurial skills may act as a barrier to entry to employment

Employer demand and churn in the labour market

- There are structural reasons and individual reasons why some residents are not successful in getting jobs on offer in the city.
- Some residents lack credible work and non-work experience to put on their CVs.
- Key sectors where there will continue to be significant future demand in the sub-regional labour market are the health and social work, wholesale and retail trade, professional services and construction sectors.
- Manufacturing is a sector where replacement of experienced and semi-skilled workers reaching retirement age is a key issue for employers.
- Employers want 'well rounded' individuals: personal attributes are important alongside formal qualifications.
- Changes in demand mean that skills requirements are increasing – and this is reflected in wage levels.
- Employers suggested that the quality of life 'offer' for living and working in the City for high skilled workers and retention of graduates needs improving: Wolverhampton needs to build a clear 'brand' – projecting its image and reputation in a positive light.
- In-work progression is important – but the information base on this is limited.

The employment and skills system in Wolverhampton

- The employment and skills system in Wolverhampton is complex – from individuals', employers' and providers' perspectives.
- Funding for skills development is disjointed – leading to a plethora of providers and services. While the direction of policy is towards giving employers a greater role in shaping skills policies, interventions designed to stimulate demand for skills and delivery at the workplace (as well as in the classroom), the current position is one of overlapping training provision alongside gaps in provision.
- Individuals with no/low qualifications benefit from personalised support. Sometimes concerns are raised about the relatively high cost of personalised (as opposed to standardised) support, but this needs to be considered alongside longer-term costs of supporting residents on out-of-work benefits and of implications for the economy of a prevalence of low incomes. There are personalised support schemes which are not central to the employment and skills policy domain but which are of relevance to it (e.g. Troubled Families and the Armed Force Covenant) and it is important that these schemes are better integrated with employment and skills initiatives.

The connectivity between schools, colleges, providers and employers

- A consistent theme in the evidence presented to the Commission was the need to promote improved careers guidance services, so as to better connect schools, colleges, providers, employers and residents. While debate amongst employers, education and training providers and other stakeholders on careers guidance services tends to focus on young people as new entrants to the labour market, it is important that the system of careers guidance work for people of all ages.
- There are existing examples of good practice in Wolverhampton but these tend to be small scale and/ or *ad hoc*. Overall there appears to be a lack of effective partnership working to provide better connections.
- Schools' preparation of young people for the 'world of work' was considered inadequate – and young people point to an inconsistent approach to careers guidance in schools. OFSTED has an important role to play here in ensuing and assessing the content and quality of provision of careers guidance in educational establishments (outside of higher education) and in driving up standards of provision.
- Employers also have to play a role in helping to shape careers guidance services.

Policy development

- Effective and accountable partnership working – at a variety of scales – is vital for addressing skills issue in the City.
- Wolverhampton City Council is well positioned to fulfil a role in brokering and enabling partnership working via continuing to develop partnerships with the business sector and on tackling unemployment and promoting employability.
- The timing of this Commission coincides with renewed emphasis from central government on tackling the UK's long-term productivity problem and devolving responsibilities to local areas to promote jobs and growth through investment in skills and encouraging innovation. Realising the potential for local action on employment and skills requires effective collaboration between the City Council, other local authorities, the LEP and the Combined Authority in the West Midlands.

- While it is important to take make the most of existing powers by joining up existing services and support, and ensuring the quality of service delivery, the possibility of further devolution of power and resources might provide opportunities for local action in activities such as aligning and pooling funding streams, targeted use of wage subsidies and further investing in management and leadership as a route to improving business performance and indirectly raising skills levels.

Developing a Skills and Employment Action Plan: A Framework

- The City needs to ‘raise its game’ to address the skills and employment issues it faces.
- An Action Plan needs to recognise the Wolverhampton is part of a broader sub-regional and national economy – and some actions may be taken more appropriately at a sub-regional (or national) scale than locally. Hence action is needed at three levels: City, LEP and Combined Authority. This means that co-ordination of activity across geographical scales and with partners outside Wolverhampton is required. Wolverhampton needs to lead within the Combined Authority on issues raised by the Skills and Employment Commission, while taking account of differences in socio-economic circumstances, needs and current provision within the Combined Authority area.
- Funding streams for skills and employment emanate from national, sub-regional and local level and are sub-optimally aligned. It is important to separate out what issues can be acted on locally.
- Encouraging higher productivity and output is a key economic issue nationally and for the City – building on strengths in advanced manufacturing, but that this provides only a minority of employment and a broad economic mix is vital.
- Improving careers information, advice and guidance for Wolverhampton residents must be a priority for the City, and needs to involve strong relationships between education and employers.
- While partnership working is vital – and the City Council is well placed to facilitate this – an important question is whether there is scope for reducing institutional clutter.
- As far as possible it makes sense to take account of lessons on ‘what works’ from current provision and to build upon what is already in place and yielding desired outcomes.

Specific opportunities for innovation and recommendations

- There is no single ‘magic bullet’ to solve the challenges facing Wolverhampton but a medium-term plan for change is necessary to address the skills and employment facing the City – but some actions can be taken now.
- In its *recommendations* the Commission focuses on a relatively small number of specific opportunities to address fractures within/ improve the working of the current and future skills and employment system in Wolverhampton – based on a review of ‘good practice’ examples in five key areas. These recommendations need to be further prioritised for implementation by the City Council and its partners.

- 1) ***Providing an improved joined up approach to careers advice for people of all ages***
 – it is recommended that:

Recommendation	City	LEP	Combined Authority
a) Building and retaining relationships with key national agencies/organisations and ensuring full advantage is taken of national and sectoral initiatives – e.g. STEMNET, Business in the Community ‘Business Class’ model, CIPD’s Steps Ahead Mentoring models, Employer Ownership of Skills pilots in collaboration with the UK Commission for Employment and Skills (which can have a careers guidance element), etc.	■	■	■
b) A concerted effort should be made to strengthen careers education, information advice and guidance in schools by keeping a register of those achieving a revised ‘Gold Standard’ in terms of their provision. More broadly, other organisations involved in careers guidance delivery should be encouraged to have their delivery kite marked (in accordance with national standards) as an example of good practice.	■	■	
c) Consideration is given to a Wolverhampton version of ‘Inspiring the Future’ – covering all age groups. This would provide an ‘online match making’ facility through which Wolverhampton residents entering retirement or volunteers from industry could be trained to provide mentoring and other support and then linked to opportunities to spend in schools or with outreach organisations providing employability advice and support (e.g. insights into different job roles/sectors, interview practice, etc.) to other Wolverhampton residents who would benefit from such help and support. (There is scope for this to be an additional service provided by the Adult Education Service.)	■		
d) Consideration be given to bringing together and branding existing initiatives through a ‘Job Box’ type model (as used in Telford) – open to all age groups. This would heighten awareness of support available by bringing services together in a one stop shop for information and support on vacancies, training and employment in the Wolverhampton area.	■		

- 2) ***Improved use of resources and clearer roles across institutions and organisations concerned with education, training and skills development – for those outside the labour market and with low level skills and for those in employment at all skills levels*** – it is recommended that:

Recommendation	City	LEP	Combined Authority
<p>e) For those with higher skills levels there is encouragement through partnership working with higher educational establishments and owners of specialist facilities to make maximum use of high quality training facilities for HE and employer-led vocational training across the wider sub-region (as in the case of the University of Sheffield Advanced Manufacturing Research Centre which provides a variety of learning pathways – including apprenticeships - to higher level skills).</p>		■	■
<p>f) Building on and extending the work of the Growth Hub, the Combined Authority, LEP and City Council regularly maps funding streams and training provision. This would facilitate and promote alignment of funding streams, help identify duplication and gaps in services and help improve the signposting and matching of individuals to the most appropriate provision (including apprenticeships, where applicable).</p>	■	■	■
<p>g) The City Board refines its structures, particularly the overlap between the Inclusion Board and the Skills and Employment Board. As work on the Skills Devolution Deal and Combined Authority structures develop, consideration needs to be given to how the City Board and partnership structures can best be organised to influence decision making at a Black Country and Combined Authority level.</p>	■		
<p>h) To help tackle long-term dependence on benefits of some individuals who are unemployed or economically inactive (and so achieve benefit savings and increases in tax revenues as more people move into employment), it is recommended that the City Council works at the community/individual level to foster local delivery projects adopting a person-centred approach and family and community support extending beyond the domain of employment and skills to social care and other community-based services.</p>	■		

3) **Improving soft skills and addressing wider barriers to work** – it is recommended that:

Recommendation	City	LEP	Combined Authority
i) The City Council, with Wolverhampton Voluntary Sector Council (WVSC), and other partners, builds on current provision (taking account of lessons on ‘what works’) to works on a multi-agency volunteering strategy that investigates how to better promote volunteering opportunities across the City (for all residents – see also recommendation ‘c’), assesses whether/how volunteering experience might be accredited in a way that will be recognised by prospective employers (perhaps at a broader sub-regional scale) and includes pathways to employment for volunteers who want to pursue this route.	■		
j) A partnership approach is taken to investigate the delivery of a city-wide work experience programme and pathways to work e.g. traineeships, internships, participation in sports and cultural activities (to be considered alongside careers advice initiatives).	■		

4) **Working with employers to address under-employment and in-work progression** – it is recommended that:

Recommendation	City	LEP	Combined Authority
k) The City Council and City Board employers lead by example – in proofing HR policies for opportunities for progression and reduction of institutional barriers such as constrained career structures, in encouraging in-work progression, in promoting inclusive professional and personal development (through career reviews), and in implementing initiatives to better utilise skills of their employees.	■		
l) The Council institutes Wolverhampton awards to showcase ‘good practice’ in different sectors/ employer size categories.	■		
m) The Council promotes work with trade unions, the voluntary sector and other partners to encourage identification of in-work progression pathways and their take-up.	■		

5) **Improving communication and collaboration with employers** – it is recommended that:

Recommendation	City	LEP	Combined
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			Authority
n) Given that employers do not recognise administrative boundaries when sourcing workers, training, etc., and that some employers have establishments across the LEP area/ wider Combined Authority area, consideration should be given – in discussion with employer associations such as Chambers of Commerce and the Federation of Small Business – to working out at a sub-regional level how best to engage with employers (on a sector basis) as part of the overall Skills Investment Plan at Combined Authority level.		■	■
o) The City Council continues with an ‘account manager’ arrangement for inward investors to the City, so as to ease and facilitate the process of sourcing workers and training.	■		
p) Showcase activities through the City Conference Programme i.e. Business Week [in the autumn], Working Well Week [in the spring] and Visitor Week [in the summer]) to promote the importance of employment and skills across the city.	■		

3. CONTEXT

Background to commission brief

In his 'State of Wolverhampton' speech to Wolverhampton City Council in September 2014, Council Leader Roger Lawrence made it clear that tackling unemployment and skills shortages in Wolverhampton is a top priority. Whilst the economic success of the City in creating new employment opportunities and attracting high-end manufacturers is apparent, the city also has considerably higher unemployment levels and a lower skills base than the national average. Employment growth alongside a low skills base presents challenges and opportunities for the City that need to be addressed so that it can be confident and optimistic about its future.

Working in partnership – City Strategy and City Board

The *Wolverhampton City Strategy – Prosperity for All 2011-2026* set ambitious goals to increase jobs, improve employment levels, tackle health inequalities and reduce child poverty. Part of the vision set out in the City Strategy is that Wolverhampton is 'A city where there are high levels of employment and opportunities for all types of learning throughout life'.

Of specific relevance to skills and employment, the City Strategy aspired to 'increase net jobs', so that by 2026 the number of jobs per head of the population will have grown to 0.85 (from 0.77 at the time of the Strategy), and also to raise the employment rate to at least 70% in 2026 (from a baseline of 61.3% in 2010).

The City Strategy sets out how the long-term goal of '*prosperity for all*' will be achieved by working in partnership – sub-regionally at Black Country level and beyond, at city level and at neighbourhood level - on three themes:

- 1) encouraging enterprise and business;
- 2) empowering people and communities; and
- 3) re-invigorating the city.

Developing and growing a skilled workforce is seen as critical with the global shift towards a knowledge economy, to meet the needs of future employers, and to equip people for the jobs market. It states that a 'cradle to grave' approach is fundamental to obtaining and retaining a job and earning a decent living. Key indicators for this are the:

- percentage of 5+ GCSEs, including English and Maths, at grades A*-C;
- percentage of the population with no qualifications; and
- percentage of the population with degree level qualifications or equivalent.

The City Strategy notes that improving the physical fabric and infrastructure of the city centre and marketing and promoting the city's cultural and creative sector are particularly important for promoting a positive and vibrant image.

The Wolverhampton **City Board** is responsible for overseeing the delivery of the Wolverhampton City Strategy. Membership of the City Board is drawn from key civic organisations in the City, including the University of the Wolverhampton, the Wolverhampton Royal Hospital Trust, the City of Wolverhampton College, Wolverhampton City Council, the West Midlands Police Service, with co-opted members drawn from businesses and the voluntary and community sector.

The City Board oversees the employability and skills agenda and is also tasked with giving consideration to the role of the proposed West Midlands Combined Authority in addressing the barriers identified to developing higher levels of employability and skills in the city. It is supported in driving delivery by the *Economic Growth Board* and the *Inclusion Board*.

The **Economic Growth Board** is responsible for fostering activities that create more jobs and address barriers to growth. It provides a strong business perspective on new City projects – including those put forward for funding bids to the Black Country Local Enterprise Partnership (LEP). Hence its concerns encompass attracting new businesses, supporting businesses to develop and grow, supporting priority sectors to innovate and compete internationally, developing and growing a skilled workforce, improving the physical fabric of the city and marketing the city's cultural and creative offer.

The majority of the membership of the Economic Growth Board is drawn from the business sector. There is also senior representation from Wolverhampton City Council, City of Wolverhampton College and Wolverhampton University on the Board.

The **Inclusion Board** is responsible for developing and delivering plans to get more people into work, tackle worklessness and some of the wider determinants of poverty and economic and social inclusion. Aspects of its remit of specific relevance to the Skills and Employment Commission include developing and growing a skilled workforce (shared with the Economic Growth Board), supporting financial inclusion, supporting more people to be active within their communities, tackling worklessness, and supporting and developing the role of the voluntary and community sector.

The majority of the membership of the Inclusion Board is drawn from the voluntary and community sector.

There is also a *Wolverhampton Provider Network* which brings together apprenticeship and traineeship providers. It is concerned with shaping and influencing skills and employment programmes to provide a local offer.

In addition to high level strategic working, the City Council supports a number of specific partnerships to address skills and employability issues. These include the:

- **Employability Partnership Group** – a group of public and private sector stakeholders seeking to improve employment outcomes and to ensure that skills and employment services meet the needs of employers and individuals. The focus of this group is on identifying current and future employment demand and ensuring that skills providers respond to it.

- **Community Learning Executive** – a group responsible for delivery of the community learning strategy for the City, focusing on support for the most deprived communities to access learning and employment. This partnership group maps the provision of learning across the key providers in the City; identifies key gaps and agrees specific actions to fill these gaps – including accessing external resources to meet local needs where partner provision is inadequately resourced.
- **A Job Clubs group** – which draws together the work of job clubs. This has links with the Social and Economic Inclusion Board.

The **Wolverhampton Skills and Employment Board** is also of relevance here in terms of its links with the Economic Growth Board and Social and Economic Inclusion Board, in its remit of supporting economic growth in Wolverhampton, by focusing on worklessness and raising skills levels across the City, and its work with the Black Country LEP to maximise skills and employment opportunities for people in Wolverhampton. It is a partnership of private, public and voluntary sector employers; learning and skills providers (including representatives of schools, private training providers, college and university); and public sector stakeholders such as the City Council, Jobcentre Plus, the Education Funding Agency (EFA) and the Skills Funding Agency (SFA). The Wolverhampton Skills and Employment Board supports the city's economic growth and recovery by focusing on worklessness (unemployment and economic inactivity) and raising skills levels across the city.

In addition to the partnerships set out above, there are **partnerships at Black Country** sub-regional level (i.e. Wolverhampton, Walsall, Sandwell and Dudley) – working on skills and employment issues. The **Local Enterprise Partnership (LEP)** also operates at Black Country level.

The **Combined Authority** – which published its statement of intent in July 2015¹ - would operate at a broader geographical level than the LEP – encompassing Birmingham, and also Solihull and Coventry (and possibly neighbouring district council areas).

Scale of the Challenge

The scale of the challenge facing the City is linked to four key features of the local economy, the skills characteristics of Wolverhampton residents and the nature of current and future employment:

1. Wolverhampton has a relatively large local economy, as measured by employment and GVA, but despite new employment opportunities has seen slower than average growth. Manufacturing and engineering are important sectors locally in terms of employment (in common with the rest of the Black Country and the wider West Midlands) relative to the national average, but there is increasing diversification of sectors within the local economy.
2. Wolverhampton residents are not competing as successfully as they might be for employment opportunities in Wolverhampton (and beyond)

¹ West Midlands Combined Authority (2015) *Growing the UK Economy Through a Midlands Engine* <http://www.westmidlandscombinedauthority.org.uk/assets/docs/WestMidlandsCombinedAuthorityLaunchStatement6JULY2015.pdf>

3. Wolverhampton has a lower than average skills base in the sense that the qualifications of its residents fall short of the national average- for example a further 20,000 of the working population would need to obtain a qualification for the city to reach the national average
4. While there will be future employment opportunities in most sectors and most occupations projected growth is increasingly likely to require higher level skills.

Each of these is considered in turn.

(1) A large economy with slower than average growth

Wolverhampton's economy (as measured by employment and Gross Value Added [GVA]) is one of the biggest in the West Midlands. But although the City economy has returned to a growth trajectory following the recession of 2008/9, economic growth (as measured by Gross Value Added [GVA]) has been slower than the UK average: GVA per head for Wolverhampton rose from £17,180 in 2006 to £19,548 in 2013, a 13.8% rise compared to a 16.1% rise in England).

GVA per head, Wolverhampton and England, 2006-2013

GVA per head (£)		
Date	Wolverhampton	England
2006	17180	20757
2007	17096	21799
2008	17073	22232
2009	16474	21750
2010	18073	22555
2011	18311	22975
2012	19032	23475
2013	19548	24091

Source: ONS Regional GVA, Tables 3.1 and 3.2

Jobs density. Wolverhampton and England, 2007-2012

Date	Wolverhampton	England
2007	0.78	0.80
2008	0.75	0.79
2009	0.73	0.77
2010	0.78	0.77
2011	0.79	0.78
2012	0.77	0.79

Source: ONS jobs density

Notes: The density figures represent the ratio of total jobs to population aged 16-64. Total jobs includes employees, self-employed, government-supported trainees and HM Forces

The City is ranked 142nd of 326 English local authorities on the number of jobs per residents aged 16-64 years. This is a favourable position compared with other Black Country local authority areas and suggests that relative to the sub-region, in simple numerical terms there is a relatively high number of jobs in Wolverhampton per head of population.

The number of employees in Wolverhampton increased from 103,600 in 2009 to 108,800 in 2013. Key growth sectors in this period included financial and other business services, manufacturing and construction. Relative to England Wolverhampton has a larger share of employment in manufacturing and in public administration, education and health, and smaller shares in financial and other business services and in education and health.

Employee jobs in Wolverhampton, 2013

Industry	% of total employees	
	Wolverhampton	England
Primary Services (A-B: agriculture and mining)	0.0	0.2
Energy and Water (D-E)	0.5	1.0
Manufacturing (C)	14.4	8.5
Construction (F)	4.9	4.3
Services (G-S)	80.3	86.1
The Services (G-S) group is comprised of:		
Wholesale and retail, including motor trades (G)	17.2	16.0

Transport storage (H)	3.4	4.6
Accommodation and food services (I)	4.2	6.9
Information and communication (J)	1.8	4.3
Financial and other business services (K-N)	18.6	22.4
Public admin, education and health (O-Q)	31.1	27.4
Other Services (R-S)	3.9	4.5

Source: ONS Business Register and Employment Survey

Notes: The self-employed, government-supported trainees and HM Forces are excluded.

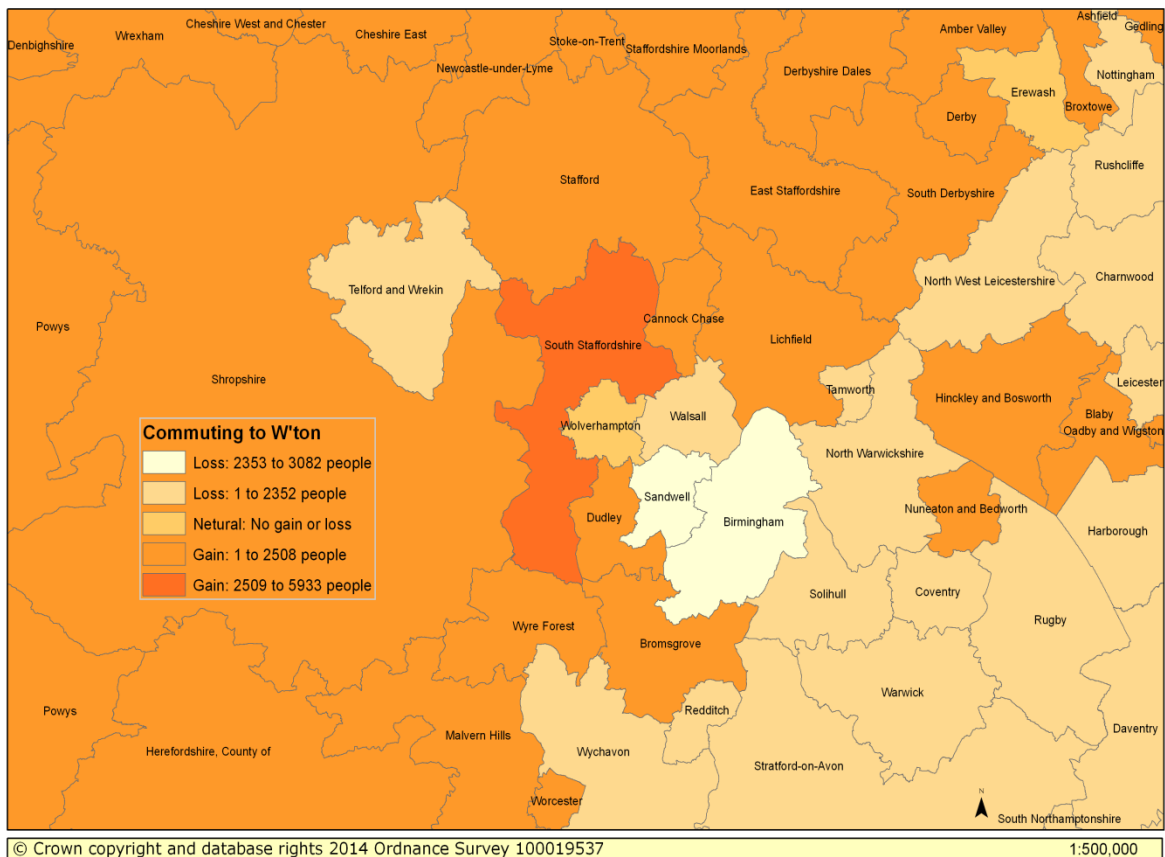
LEP-level data from the Business Structure Database on growth metrics for start-ups and existing firms shows that 15.5% of firms in the Black Country were fast-growing between 2011 and 2014, which was slightly below the England average. 6.1% of 2011 surviving start-ups grew to £1 million turnover by 2014, which again is slightly lower than the England average. There was higher than the national average reporting of strategy and management, sales and marketing, and skills and staff as a barrier to growth between 2012 and 2015, but finance was mentioned less frequently than average as a barrier to growth.²

(2) Wolverhampton's residents are less successful than they might be in competing for jobs

Commuting data from the 2011 Census of Population shows that the City is a net importer of residents from outside Wolverhampton filling jobs in the City: there are 3,889 more workers in Wolverhampton local authority's area than Wolverhampton residents with a job in another local authority.

² See Business Growth Service, Enterprise Research Centre (2015) *Growth Dashboard June 2015*.
<http://www.enterpriseresearch.ac.uk/wp-content/uploads/2015/06/2015-UK-Growth-Dashboard-Report.pdf>

In-commuting to Wolverhampton, 2011



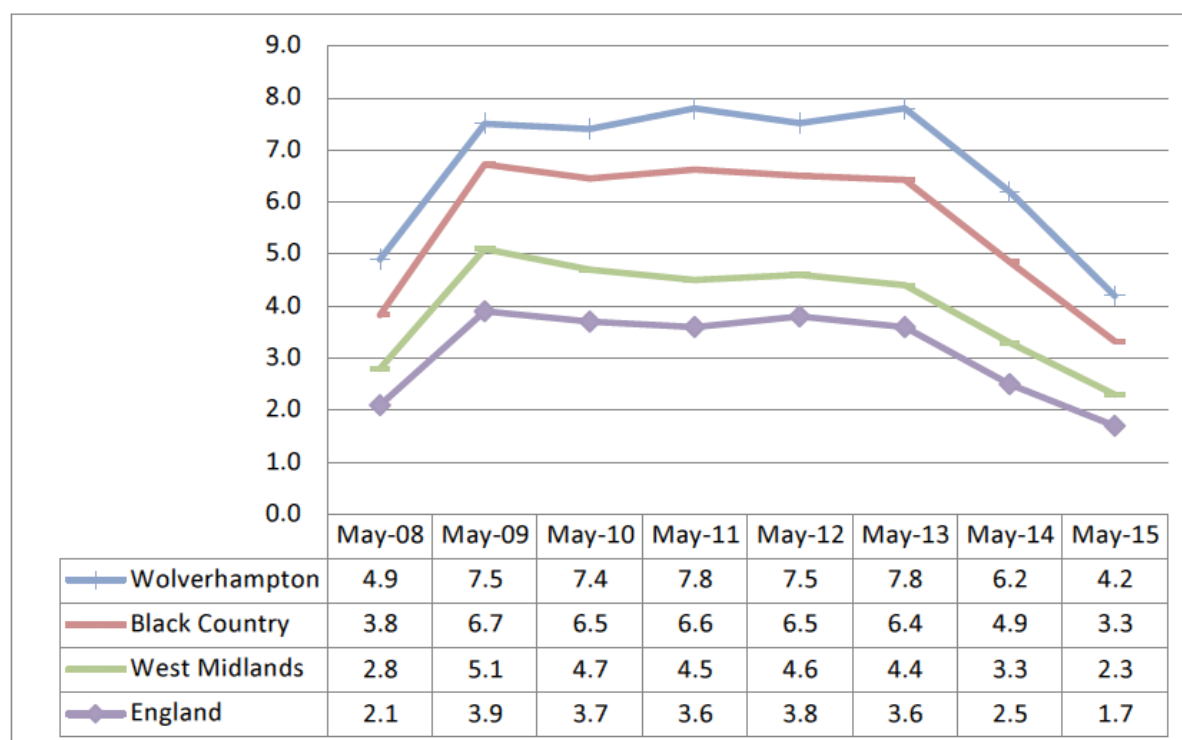
Source: 2011 Census of Population

In-commuters to Wolverhampton are disproportionately taking higher skilled and higher paid jobs, rather than lower skilled jobs which are more likely to be taken by local Wolverhampton residents.

While there are jobs available locally, Wolverhampton has one of the highest unemployment rates in England, both for the total working age population (aged 16-64 years) and for young people (aged 18-24). While in-commuting will continue to play a role in providing labour and skills for Wolverhampton employers, the statistics suggest that *Wolverhampton residents are not as successful as they might be in competing for jobs.*

The number of JSA claimants in the City is falling, but the proportion of residents aged 16-64 who are unemployed in Wolverhampton remains stubbornly above the England average (4.2% in May 2015, compared with 1.7% in England).

JSA claimant rate in Wolverhampton and comparator areas, May 2008 to May 2015



Source: JSA claimants as a proportion of residents aged 16-64 years

(3) Wolverhampton's lower than average skills base

It is in relation to skills levels that the scale of the challenge facing Wolverhampton is starkest.

The City faces a major challenge in terms of the skill levels of the local population which then impacts upon their ability to access employment at all and the nature of jobs that they are able to undertake: 22.9% of people in the City in 2013 had no qualifications compared to the England rate of 9.1%.

NO QUALIFICATIONS: SCALE OF THE CHALLENGE	
Wolverhampton's rate	22.9%
England's rate	9.1%
The number of people with no qualifications in Wolverhampton is:	34,600
To equal England, Wolverhampton needs to reduce the number with no qualifications to:	13,823
So Wolverhampton needs this many people with no qualifications to gain qualifications:	20,777
Wolverhampton needs this proportion of the working age population to upskill:	13.8%
This means a decrease in the current 'no qualifications' caseload of:	60.0%

Source: Annual Population Survey

To match the England average at 2013 qualification levels, Wolverhampton would need to reduce the numbers of residents with no qualifications from 34,600 to 13,823. This is akin to 20,777 such residents with no qualifications gaining a qualification (i.e. 60% of people with no qualifications would need to upskill). Progress is being made: in 2014 the number of residents aged 16-64 years with no qualifications was 30,900 (19.6% of residents aged 16-64 years in Wolverhampton), compared with 8.6% in England

Nevertheless, Wolverhampton still has the highest rate of working-age residents without qualifications in 2014 in England. Even though the percentage of residents with no qualifications has fallen, the city still would require over 17,000 residents to gain qualifications to be on a par with England.

Skills levels in the city, as measured in terms of basic literacy and numeracy, are also low: many adults having only 'entry level' literacy and numeracy skills, akin to those expected of 9-11 year olds. The Skills For Life Survey conducted by the Department for Business, Industry and Skills (BIS) in 2011 showed that 19.0% of residents had Entry Level or below literacy (versus 14.9% for England), and 58.6% had Entry Level or below numeracy (versus 49.1% for England). Entry Level is a level of skills akin to those expected of pre-Secondary School children. Such a low level of skills may hinder employment prospects for individuals, and impede wider economic productivity, which is increasingly a focus of central government policy.³ The government's approach to raising productivity is built around: (i) encouraging long-term investment in economic capital, including infrastructure, skills and knowledge; and (ii) promoting a dynamic economy. In the context of the concerns of the Commission, of particular relevance from (i) is the emphasis placed on a highly skilled workforce and world-leading universities – including through the delivery of increased numbers of apprenticeships underpinned (in part) by the planned introduction of a new compulsory apprenticeship levy for large employers, and from (ii) the move to a 'higher pay, lower welfare' society, and the objective of 'more people able to work and progress' (i.e. 'getting in, getting on and moving up' in work).⁴

The City also has a low rate of residents qualified at degree level. In 2013 20.0% of Wolverhampton residents aged 16-64 years had degree level qualifications, compared with 35.0% across England. Again, progress is being made – in 2014 23.6% of Wolverhampton residents aged 16-64 years had qualifications at degree level or above, compared with 35.7% in England – but the gap remains substantial.

(4) Future employment opportunities

In order to support economic growth in Wolverhampton, it is important that the workforce is equipped to fulfil future employment requirements.

It is difficult to be certain what future employment will look like, but the *Working Futures* employment projections⁵ for the LEP area⁶ provides an indicator for planning purposes. Total employment in the Black Country projected to increase from 498,000 in 2012 to

³ See HM Treasury (2015) Fixing the foundations: Creating a more prosperous nation, Cm 9098. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

⁴ See UK Commission for Employment and Skills (2014) Climbing the Ladder: *Skills for Sustainable Recovery* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/378968/Summer_What_0v41.pdf : UK Commission for Employment and Skills (2014) *Growth Through People*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/378810/14.11.26_GTP_V18.3_FINAL_FOR_WEB.pdf

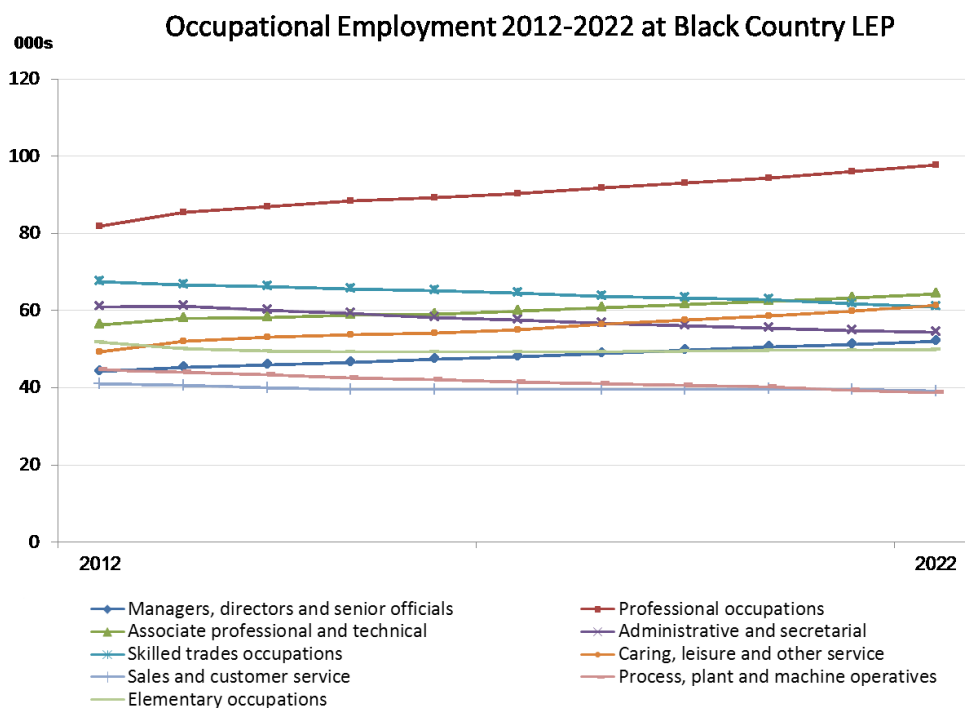
⁵ See <https://www.gov.uk/government/publications/working-futures-2012-to-2022>

⁶ The finest geographical level of disaggregation available.

519,000 in 2022. This represents moderate jobs growth: 4.2% between 2012 and 2022, compared with an increase of 5.9% for England.

Women are expected to take most of these jobs, with a projected 16,000 increase, compared with 5,000 for males. Likewise the number of part-time workers is projected to increase.

In terms of occupations, the largest projected net growth (16,000) is projected in professional occupations (requiring high level skills), followed by caring, leisure & other service occupations, associate professional & technical occupations (also requiring high level skills), and managers, directors & senior officials. Net losses are projected in other occupations.



Source: Working Futures

Although employment in some key sectors and occupations may be shrinking in total, substantial so-called 'replacement demand' (e.g. new job openings arising from retirements) exists in almost all sectors and occupations. So although a net reduction in skilled trades occupations is projected for the Black Country between 2012 and 2022, replacement demand is positive, meaning that there will be openings in such occupations. The sectors with the greatest projected total requirements are health and social work, wholesale and retail trade and support services (which includes call centres, administration, cleaning, etc.).

Sectoral Employment 2012-2022, Black Country LEP

Sector (thousands of jobs)	2012	2022	Net Change	Replacement Demand	Total Requirement
Health and social work	69	79	10	29	40
Wholesale and retail trade	87	90	3	33	36
Support services	45	48	4	18	21
Construction	36	40	4	13	17
Education	41	39	-1	17	15
Rest of manufacturing	60	54	-6	20	14
Transport and storage	28	30	2	11	13
Professional services	18	20	3	7	10
Accommodation and food	23	23	1	9	10

Source: Working Futures

Overall, the projections indicate that there will be substantial job openings as a result of projected employment change – at most skills levels. But overall projected employment change will demand higher level skills.

In summary, the challenge faced by the City is significant in terms of ensuring that local people are able to access jobs to benefit from the economic growth in the City – currently and in the future.

Reason for the Skills and Employment Commission and why it is independent

The Skills and Employment Commission was set up by the Leader of Wolverhampton City Council to find solutions aimed at improving the City's prospects for sustainable, long term economic growth and prosperity and ensure that the city's residents can develop the skills to compete successfully for local job opportunities.

The Commission was designed to be independent of the City Council so as to bring a critical authority to its deliberations and deliberations, drawing on a range of relevant experience and perspectives from both inside the City and beyond.

4. SCOPE OF THE SKILLS AND EMPLOYMENT COMMISSION

Terms of Reference

The purpose of the Skills and Employment Commission is to ensure that Wolverhampton has the appropriately skilled workforce required to support the City's economic growth, to support the sustainability of businesses in the city and critically to ensure Wolverhampton residents and young people have access to the right skills provision to give them the best chance of securing employment.

The Commission was tasked to collect evidence and produce recommendations for consideration by the City Council and the Wolverhampton City Board which are designed to ensure that Wolverhampton's current and future workforce needs are being met to realise on-going economic growth. More specifically, the Commission's terms of reference were to:

- Review the profile of Wolverhampton's economy currently and its future demand
- Determine the skills and qualifications requirements of Wolverhampton's economy and businesses to ensure that:
 - the local economy remains competitive
 - the local economy grows to its true potential
 - the current and future workforce skills needs of local businesses are met
 - local residents can participate fully in Wolverhampton's economic growth and access local jobs
- Review the current approach of education and skills providers in Wolverhampton, the associated resourcing and national policy drivers, and the local skills outputs/outcomes
- Review current relationships and engagement/interaction/planning between the business and education/skills sectors
- Examine the challenges, issues and barriers which Wolverhampton residents, particularly those currently unemployed, face in respect of employment and skills
- Determine whether the outputs of the education and skills sector are meeting the current/future skills requirements of the Wolverhampton economy; and identify any gaps in, or barriers to, provision
- Recommend any changes in approach required to ensure Wolverhampton's future economic competitiveness and support the development of a cross sector action plan for change

Commission structure and membership

The Commission was chaired by Professor Tony Travers, Director of British Government at the London School of Economics.

It included members from businesses:

- Samantha Bagshaw – HR manager for Sainsbury (at the time the Commission was established)
- Nigel Moorhouse - General manager (Wolverhampton) at UTC Aerospace Systems, Actuation & Propeller Systems

from higher education:

- Professor Anne Green - Institute for Employment Research, University of Warwick and the voluntary sector:
- Jas Bains - Executive Director with the Accord Housing Group, also representing the Joseph Rowntree Foundation

Key lines of enquiry

The Commission had five key lines of enquiry – as listed below with sub-questions:

1. ***Entering and leaving the labour market: Who is entering and leaving the local labour market?***
 - What are the levels of migration and commuting across the City?
 - Understanding data around company perspective on employee leaving data, criminal records and redundancies
 - How are local jobs being advertised? How does this vary by skill level? And how do these compare with methods of job search of local residents?
 - What are the barriers to entry to employment?
2. ***Employer demand and churn in the labour market: What are the dynamics of the labour market? What is currently happening? What are the trends?***
 - Why are local people not successfully getting the local jobs on offer? Are job-specific/ technical skills a key barrier, or are deficiencies in personal attributes (e.g. confidence, social skills) more of an issue?
 - What is the change in demand from employers are training providers experiencing?
 - How and to what degree are employers engaging with providers?
 - How significant is the quality of life offer to retaining and encouraging residents to live and work in the City
 - To what extent do workers (need to) move within the external labour market (i.e. change employer) to progress in work?
3. ***The employability landscape in Wolverhampton***
 - What are the challenges and opportunities for training providers around funding regulations that are preventing them meeting local employer and resident demand?
 - Are there any ways locally that we can simplify the complexity of funding mapping?
 - Is there a case for national lobbying for changes to the funding landscape to help meet local needs?
 - What does the funding landscape look like from a user's (both an employer's and a learner's/worker's) perspective?
 - What convinces people to start the journey to employment?
4. ***The connectivity between schools, colleges, providers and employers***
 - How strong is the relationship between training providers, businesses and schools/ colleges?
 - How well are the schools preparing young people for entry into the labour market and the 'world of work' more generally? What additional work is required?

- How effective is partnership working? To what extent do partners align and pool resources and funding to get the most out of opportunities and maximise funding?

5. ***Policy development***

- What data sets are missing to addressing these issues?
- What is the role of the public sector with the reduction in funding?

Process and methodology

The Commission met for the first time in January 2015 and met subsequently on five occasions to receive a wide range of information and evidence from employers, providers, the local authority and the community and voluntary sector.

In late 2014 the City Council conducted a Scrutiny Review for Skills and Employment. This Review sought to address two questions:

- a) What is stopping local people with low level skills getting into employment, what are the barriers?
- b) What are the jobs currently available in the City and the wider Black Country and what are those likely to be in the future which would be suitable for this group? What needs to happen to enable local people to successfully compete for these jobs?

The findings from this Review on the efficacy of current interventions to support those with no/low skills to enable them to access employment opportunities supplemented information and evidence presented to the Commission and fed into their deliberations. Hence the local labour market information and intelligence presented to the Commission included analyses of secondary data sources, on current policy interventions, and views on trends and experiences in the Wolverhampton labour market.

5. SUMMARY OF EVIDENCE AND ANALYSIS

A summary of key points on the evidence and intelligence from education and skills stakeholders and from employers is presented for each of the five key lines of enquiry noted in section 4.

1) **Entering and leaving the labour market:** *Who is entering and leaving the local labour market?*

Mobility – commuting and migration: In functional economic terms (as measured by workers' commuting patterns) the local labour market extends beyond the City boundaries (to include adjacent districts, such as South Staffordshire). Hence it is not surprising that more of the highly skilled jobs (commanding higher pay levels) are filled by residents from outside the city than less skilled jobs. Detailed information on commuting and migration patterns to and from the City is available every ten years from the Census of Population. The 2011 Census of Population included information on country of birth and year of entry to the UK. It shows that Wolverhampton has a relatively high proportion of residents born outside the UK compared with other Black Country local authority areas; (the presence of a University in Wolverhampton is one likely factor underlying this).

Job vacancies and redundancies: Increasing use of the Internet has impacted on employers' recruitment and selection practices and individuals' job search methods. There is no comprehensive source of local information on how jobs are advertised or on methods of job search.

The 2014 UK Employer Perspectives Survey⁷ indicates that nationally around three quarters of employers used 'free to use private recruitment methods' such as word of mouth, their own website, internal notices or other free websites in recruitment. Word of mouth is the most commonly used private recruitment method, used by 30 per cent of employers. 38% of employers used 'free to use public methods' such as Jobcentre Plus, and government schemes and programmes for recruitment. Smaller employers were particularly likely to rely solely on private free methods, whereas large employers on the other hand tended to use a greater range of recruitment methods.

While the picture in Wolverhampton will not be exactly the same as that nationally, it is unlikely to differ considerably. This suggests *that a sole reliance on public channels for vacancies means that most job seekers will only consider a subset of vacancies*. This suggests that:

- Job seekers and their advisers need to find out how employers advertise jobs of interest.
- Job seekers need to be able to use the Internet for job search.

Education and training providers highlighted that:

- Residents with medium and high level skills are best placed to enter the labour market.
- There is a need for progression in work for those in employment in order to free up entry level positions for residents lacking work experience and/ or with lower level skills.

⁷ A large-scale, telephone-based survey of 18,059 establishments across all sectors of the economy in the UK.

Employers noted that:

- Local jobs are advertised in a number of different ways (e.g. via company or commercial Websites, via agencies, via the Jobcentre (i.e. the Public Employment Service) – thus endorsing the findings of the Employer Perspectives Survey. Some jobs are filled via agencies on a temporary basis in the first instance, and subsequently agency workers may be offered full-time positions in accordance with demand.
- Large employers often have the ‘pick’ of the best candidates when it comes to recruitment, and so some employable candidates are turned away. *There may be scope for ‘talent sharing pools’ – with candidates who are turned away by large employers possibly being directed to SMEs in the same sector seeking to make appointments (but lacking the resource for a large-scale recruitment campaign).*
- In addition to ‘soft’ skills (sometimes termed ‘employability skills’) and formal qualifications (sometimes required for specific job roles but also a proxy for skill levels), some employers stressed that entrepreneurial skills are increasingly important. A lack of one or more of: (a) soft skills, (b) qualifications, (c) entrepreneurial skills may act as a barrier to entry to employment. Soft skills include reliability, punctuality, confidence, etc.
- In addition to soft skills and formal skills, there is a lack of entrepreneurial skills. A mentoring support programme for entrepreneurs was identified as a possible way of supporting the development and practising of such skills.

2) Employer demand and churn in the labour market: What are the dynamics of the labour market? What is currently happening? What are the trends?

Why are some local people not getting the jobs on offer?

- *Education and training providers* highlighted a distinction between: (a) individual reasons – e.g. lack of/ low level skills (e.g. shortcomings in literacy, numeracy and IT skills), low confidence, lack of work ethic, mental health issues, etc., and (b) structural reasons (e.g. relating to employers’ recruitment and screening practices), for some residents not getting jobs on offer.
- Amongst some older people no or poor IT and social media skills could impact negatively on employability – given their importance in the workplace and in employment and job search.
- Some individuals did not have credible work (or relevant non-work) experience to put on their CV.
- Education and training providers suggested that some young people did not possess the necessary ‘vocational maturity’ (i.e. a lack of necessary work-related personal attributes, of knowledge and appreciation of the ‘world of work’ and of pathways to ‘good jobs’ to take up apprenticeships).
- *Employers* highlighted a desire for ‘well rounded’ individuals – possessing a threshold level of academic and technical skills, but importantly also employability skills relating to punctuality, attendance, working with others, etc. In former decades, more young people were considered to have developed these attributes working in Saturday jobs than is the case currently. It was noted that some individuals with adequate/ good levels of formal qualifications lacked employability skills.
- In terms of academic and technical skills, employers pointed to shortcomings in maths, IT and related skills.

- In general, employers are more interested in finding the skills they need to help the economy to grow than specifically in finding local people to fill those jobs.

Overall, the indication was that deficiencies in personal attributes were an important issue, alongside shortcomings in skills. This means that such personal attributes are an essential component of employability, not a 'nice to have' extra.

Changes in demand:

- *Education and training providers* suggested that most vacancies required individuals with medium- and higher-level skills.
- *Employers* also endorsed this point, indicating that in manufacturing in particular, there were opportunities for apprentices and graduates. They noted that in sectors with global reach (e.g. much of manufacturing and some services), the 'fully burdened labour rate' (i.e. is the full hourly cost to employ a worker for the hours he/she actually works, which includes wages and the 'burden' of the additional costs) is around twice the level in the UK than in Poland and 5-6 times higher than in India). This means that the UK cannot compete with countries in Eastern Europe and Asia in terms of costs of employing lower skilled workers: hence the average skill level in the UK will rise.

This finding chimes with information from employment projections on increasing skills requirements of employment. It also fits with employers' reports of a rapid rise in wage rate for skilled jobs in manufacturing, whereas wages for low end jobs are 'flat'.

Employers' engagement with providers: Employers reported engaging with education and training providers directly for specific training needs; (albeit not all employers – and especially SMEs – will do so). Likewise most education and training providers indicated an appetite to engage with employers and to understand their needs, so as to best equip individuals on education and training courses for employment.

The Wolverhampton quality of life 'offer' for living and working in the City:

- *Employers* suggested that the 'quality of life' offer for workers in high skilled jobs needed improvement. From a recruitment perspective, it was considered that Birmingham has more to offer – in terms of its visitor economy, culture, night life, shopping, etc.
- Employers indicated that *quality of place* is important for attracting talent.

Wolverhampton needs to build a clear 'brand' – projecting its *image* and *reputation* in a positive light, by highlighting what the city is good at in its own right, and highlighting relative proximity to Birmingham as a feature of Wolverhampton's quality of life offer. The retail, cultural and leisure aspects of city life need to be seen to be attractive, as does the urban form of the city centre. Investment in the University and College in the city centre and improvements in the retail offer will be helpful here.

External labour market mobility and progression: The information base on in-work progression is more limited than that on pre-employment and entry to work.⁸ It was agreed that large companies (particularly top engineering firms) are able to attract top talent. Part of

⁸ See Green A., Sissons P., Broughton K., de Hoyos M. with Warhurst C. and Barnes S-A. (2015) *How can cities connect people in poverty with jobs*, Joseph Rowntree Foundation, York. <http://www.jrf.org.uk/sites/files/jrf/cities-poverty-jobs-full.pdf>

the attraction of working in a large organisation is the size of its internal labour market and the possibilities for progression this offers, often alongside a wage premium.

Individuals with a strong skills set in occupations where there is high demand are able to move in the external labour market to higher paid jobs. This poses problems for some SMEs and smaller employers in the supply chain who cannot easily compete. Hence, the advantages of working for SMEs, in terms of range of experience, etc., need to be highlighted for individuals.

For those individuals in lower paid work there can be advantages in moving within the external labour market to get a more lucrative job. Universal Credit may encourage such movement.

3) *The employment and skills system in Wolverhampton*

It is clear that from a user's (i.e. an employer and a learner/ worker) perspective the funding landscape for skills development is complex. It is complex from a provider perspective also. In the context of continuing austerity the amount of public funding available for training is reducing overall, placing greater emphasis on employers and individuals paying for training that they will benefit from. It tends to be more cost-effective for providers to put on full-time courses for large numbers than part-time courses with lower take-up.

There is 'good practice' in Wolverhampton – at various skills levels. For example, the Scrutiny Review endorsed the commitment of voluntary organisations working with people who are currently unemployed, and specifically the activities of Work Clubs in encouraging and supporting individuals in their search for work. There is also ongoing investment in the Youth Zone to support young people. Wolverhampton College has seen improved performance. Employers felt that Wolverhampton University worked well in terms of its responsiveness to employers and its portfolio of activities in supporting employability in Wolverhampton. Some employers are active in the employment and skills system - as exemplified by Wolverhampton Business Forum sponsoring Art and Design awards. This good practice needs to be built upon.

Education and training providers highlighted that:

- For those individuals with no/ low qualifications, personalised support works best, so that individuals could work at a pace they are comfortable with. While personalised support is expensive, it can yield long-term savings in terms of money spent on out-of-work benefits to individuals not in sustained employment.
- The work of Talent Match in Wolverhampton (and across the Black Country) was commended in the Scrutiny Review for its personalised support of 18-24 years olds who are not in education, employment or training (NEET).
- Learning Champions from local communities have an important role to play in encouraging residents to participate in training and to take up opportunities for employment.
- The Adult Education Service in Wolverhampton delivers a breadth of services for people with lower skills and works to encourage individuals to value skills development. It also delivers a range of ESOL provision. Other key providers of soft skills support in Wolverhampton include Job Clubs and Learning Platform providers (a consortium of

learning providers from the third sector providing grass roots support, training, coaching and mentoring services).

- Diminishing funding means that courses with small numbers of participants are uneconomic and so vulnerable to cuts. This has implications for the degree of personalisation and the specificity of courses.
- Funding is disjointed – leading to a plethora of different providers and services which are difficult for people to navigate. Ideally these would be brought together, but competition between providers and funding criteria militates against this.
- For some individuals, there is a need to sell the notion that ‘getting a job’ is a good idea. The City Deal ‘Working Together’ project has begun working with long-term unemployed and economically inactive adults (aged 25 and over) in Bilston East (and in a neighbourhood in each of the other Black Country local authorities). It is designed to deliver a holistic ‘journey to work’ programme bringing together local packages of support involving key partner organisations and to address specific barriers faced by individuals. This project was identified as providing possible learning for other employability initiatives.

Employers pointed to:

- An employment and skills system characterised overlapping provision alongside gaps in provision – a situation leading to the suggestion of a need for a ‘Funding Tsar’ to pool and align funding within the City.
- A funding regime in which individual providers could ‘hit their targets’ but ‘miss the point’ – in terms of providing education and training that met the employability needs of individuals and employers.
- The need to ‘map out’ career paths in Wolverhampton – and the education, learning and training provision that could support individuals along those career paths.

Overall, it is clear that there is frustration and bewilderment about the complexity of funding arrangements. While there is likely to be scope for improved alignment of funding, there was also recognition of a risk that rationality and consistency could stifle innovative work.

4) *The connectivity between schools, colleges, providers and employers*

Robust and efficient links between employers and education are essential for: (a) the stimulation of business growth; (b) fostering of a culture of enterprise and entrepreneurship, and (c) opening up routes for individuals to succeed in the labour market and play a full part in civil society.

A consistent theme throughout the course of the work of the Skills and Employment Commission was the need to promote improved careers guidance services, so as to better connect schools, colleges, providers and employers – for the benefit of the City’s residents and economy. The National Careers Service, launched in 2012, was designed to meet the needs of adults by delivering online, telephone and face-to-face services. It is also accessible to young people, *but* substantial responsibility for young people’s face-to-face services primarily resides with schools (and colleges). OFSTED has an important role to play here in ensuing and assessing the content and quality of provision of careers guidance in educational establishments (outside of higher education) and in driving up standards of

provision. A recent review of literature⁹ suggests that the nature of successful employer engagement is based on long-lasting, mutually acceptable and beneficial relationships between schools and businesses. Employers have a role to play in helping to shape careers guidance services and many schools and colleges would welcome support with developing links with employers – in relation to careers education and to support work experience. Currently, while employers are linking with schools and colleges in a plethora of ways which can bring significant benefits to learners, activities need to be incorporated within structures and models that allow for a more substantive up-scaling and coherence of provision – nationally and locally.

Strength of the relationship between training providers, businesses and schools/ colleges:

There are examples of good practice in Wolverhampton – as exemplified by:

- some employers funding their workers to take degrees;
- some employers ‘adopting’ schools; and
- some providers working in partnership with schools – as exemplified by the University employing graduates to go out to schools to raise students’ aspirations regarding higher/further education opportunities.

However, such good practice tends to be *ad hoc* rather than being part of a consistent approach capable of being scaled up – and is more likely to involve large employers/ providers than small ones. Employers pointed to the need for more connections between SMEs, schools and HE.

Adequacy of schools’ preparation of young people for entry to the labour market and the ‘world of work’: There was general agreement amongst education and training providers and employers that teachers in schools have insufficient understanding of the labour market – with employers highlighting the lack of knowledge about contemporary manufacturing in particular. Employers also reiterated that preparation for the ‘world of work’ was about employability skills as well as formal qualifications. There was a suggestion that *social action for community engagement* could be effective in building young people’s employability skills for the ‘world of work’.

Youth Councillors interviewed for the Scrutiny Review highlighted an inconsistent approach to careers advice in schools. This chimes with other evidence about the *ad hoc* nature of access to careers education and guidance services, and the dysfunctionality of the current system.

Education and training providers emphasised that guidance is not – and should not be – about ‘steering’ young people into particular pathways, but rather enabling them to make informed choices. An ability to make informed choices will benefit individuals throughout their life course – not only at the time of entry to the labour market.

⁹ Bimrose J., Brown A., Behle H., Barnes S-A, Hughes D., Andrews D., Davies E. and Wiseman A. (2014) ‘Understanding the link between employers and schools and the role of the National Careers Service’, *BIS Research Paper 206*, BIS, London.

- OFSTED has an important role to play here in ensuing and assessing the content and quality of provision of careers guidance in educational establishments (outside of higher education) and in driving up standards of provision.

Employers also have to play a role in helping to shape careers guidance services.

Partnership working: At the current time there appears to be a lack of effective partnership working in terms of aligning and pooling resources and funding for better connecting schools, colleges, providers and employers.

5) Policy development

In terms of the dynamics of the Wolverhampton labour market there is a lack of *local* data on:

- How employers advertise vacancies and the methods job seekers use when applying for jobs.
- Progression routes in the local labour market and how education and training routes can support such learning.¹⁰

There are examples of good practice on all of the themes identified above – but they tend to be *ad hoc* as opposed to systematic. The *role of the public sector* is to facilitate *partnership working* to spread good practice and facilitate alignment of effort. It also has a role to play in encouraging policy analysis and evaluation of ‘what works’ and disseminating lessons learned. The Scrutiny Review concluded that effective and accountable partnership working is vital to address employability and skills issue in the City.

Wolverhampton City Council is well positioned to fulfil a role in brokering partnership working via:

- continuing to developing partnerships with the business sector
- partnership working on tackling unemployment and promoting employability

Indeed there is no other single agency with the legitimacy or potential resources to achieve the co-ordination and authority necessary to broker any desired outcome. Unless the City Council acts, no one will.

With the emergence of the West Midlands Combined Authority and in the context of funding and other resource constraints it is important that employment and skills development strategy and activities at local authority level are designed to ensure that the supply side meets demand are integrated with local public services, and that:

¹⁰ Central government’s Productivity Plan sets out an intention to improve destination data to enable informed choices.

<p>Activity is aligned to LEP and Combined Authority level – in terms of <i>overarching policy for employment and skills</i></p>	<p>Influence is devolved where necessary to Community/Individual level – including <i>local delivery projects</i> encompassing:</p>
<ul style="list-style-type: none"> • meeting aggregate demand for skills • skills investment plan – to meet local needs and regional opportunities • Skills Investment Zones¹¹ – based on opportunities available now and in the medium-term • leveraging employer investment • business support services 	<ul style="list-style-type: none"> • one-to-one support and person-centred approaches • family/community support • Jobcentre Plus • Colleges • Schools

¹¹ Skills Investment Zones are part of the planned ‘Skills Devolution Deal’ at local authority level, involving:

- Identifying and quantifying opportunities within a geographic zone or sector
- skills investment plan identifying programmes and projects requiring investment to correct supply and demand for skills
- local authority level strategy identifies the mix of services required to enable the local supply side to meet demand within the Skills Investment Zone
- direct connection between business support and employment and skills opportunities.

6. FRAMEWORK FOR DEVELOPING SKILLS AND ACTION PLAN

Introduction to key issues

It is apparent that the scale of the challenge facing the City is huge. A range of organisations are working individually and in partnership to address the challenges of slower than average growth, a low skills base (encompassing employability skills, formal qualifications and entrepreneurship) and a lack of competitiveness of some residents in the labour market, which is manifest in higher than national average levels of unemployment across the age spectrum. There is a sense that the City needs to 'raise its game' to address these issues.

In developing an Action Plan for Wolverhampton it is important to recognise that the City is part of a broader sub-regional (Black Country LEP), city-regional (West Midlands), national (England/ UK) and international economy. Footloose industry will only stay in the City if it is advantageous for them to do so. Some actions may be taken more appropriately at a sub-regional scale than locally.

Encouraging higher productivity and output

Going forward Wolverhampton must build on its strengths in advanced manufacturing, but also cultivate the growth of linked IT and design sectors, and the services sector to provide the City with a broad economic mix. Most employment in the City is, and in future will be, in sectors other than manufacturing.

There is a need to convince existing and potential companies that steps are in place to improve the City's skill base. This means that more individuals with inadequate skills will need to access learning/ training at successively higher levels.

To attract businesses to the City and retain workers, the City Centre needs to be made more attractive. It is an important component of the 'Wolverhampton offer' and the lifestyle that is possible for residents.

Employment: national and local issues

Central government controls the resources for policy and different departmental funding streams mean that at local level there may be multiple funding streams and incentives that are poorly aligned. The complexity of the benefits system means that incentives and disincentives can be built into the system accidentally. The roll-out of Universal Credit introduces another change to the welfare and employment systems. These issues are all driven at national level. They need to be separated out from what can be acted on locally.

For some residents the difficulty is taking the first steps to employment to skill themselves up. This means there is a need to raise and put in place stepping stones to apprenticeships (e.g. through traineeships), further education and university. Given the direction of national policy, it is clear that apprenticeships will have an important role to play in providing the skills

employers need. But employers also need to be flexible too, in setting out how employees can progress in work and encouraging them to do so.

Careers information, advice and guidance

The level and consistency of careers advice in the City is poor – there is a need for improvement. The situation is not helped by reductions to the Connexions Service and the onus placed on schools to provide careers education to young people when many teachers are not best resourced or equipped to do so in terms of their knowledge of contemporary employment opportunities and/ or the full range of types of further learning provision available. There is a need to improve links between schools and employers. It is not only young people who need advice and guidance: the needs of older residents are often overlooked but in the context of extended working lives their needs arguably are greater than formerly was the case.

The institutional framework

The institutional machinery underpinning economic development and for promoting skills and employment needs to be in place. The nature of the national funding system means that education providers both compete and collaborate with each other. But there may be scope for introducing common key performance indicators relating to employment outcomes (as well as qualifications obtained).

Partnership working is necessary (and the City Council is well placed to facilitate this) – but very complex, raising the questions of: (a) whether there are too many individual organisations and partnerships, and (b) whether the situation can be improved by reducing the institutional clutter. The City Council is well placed to bring together the public, private, social enterprise and voluntary sectors to facilitate and co-ordinate partnership working.

Where and how to affect change

The scale of the challenge facing the City is such that there needs to be a medium-term 10-15 year plan for change. Yet there are steps that can be taken now to begin to address some issues more quickly and to signal how the City will function more effectively to make Wolverhampton a better place to live, work and do business.

It is not possible to do everything at once. Hence in its recommendations the Commission focuses on a relatively small number of specific opportunities to address fractures within/ improve the working of the current and future skills and employment system in Wolverhampton:

- 1) improved careers advice
- 2) enhanced alignment and improved use of resources across a multiplicity of institutions and organisations concerned with education, training and skills development – for those outside the labour market and with low level skills and for those in employment at all skills levels
- 3) addressing soft skills – and other wider barriers to work
- 4) addressing skills gaps and investing in skills of individuals in employment

5) improving communication and collaboration with employers

7. SPECIFIC OPPORTUNITIES FOR INNOVATION

This section addresses five key themes of relevance to Wolverhampton where there are specific opportunities for innovation. It includes specific examples of good practice, drawing on a companion report from the University of Wolverhampton.¹²

1) Providing an improved and joined up approach to careers advice for people of all ages

The need for a **functional locally-responsive careers service** emerged as a key issue for the Commission. Specific concern was raised about careers education in schools (specifically in relation to a lack of structured advice and concerns about whether staff involved are equipped to deliver such advice), but the issue of careers advice and guidance is of relevance across all age groups – particularly in the context of extended working lives.

Arguably it is somewhat easier to address the issue of **school-employer engagement** as a key component of careers education and advice for young people than addressing the issue of all age guidance, so this issue is addressed first.

This is not an issue that is specific to Wolverhampton. The Ofsted (2013) '*Going in the right direction*' report drawing on findings from inspection of the careers guidance provision in sixty schools, especially with regard to: (a) the provision of sufficient labour market information; (b) the promotion of training and employment opportunities; and (c) the links between schools and local employers, found that the arrangements for careers guidance in schools were not working well enough. Three quarters of the schools visited for the survey were not implementing their duty to provide impartial careers advice effectively. The report also found that guidance for schools on careers advice is not explicit, the National Careers Service is not promoted well enough and there is a lack of employer engagement in schools. Very few of the schools visited knew how to provide a service effectively or had the skills and expertise needed to provide a comprehensive service. Few schools had bought in adequate service from external sources. In order to deal with such issues, in some local areas (e.g. the Humber LEP)¹³ steps were taken to review and refresh the out-of-date Gold Standard for careers education, information advice and guidance in schools, to ensure it meets current needs. It is recommended that a public register should be kept of which schools and providers meet the standard to inform parental and learner choice. It is recommended that compliance with the Gold Standard should be taken as evidence during inspections as part of Ofsted's Common Inspection Framework for Schools.

A recent study commissioned by BIS examining the links between employers and schools found that reasons for lack of (more) employer engagement with schools included constraints on time and resources, and unwillingness of schools (some unable, some uninterested), as well as more specific issues relating to age restrictions preventing employment of staff under the age of 18 years, and barriers created by health and safety and insurance regulations. Nearly all schools/colleges reported some type of links with

¹² Mahoney M., Perks S, and Felce A. (2015) *Good Practice Examples of Areas of Innovation*, Report prepared for Wolverhampton City Council, Centre for Lifelong Learning, University of Wolverhampton.

¹³ See <http://www.humberlep.org/skills/gold-standard/>

employers, or participation in employer-linked external events to support careers advice activities – and evidence to the Commission suggests that this is mirrored in Wolverhampton. The study found that schools and colleges would welcome support with developing links with employers. They needed and wanted further information and support on employer contacts and the range of activities they can bring to the institution(s) such as mentors, role models, work experience, talks and visits to the workplace.

Four different models of school-employer engagement have been identified in the literature¹⁴:

	Model	Description	Examples	Comments
1.	'brokered' model	local or national intermediary organisations source employers and make them available to schools and colleges to support specific activities and initiatives – such as work experience placements, enterprise days	Brokers include: <ul style="list-style-type: none"> • Education Business Partnerships • STEMNET 	brokers are able to source specific expertise
2.	'deep brokered' model	local staff facilitate negotiations between a lead local business and a small consortium of schools; a wide range of potential engagements are explored across the range of school life.	The Business Class model ¹⁵ - funded mainly by UKCES and operated by Business in the Community	employer resources are sourced to meet bespoke requirements of schools locally (i.e. a more 'local' and 'bespoke' model than '1')
3.	autonomous actor/ market approach	employers and schools are connected through use of a national gateway (a secure website), which 'recruits employers who provide details of themselves and the types of support they are willing to offer (e.g. careers talks, and other [non-careers] activities,.)	'Inspiring the Future' ¹⁶	Teaching staff can source help they think they need from available offers locally
4.	school/ college led	schools and especially colleges invest in their own staff resources to find and work with local employers	Mansfield Learning Partnership could be considered a variant of this	this can be a more expensive means of securing employer engagement than brokered models, but the quality of engagement may be high

There are examples of some of these types of models operating in Wolverhampton currently:

- In an example of a 'deep brokered' model the Wolverhampton Education Business Partnership is involved in the **JLR Education Centre**. Associated plans included a Careers Service and an outreach service.

¹⁴ Mann, A. and Virk, B. (2013). Profound employer engagement in education: What it is and options for scaling it up. London: Edge Foundation. Available from: <http://www.edge.co.uk/research/profound-employer-engagement-in-education-what-it-is-and-options-for-scaling-it-up>

¹⁵ Business Class is a government-endorsed programme, which provides a systematic framework for business to support young people facing social disadvantage by forming long-term partnerships with the schools those young people attend. See <http://www.bitc.org.uk/programmes/business-class/about-business-class>

¹⁶ See <http://www.inspiringthefuture.org/>

- An example of a nationally 'brokered' model (funded by BIS and DfE) operational in the area is **STEMNET**¹⁷. STEMNET's aim is to provide inspiration for young people from all backgrounds in career opportunities available to them in STEM (Science, Technology, Engineering and Maths) subjects and to encourage young people to pursue post-16 STEM qualifications and associated careers. Working with a range of partners, including business, education and individuals, STEMNET plays a co-ordinating role in ensuring that young people aged 5-19 and their teachers are able to experience a wide range of activities and schemes which can inspire and enhance the school curriculum. STEMNET provides three core national programmes:
 - STEM ambassadors: 28,000 volunteers who provide a free resource for teachers helping them provide the STEM curriculum in fresh and innovative ways.
 - STEM clubs network: clubs that allow children to explore, investigate and discover STEM subjects outside of the school timetable and curriculum.
 - Schools STEM Advisory Network (SSAN) – utilising business links and partnerships to deliver free and impartial advice to schools to help to enrich the school curriculum. The aim is to provide a tailored service to schools to aid the expansion of the number of students enjoying and ultimately pursuing STEM subjects.
 STEMNET has demonstrable results in terms of pupil awareness and engagement in STEM subjects and careers.¹⁸
- Also in relation to STEM there has been a successful sector-based initiative – **STEPS at Work** – providing opportunities for teachers and others in schools with responsibility for careers advice delivery to spend short placements (generally 1-2 days) in STEM organisations to enable them to gain enhanced information about the nature and demands of business and to build this into education, advice and guidance in schools. STEPs at Work was a Royal Academy of Engineering time-limited initiative. Such sectoral initiatives are of specific relevance to Wolverhampton. It is important that advantage is taken locally of opportunities offered afforded by any similar initiatives (in engineering and other sectors) in the future.

While it is worthwhile to take advantage of initiatives with national reach – such as that outlined above and **Inspiring the Future** – providing access to a range of resources for teachers and schools and providing a facility for 'online match making' facility through which volunteers can pledge one hour a year to volunteer in a state school or college near where they live or work to talk to young people about their job and career route. Given the importance of careers advice in informing the choices of young people, it would be possible for the City Council to promote this existing facility (so taking advantage of the existing infrastructure). Additionally - or alternatively – it would be possible to establish and promote a Wolverhampton-specific model which residents could be encouraged to be trained (as appropriate) and to volunteer to spend time in schools or with outreach organisations serving adults to provide careers advice and employment guidance more generally to Wolverhampton residents.

¹⁷ The Black Country Education Business Partnership Consortium hold the contract for the management and coordination of STEM Ambassadors across the Black Country.

¹⁸ See http://www.stemnet.org.uk/wp-content/uploads/Evaluation-of-STEMNET_summary-of-report.pdf

It is also possible to draw on resources of HR professionals, as in the CIPD's **Steps Ahead Mentoring** programme¹⁹ which links mentors from HR backgrounds with young people and supports them with confidence building, employability skills and help in finding work.

Specifically at **local level**, a variant of a school-led solution is provided by the:

- **Mansfield Learning Partnership** - a soft confederation of six secondary schools in Mansfield, with a Director and support staff who reports termly to an executive group comprised on head teachers, and wholly funded by them, and who liaises between schools and businesses. At partnership level it developed:
 - a collaborative programme of career and work related education activities for Key Stage 3 and post 16 learners embedding: (1) self development through careers and work-related education; (2) finding out about careers and the world of work; and (3) developing skills for career well-being and employability;
 - a partnership work experience policy: setting a clear aspiration for offering a broad range of work experience opportunities including work placements, volunteering, work shadowing, internships and part-time and casual work;

An example of an initiative **bringing together and branding existing local interventions** to bring them more impetus is:

- **Job Box** was launched by Telford & Wrekin Council in 2014. It aims to tackle youth unemployment and to align the local labour force with the needs of businesses, so enabling growth and investment in the area. The Council established a list of Youth Unemployment Pledges which were designed to show that it was leading by example and wanted others to follow. The pledges outlined the core areas of priority action – including provision of a minimum number of work placements and offers of apprenticeships, increasing the number of job clubs, launching an apprenticeship hub, hosting Job and Careers Fairs. The pledge translated into a model offering a personalised and joined up service for both employers and the unemployed. The initiative is branded the 'Job Box' and is described as a *one stop shop for information and support on job vacancies, training and employment in the Telford and Wrekin area*. For the unemployed it provides a vacancy service, drop in sessions at local community venues for advice and assistance on learning and work, one-to-one IAG in schools, job mentors providing advice to people to get a job and other specialist support. For employers it provides a vacancy service, a Skills Team to work with employers to provide bespoke packages to support employment, funding, advice and work experience, etc.

The Job Box model could be adapted to focus on groups other than young people. But this would increase the resources involved. A consideration then becomes *whether and how to target interventions* based on:

- the risk of an individual not participating in education, employment or training; and
 - how best to target interventions based on risk factors.
- An interesting model here is provided by **Careers Wales' 'Young People into Work' (YPET) initiative**. The programme identifies risk criteria, assesses the level of risk likely to relate to an individual, and targets support based on need. The model is predicated

¹⁹ See <http://www.cipd.co.uk/publicpolicy/steps-ahead-mentoring/>

on joined up working and avoidance of duplication of services. The YPET model is based on five tiers linked to risk of failing to engage with future employment either directly or through education and training. Individuals are designated into one of five tiers based on their predicted or actual career trajectory and the type of support provided is based on their 'tier'. The model facilitates partnership working and referrals to services in accordance with the needs of the individual.

It is recommended that:

Recommendation	City	LEP	Combined Authority
a) Building and retaining relationships with key national agencies/organisations and ensuring full advantage is taken of national and sectoral initiatives – e.g. STEMNET, Business in the Community 'Business Class' model, CIPD's Steps Ahead Mentoring models, Employer Ownership of Skills pilots in collaboration with the UK Commission for Employment and Skills (which can have a careers guidance element), etc.	■	■	■
b) A concerted effort should be made to strengthen careers education, information advice and guidance in schools by keeping a register of those achieving a revised 'Gold Standard' in terms of their provision. More broadly, other organisations involved in careers guidance delivery should be encouraged to have their delivery kite marked (in accordance with national standards) as an example of good practice.	■	■	
c) Consideration is given to a Wolverhampton version of 'Inspiring the Future' – covering all age groups. This would provide an 'online match making' facility through which Wolverhampton residents entering retirement or volunteers from industry could be trained to provide mentoring and other support and then linked to opportunities to spend in schools or with outreach organisations providing employability advice and support (e.g. insights into different job roles/sectors, interview practice, etc.) to other Wolverhampton residents who would benefit from such help and support. (There is scope for this to be an additional service provided by the Adult Education Service.)	■		
d) Consideration be given to bringing together and branding existing initiatives through a 'Job Box' type model (as used in Telford) – open to all age groups. This would heighten awareness of support available by bringing services together in a one stop shop for information and support on vacancies, training and	■		

2) Improved use of resources and clearer roles across institutions and organisations who provide skills, qualifications and training as well as business support and support into employment

There is a bewildering clutter of organisations providing employment, skills and business support in Wolverhampton. With a range of funding sources and associated outputs, outcomes and monitoring criteria, it is difficult to know exactly what provision there is and whether, in aggregate, resources are used to optimal effect – especially when criteria associated with funding streams, and their timescales, differ. There is an ongoing role for the City Council in identifying and mapping funding streams and service provision, enhancing awareness of what is available and facilitating partnership working to promote possibilities for alignment of services and signposting between them.

Given the plethora of European, national and local funding streams, and their associated rules and regulations, while the idea of a ‘Tsar’ to oversee use of resources in the City is superficially attractive, it is probably unrealistic. However, in a future context of enhanced devolution of resources and responsibilities for skills at a Combined Authority scale may become more realistic.

In terms of skills and employment support for the *unemployed and economically inactive* there is a strong case for local, holistic policy interventions providing personalised support.

Given their existing links with, and interest in improving the socio-economic well-being of their tenants, for some of the most disadvantaged individuals *social housing providers* can play an important role in providing employment and skills support:

- An interesting model example is provided by the **South Staffordshire Housing Association (SSHA)** which provides work and skills support to improve life chances. In partnership with the Staffordshire Adult and Community Learning Service, help is provided with job searching, CV writing, completing application forms and interview skills. There is free one-to-one support in finding paid employment, volunteering opportunities, training and education. Use is also made of Housing E-Academy short courses in use of IT. There would be scope for working in partnership with local businesses to provide work experience opportunities.
- In the City, Wolverhampton Homes, working in partnership with construction employers and the University of Wolverhampton, has a programme called **Green Cadets** in which unemployed or economically inactive tenants are given basic training in skills required to carry out work to upgrade the housing stock and are supervised in carrying out the work. The project allows unemployed people to become familiar with the workplace and to learn basic skills. There is a ‘talent spotting’ element in which those who show an aptitude or interest in further development can undertake further training qualifications to equip them for a career in construction – so addressing actual and projected employment and skill needs in the sector.

- Wolverhampton Homes is also involved with a social enterprise (**Sunbeam Community Enterprises and Timken Vocational Training Centre**) to provide supported work experience and employment for individuals with special needs.

Employers also have an important role to play – in providing opportunities for learning, training and employment for disadvantaged people and in reorganising work schedules to enable individuals to take up employment while also fulfilling non-work obligations:

- Large employers can use existing national schemes to provide training and employment opportunities for disadvantaged local residents. In the **Thurrock Skills Project** Adult Skills Budget funding was used by the Port of Tilbury to offer Traineeships (encompassing support with Maths, English and employability skills and a Certificate in Warehousing) and guaranteed interviews on completion with the Port's main employment agency. This model is replicable to large employers in other sectors.
- Small employers can also do their bit. An example is provided by the **Patchwork Traditional Food Company** which introduced a more flexible approach to working hours, so as to make employment more accessible to individuals with caring responsibilities (e.g. for school age children), while still meeting business needs.

More generally, given the emphasis of national policy on apprenticeships, it is important that continuing effort is placed on supporting employers to make use (as appropriate) providing apprenticeships (including facilitation of shared apprenticeship models for SMEs, as appropriate) and promoting amongst apprenticeships as a route for 'learning and earning', potentially leading to the development of higher level skills, for residents.

Turning to support the development of **higher level skills** there is scope to work in partnership locally with employers and education and training providers to optimise use of cutting edge facilities, provide education and training pathways to technical and high level skills and so help address skills shortages and gaps in key sectors. A 'good practice' example is:

- The University of Sheffield Advanced Manufacturing Research Centre (AMRC) **Training Centre**²⁰ is a state-of-the-art facility (which opened in January 2014). It is used by the University, and also by learners in employment. It offers a variety of learning pathways from mechanical manufacturing to technical sales. The centre is led by a team of industrialists who have an in depth understanding of the requirements and constraints of the advanced manufacturing sector. The training centre utilises the expertise of the University's Advanced Manufacturing Research Centre to attract new employees into an industry with an ageing workforce whilst satisfying the national policy drivers for vocational education, including the quality and availability of Higher Apprenticeships with degree level education. Over 100 employers have signed up to have apprentices trained through the Centre in an employer-led training programme.

²⁰ <http://www.amrctraining.co.uk/>

It is recommended that:

Recommendation	City	LEP	Combined Authority
e) For those with higher skills levels there is encouragement through partnership working with higher educational establishments and owners of specialist facilities to make maximum use of high quality training facilities for HE and employer-led vocational training across the wider sub-region (as in the case of the University of Sheffield Advanced Manufacturing Research Centre which provides a variety of learning pathways – including apprenticeships - to higher level skills).		■	■
f) Building on and extending the work of the Growth Hub, the Combined Authority, LEP and City Council regularly maps funding streams and training provision. This would facilitate and promote alignment of funding streams, help identify duplication and gaps in services and help improve the signposting and matching of individuals to the most appropriate provision (including apprenticeships, where applicable).	■	■	■
g) The City Board refines its structures, particularly the overlap between the Inclusion Board and the Skills and Employment Board. As work on the Skills Devolution Deal and Combined Authority structures develop, consideration needs to be given to how the City Board and partnership structures can best be organised to influence decision making at a Black Country and Combined Authority level.	■		
h) To help tackle long-term dependence on benefits of some individuals who are unemployed or economically inactive (and so achieve benefit savings and increases in tax revenues as more people move into employment), it is recommended that the City Council works at the community/individual level to foster local delivery projects adopting a person-centred approach and family and community support extending beyond the domain of employment and skills to social care and other community-based services.	■		

3) Improving soft skills and addressing wider barriers to work

Initiatives such as Talent Match (focusing on young people) and Working Together (covering a wider age group) working with the long-term unemployed, pre-employment provision and outreach work (such as that provided by Bilston Resource Centre) endeavour to address

wider barriers to work (including issues relating to housing, finance, etc.) and emphasise improvement of soft skills. It is important that the lessons on 'what works' from these initiatives are built on and taken into account in informing future provision. The work of the Wolverhampton Voluntary Sector Council (WVSC) is important in promoting the principle and practice of voluntary and community sector activity in the City. Volunteering opportunities (for all age groups) and social action initiatives²¹ can play an important role in developing critical skills for employment and providing links with employers. But there are questions here around:

- Whether there is scope for providing some kind of City-wide accreditation for volunteering activity (in addition to any volunteering-specific certified training) that could be helpful for residents in accessing employment.
- Where residents who wish to volunteer might turn to find out about volunteering opportunities in the City; (this is also of relevance to residents offering support for careers advice and guidance activities).

In Scotland employers' common concerns about the lack of work readiness of young people are being addressed through the employer-led development of a **Certificate of Work Readiness**,²² providing 190 hours of work experience for a young person. This initiative allows employers to see young people in a work setting (and so might act as a '190 hour interview' for a young person), while providing the young person with workplace experience and an employer reference which is likely to be helpful in future job search. The certificate is portable throughout Scotland and so if there was an appetite to devise something similar for City residents this might be best organised on a Combined Authority scale. There is also no reason why such an initiative could not be widened to other age groups.

In the West Midlands there are examples of large employers playing a role in improving soft skills and providing work experience. The **Jaguar Land Rover Inspiring Tomorrow's Workforce** programme offers a mix of training (including industry recognised qualifications), development of employability skills (including through a residential activity week aimed at helping build confidence) and work experience in one of the company's manufacturing plants and is specifically targeted to 16–24 year olds who are unemployed and struggling to find work. The aim is to prepare young people for apprenticeships or other work opportunities. Run in collaboration with Birmingham Metropolitan College, the programme also provides a package of job search support including CV writing, interview preparation and practice interviews.

There is increasing recognition that soft skills (including communication and interpersonal skills, teamwork, time and self-management, decision-making and initiative-taking and taking responsibility) are important to businesses.²³ Yet it has been suggested that one in five UK

²¹ See http://www.behaviouralinsights.co.uk/sites/default/files/Evaluating%20Youth%20Social%20Action_An%20Interim%20Report_0.pdf

²² See <http://www.skillsdevelopmentscotland.co.uk/our-services/certificate-of-work-readiness/>

²³ See <http://www.backingsoftskills.co.uk/The%20Value%20of%20Soft%20Skills%20to%20the%20UK%20Economy.pdf> ;
http://www.literacytrust.org.uk/words_for_work/blogs/6405_backing_soft_skills_campaign_launched
<http://www.backingsoftskills.co.uk/>

employees would not feel confident describing their soft skills to an employer and more than half (54%) have never included soft skills on their CV. McDonalds is leading a **Backing Soft Skills Campaign** (also involving other employers, charities and learning and HR associations) highlighting the importance of soft skills to business success. A consultation invited employers, trade associations, campaign groups, policy experts, academics and students from as many sectors as possible to share suggestions and experiences on how to improve the soft skills in the UK. The City Council might wish to consider whether/ how to adapt current activity/ initiate new activity to address these recommendations.

Soft skills are important for employees of all ages and at all levels in organisations, including those in more senior positions. In order to respond to changing business needs, Wetherspoons have invested in a **Wetherspoons Academy and Professional Diploma** encompassing work-based learning modules on ‘People’, ‘Standards’ and ‘Finance’ which relate to soft skills needed to run a Wetherspoon facility, taken over an 18-month period. 54 pub managers and head office staff have been sponsored to undertake this bespoke qualification, developed in conjunction with a University. This example illustrates the opportunities for companies to develop bespoke qualifications, with substantial soft skills elements, in conjunction with education and training providers.

It is recommended that:

Recommendation	City	LEP	Combined Authority
i) The City Council, with Wolverhampton Voluntary Sector Council (WVSC), and other partners, builds on current provision (taking account of lessons on ‘what works’) to work on a multi-agency volunteering strategy that investigates how to better promote volunteering opportunities across the City (for all residents – see also recommendation ‘c’), assesses whether/how volunteering experience might be accredited in a way that will be recognised by prospective employers (perhaps at a broader sub-regional scale) and includes pathways to employment for volunteers who want to pursue this route.	■		
j) A partnership approach is taken to investigate the delivery of a city-wide work experience programme and pathways to work e.g. traineeships, internships, participation in sports and cultural activities (to be considered alongside careers advice initiatives).	■		

4) Working with employers to address under-employment and progression in work

Under-employment relates to circumstances both where individuals would like to work more hours as well as situations where their skills are not used effectively.²⁴ There is a growing

²⁴ Felstead A. and Green F. (2013) *Underutilization, overqualification and skills mismatch: patterns and trends*, Skills Development Scotland.

body of evidence that skills problems are related not only to shortcomings in skills supply (i.e. the skills and attributes of workers) but also to poor utilisation of skills in the workplace. Effective skills utilisation is about confident, motivated and relevantly skilled individuals who are self-aware about the skills they possess and who are able to deploy them in the workplace. Workplaces that provide meaningful and appropriate support and encouragement, opportunity and support for employees to use their skills effectively can reap rewards of increased performance and productivity, and improved employee job satisfaction and well-being.²⁵ Employers with training plans and performance reviews are more likely to recognise skills gaps in their workforce, and also to take matters regarding skills (under-)utilisation seriously.

Much of the onus regarding addressing under-employment and progression in work rests with employers.

- An example of how an employer can inculcate a culture of knowledge sharing, and in-work progression is provided by the **Fujitsu Talent Management** initiative.²⁶ The impetus for this came from a strategic need to ensure that there was a strong talent pipeline at all levels to align with the business strategy. Believing that employees should take ownership of their own development, Fujitsu set up a series of talent programmes including:
 - A mentoring programme for talented employees to share their knowledge and develop others
 - Self-nomination for talent programmes with support from HR
 - A 'buddying across border' programme to help expose talent to broader opportunities whilst helping to solve business challenges
 - Internal and external networking events to share experiencesParts of this talent management programme would be applicable to businesses in Wolverhampton, including in different sectors.²⁷

However, not all employees have the confidence and inclination to put themselves forward for progression opportunities. In such cases there is evidence that Union Learning Representatives (ULRs) have had some success in promoting such opportunities:

- In the **Widening Access to Higher Education for existing support workers in the health and social care workforce in Wales** supported by the NHS and the Welsh Government Wales Union Learning Fund, volunteer ULRs acted as 'peer advocates' to encourage non-traditional learners employed as support workers in the health and social care sector to participate in Open University learning modules providing part-time and flexible learning to enable them to progress into higher level positions in the sector. Enhanced workplace based information, advice and guidance was provided by the Open University and funding for introductory modules was provided by UNISON, so removing the barrier of means testing. Keys to success here were the provision of enhanced workplace-based information, advice and guidance, the

²⁵ Wright J. and Sissons P. (2014) *The Skills Dilemma: Skills Under-utilisation and low-wage work*, The Work Foundation, London.

²⁶ See <http://www.changeboard.com/content/4587/leadership-and-management/talent-management/talent-progression-at-technology-giant/>

²⁷ For an example from the hospitality sector see: <http://www.spiritpubcompanycareers.com/information/training-and-development>

identification of learning and career pathways, and the development of workplace based skills and knowledge.

Unionlearn (the Education, Learning and Skills Department of the TUC) has also been involved with NIACE, National Careers Service providers, learning providers and voluntary organisations in:

- The **Mid Life Career Review pilot**²⁸ which involved 17 pilot partners delivering career reviews to over 3,000 clients aged between 45 and 65, designed to test whether a rounded career review could support people to make career changes in mid-life and support longer, more productive and healthy working lives. Pilot providers tested a range of approaches. The findings were that:
 - clients valued being able to talk to someone to reflect on their situation and plan ahead – covering issues not just relating to employment, but also health, financial and care issues, etc.;
 - many clients lacked confidence about gaining and maintaining employment;
 - there were benefits for employers in gaining a more detailed understanding of the needs, interests and aspirations of employees, reviewing current working practices and policies, and having more confident and motivated employees who felt valued in the workplace.

It is recommended that:

Recommendation	City	LEP	Combined Authority
k) The City Council and City Board employers lead by example – in proofing HR policies for opportunities for progression and reduction of institutional barriers such as constrained career structures, in encouraging in-work progression, in promoting inclusive professional and personal development (through career reviews), and in implementing initiatives to better utilise skills of their employees.	■		
l) The Council institutes Wolverhampton awards to showcase 'good practice' in different sectors/ employer size categories.	■		
m) The Council promotes work with trade unions, the voluntary sector and other partners to encourage identification of in-work progression pathways and their take-up.	■		

5) Improve communication and collaboration with employers (e.g. account management across organisations)

For employers the skills and employment landscape is complex, fragmented and confusing. This is especially the case for small employers, where there are not dedicated personnel to deal with skills-related issues. This is recognised in work on the Skills Devolution Deal at

²⁸ See <http://www.niace.org.uk/our-work/work-and-careers/career-progression/mid-life-career-review>

Combined Authority level where guiding principles are a single strategic framework and a clearer governance structure.

Currently employers can be contacted directly by (or can contact directly) any education and training provider (including schools, colleges, universities and private training providers), local authorities (various departments), the public employment service, Work Programme providers, voluntary sector organisations, recruitment agencies, etc., regarding training, work experience opportunities, vacancies, etc. This can mean that some employers receive multiple requests and/ or contacts about similar services, whereas others receive none.

Many of the organisations listed above have their own dedicated ‘employer engagement’ staff. Given that many of these organisations are competitors (as well as collaborators in some circumstances), it would not be in organisations’ own interests to give up part of this employer engagement activity to others, albeit in theory such it might be more efficient and effective from an employer perspective for communication with employers to be streamlined – perhaps with a single contact/ account manager communicating with an employer about a range of services from different (competing) providers, etc..

Within a single organisation – such as a local authority – it is possible to rationalise communication channels so as to enable a ‘single point of contact’ (i.e. an ‘account manager’) to liaise with an employer. A good example is provided by the work of the City Council with inward investors to the City – where through a single point of contact at the City Council arrangements can be made (with other partners in the City) to source recruitment and training services.

It is recommended that:

Recommendation	City	LEP	Combined Authority
n) Given that employers do not recognise administrative boundaries when sourcing workers, training, etc., and that some employers have establishments across the LEP area/ wider Combined Authority area, consideration should be given – in discussion with employer associations such as Chambers of Commerce and the Federation of Small Business – to working out at a sub-regional level how best to engage with employers (on a sector basis) as part of the overall Skills Investment Plan at Combined Authority level.		■	■
o) The City Council continues with an ‘account manager’ arrangement for inward investors to the City, so as to ease and facilitate the process of sourcing workers and training.	■		
p) Showcase activities through the City Conference Programme i.e. Business Week [in the autumn], Working Well Week [in the spring] and Visitor Week [in the summer]) to promote the importance of	■		

employment and skills across the city.			
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8. RECOMMENDATIONS AND CONCLUIONS

The focus of the evidence presented to and discussion of the Commission was on key issues and actions at the City level. This is reflected in the fact that most of the recommendations (see the following summary) relates to activity at the City level. Here Wolverhampton City Council can play a key influencing and brokering role in helping to facilitate partnership working and shape employment and skills actions and activity in related policy domains across the City.

It is increasingly apparent that actions at City level need to take heed of developments at LEP and (in future) Combined Authority levels, as central government devolves influence over funding to these sub-regional levels. This is especially the case in relation to higher levels skills since local labour markets for those in highly skilled occupations operate over wider geographical areas than for lower level skills. Travel-to-work areas and travel-to-learn areas do not accord with administrative boundaries. Some aspects of employer engagement policy are more appropriately handled at sub-regional and/or national scales that at local authority levels. It is relevant to note here that in its statement of intent published in July 2015 the West Midlands Combined Authority has identified a joint programme on skills as an early delivery priority and has signalled its intention to establish a West Midlands Productivity Commission.

There remains an important role for the local authority in brokering strategies and local initiatives that help supply-side strategies meet employer demand and in integrating local public services to facilitate this.

Even in the context of greater skills devolution it is clear that most of the important drivers of employment, skills and training policy remain at national level. In the short- and medium-term future there will be important changes in policies relating to out-of-work and in-work benefits and the National Living Wage, as part of central government's objective to move towards a higher pay, lower welfare society. Cuts in skills funding will impact on colleges and private training providers, with implications for how and what training is delivered where and to whom. The local authority will need to monitor and act to mitigate negative impacts at local level so help local residents take advantage of current and future employment opportunities and to make the City an attractive place for employers to conduct business. Where national level policies have a disproportionate negative impact at local, LEP and combined authority levels there is scope for lobbying to Whitehall.

Recommendations

Scale	Theme		Recommendation
City	<i>Providing an improved joined up approach to careers advice for people of all ages</i>	c	Consideration is given to a Wolverhampton version of ‘Inspiring the Future’ – covering all age groups. This would provide an ‘online match making’ facility through which Wolverhampton residents entering retirement or volunteers from industry could be trained to provide mentoring and other support and then linked to opportunities to spend in schools or with outreach organisations providing employability advice and support (e.g. insights into different job roles/sectors, interview practice, etc.) to other Wolverhampton residents who would benefit from such help and support. (There is scope for this to be an additional service provided by the Adult Education Service.)
		d	Consideration be given to bringing together and branding existing initiatives through a ‘Job Box’ type model (as used in Telford) – open to all age groups. This would heighten awareness of support available by bringing services together in a one stop shop for information and support on vacancies, training and employment in the Wolverhampton area.
	<i>Improved use of resources and clearer roles across institutions and organisations concerned with education, training and skills development</i>	g	The City Board refines its structures, particularly the overlap between the Inclusion Board and the Skills and Employment Board. As work on the Skills Devolution Deal and Combined Authority structures develop, consideration needs to be given to how the City Board and partnership structures can best be organised to influence decision making at a Black Country and Combined Authority level.
		h	To help tackle long-term dependence on benefits of some individuals who are unemployed or economically inactive (and so achieve benefit savings and increases in tax revenues as more people move into employment), it is recommended that the City Council works at the community/individual level to foster local delivery projects adopting a person-centred approach and family and community support extending beyond the domain of employment and skills to social care and other community-based services.
	<i>Improving soft skills and addressing wider barriers to work</i>	i	The City Council, with Wolverhampton Voluntary Sector Council (WVSC), and other partners, builds on current provision (taking account of lessons on ‘what works’) to work on a multi-agency volunteering strategy that investigates how to better promote volunteering opportunities across the City (for all residents – see also recommendation ‘c’), assesses whether/how volunteering experience might be accredited in a way that will be recognised by prospective employers (perhaps at a broader sub-regional scale) and includes pathways to employment for volunteers who want to pursue this route.
		j	A partnership approach is taken to investigate the delivery of a city-wide work experience programme and pathways to work e.g. traineeships, internships, participation in sports and cultural activities (to be considered alongside careers advice initiatives).

	<i>Working with employers to address under-employment and in-work progression</i>	k	The City Council and City Board employers lead by example – in proofing HR policies for opportunities for progression and reduction of institutional barriers such as constrained career structures, in encouraging in-work progression, in promoting inclusive professional and personal development (through career reviews), and in implementing initiatives to better utilise skills of their employees.
		l	The Council institutes Wolverhampton awards to showcase ‘good practice’ in different sectors/ employer size categories.
		m	The Council promotes work with trade unions, the voluntary sector and other partners to encourage identification of in-work progression pathways and their take-up.
	<i>Improving communication and collaboration with employers</i>	o	The City Council continues with an ‘account manager’ arrangement for inward investors to the City, so as to ease and facilitate the process of sourcing workers and training.
		p	Showcase activities through the City Conference Programme i.e. Business Week [in the autumn], Working Well Week [in the spring] and Visitor Week [in the summer]) to promote the importance of employment and skills across the city.
City and Black Country	<i>Providing an improved joined up approach to careers advice for people of all ages</i>	b	A concerted effort should be made to strengthen careers education, information advice and guidance in schools by keeping a register of those achieving a revised ‘Gold Standard’ in terms of their provision. More broadly, other organisations involved in careers guidance delivery should be encouraged to have their delivery kite marked (in accordance with national standards) as an example of good practice.
City, Black Country and Combined Authority	<i>Providing an improved joined up approach to careers advice for people of all ages</i>	a	Building and retaining relationships with key national agencies/organisations and ensuring full advantage is taken of national and sectoral initiatives – e.g. STEMNET, Business in the Community ‘Business Class’ model, CIPD’s Steps Ahead Mentoring models, Employer Ownership of Skills pilots in collaboration with the UK Commission for Employment and Skills (which can have a careers guidance element), etc.
	<i>Improved use of resources and clearer roles across institutions and organisations concerned with education, training and skills development</i>	f	Building on and extending the work of the Growth Hub, the Combined Authority, LEP and City Council regularly maps funding streams and training provision. This would facilitate and promote alignment of funding streams, help identify duplication and gaps in services and help improve the signposting and matching of individuals to the most appropriate provision (including apprenticeships, where applicable).

Black Country and Combined Authority	<i>Improved use of resources and clearer roles across institutions and organisations concerned with education, training and skills development</i>	e	For those with higher skills levels there is encouragement through partnership working with higher educational establishments and owners of specialist facilities to make maximum use of high quality training facilities for HE and employer-led vocational training across the wider sub-region (as in the case of the University of Sheffield Advanced Manufacturing Research Centre which provides a variety of learning pathways – including apprenticeships - to higher level skills).
	<i>Improving communication and collaboration with employers</i>	n	Given that employers do not recognise administrative boundaries when sourcing workers, training, etc., and that some employers have establishments across the LEP area/ wider Combined Authority area, consideration should be given – in discussion with employer associations such as Chambers of Commerce and the Federation of Small Business – to working out at a sub-regional level how best to engage with employers (on a sector basis) as part of the overall Skills Investment Plan at Combined Authority level.