

## **Appendix 1**

### **5 - Job Strategy Objectives - Securing Job Opportunities through Investment**

#### **National context**

The economic development environment has changed significantly since the previous three year Jobs Strategy was approved. Crucially the national economic picture started to improve during 2013 with growth emerging in most regions of the UK. It now seems likely that growth will continue at or even above its long term trend.

Many sectors are already seeing the benefits of this new reality in the city. However the picture is mixed; for example the local property market is showing only tentative signs of improvement and the retail sector remains depressed.

In September 2012 the Government published its Industrial Strategy which sought to tackle growth issues and included specific guidance on sectors which it believed had the opportunity to grow disproportionately quickly. The strategy has been supported at a national level by, amongst other things, grant and loan schemes to assist investors, dedicated sector focussed knowledge and development centres (Catapults), the roll out of Local Enterprise Partnerships and a number of skills initiatives.

The Whitty report of October 2013 recommended greater emphasis in ensuring that innovative ideas generated locally are developed and exploited locally. In short it suggests that more effort into working with the universities and the business community is made to ensure that the commercial and jobs benefits of new concepts are not lost to other areas, more willing to champion innovation.

#### **Local Context**

By most measures Coventry's economic performance is behind that of England as a whole and significantly behind regions to the south and east. However, there are clear local successes such as the automotive sector where the City's globally recognised design and engineering capabilities are helping attract significant investment from UK and foreign owned businesses. Other sectors currently doing well locally and that dovetail with the Government's Industrial Strategy include aerospace, digital technologies and professional services where jobs are being created by businesses large and small. In addition it is becoming apparent that the construction industry is beginning to expand as a consequence of new infrastructure initiatives – highways, rail, power and housing – both in Coventry and in the wider area e.g. Birmingham airport's expansion.

The Council's actions to kick start major projects such as Friargate, City Centre South and the Toll Bar- Whitley road improvements are sending the right signals to potential investors and will provide far reaching advantages when complete. The ability to support job creating investment projects through currently available grants and loan programmes is also an important factor in both attracting investment and preventing leakage to competing cities both in the UK and globally.

From 2013/14 local authorities like Coventry City Council have been able to benefit where there is growth in business rates. With this change the vibrancy of the local economy has become ever more important. To this end the Council has helped drive City Deal and establish the Coventry and Warwickshire Local Enterprise Partnership's Clearing House / local Growth Hub. The City Council has also launched the Coventry Investment Fund, a £50m fund to help businesses finance new developments and thus grow business rates. To this end the creation of this fund gives the ability for the Council to invest in city wide projects complementing the grant and loan programmes already in place.

## **City Council's Role**

The challenge for Coventry City Council is to develop a way forward that is over and above that currently offered by the city and its partners to give Coventry and its wider economic area additional commercial advantages and an improved investor profile. The approach needs to be both flexible and inclusive.

Crucially it needs to focus on the Council's unique ability to bring together its operational teams and its political and civic arms to present an integrated market led offer that is underpinned by an enviable profile and reputation.

The City Council secures, coordinates and delivers the many of Coventry and Warwickshire Local Enterprise Partnership business investment badged initiatives. It is able to do this because those initiatives form but one element of a wider economic development strategy that is particular to the city and includes infrastructure development, city centre development, public realm enhancements, electric vehicle charging and electric bus services, ultra-fast broadband and attracting investors.

## **Types of Activities**

The Council is uniquely placed to drive forward initiatives that will secure investment and jobs and that make a real difference. They are characterised under three headings:

### **Promoting and Enabling**

- proactively communicating that Coventry and Coventry City Council are very business friendly - 'open for business' – with 'businesses as partners'
- focusing support to those sectors which will bring growth and where the city has a competitive advantage, including the Advanced Manufacturing and Engineering sector (AME) and at the same time creating opportunities for volume employment for entry level jobs
- encouraging and facilitating international trade as a precursor to investment
- adapting national and European programmes and initiatives in a very local and particular way to maximise local impact on jobs, skills and wellbeing
- ensuring its procurement processes are suitable for local small businesses – this means requiring, or asking as appropriate, that infrastructure project contractors and grant beneficiaries support the local economy through

- local community benefit clauses and local supply chain management
- boosting the numbers of scientists, mathematicians and engineers available to local businesses

### **Providing Infrastructure**

- establishing a mix of readily available properties for manufacturers
- installing ultra-high speed broadband, open wi-fi and 4g

### **Supporting Businesses**

- offering financial support to investment projects that create jobs, business and economic regeneration in the city
- extending the financial and commercial offer to new innovative businesses and prospective investors

### **Impact and Outcomes**

These initiatives will make a real and lasting contribution to the economy of Coventry by generating additional investment which in turn will lead to new jobs, higher skills and improved well-being.

## 6 - Help People Get Jobs

### National context

Over the last few years we have seen significant change in the way people are supported back from the welfare state and into work. In the first instance the introduction in 2011 of the Work Programme, the Governments' flagship initiative to support job seekers into work, has changed the landscape for Jobcentre Plus, for local authorities and for other partners who previously were the main agencies tackling worklessness, and the recipients of any associated funding.

Whilst the claimant count has begun to fall, further recovery is required to return to pre-recession levels of unemployment, particularly amongst more vulnerable groups. There is also evidence that despite the reducing claimant count the level of people in employment has not increased. Whilst the number of workless people is always significantly higher than the claimant count, this is a worrying trend suggesting that some people may be stopping their claims for benefits without actually finding work.

The commissioning of Prime Contractors (almost exclusively private sector, backed by finance from commercial markets) represents a shift towards outsourcing public facing services and a similar process is now taking place within the Ministry of Justice, called 'transforming rehabilitation', which is changing the way employment services are delivered to offenders.

Official figures for the Work Programme show disappointing results with only 3.5% of job seekers finding work that lasted for over 6 months. The programme appears to be particularly failing both the most vulnerable and young people, with significant pockets of youth unemployment emerging across the country.

The Welfare Reform Act 2012 has also introduced a raft of changes for benefit recipients and the roll out of universal credit (which makes fundamental changes to the system) is currently underway. For some the reform may be beneficial, but for many the impact is potentially negative, with claimants requiring more support from advice agencies. There is also an increasing trend towards in-work poverty with the percentage of children living in poverty where one or more parent works, increasing from 45 to 61%. This indicates that work alone is not sufficient. Job creation needs to provide work of sufficient quality, duration and hours to ensure it is sustainable, allows financial independence and improved quality of life.

### Local context

Coventry's unemployment rate has seen an improvement over the last few years but much still needs to be done. There are 7,900 jobseekers (JSA claimants) in the city (a decline of over 1,000 people in the last year), 13,900 unemployed people, 27,600 people claiming out of work benefits (including sickness benefits) and 61,000 people who are not economically active (this includes students). Whilst the jobseekers claimant count and the number of people claiming all out of work benefits has fallen, the percentage of the population in work has not increased. This means that rather than securing work some people are choosing not to claim a qualifying benefit. There

appear to be increasing numbers of people who are unemployed who do not claim benefit.

Coventry has also experienced high levels of youth unemployment and as such has been designated a NUTS 2 area (regions where youth unemployment has reached 25%) and therefore qualifies for additional national resources to tackle this problem.

There have been improvements in the rates of young people not in employment, education or training (NEETS) but worryingly there are 355 18-24 year olds who have been claiming a job seeking benefit for over a year (compared to 50 in 2006).

Latest nationally published NEETs data for 16-18 year olds in Coventry (November-January '14 average) show 7.4% NEET and Not Knowns 9.4%. This compares to last years figures of 5.2% NEETs and 17.1% Not Knowns. Whilst on the face of it this looks like the NEETs figure for the city has risen. Part of the reason for this is that the Not Known figure has fallen (these are individuals who have not made contact with CSWP who have responsibility for tracking NEETs in the City) and as individuals have connected with CSWP they now fall into the NEET category and are receiving support .

The Coventry Job Shop has provided the city's flagship service in tackling worklessness (for all ages, whether on benefit or not) and this essential service has helped to minimise the impact of recession and welfare reform locally. Over 34,000 visitors have used the service in the last year and this support has come at a vital time whilst voluntary and community employment services have all but disappeared - as a result of national changes such as commissioning prime contractors over much larger regions (rather than local procurement) and payment by results programmes.

Over the last year more than 5,000 people have been supported across the Employment Team, with over 1,100 securing quality and sustainable work. The service has concentrated on the most vulnerable with 279 NEETS moving into positive destinations (e.g. work, education, self employment), 126 disabled people finding work or safeguarding their jobs, 103 people from troubled families with complex social problems being supported into work and 23 offenders securing sustainable jobs.

Nevertheless despite these achievements, more needs to be done, particularly as the change in national welfare policy and the recession have significantly impacted locally. Significant variances exist across the city with some communities of interest and some geographical areas experiencing much higher levels of unemployment and deprivation. This is most apparent in the north east of the city but areas such as Radford, Canley and Tile Hill have become relatively more deprived over the last few years. Coventry's overall employment rate at 64% remains significantly below its 2007 (pre-recession) rate of 71%. Our unemployment rate (9.1%) also compares unfavourably to the national average (7.7%), and 30% of our population are inactive compared to 23% nationally. Providing sufficient quality jobs for local people and ensuring our residents have fair access to those opportunities remains an essential objective.

The Council has supported the CWLEP in developing their Strategic Economic Plan 2014-2025 which sets out the local vision for growth and have helped to set the

priorities for the European Structural Investment Funds 2014-2020, potentially securing £53 million for Coventry & Warwickshire area to tackle unemployment, social inclusion and skills.

As a Marmot city the Council recognises that employment is one of the key elements in addressing deprivation and improving health outcomes.

### **City Council's role**

It's vital that Coventry City Council continues to provide strong leadership, bring together services and ensure all residents have access to support, particularly as the number of people being supported through Jobcentre Plus is reducing.

In Coventry, despite the recession and reduction in partners' services, we have been able to achieve best value, attract both grant and private sector funding, and maintain quality employment delivery by bringing services together across the city. We have strong partnerships and an excellent reputation for delivery.

This approach is best reflected in the Job Shop which has brought together all of Coventry's major contributors in the skills and jobs sector, re-defined a collective service at minimal cost and produced an outstanding, flagship service for all Coventry residents. This approach allows some of the most vulnerable people to receive the tailored support they require. The next logical step for this successful approach is to extend it to how we work with employers in the city, how we work with education providers (schools, FE & HE) and to significantly boost the employment opportunities for our young people. We will also be working to ensure local community benefit clauses provide genuine opportunities for local residents.

In addition, to creating these sorts of innovations in delivery of services, it is also essential that Coventry City Council continues to exert strategic influence in terms of employment issues. This approach has worked well in relation to developing the Strategic Economic Plan and the European Structural Investment Funds Strategy, ensuring that local knowledge is applied and strategy is designed to tackle real challenges.

### **Type of activities**

There are four key priorities for this area of work which will allow significant elements of the council plan to achieve real impact:

1. Delivery of advice, employment support and access to jobs to all Coventry residents who need support. Provision of quality and tailored support through the Job Shop is essential to delivering on this priority. This facility will also contribute across all priorities, providing a youth zone, housing the employer hub and specialist support for disabled jobseekers.
2. The Employment Team will address demand side challenges and ensure that employers are sufficiently engaged, ensuring their jobs are accessible to priority customer groups. The Employer Hub service launched in February 14 will ensure that local employers publicly commit to supporting accessible employment practices (such as using the Job Shop to recruit) and providing apprenticeship opportunities for young people.

3. Tackling youth unemployment and ensuring effective links with schools, further and higher education to ensure a smooth transition into the workplace. The employment team's youth service, which influences local delivery for young people and delivers a paid placement programme (ensuring 70% of NEETS go into sustained work) will continue to be developed. It will achieve significant positive impact by enabling mentoring, quality traineeships, apprenticeships, graduate internships and other activity to improve the employability of the City's young people .
4. Support for the most vulnerable groups, ensuring there is greater support for marginalised groups who struggle to benefit from more mainstream programmes. In particular, the focus will continue to be on people with severe & enduring mental ill health, disabled people, NEETS. Grants will be sought to support other vulnerable groups including offenders, young offenders and troubled families.

### **Impact and Outcomes**

These activities will help ensure Coventry's growth is inclusive, that prosperity is shared and that local people can secure quality and sustainable work; transforming their lives, and helping to alleviate poverty. .

## 7 - Help People Improve their Skills

### National context

The Government strategy, “Skills for Sustainable Growth” states that the ambition for the UK is to have a world-class skills base, and that skills have the potential to transform lives by transforming life chances and that having higher skills also enables people to play a fuller part in society. Improving qualification levels has a direct impact on a local economy’s Gross Value Added position. Growth and jobs in the future will depend on the UK having a workforce that can exploit new technologies and discoveries.

“Skills” crosses boundaries. The Department for Business, Innovation & Skills (BIS) is the Government Department tasked with supporting economic growth and focusses on upskilling those in employment whilst the Department for Work & Pensions (DWP) focus more on supporting the unemployed into work including employability skills.

Skills gaps and skills shortages have an impact on the productivity of the economy. A skills gap can be filled by further training of the existing workforce, whereas overcoming a skills shortage requires the recruitment of more people into the industry. It is reported nationally that 16% of unfilled vacancies are caused by skills shortages, most commonly in skilled trades, professional and associate professional roles, whilst only 5% of employees are said to have skills gaps. The manufacturing, wholesale & retail, community, social & personal services and business services sectors experience above average skills issues across a wide range of occupational roles. Many believe the growing skills vacuum is threatening the recovery, as demand from firms is outstripping supply.

Current Government education and learning policy centres on making schools more academic and colleges more vocational. “Reforming qualifications and the curriculum to better prepare pupils for life after school” (Department for Education) and “Improving the quality of further education and skills training” (BIS) being the main policy drivers. This will take time to come through the system and have an impact on the quality and type of skills young people are coming out of education with. The UKCES publication Employer Ownership of Skills—Building the Momentum discusses the importance of incentivising greater collaboration between colleges and businesses and encouraging colleges to look outwards to their local labour markets to ensure curriculums are in line with the needs of local employers.

### Local context

The Coventry & Warwickshire Local Enterprise Partnership (CWLEP) have recently developed a skills strategy for the Coventry & Warwickshire area which focuses on 3 strategic priorities:-

- Using skills to drive growth and create jobs.
- Developing skills to tackle unemployment.
- Getting a better fit between education and employment.



These priorities fit closely with this Jobs and Growth strategy.

In 2011 the Coventry and Warwickshire LEP commissioned a report - "Employer demand for skills in Coventry & Warwickshire". *insert footnote re source* This stated that *the area contains a diversity of businesses many of which work in niche and emerging technologies. Their skills demands are complex which provides challenges to delivering training to meet their needs.* The research identified that employers had widespread concern about a lack of basic English & Maths skills in perspective employees at all levels. Management and project management skills are reported as the largest skills gap currently, with manufacturing and construction sectors seeing a higher proportion. Employers see better education and training as the most important way of overcoming the problem of skills shortages.

35% of Coventry's employed residents are in management/professional (higher skilled and qualified) roles, this is lower than the UK (44%). Coventry has 24% of its employed residents in elementary (lower skilled and qualified) role, significantly higher than the UK (11%).

Analysing data from the UK Commission for Employment and Skills (UKES) The "Working Futures 2010-2020 data offers labour market projections for Coventry and Warwickshire. Professional services and support services sectors are forecast to see the largest net increase in employment between 2010-2020. A further 175,000 new entrants are required to replace those leaving the labour market in the area between 2010 and 2020 (replacement demand) many of which will be in wholesale and retail trade, Education and Health and social work. The Coventry and Warwickshire labour market forecasts a general upskilling, particularly a net increase in the demand for those qualified to higher education level.

There are a number of skills networks in the area covering all aspects of education and learning. Key stakeholders in these groups include schools, colleges, universities, public sector organisations and private sector training providers.

The Employer Skills Survey 2013 classes Coventry as an area with a high % of vacancies that are hard to fill due to lack of available skills (32% as opposed to the English average of 22%). It also suggests Coventry has a higher percentage of establishments that have trained staff over the last 12 months (69% as opposed to English average of 66%) but a higher number of staff that are not fully proficient (18% as opposed to English average of 15%).

### **Qualifications Data for Coventry**

Looking back over the last decade Coventry has seen an initial improvement at all qualification levels around 2007/2008 followed by a subsequent deterioration possibly caused by the economic downturn proving that there is considerable work still to do post downturn.

Locally, some 15.2% of Coventry's working age residents have no qualifications. Whilst this figure is improving, it is not at the rate of the West Midlands or UK average. The percentage of Coventry residents with Level 1 or 2 qualifications is

improving but not at the same levels as the West Midlands or the UK.<sup>1</sup> In terms of the number of residents with Level 3 and above, Coventry has had a higher percentage since 2004 than the West Midlands.<sup>2</sup> At Level 4 disappointingly Coventry is lower than both the West Midlands and the UK. This indicates an issue with graduate retention within the city. Coventry's two universities and colleges produce significant numbers of qualified graduates, but on completion many of them do not live and work in the City. If this situation could be improved upon, the percentage of residents with level 4 or above would be higher.

Two of the key priorities for the Council in terms of educational attainment include "Improving attainment for all pupils including the performance of higher attaining students by ages 16 and 19" and "increasing the proportion of young people making progress in English and Mathematics".

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1. Level 1 qualifications are GCSE's, NVQ L1 etc) Level 2 qualifications are higher grade GCSE's, GNVQ, NVQ level 2 etc)
  2. Level 3 qualifications are A Level, Higher National Certificate etc. Level 4 qualifications are Higher National Diploma or degree etc
  - 3.

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### **City Council's role**

The City Council carries out numerous interventions impacting on the skills of its residents and within businesses: membership and representation on key partnerships and learning organisations boards; the Education and Inclusion Team influence primary and secondary schools and partnership centres; the work related learning service supports pre-NEETs in year 10 & 11; the entry to employment team support young people into City Council apprenticeships - particularly looked after children and care leavers; Adult Education are moving towards more delivery of skills to increase employability; and, through the Economy & Jobs Service those looking to move into employment, many of whom come from the most vulnerable groups within our City and those looking to up-skill are supported.

With so many links to the skills system both from a strategic and a delivery perspective, the City Council has an excellent opportunity to influence based on robust data and experience. We have used our influencing role in a number of ways recently with programmes of work such as the C&WLEP Skills Strategy and the European Strategic Investment Plan.

Coventry City Council approved its Social Value Policy in March 2014. Through the policy a set of outcomes have been developed that will enable the Council to consider the economic, social and environmental well-being of the city and its residents when commissioning and procuring goods and services. By utilising the Social Value Act and ensuring the Authority's Social Value Policy is maximised local economic development and business growth initiatives for economic outcomes will be harnessed.

Through the Social Value Act, the Council has been working to ensure that local companies and local people benefit from the work that we procure. Specifically through the “Think Local” initiative employment and training opportunities for local people and local businesses will be maximised through community clauses. The Council requires outcomes such as job opportunities, work placements, apprenticeships and training. Companies required to sign up to community clauses are able to access a number of council led services that can help them to achieve those outcomes. There is also an opportunity to use the intelligence gathered during this process to influence training and inform labour forecasting/skills forecasting.

## **Types of activities**

### **1. Collate and disseminate skills information effectively**

Having a clear evidence base so that the City Council is best placed to be an effective influencer in the skills arena. This will include understanding national and local data around:

- Qualification and progression levels
- Sector skills forecasts
- Local skills provision
- Funding for skills provision

Disseminating skills data widely to ensure learning providers at all levels are equipped with the knowledge to link local provision to current and future labour market demands. Providing realistic labour market projections to inform career choices of young people by working with schools.

### **2 . Improving Skill levels**

This will be delivered by focusing on the following:-

#### 2.1 Skills Development of disadvantaged Young People

Continue to deliver innovative programmes such as the Construction Shared Apprenticeship Scheme, Traineeships & placement programmes as routeways into work with a clear focus on skills.

#### 2.2 Working with those in employment to up-skill

Work with internal colleagues and partners to identify ways of supporting companies to encourage low qualified employees to up-skill and turn skills into qualifications.

#### 2.3 Raising the skills of the unemployed/supporting those with no skills and low skills

Equipping residents with skills which are in demand in the labour market and supporting residents to turn skills into qualifications.

#### 2.4 Encouraging a skilled and well qualified future workforce

Given the City is home to a significant numbers of students – circa 36,000, work with agencies to ensure that the right occupations exist for students to use their skills to stay in the City once their studies are complete.

To break down barriers and provide support for under-represented groups particularly those entering higher level qualifications specifically in Advanced Manufacturing and Engineering Sector.

### **Impact and Outcomes**

The outcomes from this work include improving the skills base for the City, which will in turn have a positive impact on the productivity of the local economy, seen in indicators such as local GDP. In addition this work will support the narrowing of the skills gap between the most affluent wards and the most deprived wards of the City.

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## 8 – Outputs of the Jobs and Growth Strategy and Performance Management

The Council's direct contribution to the 2014-17 Jobs and Growth Strategy is as follows:

	2014-17 Target	2011-14 (Actual to Feb 14)	2014/15 Target	2015/16 Target	2016/17 Target
a) Business Assisted	948	794	436	326	186
b) New jobs	3,150	3249	1,200	1,200	750
c) Business Investment (£m)	200	199	75	75	50
d) New businesses investing in the City	14	6 (13/14 figure)	5	5	4
e) Customer Assists	96,000	Not collected	32,000	32,000	32,000
f) People engaged	15,086	16,106	5,066	5,010	5,010
g) People into jobs	3,642	3,735	1,222	1,210	1,210
h) NEETs into work, education and training	786	660	256	260	270
i) People helped to improve their skills	86	Not collected	66	10	10
j) Organisations influenced in their delivery of skills provision	18	Not collected	8	6	4

In terms of the targets set for 2014-2017 these have been set at a similar or higher level compared to the estimated actual performance of the first 3 year strategy. It should be noted that the targets for 2014-17 are forecast to be achieved with fewer resources, than was available over the previous 3-year period. There are a number of reasons for this: a service review of the Economy and Jobs area in 2013 resulted in a reduction in staff levels; innovative and more cost effective service delivery.

The targets for 2014-17 have been based on assumptions about future levels of resources, both City Council and external funding. It has been assumed that for both types of funding, levels will remain the same or similar.

An additional 3 performance measures will be monitored compared to the previous strategy. These are:

1. Customer Assists – this covers the work of supporting people into work. The purpose of including this measure is to show the volume of contacts that the council has with individuals who are looking for work. The definition of a

customer assist is the number of interventions we provide to people who access one of the employment initiatives or engage with employment services.

2. People helped to improve their skills. This is designed to capture the work the council does in supporting people to improve their skills levels to gain employment or to enhance their employment. The definition of this measure is the number of people taking part in provision that improves their skills.
3. Organisations influenced in their delivery of skills provision. This measure will capture some of the strategic outcomes from the Jobs and Growth Strategy. The definition of this measure is the number of organisations that have changed their delivery of skills provision due to City Council influence either voluntarily (e.g. colleges changing curriculum subjects delivered) or contractually (e.g. community benefit clauses).

For both of new skills measures, the targets set represent existing project outputs. It is expected that actual figures will be higher, as both new projects come on board over the three year period and management information systems are adapted to capture skills outputs from employment projects.

We have sought to make some measures more specific. For example, measure (h) has changed from young people to NEETs, as this is the specific group of young people being targeted within the strategy.

Performance will be monitored on a regular basis through the Economy and Jobs Service within the Place Directorate and reported formally to the Cabinet Member for Business, Employment and Enterprise on a six month and annual basis.