

Coventry and Warwickshire Employment Strategy Conference Report

Key principles emerging from the day's discussions include:

1 Convergence

It is clear from the conference that the policy drivers operating in the City and County are running at different speeds, but in the same direction. Coventry needs to move quickly to create an employment strategy that meets LAA criteria and targets, especially those framed within the 4th Block. The County is moving in the same direction and expects to be driven by much the same policy and imperatives in the near future. But Warwickshire is setting off from a somewhat different starting point. Partners in the County have a little more time to organise their thinking, and to identify their investment plans and resource requirements, but the direction of travel in Warwickshire is broadly the same as in Coventry.

The underlying dynamics shaping changes in key sectors of employment across the sub-region are very similar, as are the broad trends. But a truly *sub-regional* Employment Strategy will take time to piece together. The principle informing what is likely to be a twin-track process must therefore be one of ultimate **convergence** between the City's and County's employment strategies – to form an integrated sub-regional strategy.

2 Scalability

Much of the talk in workshop groups was about the need to plan interventions on a scale that is:

- Focused, targeted and tailored – addressing the needs and opportunities of specific client groups, industries or areas within the local labour market.
- Manageable and measurable – capable not only of being planned and delivered within defined socio-economic, sectoral or geographical limits, but also of being assessed for its real impacts and effectiveness.

The ultimate goal and test for a **scaleable** strategy lies in its capacity to roll out programmes and services that can be shown to work, thereby extending its scope to a wider range of client groups, sectors or locations in a measured way.

3 Evidence based

Implied by the principle of scalability is an absolute requirement for the strategy and associated interventions to be clearly **evidence based**. The strategy must draw both its inspiration and its direction from a robust analysis of *needs, barriers and emerging opportunities* in the local labour market.

It must also apply systematic intelligence to the question of *what works*. Too much public investment in the past has been 'front-end loaded' in the sense that relatively large amounts of money have been committed to programmes whose ultimate impacts remain very poorly understood. The collective memory of what really works, and why, fades very quickly, so the same mistakes tend to be made again all too easily.

4 Whole economy approach

We have seen that conference delegates attached some considerable importance to targeting resources in a scaleable manner – that is, to allocating resources where they are needed most and to measuring the effectiveness of specific interventions before rolling them out more widely. At the same time, conference also identified the need to take a **whole economy approach**. The economic drivers for this approach are as powerful as those based on notions of inclusion and social justice. The local economy cannot be allowed to lag

behind in key sectors because of labour shortages at any level – be that in entry-level and elementary occupations or in higher skilled technical and professional areas. Nor should people who want to work be prevented from doing so because of cultural, personal or financial barriers standing in their way.

This approach means tackling barriers to employment growth and/or labour mobility on all fronts within the local labour market. At one extreme, this requires a focus on the most excluded and marginalised – on people with low or no qualifications, and little or no experience of paid employment, loosely categorised for our purposes (though not exclusively) as inactive benefit claimants (lone parents, sick and disabled people). Approaches to these groups will require the development of very specific engagement and support packages to boost their motivation, job readiness and competitiveness.

At the other extreme, we have to develop engagement strategies and services that articulate with the skill needs of the employed workforce *and* their employers, particularly at levels 3 and above. Labour *supply* issues in the local economy therefore have to be weighed against labour *mobility* and *upskilling* demands. In particular, the workforce development plans and activities of existing employers have to be seen as coming within the remit of the strategy, just as much as encouraging economically inactive people back or in to work. Employers must be set clearly within the sights of the strategy as well as unemployed people and inactive benefit claimants.

Both sides of this equation play directly into the competitiveness of the sub-regional economy. The strategy will therefore have to make more of those who are currently skirting the margins of the labour market, more of the employment we still have in key sectors (such as manufacturing) and more of new job and business opportunities in emerging knowledge-based industries and inward investments. It will also need to see self-employment as a potential route into work for more local people.

5 Resource optimisation

Two clear messages emerged from conference about **resource optimisation**, each of which has significant implications for partners:

- First, there is a need to ‘make more of what we’ve got’ – the implication being that service planners and providers (in both the statutory and voluntary sectors) will be under increasing pressure to rationalise delivery in future, to cut needless duplication, to eliminate competition between them where this is wasteful, and generally to get much smarter by sharing intelligence and building common engagement and delivery platforms. Closer collaboration is the key.
- Secondly, partners should be working together to lobby for more and different kinds of funding – the implication being that part of the function of the strategy as it unfolds is to help partners make the case for continuing and enhanced public investments in employment boosting measures. But we need something else, too – we need more flexibilities and freedoms at the local level to try out new things, to learn from experience and to invest in what really works, for example by pooling programmes to fill gaps or to provide more responsive services on the ground.

6 Strategic coherence

There was widespread recognition, finally, of the need for the strategy to be:

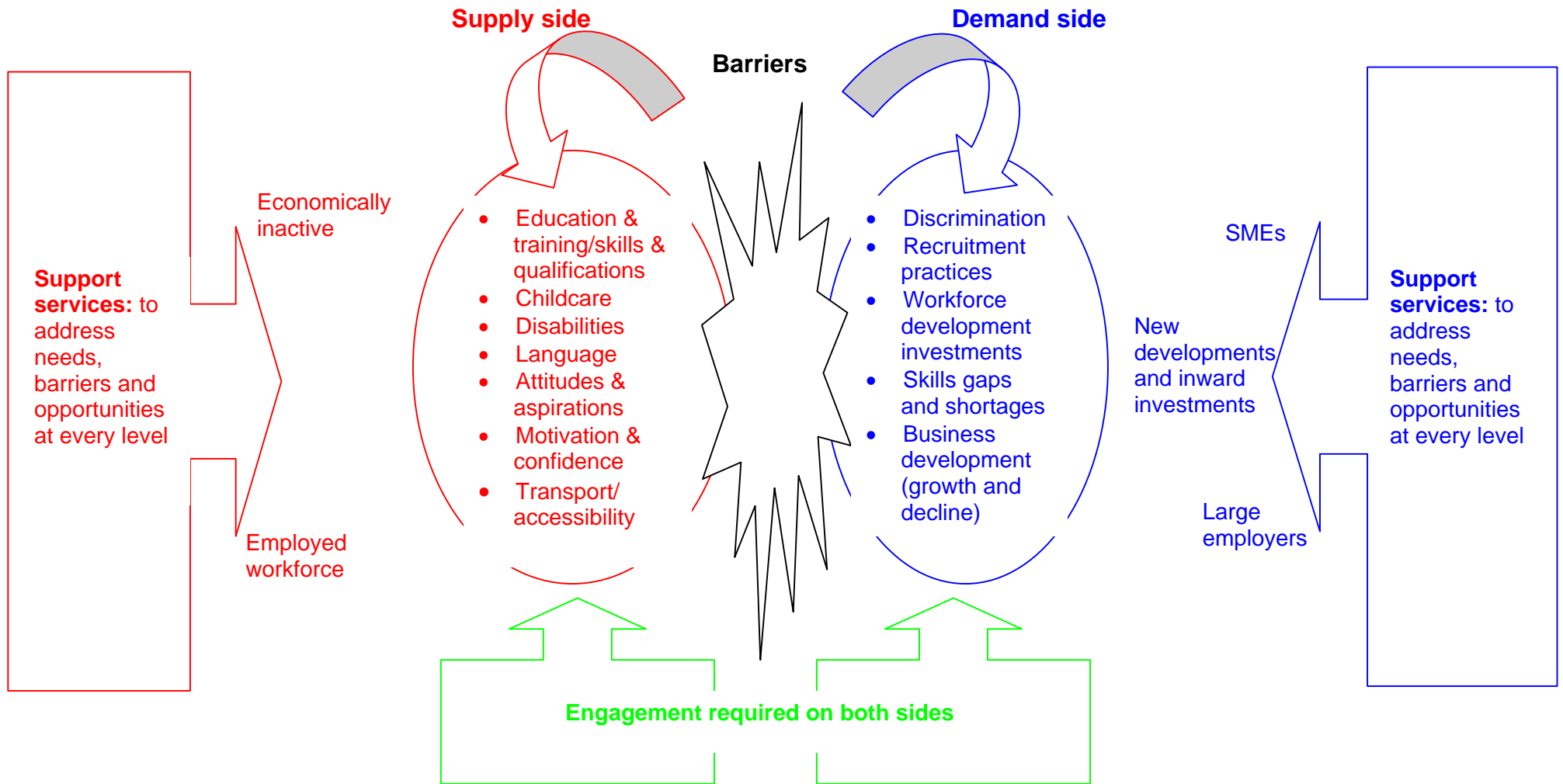
- Consistent with regional economic and skills strategies, and with national government policies, in so far as these impact on employment issues (and the allocation of funds) in Coventry and Warwickshire. The strategy will have to identify where and how local

interventions and programmes contribute to wider priorities, especially at the regional level.

- Stretching and challenging – the local strategy must set out a vision for Coventry and for Warwickshire that clearly charts the distance that will have to be travelled, that pinpoints the gaps that need filling and that identifies any obstacles that stand in its way (in terms of resources, for example, or wider policy frameworks at the regional or national level that may not be totally in tune with local aspirations).

In this context, **strategic coherence** therefore means being both consistent with and influential over other agencies' policies and programmes, particularly at the regional level.

The Employment Strategy for Coventry and Warwickshire: essential characteristics



Appendix 1 – Main messages from speakers:

Myles Mackie – Coventry City Council

Background

- The economy has changed dramatically over the last 30 years with fewer jobs in manufacturing (21.8%) and more jobs in services (78.2%). The percentage of manufacturing jobs is predicted to fall to 12% by 2015. Technology, management and logistics are now more important.

Issues

- The Government wants to reduce the number of economically inactive people to 15% and the percentage of economically inactive in Coventry is 22%. ***The highest proportion of people in this group is the sick and disabled.***
- The number of economically inactive people has fallen by 6,000 over the last 10 years, in line with unemployment. Over this period employment is up by 21,000 or 18%. ***However, there is a risk that the local inactive population could be marginalised as others fill local jobs.***
- There are differences in economic activity and unemployment by:
 - Ethnic group – with Pakistani and Bangladeshi having the highest proportion of unemployed and the smallest proportion of economically active (16% Pakistani/Bangladeshi, 11% black).
 - Age – with inactivity amongst those over 50 being highest (approximately 40%).
 - Geography – with long standing deprivation gaps between the north and south of the city.
- ***Qualifications and skills are key to filling vacant jobs – demand is for skills.*** The percentage of managerial, professional and assistant professional jobs in Coventry has risen dramatically over the years and now stands at 40% of total jobs.
- ***Bangladeshi women are the most excluded group.***
- A lot of investment and job creation is taking place, including the Ricoh Arena and Swanswell. ***There is a need to ensure that local people benefit from such developments***

Paul Seamer – Warwickshire County Council

Background

- Economic restructuring has taken place with loss of large employers and creation of more diverse economic base. Economic drivers and markets are now global, with a lack of control over globalisation, technical innovation, the internet and e-commerce. However, manufacturing still employs 35,000 people and has a disproportionately high impact on the local economy. Other influences are the drive towards productivity growth and changing patterns of consumer demand and spending.
- There are changes in the importance of sectors to the UK economy, with computer services, other business services, insurance and pension funds, recreational services, owning and dealing in real estate, lettings of dwellings, market research, management consultancy, construction, hotels and catering and retail distribution comprising the top ten growth sectors.
- In addition, knowledge is becoming more important, not just people and capital.

Issues

- Warwickshire has a focus on Motorsport and High Performance Engineering. In addition the Regional Economic Strategy identified 6 clusters for the Coventry, Solihull, Warwickshire sub region:
 - Transport technologies
 - Culture and tourism
 - Food and drink
 - Specialist professional services
 - Medical technologies
 - ICT

Work is being undertaken to support businesses within the priority sectors and clusters.

- There are geographic differences in employment rates and pockets of worklessness across the sub region. ***There is a need to try to reduce the differences.***
- New developments include Stoneleigh Park redevelopment as the 'home of rural excellence' and a 100 acre site at Ansty. ***It is important to consider how to maximise local benefit from such developments.***
- Government wishes to achieve an 80% employment rate to support an ageing population and extend employment opportunities to disadvantaged groups and areas. However, unemployment is historically low and ***this will require a reduction in levels of hidden unemployment.***
- Incapacity benefit – currently accounts for over 50% of Jobcentre Plus customers (around 17-18,000 claimants). However only 18% of ***new*** customers are on incapacity benefit. 70% of those on incapacity benefit have been on it for more than 3 years, so people tend to go on it and not come off. Over 80% of IB customers are over 35 with 31% over 55. The largest group (40% of claimants) on IB suffers from mental conditions such as depression and anxiety. This is up 40% since 1997. ***Two out of every five IB claimants want to work – 40%. Much effort will be required to enable this group to join or rejoin the labour market.***
- Opportunities exist in knowledge based sectors and there are still job opportunities in sectors that are not growing. It is important not to neglect what we have.

Janet Fortune – Regeneration, Policy and Europe. Policy and Funding Drivers

Background

- There are different Warwickshire drivers but similar challenges and approaches.
- The economy is more stable, employment is rising, an ageing population that needs support, government wish to achieve employment rate of 80%. Government initiatives have led to a reduction in JSA claimants and unemployment.

Issues

- However, 26% nationally are out of work:
 - On disability benefits
 - Lone parents
 - Over 50
- The focus is on cities, seaside resorts and people with no qualifications. ***Rural areas like Warwickshire can be at a disadvantage even though there are areas of need and disadvantage.***
- There have been government cuts in funding available for traditional unemployment programmes. Staff cuts at DWP and Jobcentre Plus and proposed changes to local delivery through LSC/BL. ***This could affect the support available to help people to get job related skills and get into jobs.***
- Funding for employment related activities is becoming more difficult to secure as:
 - EU funding priorities are changing and shifting towards Eastern Europe. Alternative EU funding sources are becoming more attractive but can be more limited in their application.
 - Advantage West Midlands has a reducing revenue block and changing priorities.
 - So, EU and regional funding is becoming more difficult to secure and is time limited, whilst the group in most need of support requires intensive support over a period of time.
- ***How equipped are we for the issues we face?*** The traditional employment programme has been hit to enable focus on new priority groups. ***How well aligned is the funding for the issues we have to tackle? How do we have to work differently?***
- ***These changes require*** more preparation for development activities and funding bids, more co-operation between partners, the need to make choices about priorities – as everything cannot be funded – and ***the alignment of resources between partners and agencies to ensure priorities are addressed and gaps are filled.***

Carl Pearson – Head of Regeneration, Coventry City Opportunities and Implications

Background

- Employment policy assumes that those of working age –
 - Will work if they can and work longer before we retire.
 - Those that cannot work full time or at full capacity will work and contribute to society. Only a few people are not able to be part of the workforce.
 - There are more than enough jobs to go round.
 - However – some people will have to overcome personal or skills barriers before they can hold down a job.
- Context within which this sits – Local Area Agreement, Local Enterprise and Growth Initiative and Neighbourhood renewal. Coventry is pilot authority for LAA. The objective is to reduce the mismatch and improve the relationship between central and local government, provide local solutions whilst meeting national objectives. There should be more local flexibility and rationalisation of funding programmes.
- Coventry's LAA has 3 original blocks:
 - Children and young people
 - Safer and stronger communities
 - Health and older people
- Economic development and enterprise was added as a 4th Block – to be based on Treasury's model of economic growth which is a combination of:
 - Employment
 - Productivity
 - Enterprise
 - Skills
 - Innovation
 - Investment
 - Competition
- Overall this will lead to
 - A more strategic approach.
 - The better alignment of resources and organisational priorities.
 - Moving towards 'pooling' of resources.
 - Fewer, more strategic targets agreed with government based on PSAs.
 - The setting of the framework for economic development.

Issues

- In the past there has been plenty of external funding and most employment support activities rely on this. Major changes in funding mean this is unsustainable. **So, how are these activities to be funded?**
- The public sector is required to produce year on year efficiency savings which means working smarter with fewer resources. **There is a need to work in partnership, complement rather than duplicate and make hard choices.**
- There is a need to decide:
 - **What types of initiatives should be partner priorities?**
 - **What should partners stop doing?**
 - **How can partners work better together to make the most of the collective resources?**

Jane Beaver – Jobcentre Plus

Background:

- Target Groups for JC Plus are as follows:
 - Jobseekers Allowance 11,146
 - Sick and Disabled 38,000
 - Lone Parents 9,300
 - Other Benefits 2,300
 - Other Inactive 52,400

Issues

- **Benefit Trappings and perceptions constrain some people from coming off benefits.** They are a regular income, Housing Benefit/Mortgage Interest support, Council Tax, free school meals, free prescriptions, free dental care, Community Care Grants.
- **Those on different types of benefits can have different types of barriers.**
- **Lone Parents may in addition not want to leave children, lack affordable childcare, not be able to find suitable jobs** and have concerns about being worse off.
- **Those on Incapacity Benefit may have been told by their doctor not to work**, be unsure about their ability to work regularly, lack confidence about working, lack qualifications and recent work experience and feel their age is a barrier.
- The Arena is an example of how to maximise local benefits from such a development by:
 - Having a Co-ordinated Partnership Approach.
 - Taking jobs into the local community – Jobsbus, high visibility.
 - Preparing local people to compete.
 - Gaining employer support for this approach.
- JC Plus is testing innovative approaches for hardest to help groups (drug and alcohol abuse, ethnic minorities, those with sickness and disabilities). They have started to engage with business and are developing a Financial Inclusion Strategy.
- Influencing employers is a major issue since employers can ignore certain labour groups. However, **labour market pressure is forcing employers to look at different groups.**
- **The challenges are significant:**
 - **Changing the hearts and minds of people.**
 - **Better engagement of disadvantaged groups and communities.**
 - **Promoting in-work benefits and the support that is available**
 - **Better analysis of Invalidity Benefit client group.**
 - **Raising skill levels and basic skills levels.**
 - **Directing resources at priority groups.**
 - **Influencing employers to take on people.**
 - **Progressing towards 80% employment in Coventry and Warwickshire.**

Appendix 2 – Workshop reports

Q1. What are we trying to achieve by developing a new employment strategy?

- Provide focus for all partners and shape local policies. Develop criteria for knowing what we should/shouldn't be doing – what's changed (such as population)? What are the issues now (including employer issues)? Where are the inequalities and where should we intervene? What should we be addressing? What are the key targets we need to address (including the 80% target, plus other local targets)? This will require improving our understanding of issues, key groups, employer and employee perspectives. Needs to be strategic and tactical.
- Maximise the potential for Coventry and Warwickshire. Enable those who want to work. Develop clarification, avoid duplication and achieve collaboration (true partnership). Develop clearly stated common objective(s).
- Bring everything together that affects employment – jobs, skills, enterprise, investments, etc. Organise our resources and prioritise activities rather than scattergun approach – success breeds success – if do well can apply lessons learnt.
- Measure achievements, changing issues and priorities. Be specific and focused – specify timeframe and actions to manage short, medium and long term issues. Have a collective impact but enable partners to focus on their exclusive targets.

How would it be used?

- To make clear what each organisation is contributing to the overall objectives. To use a common language with clear aspirations. To bring all perspectives together in a single voice, including employers and education. To communicate issues more effectively – such as priorities and the rationale behind them.
- All organisations would be asked to sign up to the Employment Strategy and collectively it would have a large impact. Ensure we practice what we preach.
- To communicate success – be positive.
- Use as a way of influencing change – discussion with regional/national.
- Build in/position in context other approaches – LEGI, LPSA, LAA 4th Block.
- Include summary & cross reference to other strategies – inward investment (attract a diverse range of opportunities to keep options open), Welfare to Workforce Development, Financial Inclusion Strategies, business support, etc.

Q2. Focus of strategy (geography? target groups?)

- **Get the whole employment picture, include self employment.** Should focus on issues and barriers (rather than groups?), including those facing people who want to work (including employer issues), those who are in work and the self employed (both on benefits and not) but it can be hard to categorise barriers. Target particular communities of interest or areas if there is an explicit and specific reason to do so. One size does not fit all.
- Should needs be prioritised by key barrier? Should focus be 'sub-regional' backed up by neighbourhood approach?
- Avoid boundary demarcations – people don't care. Take account of the interrelationship between urban and rural.
- Focus on interventions and issues rather than particular target groups or geographic areas. Need interventions to deal with specific issues (e.g. overseas qualifications, educating employers about key groups the myth of migrants and refugees 'taking' jobs, skills gaps) with tailored interventions and recognising package of needs.
- Consider transport as a barrier, especially in rural areas.
- Allow some flexibility/discretion outside priorities?

Q3. Priorities

- Getting organised – bring things together in a more effective and focused way, avoiding duplication and commissioning of activities to meet priorities. Engage with priority issues and groups. Provide a co-ordinated service network. Recognise that the national picture will differ from the sub-regional picture.
- Maintaining links to the community, developing trust and engaging people and working directly with employers.
- Incapacity Benefit clients (JC+) who will need support to work. This should involve positive messages about employment and health.
- Creating a labour market pool of individuals and communities ready to compete and fill a range of jobs i.e. employers want them qualified and with the right interpersonal/presentational skills. Providing post employment support – helping and mentoring etc till employees are comfortable and more confident. Creating opportunities through business support and inward investment.
- Working out how we resource these things – longer term, mainstream funding for things that work, what stops? Use funding for 'Risk and Creativity' in solutions.
- Recognise importance of distance travelled.
- Valuing local solutions and provisions to deliver outcomes.
- Identify good practice, tell the world good news, have something we can shout about to attract people and businesses promote positive image.

Q4. Changes required by partners: alignment of priorities and funding

- Build on the strength of partnerships to create transparent working relationships, recording activities and awareness raising across organisations. Make honest/accurate assessment of strengths and recognise what other organisations can do better to minimise competition. Need to identify new/different partnerships, redefine the rules, go beyond categories to align funding. We need a better understanding of what everyone does and what is going on.
- Need to engage with strategic agencies and respond to economic driver issues earlier and more effectively e.g. medical technology growth, MRSA (hospital cleanliness), super-hospital.
- Priorities vary depending on your starting point – need to recognise that they are different for employers, those looking for work, deliverers, policy makers.
- Changes have to be driven by targets and objectives for the City, rather than by the funding which is what has previously happened. Need to be more strategic and inclusive to employment planning and service delivery. Priorities need to be aligned to funding. Need to define 'alignment' and 'pooling' of resource – start with alignment; pooling is more difficult but will follow.
- There is a mismatch between the available funding and what needs to be done. Funding is output driven which can cause tension and not enable the real issues to be addressed. Mainstream what we can. Be pragmatic about the constraints and forward looking about new opportunities.
- Training may be required for a number of influencing groups e.g. Members, GPs, etc.
- Need to better understand and recognise voluntary sector contribution. Whilst they have limited resources they have knowledge, intelligence, engagement and can provide the first steps towards work.

Q5. Process for developing strategy¹

- Need to digest and share information through Coventry Partnership (with Jobcentre Plus to take responsibility). Make a formal presentation on all this to Coventry Partnership Board – because of links, foundation for lots of other things.
- Need to consider how to be inclusive and engage people in debate. Also need to consider how employment links to other people's agendas.
- Talk to practitioners – those involved in delivery and working with key groups – test out our thinking with them rather than imposing solutions.
- Work to our own deadlines.

¹ Only one group completed this question.