

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



www.wolvesskills.wordpress.com

Picture courtesy of Express and Star



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.

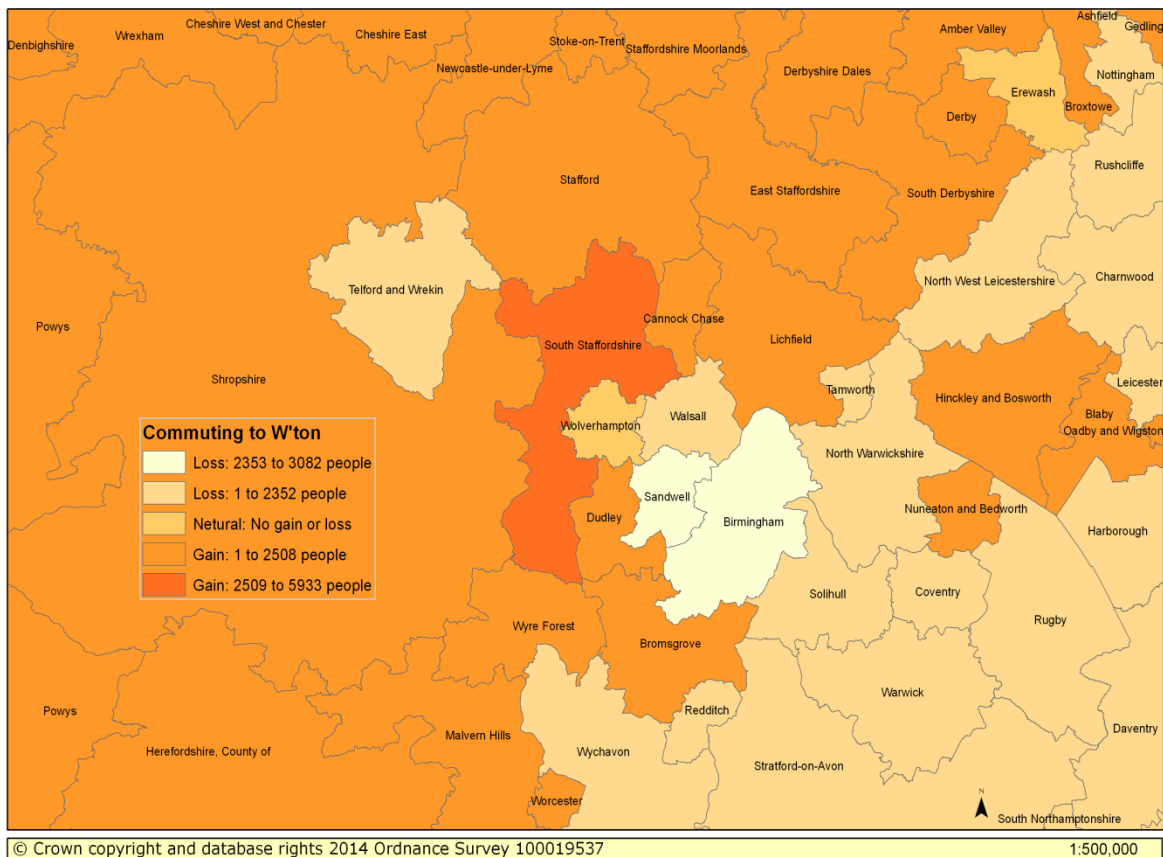
LEP-level data from the Business Structure Database on growth metrics for start-ups and existing firms shows that 15.5% of firms in the Black Country were fast-growing between 2011 and 2014, which was slightly below the England average. 6.1% of 2011 surviving start-ups grew to £1 million turnover by 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



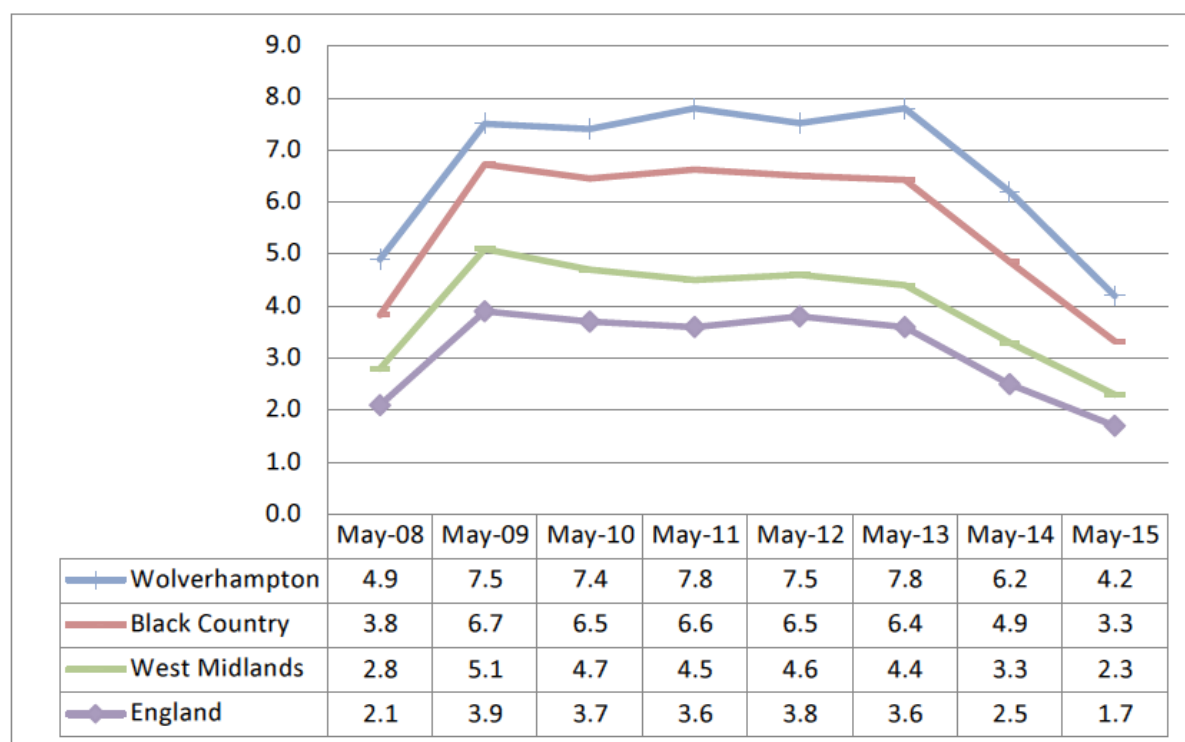
Source: 2011 Census of Population

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

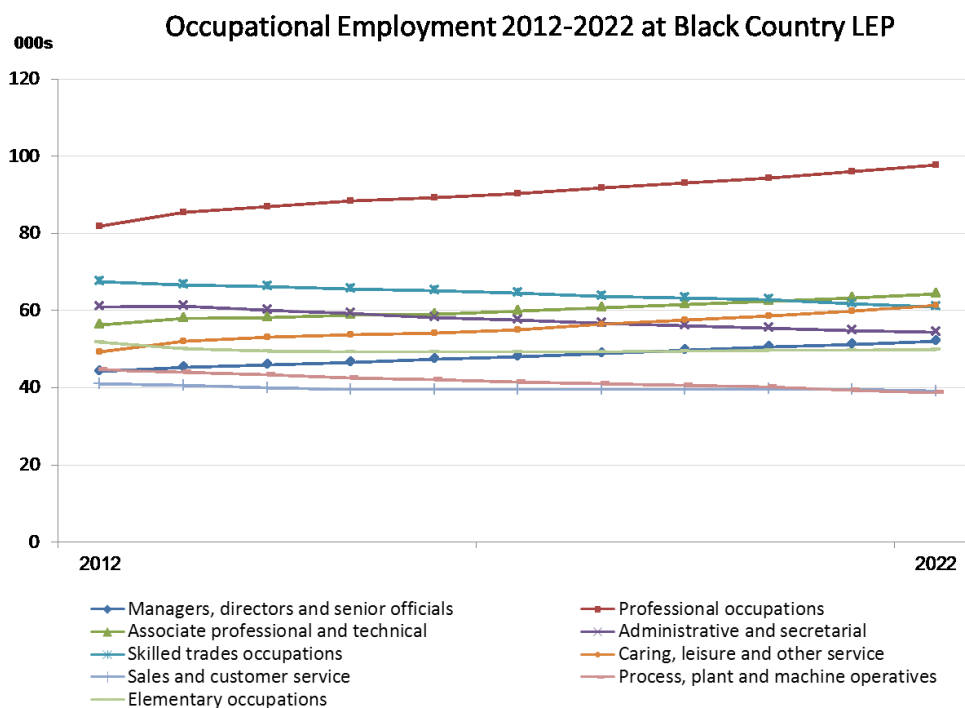
⁵ See <https://www.gov.uk/government/publications/working-futures-2012-to-2022>

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 than 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.