

Core Cities: Delivering Employment and Skills



This study has been commissioned jointly by the Core Cities Group and the Improvement and Development Agency for Local Government.

Introduction to the Core Cities

The Core Cities Group is a network of England's major regional cities: Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. They form the economic and urban cores of wider surrounding territories, the city regions. The Core Cities work in partnership to enable each city to enhance its economic performance and make real advances within a highly competitive international market, increasing their comparative standing and – in different ways – securing positive identities as places to live, work, visit and do business.

The Core Cities Group is a strong cross-city and cross-party collaboration with a track record of more than 10 years. Leadership across the Cities takes in all three major political parties.

www.corecities.com

Introduction to the Improvement and Development Agency (IDeA)

The IDeA supports improvement and innovation in local government, focusing on the issues that are important to councils and using tried and tested ways of working. The IDeA works with councils in developing good practice, supporting them in their partnerships through networks, online communities of practice and web resources, and through the support and challenge provided by councillor and officer peers.

The IDeA also helps develop councillors in key positions through its leadership programmes. Regional Associates work closely with councils in their areas and support the Regional Improvement and Efficiency Partnerships (RIEPs).

www.idea.gov.uk

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FOREWORD

At a moment of exceptional economic challenge the Core Cities authorities have a vital role to play both as major employers and as strategic leaders for the wider employment and skills agenda. The Core Cities have, over the last decade, delivered an unprecedented transformation of England's major urban centres. Employment, skills and investment has greatly increased, supported by new, innovative partnership structures. Now widely acknowledged as "solution" not "problem", the Core Cities urban areas are home to half of England's major research universities, almost a third of its population, 28% of the country's graduates and deliver 27% of its economy. They have driven regional economic growth and will drive recovery for the future. Economic diversification and a highly skilled workforce makes them better able to withstand recession, but they still have widespread deprivation, with low skills levels in economically vulnerable communities. Recent history reminds us that if we fail to focus on this issue now, when the recession lifts, the pool of long-term unemployment will have increased.

Core Cities take their role as major employers, and as strategic leaders for wider skills development and employment, very seriously. Collectively they employ more than 210,000 people and influence the life chances of many more. Working together we can drive positive change, increase skills levels and access to employment from our most deprived communities.

Core Cities Leaders come from all three main political parties, parties that have recognised the importance of delivering opportunity at a local level – connecting with the most excluded sections of the community and making sure that all residents are contributing to, and benefiting from, economic growth. Government has a priceless opportunity to forge a new relationship with the Core Cities, their businesses and citizens, to radically improve skills and employment outcomes, particularly for those most distant from the labour market, and also to ensure that all young people have pathways into skilled job opportunities.

There has been significant progress in developing the national-to-local strategic relationship for this agenda: the Sub National Review of Economic Development and Regeneration¹; Multi Area Agreements; Skills and Employment Boards; two City Region pilots and the Future Jobs Fund. We recognise and welcome these developments, but much more can be done through devolution to the city-region level, particularly to support the most excluded sections of our communities.

For the future, this will require local innovation, as part of local and national public service reform, all in the context of reduced public finances overall. Tailoring services to local and individual need; thinking through how we might reform the benefits system to avoid the poorest being left with the highest marginal tax rates; building up capacity amongst our own workforce. All these issues demand strong local leadership and a responsive approach, not a 'one size fits all' approach.

This study demonstrates the leadership, track record and capacity of the Core Cities on skills and employment. We believe it sets the tone and the standard for a new future relationship with Government, building on the foundation of recent progress. It provides examples of good practice from each of the eight Core City Councils – both as employers and as leaders within local partnerships. We anticipate

¹ 'Prosperous Places: taking forward the Review of Sub National Economic Development and Regeneration'; BERR 2008

that these case studies will stimulate more joint working between the Core City Councils, Government and its agencies, as well as making a wider contribution to the IDeA knowledge bank for all local authorities.

In the context of global recession, the Core Cities individually, and collectively, have identified how we can drive recovery, working with government to bring forward investment and reform our services to best support the most vulnerable members of the community. It is this joint action that brings out the best in public services and demonstrates most clearly the benefits of Government and the Core Cities working together.

As set out in *A Pledge for Cities*² we are seeking a partnership with Government, sharing risk and responsibility and an ongoing dialogue on devolution and local delivery flexibility to meet common objectives. This must include a clear focus on employment and skills issues alongside local powers to direct the delivery of work and adult learning programmes. This report therefore also provides evidence to support *A Pledge for Cities*.

Local government is changing. Councils are going through transformation processes geared towards improving their service offer and creating a skilled workforce for the future. We anticipate significant challenges in managing our budgets and we are all engaged in forging new governance arrangements at a city and sub regional level. While this creates a crowded policy environment we are clear that without addressing the long standing employment and skills issues in our cities we will neither fully contribute to sustainable recovery nor wholly develop the modern knowledge economies that we are aiming for. By working together, we can achieve sustainable, long term change.

Sir Richard Leese – Leader, Manchester City Council
Core City Lead on Skills and Worklessness

² Core Cities (2009)

EXECUTIVE SUMMARY

The Core Cities occupy a unique place in our national landscape. Within the regions the Core Cities are the primary locations for economic activity and public services; the main destinations for retail, culture and leisure activity; provide the hubs for national and international transport; and, through local Councils and wider partnership structures, are centres for democratically accountable leadership and locally responsive decision making. They drive economies, lead with their communities and deliver change.

The Core Cities collectively have a population of 4.3 million but influence the lives of 16 million residents within the wider city regions. They generate an economic output of around £112bn per year which more than doubles to 27% of the national economy when each city region is included. They are not just important to the national economy – without this contribution, the economy is not viable at anything like its current level. The Core Cities have led a regeneration agenda that has seen a dramatic physical transformation combined with economic and population growth in our major urban areas. They have been responsible for much growth in the past and will drive recovery and future growth.

While the Core Cities have re-invented themselves very successfully, there remain significant challenges to raise employment and skill levels. With some 400,000 Core City residents in receipt of workless benefits and 800,000 adults with poor skill levels, the Core Cities face huge challenges in achieving higher levels of productivity as drivers of regional performance and decreasing regional disparity.

To address this important issue the Core Cities and the Improvement and Development Agency (IDeA) have joined forces and collected evidence on the contribution of Core Cities as major employers and leaders on work and skills within wider local partnerships. This report is intended to highlight good practice and inform discussions with government about tackling long standing issues of economic exclusion. It demonstrates leadership and capacity within these partnerships, suggesting that employment and skills delivery can be better engineered at the local level, improving local community and national economic outcomes.

EMPLOYMENT

RAISING THE EMPLOYMENT rate is a key priority for each of the Core Cities; six are City Strategy pathfinder areas³, and all have variously set stretching targets as part of Local Area Agreements (LAA) and Multi Area Agreements (MAA). There is a clear understanding among the Core Cities of the central importance of employment to not only achieving long term economic goals but as a means of promoting cohesive communities and tackling a wide range of issues of deprivation. The Core Cities have shown leadership within their local areas and City Regions in developing worklessness policies and initiatives – as key strategic agencies and as one of the largest employers and purchasers in their locality. Prior to the recession these policies were working well, with worklessness levels falling faster in the Core Cities than the national average.

³ These are Birmingham, Liverpool, Manchester, Newcastle, Nottingham and Sheffield

The Core Cities have made a significant contribution to the delivery of local employment levels by developing targeted recruitment policies. Across the Core Cities there are examples of innovation in shaping recruitment and employment policies to create opportunities for workless residents. These have provided exemplars for other public sector agencies and helped to ensure that the diversity of local authority staffing reflects their local communities. The Core Cities have used opportunities to shape recruitment processes to improve accessibility by local residents through designing capital procurement and major investment processes to maximise local jobs and supply chain benefits.

Despite this success the Core Cities have over 400,000 adults on out of work benefits with worklessness often highly concentrated in communities experiencing multiple deprivation. Many of these people are long-term unemployed and face multiple barriers to re-joining the world of work. Based on experience of addressing these complex issues it is clear that the most effective approach is local, flexible and delivered in partnership with other public and voluntary sector organisations. Currently Core Cities spend disproportionate time and resource knitting together mainstream services and national initiatives at a local level. A clear message to Government from the Core Cities has been to reduce the number of new initiatives, target resources on those furthest from the labour market, and to work with and through existing and emerging City Region governance structures. There have been significant advances in dealing with these issues, but there is still much to do.

SKILLS

THE CORE CITIES share the Government's aspirations to raise skills and through this to increase the employment rate and the productivity of workers. The Core Cities represent the key commercial and industrial centres in England outside of London and have, at a City Region level, 32% of the national labour force. However, the Cities also have over 800,000 working age adults with low skills.⁴ The Core Cities have each made significant commitments to tackling low skills by setting ambitious targets through Local Area Agreement (LAA) and Multi Area Agreement (MAA) plans, and more directly through the adoption of national initiatives such as the Employer Skills Pledge. There is more the Core Cities can do locally, as set out in this report, but also nationally, working with Government and the UK Commission for Employment and Skills (UKCES).

The UKCES has indicated that the UK will miss the targets set by Lord Leitch on the current trajectory⁵ and will fall significantly short of the ambition of being in the top quartile for skills among OECD countries. If this position is to be reversed a new approach is needed to engage and support the thousands of adults needed to improve the UK's overall position. The Core Cities are in a unique position to work with Government, with city region employer groups and with the key learning and skills providers to deliver this aim.

The Core Cities have also recognised that they have significant internal challenges to improve the skills of their staff. It is estimated that some 30% (or 65,000) of Core City employees do not have a level 2 or above qualification. To help tackle this, all the Core City Councils are signed up to the National Skills Pledge and are at various stages of implementation of this commitment where employers commit to train their workforce to at least Level 2 – the equivalent of five good GCSEs, grades A–C. This direct

4 Working age adults with level 1 and no qualifications. Source: Annual Population Survey 2007.

5 UKCES – Ambition 2020: World Class Skills and Jobs for the UK (2009)

action, combined with innovative activity across the public sector to tackle recruitment shortages in care and technical professions forms part of Core City programme to improve adult skills and create a twenty first century labour force.

YOUNG PEOPLE

IMPROVING THE LIFE chances of young people is of primary importance to the Core Cities. The Core Cities have demonstrated a strong commitment to reducing the proportion of young people that are Not in Education, Employment or Training (NEET) aged 16–18 by developing innovative approaches to engagement and support. Each of the Core Cities has improved the transition of young people at 16–18 with the majority showing reductions in NEET levels that are significantly above national performance levels. The commitment to reducing NEET continues, with all Core Cities adopting stretching LAA targets.

The Core Cities have also taken practical steps to support young people into the workforce, by setting recruitment targets for apprenticeships – over 1,000 apprenticeships will be created by April 2010. The Core Cities have ensured that excluded young people (those in deprived communities or previously looked after by the Council) are prioritised in the recruitment process and able to compete successfully for apprenticeship opportunities. The adoption of apprenticeships has been matched by the provision of work placements linked to new school diploma programmes. The Core Cities have also been actively engaged in the Future Jobs Fund, working with public, private and voluntary sectors to secure a commitment to over 20,000 job opportunities.

The Core Cities take formal responsibility for the 16–19 provision from April 2010 and are already working with the Learning and Skills Council (LSC), the new national agencies and with City Region partners to put strategic planning arrangements in place to make the most of this opportunity. A number of the Core Cities are developing vocational pathways for young people into shortage areas such as care professions and there is more to be done to provide entry routes into public sector careers. The transfer of responsibilities from the LSC create opportunities to more effectively align school based vocational learning to planning for post-16 provision, work experience and apprenticeships through to level 4 and 5 professional training.

STRATEGIC PARTNERSHIPS

THE CORE CITIES are uniquely positioned to deliver and manage the economic development of their areas. The scale of operation and range of statutory responsibility along with their lead role as strategic partners with the public and private sector creates a distinctive ‘placeshaping’ role that cannot be filled by any other national or regional organisation. Over the last decade Government has recognised this importance role and slowly changed the machinery of government to reinforce and enhance the local government in its place leadership role.

As the Core Cities work with local partners and within their City Regions to establish new strategic management and governance arrangements the key message to Government from the Core Cities is to use the structures that are already in place. National policy is often disjointed with a lack of consistency of implementation across Government departments and led by initiatives that do not fit with existing policies or local delivery arrangements. Much economic development activity at a local level is spent

(re) joining up mainstream and discretionary services – efforts that could have been avoided if there were clearer communication at an earlier point.

The new City Region arrangements promise a big step forward on this issue driving policy through an outcome-based approach, establishing a more mature relationship with government and allowing the City Region structures to determine local delivery arrangements. The other Core Cities support these developments, working with Leeds and Greater Manchester and with BIS to understand and where appropriate replicate the arrangements to allow for the City Region status to be extended to the other core cities.

CONCLUSION

The experience of the Core Cities is a resource not just for the major urban areas but for local authorities and public bodies across the UK. Both through the IDeA and regionally through RIEP it is hoped that the case studies and ideas contained within this report are shared and replicated to increase the impact of local government on employment and skills across the country.

Moving toward public service and benefit reform for the future, within a reducing public finance scenario, the contribution of Core Cities and their partners becomes increasingly vital to success. They require local solutions to local issues – within a national framework – and have demonstrated the leadership, capacity and strong track record of delivery to get results. Working together for the future, they have the potential to create a much greater impact on these challenging issues.

The right spatial level for delivery of skills and employment services has been much debated, and we discuss the importance of some focus on the functioning labour market in this report. But whichever level delivery occurs at, communication between commissioning bodies and local authority partnerships is vital if we are to align supply with demand. Although employment is the ultimate end goal, we need to recognise that current targets can encourage providers to operate in a way which does not always create the most sustainable employment for those most in need. A greater recognition of the additional barriers that some workless people face – personal support arrangements, language, childcare – will ultimately achieve better long term results. This means that commissioners and providers need to think through the jigsaw of provision with local partners to ensure the right support is in place, taking in the full range of advice and guidance services that exist, moving people through these in a meaningful and tailored way.



INTRODUCTION

THE CORE CITIES face a very particular challenge. As former industrial centres they have undergone large scale restructuring of their economies over the last twenty years – building on their role as regional capitals to replace declining manufacturing and shipping with knowledge-based business investment. This challenge generates two distinct objectives for employment and skills. Firstly, to ensure that residents have the skills to successfully compete for the new employment opportunities being created in the cities. This is in a context of low skills levels among adults, comparatively poor educational achievement at 16 and areas of severe deprivation and long term worklessness. Secondly, to ensure that employers have access to sufficient numbers of graduates, knowledge workers and entrepreneurs to both stimulate new enterprise and to meet the demands of potential investors. This relies heavily on successful higher education institutions, a good transport infrastructure to connect employers to surrounding city region labour markets, quality housing and living environment and a vibrant cultural offer.

Adding to the difficulty of this task is the fact that all major conurbations are seeking to do the same thing – nationally and internationally. This increases competition and forces the Core Cities to define their unique selling points, ensuring that their existing economic assets are being fully exploited. This is important because of the scale of contribution that the Core Cities make to the regional and national economy. The economies of the eight local authority areas alone contribute £112.5bn to national GVA. This more than doubles to £268bn GVA once the wider city regions are taken into account. Individually, at a regional level the Core Cities urban areas generate between 25% and 60% of their entire regions economic output.

Tackling the employment and skills issues of the Core Cities is the keystone to ensuring that the regional impact is a positive one. Government has recognised this in a series of policy statements and programmes over the last decade. The Core Cities have worked closely with Government to promote a partnership approach to achieving national targets for employment and skills and to underline the fact that addressing these issues fundamentally requires greater local control over policy levers and finance. Delivering national services and objectives through local partnerships ensures an effective use of public resources while also taking account of local barriers and opportunities.

The Core Cities have encouraged Government to devolve and share responsibility for the delivery of national employment and skills targets and have worked closely with the Learning and Skills Council (LSC) and with the Department for Work and Pensions to develop frameworks for collaborative planning and delivery. It is clear that neither national targets nor local ambitions can be achieved without effective partnership working between Whitehall and the Core Cities, enhancing the effectiveness of Jobcentre Plus and DWP providers while also making the most of the capacity of local authorities and other public agencies to deliver improvements. The most recent evidence for this can be seen in the *Tackling Worklessness* report by Cllr Stephen Houghton⁶ Leader of Barnsley, on behalf of the Department

⁶ Department for Communities and Local Government (2009)

for Communities and Local Government. This report gives examples of where local government is delivering innovative targeted action to promote employment and economic development and how, in partnership with Government, this can be expanded to achieve a higher employment rate and improved adult skills.

Government has supported the major urban areas to tackle worklessness. The development of DWP City Strategies through to the more recent Future Jobs Fund have provided access for local government to Whitehall, additional resources to raise employability in deprived areas and supported the development of new approaches to partnership delivery. However, this has not fundamentally challenged the balance of services and programmes managed by national agencies and those 'discretionary' schemes funded and determined locally. This is where the greatest gap exists in the planning of local services and it is here where the Core Cities can most effectively make a contribution. The Core Cities are prepared to take responsibility and to share the risks of delivery with Government against an agreed set of outcomes. As can be seen in this report the Core Cities are already using their position as major employers and their role as strategic leaders to promote positive policies and to contribute to raising employment levels.

This report sets out the key challenges for the Core Cities in delivering employment and skills outcomes. It provides examples of activity and good practice developed by the Core Cities and indicates areas where further action is needed – by the Core Cities, by Government and together in partnership.

SECTION 2

CORE CITIES

AS STATED ABOVE THE CORE CITIES have a scale and importance that distinguishes them from other local authorities in England, in terms of population size and contribution to, and influence upon, the national economy. But they have a disproportionate share of low skills and worklessness that limits their growth potential and overall contribution to the regional and national economy.

But this situation can and is being reversed by the Core Cities.

- Between 2000 and 2008 the Core Cities workless population fell by some 159,000.
- Since 2000 the employment base has increased by over 110,000 new jobs and nearly 9,000 additional business units have been registered in the Core Cities.
- Over the period 2000 to 2006 the GVA of Core Cities increased by some £28bn or 11% of national GVA growth.
- Since 2005 the number of residents with level 4 qualifications has increased by over 80,000. At the same time as the number of residents with no qualifications has fallen by some 30,000.

Nearly all of these positive changes have been ahead of the national trend and illustrate the effectiveness of the Core Cities in delivering an economic growth agenda.

The Core Cities can drive recovery and future growth because they have the assets needed to create successful knowledge based economies. They have strong governance and partnership structures and they have a track record of delivering innovative local services. The Core Cities policy is to make these factors work: to take decisive action based on a renewed relationship between with Government to share responsibility and risk and to work together to build strong City Regional economies. The following paragraphs outline the strengths and potential contribution of the Core Cities to a partnership with Government.

AS EMPLOYERS AND PROCURERS

CORE CITIES ARE each amongst the largest employers in their local labour market. The eight Core City local authorities collectively employ some 218,000 people in 2008⁷, an FTE of over 155,000 jobs. The City Councils are distinctive with a majority female workforce, a high proportion of part-time employees and representative numbers of staff from BME communities. Compared to many large employers in the public and private sector, the City Councils have a very varied workforce with occupations ranging from senior management and technical positions in finance and engineering through to caring professions and administrative and manual trades. Few employers can offer this diversity of roles but few can also demonstrate such close connections with local communities. Among the Core Cities that collect

⁷ Source: LGA Workforce Survey 2008

the data around two thirds of Council employees also live within the administrative area of the local authority⁸.

While many of the Core Cities are in the midst of organisational change, there remains a high level of replacement recruitment. On average there is a turnover rate of 10.3% per year with the Core Cities combined reporting over 9,000 vacancies during the 2008/09 financial year. Replacement demand extends across the Council workforce and due to a high proportion of part-time staff around half of employees have a salary less than £20,000 per annum, making the jobs accessible to a large part of the local labour force.

Table 1

CORE CITY COUNCIL TOTAL EMPLOYMENT*

City Council	Staff	Male	Male %	Female	Female %
Birmingham	60,443	15,287	25.3	45,156	74.7
Bristol	17,432	4,972	28.5	12,460	71.5
Leeds	44,087	12,422	28.2	31,665	71.8
Liverpool	17,787	4,576	25.7	13,211	74.3
Manchester	24,382	6,911	28.3	17,471	71.7
Newcastle upon Tyne	17,267	6,060	35.1	11,207	64.9
Nottingham	17,789	4,985	28.0	12,804	72.0
Sheffield	18,922	5,202	27.5	13,720	72.5
Core Cities Total	218,109	60,415	27.6	157,694	72.3

*Includes school staff

Source: LGA Workforce Survey 2008

In addition to direct employment and employment via schools, the Core Cities can also promote indirect employment opportunities via their actions as providers and purchasers of local goods and services – collectively the Core Cities have a total service expenditure of some £6.9bn per year.⁹ Many of the Core Cities are using this expenditure to influence the practises of their suppliers to encourage them to adopt positive local employment and skills policies. As can be seen in section 3 there are effective initiatives in place that are generating local jobs and increased investment in training through the delivery of Council contracts.

AS LOCAL AGENTS FOR CHANGE

LOCAL AUTHORITIES SUCH as the Core Cities are not simply managers and providers of services. Outside of their role as large employers, the Core Cities have a vital role as statutory agencies, community leaders and 'placeshapers' with stewardship of the overall direction of their cities. Their legal powers are extensive as are their responsibilities to bring together local strategic partnerships and to engage with public, private, and voluntary sector organisations to improve the health and wellbeing of the community.

⁸ Core Cities Project Survey (2009)

⁹ CIPFA data on total service expenditure 2007/08

Each of the Core Cities has Local Strategic Partnership arrangements with the principle private, public and voluntary sector organisations; each partnership has a specific group responsible for employment, skills and wider economic performance. These strategic partnership groups provide a means to co-ordinate the development of policy and to ensure, as far as is possible, the conjunction of local commissioning and delivery arrangements. The Core Cities have 2.25 million jobs with 702,000 or 31%¹⁰ of these located within the wider public sector¹¹. There is considerable opportunity to steer a proportion of these towards local unemployed residents.

The Core Cities exert influence beyond their administrative boundary into city regions – these being the wider functional economic areas surrounding the Core City. The recognition of city regions¹² by Government through the development of complementary Multi Area Agreements (MAA)¹³ and the creation of statutory city regions in Greater Manchester and Leeds in the 2009 Budget provides an important step forward in the development of effective sub regional policy. Potentially these new areas provide a basis for joint planning and commissioning of services within functional labour markets with the Core Cities at their centre.

10 Source: ONS Annual Business Inquiry (2007)

11 Public sector defined as public administration and defence, education and health and social work

12 See appendix 1

13 See www.idea.gov.uk/idk/core/page.do?pageld=6960557 for full explanation of MAA



DELIVERING EMPLOYMENT

CONTEXT

The Core Cities continue to address the consequences of a rapid decline in industrial employment during the 1980s and 1990s. Changes in the economic base have created a legacy of concentrated deprivation and unemployment, to varying degrees, across each of the Core Cities. Over the last decade the Core Cities have worked together to encourage Government to be more flexible in the design of employment policy to reflect the specific conditions experienced within their urban areas.

Each of the Core Cities has created policies to generate modern knowledge based economies, building on its role as a regional centre for public and financial services, leisure, business HQ and transport. There is a shared ambition to maximise employment generation and to ensure that newly created jobs are accessible to local residents. A key challenge for this work is eradicating the high levels of worklessness that are found in many city neighbourhoods. Spatially distinct communities with long standing patterns of economic exclusion and worklessness characterise the key challenge faced by the Core Cities. There has been significant success in reducing worklessness in the Core Cities. Over the period February 2000 to February 2008 the total number of Core City residents in receipt of workless benefits fell by 159,600 a decline of 18.1%. This compares favourably with English performance of a decline of just 16.1% over the same period.

However, this issue remains important with over 400,000 people in the Core Cities in receipt of workless benefits representing 15.3% of the Core City working age population. After a number of years of falling worklessness the recession has seen a rapid rise of 60% in the Claimant Count between June 2008 and June 2009. While this has taken a significant toll on the Core Cities after a decade of growth, the majority of Core Cities have seen rises below the national average of 86.7% over this period. This in part may be due to the fact that the Core Cities already had high levels of worklessness but must also reflect the investment by the Core Cities to improve skills and develop a diverse and sustainable business base over the last 10 years.

Tackling worklessness remains a key objective for the Core Cities and they have developed policies and local delivery arrangements to address the factors that contribute to labour market exclusion. The Core Cities recognise that they have a dual role in tackling high levels of worklessness within communities. Their first role is as a strategic body using economic development powers and local strategic partnership structures to analyse the patterns of worklessness within the community, designing joint delivery arrangements and using discretionary funding to deliver targeted engagement and employment support programmes. This role will be further enhanced from 2010 with the introduction of Local Economic Assessments.¹⁴ To this end the Core Cities have encouraged a national policy debate on worklessness and led the development of influential programmes such as DWP City Strategy and the

¹⁴ See IDeA for further information – www.idea.gov.uk/idk/core/page.do?pagelid=8712709 and CLG www.communities.gov.uk/documents/localgovernment/pdf/1314939.pdf

wider welfare reform agenda. Their second role is as a major employer – the Councils are among the largest employers and purchasers in each of the Core City areas and can use their scale to support the delivery of employment and employability objectives. It is the combination of these roles that places the Core City authorities in a unique position to create benefit for local communities whilst ensuring that the local authority workforce fully represents the community.

AS EMPLOYERS

As indicated above the core cities have large and diverse workforces, with strong links to their local communities. There is a clear political commitment from the Core City Council Leaders to ensure that the authorities are fully utilising their scale as employers to generate opportunities for local people and contribute to strategic local employment targets. Many of the Core Cities have made an explicit link between their economic goals and the development of Council personnel policies. Evidence of this can be seen in a number of Core City workforce strategies, for example in Liverpool, where from the very first page the Council's human resource objectives are identified as a tool to help deliver economic growth of the city. This commitment is also reflected in the adoption of corporate Local Area Agreement targets and through support of national initiatives such as Local Employer Partnerships (LEP).

As well as a strong strategic justification, the Councils recognise the operational benefits of linking personnel policies and local economic development activity. City Councils face an increasing number of major challenges to develop their workforce policies.

- They have an ageing workforce with many facing potential staffing crises as large numbers of employees come to retirement age over the next five to 10 years.
- They face challenges to ensure that the profile of the workforce reflects the diversity of their local communities – with particular issues of attracting members of BME communities and people with disabilities into the workforce at a senior level.
- City Councils are under pressure to achieve efficiency savings, with a number operating a recruitment freeze while organisational changes take place.
- Councils face real difficulty in recruiting to some key skill areas in care and technical professions under competition from the private sector.
- Finally, ensuring that the skills of staff keep pace with the changing roles of City Councils is increasingly demanding.

While this is a very complex set of issues to address, the Core Cities have recognised that locating their personnel policies within a wider strategic approach to employment enables them to contribute to the local economy while also developing innovative and sustainable approaches to employment and training that meet the long term employment needs of the authority.

TARGETED RECRUITMENT ACTIVITY

The core cities are actively promoting council jobs in their most excluded communities through the use of local advertising, radio advertisements, working with community and voluntary groups and with

Jobcentre Plus to organise job fairs. These approaches to taking job vacancies out into the community provide a good example of how personnel and economic development teams are working together – combining activity in targeted regeneration areas with real opportunities of employment with the Council. Bristol City Council has actively promoted this approach with the creation of a Council JobShop to advertise vacancies and provides support to local residents with the application process. Alongside its JobShop, Bristol established a Community Recruitment Co-ordinator post which took Council vacancies out into the most deprived areas of the City and worked with local partners to encourage and support unemployed residents to apply. Initially funded through Neighbourhood Renewal, the initiative gave a focus to working with Council Directorates to fill Council jobs in areas of elderly care and estate caretaking. Launched in 2005 the project is being revisited to develop it further to take on vacancies from other public sector employers in the City.

A number of the Core Cities have developed similar services such as *Newcastle Futures Partnership* which is a multi agency service that provides support to unemployed residents including job brokerage and guaranteed interviews for City Council jobs to eligible unemployed residents. Liverpool's *People Pool* and network of *JET* centres provide advice, guidance and training to unemployed residents alongside brokerage into jobs in the City. Leeds has developed a successful pre-employment model with the NHS targeting recruitment at areas of high unemployment linked to employability training prior to selection. Leeds City Council has a member of staff based at the NHS Trust to work on this project.

It is these types of initiative that allow Councils to design their recruitment arrangements to maximise the impact in deprived communities. By structuring the recruitment process, providing assessment and pre-employment support to workless residents and tailoring training provision to the needs of applicants, this improves the employability of adults in high unemployment areas and also allows the Council to achieve organisational targets. For example the Manchester IRES scheme (see case study 1) reports that 12% of recruits have been people with disabilities and 40% were from BME communities.

A number of the Core Cities have signed up to the national *Local Employment Partnership*¹⁵ (LEP) initiative being run by Jobcentre Plus. The LEP is a commitment by the employer to recruit an agreed number of unemployed people with the support of Jobcentre Plus. As all of the Core Cities have pre-existing relationships with Jobcentre Plus with, in Cities including Manchester, Newcastle and Liverpool, Jobcentre staff co-located with partnership employment initiatives, LEP has been less significant than with other major employers in the public and private sector. It has however, added value to existing local arrangements and helped to accelerate discussions within City Councils on how vacancies are advertised in local communities.

PROMOTING EMPLOYABILITY

In addition to the role as a direct employer the City Councils also have a significant role to contribute to the employability of local residents through the provision of work placements and voluntary activity. This is an area where a number of the Core Cities are active. Manchester City Council operates *Manchester Event Volunteers*¹⁶ a service that secures volunteering opportunities for major sporting, cultural and community activities in the City. This initiative is a legacy programme from the 2002

¹⁵ See www.jobcentreplus.gov.uk/JCP/Employers/lep

¹⁶ See www.mev.org.uk

Commonwealth Games that helps residents to obtain volunteering opportunities while also providing access to training and employment support.

Work placements have traditionally been used with schools and young people but are also effective as part of employability initiatives for adults. A short period based in a real workplace when linked to pre-employment or training initiatives can be an important element in building confidence and overcoming some of the initial 'teething problems' experienced by people who have been long term benefit claimants particularly where there may be chronic health issues. An example of this is the *Birmingham Ability Plus*¹⁷ programme that supports unemployed residents with disabilities to obtain work experience and skills over a 12 month period while in the paid employment of a Council department. This is a long standing and successful initiative in Birmingham that is now in its 24th year. Leeds City Council also provides a similar service through the *Leeds Incapacity Employment Project (LEIP)* which provides work placements for residents on sickness benefits with mental health and musculoskeletal problems.

RECRUITING TO STAFF SHORTAGE AREAS

The Core Cities in common with the wider local government sector experiences considerable difficulty recruiting for some key professions – most notably adult and children social workers and technical professions such as planners and engineers. The Core Cities face competition from the private sector where conditions and pay are considered to be better. A key part of the response to these labour shortages has been increased use of agency staff, which raises costs for the City Councils and reduces the opportunity to target recruitment activity.

Jointly, the Core Cities spend collectively over £100 million per year on agency staff, a sum that all of the City Councils are concerned to reduce through increased use of internal agency arrangements, more effective management of temporary staff services (i.e. setting absolute time limits for temporary staff covering vacant posts) and working more effectively with agents. The Core Cities are also looking creatively at how some of these long term and structural shortages can be resolved. Specifically, recruitment and training of existing staff – improving the skills of council workers to gain professional competences (see section 4 Raising Skills) and creating more entry routes for young people (see section 5 Supporting Young People). This is about identifying how the recruitment and employment policies of the City Councils need to change to become a more attractive employer and to create opportunities for career development.

It is also about taking an imaginative approach to meeting the specific needs of services. For example in Leeds where the City Council is using the national social enterprise *Slivers of Time*¹⁸ as a way to fill staffing gaps and complement their use of agency employees. *Slivers of Time* provide a brokerage service for employers (buyers) seeking staff (sellers) to work for small periods of time. This flexible programme allows the Council to reduce its spend on agency staffing by hiring for the specific period of time needed to provide service cover. For the individual it allows the flexibility to work around caring or study commitments when they cannot work regular hours and for unemployed residents it provides a step back into the workplace

17 See www.birmingham.gov.uk/GenerateContent?CONTENT_ITEM_ID=1186&CONTENT_ITEM_TYPE=0&MENU_ID=12626

18 See www.sliversoftime.info

CASE STUDY 1 – MANCHESTER IRES

Summary

Manchester City Council has a policy objective to ensure that local residents have access to jobs at the Council. As part of this commitment the Council established an initiative – IRES (the Integrated Recruitment and Employment Scheme) – in 2003 to ringfence recruitment to entry level posts to Manchester residents who are aged over 18 and who have been unemployed for at least six months.

Delivery Arrangements

- The project is managed through a partnership of the Council, Jobcentre Plus and a contracted external training provider. Targets are set to engage employment priority groups including lone parents, BME communities and people with disabilities.
- The provider makes an initial assessment of the applicants and runs a two week pre-recruitment training programme. On successful completion of the training, applicants are guaranteed an 'interface' – a less formal interview – with the Council for a job.
- Appointed candidates have access to structured post-employment support to help them in their post and Skills Pledge training to level 2 and 3

Outcomes

- 143 unemployed residents have been engaged in the scheme since 2003 with 95 gaining employment with the Council plus 21 people accessing jobs with other employers.
- The scheme has become a standard recruitment method for council departments – initially focused on admin posts, IRES is being expanded to other occupations.
- Recruits through the IRES initiative have a lower turnover than average for entry level posts in the Council.
- The scheme is being promoted to other employers in the public and private sector and through partnership groups.

Key lessons

- Importance of a dedicated post to manage the project and to support departmental personnel officers. The project manager is based in the Corporate Personnel service.
- Engagement and initial assessment of candidates is vital to maintain credibility of the initiative with recruiting managers. Pre-recruitment needs to include support for those candidates not ready for employment at the Council.
- The initiative works at a large scale – being more cost effective and more attractive to applicants if a number of recruiting public agencies are involved.

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SECURING EMPLOYMENT VIA PROCUREMENT AND DEVELOPMENT

The Core Cities are major purchasers. Together they have responsibility for the procurement of billions of pounds of capital investment and revenue goods and services. This level of expenditure provides local authorities with opportunities to generate added local benefit both through increased employment and investment in skills. Local authorities have a long track record of working with developers as part of major regeneration schemes to promote local labour initiatives and to use best endeavours to secure 'planning gain' from Section 106 agreements. These have been important elements of regeneration initiatives which have had limited impact in either generating long term employment opportunities for residents in the most deprived areas or increasing the overall commitment of contractors to investment in training.

Given the range of major physical regeneration taking place in the Core Cities there has been significant effort placed on designing more effective approaches to achieving local benefit through procurement and developer agreements. In Birmingham for example, the City Council is working closely with developer Carillion on the construction of the Library of Birmingham. A formal agreement has been put into place that sets out the targeted recruitment and training outcomes to be generated by the project. The Council and the contractor have clear roles and responsibilities to ringfence vacancies for a pre-employment process and to generate a minimum of 250 jobs of at least 12 months duration, with 20% of these being apprenticeships in various trades. This approach is also being taken in Bristol where the Council has run the *On-Site* scheme for a number of years to secure local labour and sub-contracting opportunities alongside training vacancies for young people.

For Leeds and Sheffield a regional construction framework has been developed called *YORbuild*¹⁹ to ensure that employment and training outcomes are integral to major public sector construction contracts. This approach enables the Councils to secure the most cost effective prices when selecting contractors and also to include specific, and enforceable, criteria on employment and training within the framework tendering documents. A similar approach has also been taken by Manchester where 15% of the total score for tenders to join the housing construction framework was given to local benefit criteria. Potentially this approach is more effective than ad hoc agreements because the contractors are able to prepare for, and build in the cost of, delivering local jobs and training into contracts and sub contractual arrangements. It is also easier to enforce for the Council as these outputs can be measured as part of contract performance and where there is non-compliance the contractor runs the risk of not obtaining future contracts through the framework agreement.

At a strategic level the city councils have also used their influence to generate local employment as part of major commercial developments. All of the Core Cities have been successful in attracting large scale business investment over the last decade and, as part of this, designing bespoke employment and training services to secure local jobs. Birmingham City Council worked closely with Tesco, for example, in the construction of a new store in Aston. As part of Tesco's LEP commitment they designed a recruitment campaign with the City targeted at unemployed residents in surrounding deprived communities. The outcome of this partnership was that 63% of the newly recruited store workforce was previously unemployed or low skilled and resident in adjacent neighbourhoods. Similarly Leeds developed its first job guarantee programme with Tesco 10 years ago. There has been a high level

¹⁹ See www.yorbuild.com

of staff retention at the store with many of the original recruits still in place. In Manchester, partners worked with the Bank of New York to change the recruitment processes for a new regional centre from one that was purely graduate entry to include post 'A' level young people who undertook work-based training to gain professional qualifications. Nottingham City Council provides a service to new investors to the City called *Making a Connection* which has worked with businesses in retail, contact centres and hotels to secure employment opportunities for local residents. In these examples the City Councils have used their relationships with major new employers to help shape investment to create opportunities locally.



RAISING SKILL LEVELS

CONTEXT

Skills are of central importance to the development of England's Core Cities. Each of the Core Cities has set out policies to create a modern and knowledge based economy. Achieving this depends on the availability of good quality skills, locally and within the wider labour market. The legacy of industrial change has left the Core Cities with significant gaps in their skills offer, with disproportionately high numbers of adults with low or no qualifications and significant gaps at level 3 intermediate skills.

Table 2

QUALIFICATION LEVELS* – CORE CITY RESIDENTS 2008

City Council	No Quals	Below level 2	Level 2	Level 3	Level 4 +
Birmingham	21.6	14.8	18.9	16.5	28.2
Bristol	12.1	14.5	15.8	16.5	41.1
Leeds	15.3	16.6	17.2	19.1	31.8
Liverpool	24.4	15.6	20.1	17.9	22.0
Manchester	21.0	11.7	14.4	18.8	34.1
Newcastle upon Tyne	15.3	13.3	14.2	22.2	35.0
Nottingham	19.9	17.1	16.5	21.7	24.9
Sheffield	16.5	18.2	17.7	16.0	31.6
Core Cities	16.3	13.2	16.3	17.8	27.0
England	12.3	14.2	18.1	17.8	28.7
Leitch Targets	4	6	22	28	40

* Excludes 'other' qualifications

Source: ONS – Annual Population Survey 2008

All of the Core Cities have the benefit of major University presence. There are 23 higher education institutions in the Core Cities with some 460,000 students – nearly one quarter of the national total²⁰. With half of the Russell Group (research intensive) universities in England located within the Core Cities, there is significant capacity to create and sustain the skills base needed for a knowledge economy. A key challenge for the Core Cities is retention of students following graduation as well as linking academic specialism to reflect and support the economic and sector ambitions and needs of cities.

The Core Cities aim to balance the policy objectives of tackling low levels of adult skills while also ensuring the availability of higher level skills at sufficient volume to attract investment and generate

²⁰ Source: Higher Education Statistics Agency 2009

added value enterprise. The challenge for Core Cities is that both of these aspects of the skills agenda are important to build a growing and sustainable economic base. Without the former many residents will be excluded from the job opportunities being created. Adults with low skills are more vulnerable to becoming and remaining unemployed²¹. This creates unstable communities, inequality, increased ill health, crime and attendant costs to the public purse and ignores an important segment of the labour market. Without the latter the economy will not grow to its potential. Inward investors consistently place the availability of skills as their top priority when making location decisions and skills drive business productivity. Leeds City Region estimate²² in their MAA submission that achievement of the Leitch targets will significantly increase their employment growth rate and raise GVA growth from 2.4% to 3.3% per year.

The Core Cities are addressing this agenda both through targeted local activity, sub regional partnership arrangements (see Section 6) and as major employers by redesigning their employment policies to promote skills.

SKILLS IN THE LABOUR MARKET

Raising adult skills is therefore a key issue for City Councils. In many of the Core Cities there is a growing polarisation of skills. Low skilled adults are becoming increasingly distant from the labour market as the employer demand for skills rises. There is also a second group of skilled workers that live in, or within commuting distance, of a Core City that work in high and value added occupations. This group will continue to be in demand given national forecasts of future growth in high skill occupations²³.

A key challenge therefore is for Core Cities to rapidly accelerate improvements in adult basic skills to level 2 and above – encouraging and enabling access to learning both within the community and in the workplace. Core Cities have used local partnerships to focus on delivery of adult skills issues; support further and adult education providers to reshape and connect employment services to learning; and invested flexible Working Neighbourhood Funds (WNF) into community based delivery of skills. In Manchester for example, the City Council has worked closely with the LSC to design joint commissioning of community engagement and learning. The Council and LSC have pooled WNF and Neighbourhood Learning in Deprived Communities (NLDC) funds into a single programme of engagement and first steps to learning provision through the voluntary and community sector. This approach has encouraged the voluntary sector to use their reach into the community to promote ESOL and basic skills thereby increasing take up of provision by target groups and progression on to higher level and vocational programmes. Similarly, in Birmingham the City Council has used Working Neighbourhoods Funds to support integration of ESOL and vocational programmes.

The Core Cities have more than 800,000 working age adults without level 2 qualifications. This is around 8.3% of the national target for level 2 attainment set out in the Leitch review and adopted by the UK Commission for Employment and Skills. Both for the Core Cities and for UKCES it is essential that clear policies and sufficient and flexible resources are available to improve adult skills. The Core Cities are in a unique position to drive this agenda and to work with City Region partners to ensure both accelerated achievement of adult skills targets and a close fit with current and future sectoral demand.

21 UK Commission for Employment and Skills (2009)

22 Leeds City Region (2008)

23 UK Commission for Employment and Skills (2009)

RAISING SKILL LEVELS IN THE WORKPLACE

In addition to the strategic role of promoting a more skilled labour market, the City Councils recognise the opportunity and need to raise skill levels among their own workforce. While only Leeds City Council has so far completed a skills census of the workforce, indications are that around 30% of Core City authorities' employees do not have qualifications to level 2. Across all of the Core Cities this amounts to some 65,000 staff without the skills to compete in the modern labour market. To address this issue all of the Core Cities have signed up to the national Employers Skills Pledge:²⁴ a commitment to train staff to at least level 2 qualifications. This has clear benefits for the City Councils as employers but given the high proportions of people that are also resident within the local authority area can have a major impact on the take up of learning within communities.

Whilst each of the Core Cities is at a different stage of development, the Skills Pledge has been an important catalyst for the City Councils to focus workforce skills activity. The Core Cities are addressing the key challenges of identifying low skilled workers, designing training that can fit with the demands of service delivery and integrating learning into workforce forward planning. Each of the Core Cities is considering the most effective way of identifying staff with low skills. While qualifications information is routinely collected as part of application processes it is not currently being used strategically to inform workforce planning and training nor is it updated to maintain current records of skills. These are issues that are being tackled with, for example, Manchester City Council adapting their induction process for all new employees to include a skills assessment offering training to level 2 and access to apprenticeships for young recruits without qualifications. By setting an initial skills baseline the Core Cities have opportunities to utilise fully Investors in People (IIP) and appraisal systems to (re) invest in the skills and capabilities of staff. The LGA is also working with the Department for Business Innovation and Skills to help to codify qualifications in order to help local government to record consistently information about the skills of their staff. This type of activity combined with targeting of training within the workforce is expected to make a significant contribution to the delivery of Skills Pledge targets.

The City Councils also face the challenge, once low skilled employees have been identified, of persuading them to agree to undertake training. While management direction is an option, and is effective where there is a statutory requirement for accreditation of skills, the larger issue for Core Cities is encouraging low skilled employees to want to undertake training. Newcastle City Council has been particularly successful in addressing this issue by using Union Learning Representatives (ULR) to promote and provide support to Council employees who may be reluctant to come forward for training. Newcastle has established and trained a network of 50 ULR using level 3 Information, Advice and Guidance (IAG) qualifications. The ULR have helped the Council to support around 3,000 of their employees through the Skills Pledge scheme. The City Councils have found that employees are often the best advocates of training among peers in the workforce and as champions within their own communities. Becoming a ULR can also accelerate skill and career development of the staff themselves.

CREATING SKILLS FOR THE FUTURE

While significant investment is being put into raising the skills of employees to level 2, the City Councils are recognising that much of the future skills challenge relates to the evolving roles of local authorities.

²⁴ See <http://inourhands.lsc.gov.uk/employers-pledge.html>

Particular emphasis is being placed on Councils working in partnership and managing services across the public sector, meeting the demands of new regulations for accreditation of staff in social care professions and requirements arising from safeguarding children legislation as well as the increased importance of project and programme management across all local government service areas. It is in care and technical occupations that the Core Cities are experiencing skills shortages and, as indicated in section 3, are using high numbers of expensive agency staff.

All of the Core Cities have developed graduate entry schemes and have worked with the National Graduate Development Programme.²⁵ There are also direct local relationships between Core Cities and higher education institutions. Newcastle City Council Regeneration team has developed a relationship with Newcastle University Geography Department. Economics and politics masters students have the opportunity to undertake an unpaid internship with the Council to research issues of relevance to the Council. The final research reports count towards the degree course. The Council's Economy Scrutiny panel is involved in identifying the areas of research to be undertaken. This innovative arrangement provides an enhanced placement for the student, additional project capacity for the Council and provides an introduction to working for the Council which is intended to increase the retention of graduates in the City and future recruits to the Council in shortage occupations. The City Council considers the research projects extremely valuable in planning its provision. For example, a study into the effectiveness of the 'Newcastle Futures Partnership' worklessness programme found that it had made a significant impact in helping lone parents into work but the type of work gained typically would not take them out of poverty. This information is now being used to redesign services focusing more resources on in-work skills and career development.

Skill and labour supply in care occupations is also a key shortage and concern for the Core Cities. A number of Councils have set up initiatives locally and at City Region level to address this issue. Liverpool has established a City Regional network of Children and Young People's departments to address service delivery and skills issues. The *Learn Together Partnership*²⁶ was established to enable peer service review, sharing of good practice between professionals and work exchanges and promotion of joint service delivery between City Region local authorities. *Learn Together* also now includes training by Liverpool John Moores University and Chester University in child development to Masters Degree level.

Sheffield City Council is also working with Sheffield College and the NHS Trust in the creation of a Care Academy. This shared vocational training centre is being established as part of a new FE facility. The Academy will be used to increase the supply of care workers for local public sector organisations. It will also provide a resource to upskill and accredit existing employees. New requirements for professional accreditation have driven increases in training for Core City staff. For example in Newcastle the *Bridges to Learning* programme is supporting employees in adult social care to get social work degrees.

Birmingham has taken this approach at a City Regional level through the creation of a Public Sector Compact.²⁷ A network of 34 major public sector employers are working together to improve recruitment, retention and the skills of public sector employees. This network was established to promote more effective joint workforce planning through, for example, the collection of comparable workforce data and the development of bespoke training programmes including a public sector diploma

25 See www.ngdp.co.uk

26 See www.learntogether.org

27 For further information on this initiative see www.idea.gov.uk/idk/core/page.do?pagelid=7012253

and apprenticeship which is recognised and used by all of the compact partners. Pre-employment programmes have also been developed for network members that target recruitment at the most deprived communities in Birmingham and Solihull to help to address access, for example, to under-represented sections of BME communities. Workforce skills development has also been a priority of the network with managers from across the member organisations attending specifically designed training at Coventry University including work-based projects, management master classes and mentoring.

CASE STUDY 2 – NEWCASTLE BACKFILL PROJECT

Summary

Newcastle City Council is developing an initiative to provide 13-week work placements for unemployed adults into posts vacated by staff undertaking training. This initiative has been developed to overcome the problem of backfilling posts to allow 'hard to release' staff to attend off-the-job training. A pilot is being delivered for staff in cleaning, catering, caretaking and hospitality services in the Council where the need to maintain service continuity is a major barrier to staff undertaking NVQ training.

Delivery Arrangements

- A pilot project has been developed by Newcastle City Council, the North East Employers Organisation and Jobcentre Plus.
- The Council Facility Services Division has identified a pilot cohort of employees to undertake training. A4E on behalf of Jobcentre Plus will select eight suitable candidates for the 13-week work placement. These people remain on their normal benefit regime.
- Access is provided to childcare, travel to work expenses and training, including health and safety and personal protective equipment (PPE) along with an opportunity to gain a Certificate in Food Hygiene or British Institute of Cleaning Services Certificate.
- At the end of the placement the candidates will have a written job reference, job application support and signposting to suitable permanent job vacancies within the Facilities Service Division.
- City Council staff have the opportunity to undertake vocational learning including basic skills and attend workshops during working hours.

Outcomes

- The intended outcomes of the pilot are:
- Increased numbers of local authority learners and improved service delivery
- Contribution to the LEP with increased number of unemployed residents into jobs
- Establishment of a model that can be expanded into the Council and partner agencies
- Development of a pool of future potential recruits for Facility Services.

Key lessons

- This pilot project was undertaken from September 2009. The project will be evaluated to test the model and identify key lessons for future delivery.

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SUPPORTING YOUNG PEOPLE

CONTEXT

The engagement and employment of young people is a key objective for the Core Cities. With a population of 1.5 million residents under the age of 25 combined with a youth unemployment rate of 8% among 18–24 year olds²⁸, the Core Cities face a significant challenge to ensure that all young people are able to reach their full potential in education and employment. While already a significant issue for the Core Cities, unemployment among young people has risen significantly during the current recession. The combined effects of falling numbers of advertised jobs, redundancies and increased competition for vacancies across the economy have caused a rise of 53.7% in unemployment for 18–24 year olds in the Core Cities. As with overall levels of JSA claimants this figure is significantly below the increase nationally of 74.6% perhaps indicating the impact of local support services for young people.

The Core Cities have a strong track record of working successfully with partners to create positive policies for young people. A particular focus for the Core Cities has been the development of strategies to reduce the number of 16–18 year olds that are not in education, employment or training (NEET). This has included, in a number of the Core Cities, a detailed analysis of the patterns of disengagement among young people. This identifies the corresponding incidence of NEET and worklessness among families living in the most deprived communities. As shown in examples below, this form of analysis has led to the development of cross agency integrated policies and activity that has focused on families, neighbourhoods and schools to raise aspirations and to break the cycle of exclusion.

Local partnership arrangements have been strengthened by the creation of Children's Services. This has provided an opportunity to develop a more holistic approach to addressing economic issues within a family context as well as locating employment and skills within the wider schools education agenda.

This position will be further enhanced with the transfer, from the LSC, of responsibility for commissioning of education and training provision for 16–19 year olds from April 2010. This is an important opportunity for the Core Cities to integrate employment and skills objectives within the planning of provision for young people – creating linked vocational pathways pre- and post-16. The experience of the Core Cities has been that many young people have low aspirations, particularly where they have come from families or neighbourhoods where worklessness is the norm. From an early age young people feel disconnected from the new and high skilled jobs being attracted to their city.

NEET

A primary focus for the Core Cities has been to reduce the number of young people that are not in education, employment or training (NEET) aged 16–18. All of the Core Cities have signed up to LAA targets to reduce the NEET level and have been working within local partnerships to achieve this – see

²⁸ Source: ONS Claimant Count July 2009

table 3 below. There have been a number of areas which have demonstrated significant improvement and overall NEET levels have declined faster in the Core Cities than in England over this period.

Table 3

CHANGES IN 16–18-YEAR-OLDS NOT IN EDUCATION, EMPLOYMENT OR TRAINING DEC 06–08²⁹

City Council	NEET %	Unknown %	NEET Change* 2006–08
Birmingham	8.2	5.2	-3.1
Bristol	7.8	3.9	0.1
Leeds	9.2	9.7	0.1
Liverpool	10.4	3.1	-2.7
Manchester	9.8	3.9	-1.5
Newcastle upon Tyne	8.3	7.2	-1.1
Nottingham	5.3	5.1	-2.5
Sheffield	8.4	3.9	-1.8
Core Cities	10.0	8.4	-1.6
England	6.6	4.6	-1.0

* Change in percentage points

Source: Department for Children Schools and Families

A key element of the approach taken by the Core Cities has been the development of partnership arrangements both to target services at the most vulnerable young people and to create opportunities within the Council for work experience, training and employment.

The approach taken by Manchester City Council³⁰ reduced residence based NEET in the City from 14.2% in November 2003 to 8.4% in November 2007 (using a residency count). The basis of this approach has been a thorough analysis of the causes and the incidence of NEET in the City. The Council has worked closely with Connexions, the LSC and other partners to undertake a spatial analysis of NEET identifying (at a street and household level) where there are overlapping patterns of long term worklessness. Manchester has also tracked the 5 high schools that generate the highest numbers of NEET young people and provided support to improve the information and advice available to pupils before the end of year 11.

YOUNG CITY COUNCIL WORKERS

The Core Cities in common with the local government sector has an ageing workforce. Just 4.6% of (non-school-based) employees are under the age of 25 compared to 18% over the age of 55. Indications are that young people are also concentrated in particular occupational areas such as sports and leisure services. The Core Cities recognise this situation as a risk to the future availability of skills

²⁹ National NEET data set has been used for consistency – Cities may have used local residency based data when setting targets which would differ from national data which is collected for learners by institution

³⁰ See IDeA case study – www.idea.gov.uk/idk/core/page.do?pagelId=9190927&aspect=full

and have put into place recruitment policies to increase the proportion of young employees. There are a number of key challenges to achieving this objective particularly in the context of current requirements to achieve efficiency savings. Most notably these are:

First, a long term reduction in the number of entry level and trainee posts. Traditionally local government has been a route for school leavers to access professional careers in the public service – by gaining work experience combined with structured training. The increased use of minimum qualification criteria in recruitment and reduction in the use of trainee grades (for example in occupations such as planning – notably a current skills shortage area) has restricted the routes into public sector professions for young people.

Second, the attractiveness and perception of local government as an employer among young people. Research undertaken in Birmingham for the Public Sector Compact³¹ shows that while 70% of young people interviewed knew someone who worked in the public sector, few young people had considered a career in local or central government. The exception to this was interest in police and fire services. Young people in the survey commented that jobs in the public sector were boring, lacked variety and were poorly paid compared to the private sector. This perception is at odds with the sorts of careers that young people say that they want. The recent Government-sponsored report *Unleashing Aspiration: Fair Access to the Professions*³² shows that, of the five most favoured occupations, teaching, law and IT are well represented in local government. The remaining two most desired occupations – medicine and police – are well represented in the broader public sector. There is clearly more that local government and the Core Cities in particular can do to promote an understanding of the diversity of occupations represented in City Councils. Combined with a positive approach to creating post-16 entry level vacancies linked to in-work training in occupational areas attractive to young people, this could help to increase the number of young applicants to local government.

WORK EXPERIENCE

THE CORE CITIES are a major provider of work experience – supporting schools and local Education Business Partnerships in providing opportunities for young people. Many of the Core Cities prioritise their work experience, targeting young people who are Looked After by the Council or where work experience is provided post-16 for those that are NEET. The introduction of the 14–19 diploma programme provides a further opportunity to enhance the work experience of the young people connecting classroom based study with practical application of learning in the workplace. Core Cities, such as Manchester, have developed young apprenticeships where pupils complete level 1 and 2 business administration qualifications over a two year period. These programmes enhance the school offer, help young people to understand the workplace and contribute to informed decision making on post-16 training and work options.

Manchester City Council is also a partner to an internship programme for young people aged 17–19 who are in full-time education³³. This is part of a wider offer provided by the private and public sector sponsors of Manchester Academies. Internships are project based and designed to link to Diploma programmes, with clear learning outcomes. The intern benefits from a school / college based 'coach'

31 See www.publicservicecompact.org for further details

32 See www.cabinetoffice.gov.uk/media/227102/fair-access.pdf

33 See www.manchesterinternships.co.uk for further information

and a work based 'mentor' who offer support to the young person. The internship is formally assessed and lasts 20 days – the placement dates are arranged to meet the needs of the student and the employer. The internship is intended to contribute both to the employment experience of the young person and also lead to accredited qualifications. As part of the initiative, training is also available to the coaches and mentors to help them to develop methods to connect learning in the classroom to learning in the workplace.

A number of the Core Cities also offer graduate internships and entry schemes. These are intended to provide an accelerated route into management careers in local government and have been particularly targeted at graduates from the universities located in the Core Cities. The model for graduate engagement and entry programmes varies but does include short term 'tasters' of work in various Council departments and an opportunity to compete, as an internal applicant, for permanent vacancies arising during or at the end of the internship. This is linked to the provision of graduate entry schemes, as identified above, managed directly between the City Councils and universities or via the National Graduate Development Programme.

APPRENTICESHIPS

The Core Cities have set ambitious targets to recruit over 1,000 apprentices by March 2010. These opportunities will be created in a variety of occupational areas representing the diverse nature of local authority activity. The Core Cities are using the apprenticeship programme to increase the number of young people within the workforce, as identified above, but also as an economic development tool – targeting recruitment at the most excluded communities. An example of this approach can be seen in Bristol, in the *Building Futures* programme – see Case Study 3 below. The Council has just recruited its first cohort of 40 apprentices against a target of 100, having geared recruitment toward young people that are NEET or resident in the most deprived areas. By working with the City of Bristol College the Council has designed a pre-entry assessment that encourages candidates who have ability but may not have achieved 5 A* – C GCSE grades.

In addition to recruitment of new apprenticeship posts, the Core Cities are also using apprentice frameworks to raise the skills of young people already employed by the Councils. In Liverpool, for example, the Council is supporting young employees working towards the achievement of an NVQ through the apprenticeship framework. Leeds City Council's existing young employees are being supported when undertaking an apprenticeship as part of their *Work4Leeds* initiative. This initiative dovetails into *Train to Gain* to provide additional resources to support young employees. In Manchester, as part of the skills pledge commitment, all new recruits to the Council who do not already possess a level 2 qualification will be assigned to a suitable apprenticeship framework or other level 2 qualification where apprenticeship is not available to match the job role.

This provides an important means of engaging young workers to ensure that they not only have good basic skills and qualifications to at least level 2 but are also thinking about long term career development. The City Councils have developed apprenticeships as corporate priorities and have identified opportunities in for example, urban design, quantity surveying, health and safety in Birmingham, recreation, childcare and highways in Leeds and heating and electrical engineering in Liverpool. Each of these occupational areas offers the opportunity to progress onto higher level professional and vocational qualifications.

National research³⁴ indicates that the most productive skills are gained in employment and developed as part of an integrated approach to work. However, the research also shows that nationally only 0.2% of apprenticeship leavers progressed to further or higher education. A key issue for the Core Cities is therefore to ensure that not only are they supporting young employees to gain qualifications at level 2 and level 3 but that there are career pathways into higher education and professional accreditation. An existing barrier to this is the lack of a sector skills focus for local government. Despite there being some 2.25 million employees nationally in local government, Councils have to work across the various sector skills councils to identify vocational frameworks. To allow the Core Cities, and local government more widely, to be creative and extend the range of apprenticeship opportunities available, UKCES should consider a bespoke approach to developing frameworks that reflect the specific skills requirements for future local government workers. A specific and accelerated means of designing accredited training that meets the demands of the major local authorities would help to expand the opportunities available.

FUTURE JOBS FUND

All of the Core City authorities have been actively engaged in developing proposals for the Future Jobs Fund³⁵. This new initiative is targeted primarily at 18–24 year olds who have been unemployed for one year. The Future Jobs Fund aims to provide real work experience for disadvantaged young people and forms part of the young person's guarantee which will come into place in early 2010. Local Government has been encouraged to take a lead and to identify opportunities in the public, private and voluntary sector – and in particular opportunities that will generate a local social benefit.

The Core Cities, working within their local communities and at a City Regional level have successfully bid to create around 20,000 opportunities for young people over the next 2 years. The Core Cities have brought together a range of placements that that provides an essential experience of work, and access to training in opportunities that also have a benefit to the local community. Bristol for example has submitted a joint bid with local authorities in their sub region to create opportunities for young people in jobs such as those below.

- **Bristol City Council – neighbourhoods maintenance support workers, assistant gardeners, community sports engagement workers, horticulture and animal care assistants, learning support assistants, and youth work assistants.**
- **Voluntary sector – peer educators, recycling team leaders, trainee fundraiser, gardener, and administrative assistants.**
- **Arts organisations – studio assistants, trainee production co-ordinator, events assistants, outreach workers, and community arts workers.**

The delivery of the Future Jobs Fund will commence from October 2009. While the timetable for bidding was very short, the Core Cities have indicated that the bidding process has been useful to accelerate internal discussions about creating opportunities for young people and adaptation of recruit processes to complement local worklessness targets. The Future Jobs Fund is expected to have a

34 Cabinet Office (2009)

35 See <http://campaigns.dwp.gov.uk/campaigns/futurejobsfund> for further details

significant impact on unemployed young people in the Core Cities, however what is equally important is that this does not become an isolated initiative.

City Council engagement in the Future Jobs Fund has clearly demonstrated the leadership and innovation of Core Cities to secure opportunities for young people and it is important that, assuming successful delivery, that the programme is extended and mainstreamed as part of the Young Persons Guarantee³⁶ from 2010. It is also important that DWP and DCLG take feedback from the Core Cities on the future design and commissioning of employability services for young people – directly and through the ESB. The Core Cities would also want to see greater flexibility in how Future Jobs Fund can be integrated into existing engagement and training initiatives – for example to align Future Jobs Fund and allow it to be an entry route into apprenticeships and devolve programming arrangements to avoid additional complexities of creating competition between bidders within a City Region.

³⁶ See <http://campaigns.dwp.gov.uk/campaigns/futurejobsfund/youngpersons.asp>

CASE STUDY 3 – BRISTOL BUILDING FUTURES

Summary

Bristol City Council established the Building Futures initiative to improve the recruitment of young people – 4.2% of its workforce is aged 16–24 compared to 32.3% aged 50–64. The scheme aims to attract and grow the skilled workers and managers of the future by creating tailored access routes into difficult to fill occupations within the authority. Bristol piloted Building Futures in the Transport Planning team which had difficulty filling vacancies.

Delivery Arrangements

- A Building Futures team has been established within the Human Resources department of the Council. This team provides a bespoke service to managers to assist them to shape the job to be suitable for a trainee; taking account of reasons that made the post difficult to recruit to in the past.
- A target recruitment audience was identified followed by an advertising campaign with and through partner and community organisations to maximise penetration into the community.
- Shortlisted applicants attend an assessment centre to test for literacy, numeracy and IT.
- Managers make the final selection with the support of the Building Futures team with the appointed trainee undertaking a relevant qualification and being allocated a mentor.

Outcomes

- The Transport Planning team received the most applications ever for an advertised post with seven trainees being appointed. The high number of appointable candidates allowed for a pool of potential recruits for future vacancies to be established.
- 46% of trainees were from disadvantaged communities / targeted schools; the average age of recruits was 21 years old; 18% of trainees were from BME communities compared to 7% in the Council overall; and 18% of Building Futures trainees had a disability.

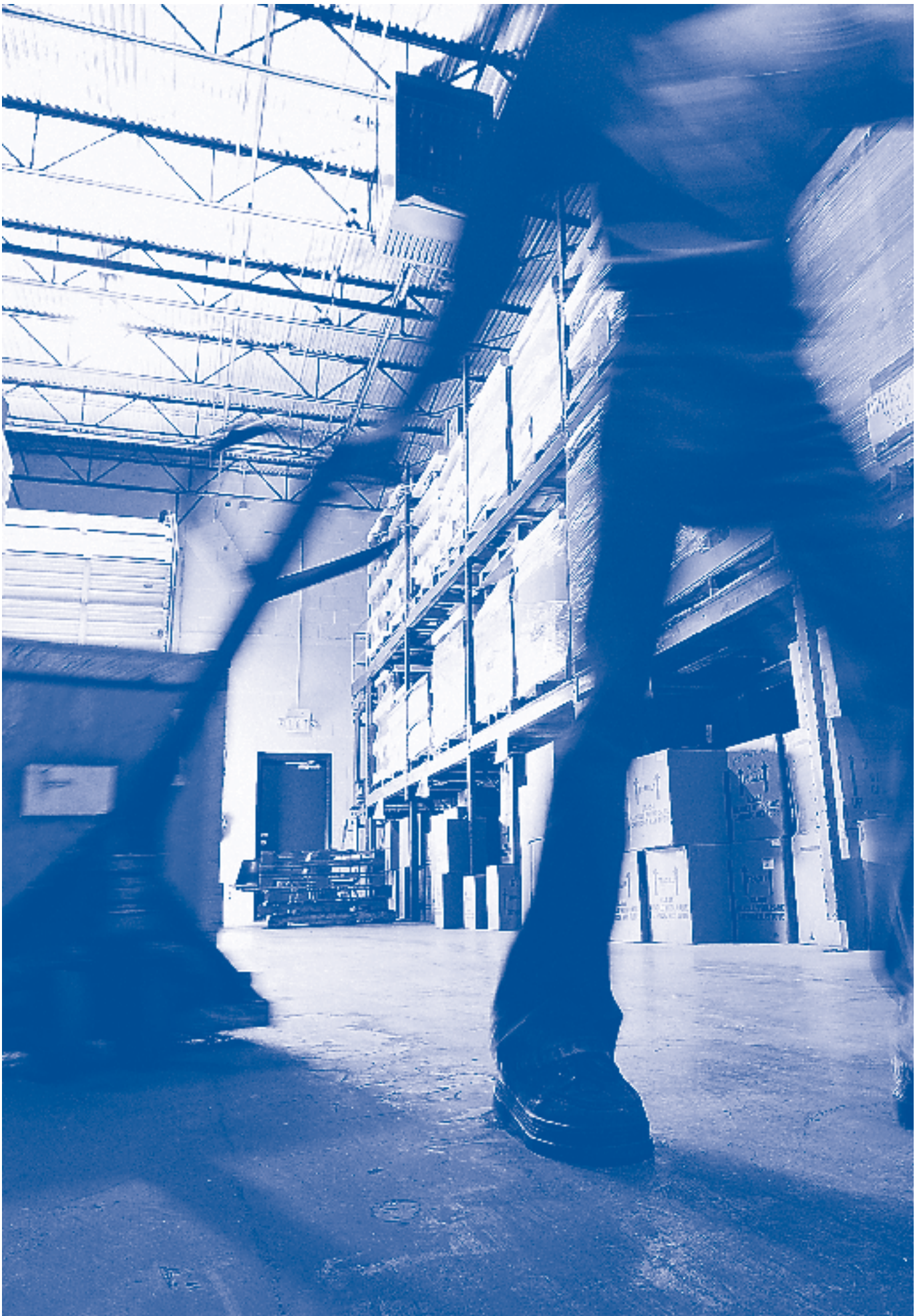
Key lessons

- The pilot has been successful and has been extended across the authority.
- The scheme is cost neutral – managers pay a fee of £1,000 to the Building Futures team that is offset by lower salary costs for the trainee position.
- When converting posts into trainee opportunities it is important to ensure that a training plan is in place.

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STRATEGIC WORKING

CONTEXT

As demonstrated above, the Core Cities make an economic contribution which is fundamental to the success of UK PLC. But Core City Councils are also amongst the largest employers and purchasers in their areas and have a range of statutory and partnership responsibilities unique in the public sector, which underlines the contribution they have already made, and potentially could make in the future, to skills and employment.

Local government has a strong track record of strategic and partnership working, and this is a role that has been expanded and formalised over the last decade. The introduction of wellbeing powers in the Local Government Act 2000, the formation of Local Strategic Partnerships and the various policies and inspection regimes that have followed have encouraged and enabled City Councils to develop arrangements to promote local economic development. This has been particularly important for the creation of local employment and skills policies. City Councils now work closely with agencies across the public sector, with businesses and their representatives and with community and voluntary sector organisations to identify and address the various barriers faced by residents seeking to access work and training. Partnership approaches have enabled a much more sophisticated understanding of the causes of exclusion and the methods of engaging with local communities.

City Councils have also sought to improve cross-departmental working to exploit their role as major employers, purchasers and strategic leaders to generate local employment benefit. As outlined above each of the Core Cities has developed local arrangements to design recruitment processes that promote local employment; has procurement arrangements that generate jobs and training opportunities for local residents; and has invested in training and staff development that raise the skills and employability of staff.

HR AND EMPLOYMENT POLICIES

Each of the Core Cities has established links between its (outward facing) employment and skills objectives and (inward facing) personnel and employment practices. The Core Cities have recognised the very significant impact they can have as major employers and in setting local good practice and the potential influence they can exert with other public bodies through local partnerships. This has enabled the Core Cities to extend their role and to work collaboratively with other public agencies both as employers and to effect a greater personalisation of delivery to address specific employment barriers of residents. The joining up of local economic objectives with HR policies is evident across the Core Cities. In Liverpool for example a member of the corporate HR team is based within the regeneration department and has responsibility for a number of employability initiatives including the Council's apprenticeships scheme. There are clear benefits arising from this co-location of staff including promoting a greater understanding of objectives and practises between teams and creating additional

corporate capacity. In Leeds there is close inter-departmental working with teams taking defined lead roles – economic development staff leading on labour market analysis which enables the HR team to design effective recruitment and employment policies that contribute to local economic targets.

Each of the Core Cities has produced workforce strategies that set out their key organisational employment and skills targets. The significance of these documents can be measured by the level of senior management involvement in their implementation. All of the Core Cities have established cross departmental senior management teams of Directors and Heads of Service to steer the design and delivery of workforce strategies. In Manchester, for example, the City Council has produced a *Peoples Strategy* which is overseen by a corporate board including the Head of HR and Deputy Chief Executive for Regeneration to manage major policies such as the Skills Pledge.

STRATEGIC PARTNER RELATIONSHIPS

THE CORE CITIES have been active in developing strategic relationships both locally through LSP structures and at a wider city and sub regional level to reflect the spatial footprint of their economy. These partnership structures have been established to promote active communication, joint planning and delivery of services around shared economic objectives. For employment and skills the primary relationships have been with Jobcentre Plus and with the Learning and Skills Council (LSC). These organisations, alongside the City Councils, are the principle funding and delivery agencies for adult employment and skills services. In addition to links with mainstream agencies, the Core Cities have developed relationships across the public sector, with business and voluntary and community sector organisations. This wider partnership base reflects the need to take a broad approach to engaging and addressing the barriers to work and training experienced by workless residents.

A key challenge faced by each of the Core Cities has been to develop strategic decision making structures that allow for effective targeting of services and joint decision making and commissioning. While local partnership arrangements have been effective in developing arrangements for the use of discretionary resources, progress has been slower in influencing how mainstream and core services are deployed. An approach being taken by Birmingham City Council potentially provides a template for City Councils. Birmingham has developed a protocol³⁷ which sets out the lead roles and responsibilities of the City Council, Jobcentre Plus and the LSC – see case study 4. This approach avoids the problems of attempting to pool resources or align decision making processes in favour of recognising the unique lead and statutory responsibilities of each organisation to reinforce the right of each organisation to make decisions within their area of lead responsibility. However, decision making is grounded in delivering the economic interests of the City with partners working towards shared targets.

While there has been limited devolution, a number of the Core Cities have established effective joint delivery arrangements. For example, the *Newcastle Futures* partnership³⁸ is a community-based service initiated by Newcastle Strategic Partnership providing a co-ordination framework for public, private and voluntary sector agencies delivering employment and skills services in the City. *Newcastle Futures* helps residents to access appropriate services when returning to work and also offers small grants

37 See www.birmingham.gov.uk/Media?MEDIA_ID=272376 for a copy of the protocol

38 See www.newcastlefutures.co.uk/home

and post-employment support. The initiative is sponsored jointly by Jobcentre Plus and Newcastle City Council.

CITY REGIONS AND EMPLOYMENT AND SKILLS BOARDS

Each of the Core Cities has engaged with partners at a City Region level, with most developing Multi Area Agreements (MAA) to augment targets agreed with Government via the LAA (Local Area Agreements). Where MAAs are in place they have principally focused on economic development, with City Regions such as Birmingham³⁹ focusing the MAA specifically on increasing the numbers of people in sustainable employment and training. The development of City Regions has allowed the Core Cities to define a geography that best reflects the functional labour market area – smaller than regions and more recognisable to both businesses and residents. The City Region is a basis for planning decisions that can take account of local conditions and opportunities avoiding the generic nature of many national and regional programmes. Working at a City Regional level can also provide the best opportunity to link together mainstream and local discretionary services to improve impact and cost effectiveness.

An example of this can be seen in Greater Manchester where the City Region partnership has worked closely to integrate economic development activity and develop a shared policy framework. This included the production of an annual skills priorities statement⁴⁰. The statement provides an analysis of current and anticipated future skills demand, particularly focusing on key growth sectors of the economy. The assessment underpins the LSC business planning priorities and also helped the FE colleges and the major providers to focus their curriculum offer. This analysis has been important to reveal areas of over and under provision against skills demand in the local economy.

Linked to these arrangements has been the development of Employment and Skills Boards (ESB). These have grown from the first Skills Boards established in Manchester and Nottingham⁴¹ in 2003/4 to provide a formal structure to undertake strategic planning for employment and skills. Each of the Core Cities is developing ESB arrangements with partners to reflect their local labour market. In Liverpool the Employment and Skills Board is based upon the successful Merseyside City Employment Strategy partnership. In Birmingham there are four ESBs within the City Region area reflecting the scale and complexity of the conurbation. The ESB, along with associated governance structures, provide an important opportunity for Cities to increase the scale and impact of employment and skills programmes locally but to also increase the contribution of Cities towards national targets.

As shown above, the Core Cities have a disproportionate number of workless and low skilled residents and therefore have a disproportionate share of the national targets. The Core Cities are in a unique position to tackle these issues having both the policy and partnership frameworks in place. The development of statutory City Regions (Greater Manchester and Greater Leeds) potentially provides a means to accelerate devolution of responsibility for employment and skills services around an agreed set of outcomes. There are ongoing discussions with Manchester and Leeds City Regions on the detail of the new arrangements and relationships with Government and the regional agencies.

39 See www.cityregion.org/CRmainsite/key-publications-and-documents.html

40 See www.manchester-enterprises.com/documents/2008-9%20GM%20Skills%20Analysis%20and%20Priorities%20Statement.pdf

41 See www.gnpartnership.org.uk

The two City Region pilots, Manchester and Leeds, both have strong skills and employment strands in their plans, which build explicitly on previous work.

Leeds City Region is working to develop a skilled, motivated and flexible workforce as part of a strategy to strengthen the competitive advantage of the area. One strand of that work aims to make sure that provision reflects the current and future needs of local employers, key economic drivers and the city region economy as a whole. The forerunner pilot therefore builds upon the previous City Region Development Programme and Multi Area Agreement, by driving change in skills provision and supporting people to re-enter the labour market.

The Greater Manchester city-region agreement also builds on Manchester's existing Multi Area Agreement in terms of content as well as the relationships with government departments that were developed through the MAA process. The proposals in the city-region agreement centre on reforming public services so that they are better able to support long term economic growth and enhance citizens life chances. The agreement takes key priorities identified in the Manchester Independent Economic Review and the Greater Manchester Strategy and includes a number of projects that will have an impact on employment and skills. These include radical improvement of the early years experience, encouraging highly skilled people and talent to the city and improving life chances in the most deprived areas by investing in schools.

Further detail on the two pilots can be found on their respective websites at:

www.agma.gov.uk/city_region/

www.leedscityregion.gov.uk

CASE STUDY 4 – BIRMINGHAM WORKLESS PROTOCOL

Summary

Birmingham has developed a framework for partnership working between the Learning and Skills Council, Jobcentre Plus and Birmingham City Council. A protocol sets out the shared vision to make Birmingham a globally competitive city and the lead roles of each of the principle partners to delivering this vision.

Delivery Arrangements

- The protocol is intended to secure more effective communication and partnership working between the three organisations.
- It formally recognises and reinforces the lead roles for employment and employer engagement (Jobcentre Plus), skills and training programmes (LSC) and community and client engagement (Birmingham City Council).
- It places responsibility on each of the lead agencies to communicate with and connect delivery arrangements with the other partner agencies – thereby maximising impact and reducing duplication.
- It commits the partners to enforcing both the principles and the operation of the protocol throughout their organisation.

Outcomes

- The protocol is intended to deliver more effective services and efficient use of resources which combine to accelerate the reduction of worklessness in Birmingham.
- More clarity over roles and responsibilities of individual partners. This includes defining 'lead' responsibilities with all partners contributing to a service area.
- A clear action plan with SMART targets linked to LAA and MAA.
- Joint planning of resources e.g. WNF (BCC), employer engagement (JCP) customised training ESF (LSC) with clear focus of funding on collective targets and priorities.

Key lessons

- The protocol must be used to cover joint working and directly relate to LAA / MAA.
- Joint working can be used to progress towards greater devolution of DWP programmes and budgets.
- Use of discretionary budgets must take account of and complement mainstream budgets.

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CONCLUSION

It is clear from this study the significant contribution that the Core Cities make to employment and skills, both as major employers and strategic leaders within their communities. There is also a clear recognition of the importance of employment and skills to the future success of the Core Cities; enabling economic growth and securing benefits of this growth for local residents.

The Core Cities have positioned employment and skills across personnel and economic development services and have created opportunities to achieve a local impact while meeting their workforce requirements. Within this there are many areas of innovation in targeting recruitment, raising the skills of staff and creating opportunities for young people that can be shared with the wider local government sector.

The Core Cities have also developed effective partnerships with both key employment and skills agents and also with the major employers to promote a consistent approach to policy and delivery. It is in this area of local leadership that perhaps the Core Cities can make their biggest and unique contribution to delivering national targets.

Despite the scale of activity and level of innovation the Core Cities continue to face major structural issues with their labour markets. With some 400,000 workless residents and 800,000 low skilled adults the Core Cities face a significant challenge to creating the labour market conditions needed for successful knowledge based economies. These challenges are exacerbated by the recession and the economic recovery to follow – reducing the number of vacancies, increasing competition and potentially isolating those adults that are already on the margins of the economy.

The Core Cities are alive to this risk and their forward policies reflect their desire to create a new relationship with government. This should be based on further devolution of responsibility for strategic planning and management of mainstream employment and skills services and also a more equitable sharing of risk and reward. The development of city regional partnerships alongside associated statutory powers creates a new lens through which to focus employment and skills policy at the functional labour market level. This is clearly the ambition of Core Cities who are committed to working with government to realise a new nation-to-city region relationship.

The experience of the Core Cities is a resource not just for the major urban areas but for local authorities and public bodies across the UK. Both through the IDeA and regionally through RIEP it is hoped that the case studies and ideas contained within this report are shared and replicated to increase the impact of local government on employment and skills across the country.

Moving toward public service and benefit reform for the future, within a reducing public finance scenario, the contribution of Core Cities and their partners becomes increasingly vital to success. They require local solutions to local issues – within a national framework – and have demonstrated the leadership, capacity and strong track record of delivery to get results. Working together for the future, they have the potential to create a much greater impact on these challenging issues.

The right spatial level for delivery of skills and employment services has been much debated, and we discuss the importance of some focus on the functioning labour market in this report. But whichever level delivery occurs at, communication between commissioning bodies and local authority partnerships is vital if we are to align supply with demand. Although employment is the ultimate end goal, we need to recognise that current targets can encourage providers to operate in a way which does not always create the most sustainable employment for those most in need. A greater recognition of the additional barriers that some workless people face – personal support arrangements, language, childcare – will ultimately achieve better long term results. This means that commissioners and providers need to think through the jigsaw of provision with local partners to ensure the right support is in place, taking in the full range of existing advice and guidance services, moving people through these in a meaningful and tailored way.

APPENDICES

APPENDIX 1

Core City Regions

Birmingham	Bristol	Leeds	Liverpool	Manchester	Newcastle (Tyne and Wear)	Nottingham (Three Cities)	Sheffield
Coventry	Bath	Barnsley	Halton	Bolton	Durham	Derby	Barnsley
Dudley	N Somerset	Bradford	Knowsley	Bury	Easington	Leicester	Bassetlaw
Sandwell	NE Somerset	Calderdale	St Helens	Oldham	Gateshead		Bolsover
Solihull	S Gloucestershire	Craven	Sefton	Rochdale	North Tyneside		Chesterfield
Walsall		Harrogate	Wirral	Salford	South Tyneside		Derbyshire CC
Wolverhampton		Kirklees		Stockport	Sunderland		Derbyshire Dales
		North Yorks CC		Tameside	Tynedale		Doncaster
		Selby		Trafford			NE Derbyshire
		Wakefield		Wigan			Notts CC
		York					Peak District NPA
							Rotherham

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