



Leicester  
City Council

**WARDS AFFECTED**  
**Corporate Issue (All Wards)**

**Economic Development & Planning Scrutiny Committee**

**8<sup>th</sup> February 2007**

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**Update – Tackling the Employment Gap among Ethnic Minority Groups**

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**Report of the Service Director for Regeneration, Highways & Transportation.**

**1. Purpose of Report**

To update members on progress that has been made since of the paper 'Tackling the Employment Gap Among Ethnic Minority Groups' was presented to the Leicester Economic Action Partnership (LEAP) in May 2006.

**2. Summary**

A number of initiatives that will assist in improving the employment rates of ethnic minority groups in the city are in place or being developed.

**3. Recommendations**

Members are asked to note this report.

**4. Headline Financial and legal Implications**

There are no significant financial implications associated with this report.

*Martin Judson extension 7390*

The legal implications have been agreed by Carolyn Howard, Solicitor, Leicester City Council. The paper will assist the Authority in meeting its responsibilities and obligations under Section 2 of the Race Relations (Amendment) Act 2000 (see paragraph 6.2 in Supplementary Paper).

**5. Report Author/Officer to contact:**

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**Update - Tackling the Employment Gap Among Ethnic Minority Groups**

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**SUPPORTING INFORMATION**

**1. Report.**

A paper, 'Tackling the Employment Gap Among Ethnic Minority Groups' highlighted the low employment rates that some ethnic minority groups were suffering in the city and that some groups had far higher rates of unemployment and economic un activity than others.

1.2 The paper was taken to the Leicester Economic Action Partnership (LEAP) on 15<sup>th</sup> May 2006 and recommended that:

- the Authority establishes an employer's forum through the County Employer Engagement Group that had been established;
- works in partnership with Leicester Charter for Local Employment & Training as a means of providing a job brokering service between ethnic minority communities and new developments in the city;
- asks Public Bodies that are members of LEAP to enhance and promote diversity in their workforce by reviewing their use of Racial Equality Impact Assessments and their use of procurement policies.

1.3 The decision of the LEAP meeting was that, rather than the initiative be led by the Authority,

'work around the forum will be aligned with the Chamber of Commerce and the Leicester Shire Economic Partnership (LSEP). Leicester City Council will provide support where necessary'.

1.4 A number of initiatives have been delivered, or are being planned, to implement the recommendations.

## **2. Employer Engagement**

- 2.1 LEAP recognises that a greater level of employer involvement is required in order to significantly increase opportunity of employment for disadvantaged groups in the labour market, one of the main groups being ethnic minority communities. This includes both the public and voluntary sector as major employers in the city as well as the private sector. LEAP is currently developing a strategy for employer engagement in order that engagement is put on a planned and sustainable basis.
- 2.2 There is a plethora of employer and business engagement that is currently undertaken across a variety of agencies and for a range of purposes. In Leicester, employers and businesses come together in voluntary membership organisations with a physical presence (for example the Chamber of Commerce, Leicester Asian Business Association and Leicester African Caribbean Business Association). Others engage through a number of value-led groups (for example, Business In The Community, Leicestershire Cares, and ProHelp), as well as through the City Growth Strategy Action Teams.
- 2.3 Agencies such as Leicestershire Promotions, which carries out an inward investment function, the Leicestershire Economic Partnership, Job Centre Plus, Connexions, and the Learning & Skills Council are also in regular contact with employers and this engagement includes work to assist them with recruitment, training, and retention problems as part of their mainstream activities.<sup>1</sup>
- 2.4 The picture is further complicated as these bodies, (together with the City Council through its NRF, SRB, and European programmes) also commission services (e.g. New Deal and the forthcoming Pathways to Work programme) from providers and set targets in each of these contracts for job outcomes. This has the effect of creating a competitive environment in which a multitude of providers seek to engage with employers to secure job outcomes for their particular target groups.
- 2.5 All of the organisations involved in employer engagement activities have established client lists that encompass a significant proportion of employers in Leicester and present diverse opportunities dependent on their client relationships. It should be noted that agencies also engage with employers at different levels of the organisation from Managing Directors through to Human Resource sections and in relation to other matters including planning and transport issues.
- 2.6 The LSEP has recently conducted a mapping exercise of the largest 200 employers in the city and county. The LSEP has used this exercise to assess the degree to which there are overlaps and gaps in this activity. As part of this activity they have also run a series of engagement meetings with groups of employers according to sector (for example, recently in relation to call centre operators) to assess their business needs.

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<sup>1</sup> This is not a comprehensive list – for example engagement activity is undertaken by CIPD local branch, Pathways to Work Business Alliance (ex-offenders), Leicestershire Education Business Company (development of work experience opportunities), Skills Brokers utilised/accredited by LSC and Business Link, Braunstone Working/BCA, Local Alchemy North West Leicester and many more organisations besides

- 2.7 Of prime concern to employers is the fact that there is no clear 'gateway' to assistance from the public or quasi-public sector, and that the multiple approaches from agencies is confusing and inefficient to meet their needs.
- 2.8 A strategy and action plan to co-ordinate this activity is therefore required. It is proposed that a strategy be agreed through LEAP that will establish an 'account management' approach to the largest employers in the travel to work area (80% of city residents' employment is either in the city or the county), and to develop a team of employer account managers across the consortium. These managers will have the responsibility for building up relationships with employers and assessing their needs across a range of issues, and project managing the consortium response to these. It is envisaged that the account manager role will therefore provide a single initial point of contact and ongoing conduit between employers and the agencies involved in the delivery of the city strategy.
- 2.9 Job outcomes that are being sought for the target groups across a range of contracts (for example in respect of New Deal, Pathways to Work, NRF etc.) will need to be secured through the account manager team in discussion with their employers. This includes ethnic minority groups that are significantly disadvantaged in the labour market. This has implications for the negotiation and operation of contracts with providers, which are currently responsible for their own employer engagement and for securing job outcomes.
- 2.10 Funding for the city has been secured through the DWP City Strategy. This will bring stakeholders together to align their efforts behind shared priorities towards the Government's aim of achieving an employment rate of 80%. This includes increasing employer involvement as stakeholders in addressing the issues of poverty and exclusion.
- 2.11 The City Strategy Development Team is housed in Leicester City Council to deliver the City Strategy on behalf of LEAP. The Development Team will produce a project plan to establish engagement with employers on a co-ordinated, planned basis that follows the proposed 'account management' approach. This will involve establishing an employer's consortium as a product of engagement.
- 2.12 The plan will build on partnerships with employers already made through current project work. For instance, it is likely to include employers who have already been active in promoting customised pre-recruitment training and job opportunities to priority groups, including some major retailers, as well as employers in the public sector. It will also include the City Wide Construction Project, JSP, Braunstone Working and the Retail Development Project to ensure that jobs are made accessible to disadvantaged groups in the labour market including ethnic minority as a result of the £3billion of investment taking place over the next few years. It is proposed that the consortium forms a sub-group of LEAP as this would enable it to tie into the NRF Workless Floor Action Plan mentioned above.
- 3. Local capacity**
- 3.1 It is also proposed, as part of the City Strategy, to improve capacity at a local level by developing the LSEP proposal to develop Access Centres in, at least, two deprived

areas of the city. Employment training, information, advice on employment rights and responsibilities and support in work for residents would be delivered from the centres. Specific actions to support BME residents into employment will include promoting groups who are experiencing low rates of employment to employers, enhancing and extending how ESOL is provided, including introducing ESOL in vocational surroundings and developing work experience placements with employers.

#### **4. Employment projects**

- 4.1 Current project activity to raise employment rates among ethnic minority groups include delivery of the Worklessness Floor Target Action Plan, funded through Neighbourhood Renewal Fund (NRF). The Plan aims to improve the employment rates of disadvantaged groups with the poorest initial labour market position and includes ethnic minorities as one of the groups specifically targeted.
- 4.2 The Job Service Partnership (JSP) has been operational since June 2004 in delivering the Action Plan and, currently, the project has been successful in obtaining employment for 173 individuals, 134 of whom are from ethnic minority backgrounds.
- 4.3 Leicester Partnership has agreed to allocate a further £1.05 million from the NRF programme with a target of moving a total of 1,950 people into sustainable employment of which 450 (23%) is specifically targeted to the ethnic minority groups that have been identified as being most disadvantaged in the labour market. In addition, individuals from ethnic minority groups will also have further opportunity to access employment as they overlap significantly with the other groups targeted in the programme - lone parents and residents in Local Super Output Areas (LSOA).

#### **5. Discrimination and vulnerable workers.**

- 5.1 The persistence of the employment gap, however, poses the question of whether employment programmes, by themselves, are able to bridge the employment gap or whether issues of discrimination, including unintentional institutional discrimination, require further actions to be taken. The Employment Support Unit (ESU) has established an approach that works with employers to overcome in-work issues and, as a result, make recruitment to their business a more attractive option for ethnic minority groups.
- 5.2 The Employment Support Unit (ESU) has conducted a series of focus groups among those groups with the lowest employment rates in the labour market – Bangladeshi, Pakistani and Somali women – to find out from the women themselves what they perceive to be the barriers to their job entry or progression in employment. The results are being shared with employers who have expressed an intention to diversify their workforce. Employers will be invited to discuss developing initiatives and actions that can result in increased recruitment and employment retention among these groups.
- 5.3 The ESU also provides a discrimination advice and casework service that aims to work in a way that assists employers in improving or extending their recruitment and equal opportunities practices. The service offers employers, in appropriate cases, assistance, not only in complying with discrimination legislation, but going further and delivering some of the policy aims of the legislation. In this way, the ESU aims to help employers

continue to develop their equal opportunities policies and deliver fair employment standards in the workplace.

- 5.4 On the supply side, the ESU is now targeting its employment rights advice to vulnerable and migrant workers. This will help enhance the recruitment of vulnerable groups, including ethnic minority groups, by increasing their awareness of their entitlements in employment including fitting work around family and care responsibilities, anti-discrimination and fairness at work, pay and in-work tax credits. Research and experience shows that it tends to be the groups with the lowest employment rates that have the lowest awareness of what they are entitled to in work and how much better off they can be in employment.

## 6. Procurement

- 6.1 The City Strategy also includes plans to use procurement as a way of assisting employers in increasing the diversity of their workforce.

## 7 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

### 7.1 Financial Implications

There are no significant financial implications associated with this report.

*Martin Judson extension 7390*

### 7.2 Legal Implications

The legal implications have been agreed by Carolyn Howard, Solicitor, Leicester City Council. The paper will assist the Authority in meeting its responsibilities and obligations under Section 2 of the Race Relations (Amendment) Act 2000 (see paragraph 6.2 in Supplementary Paper).

## 8 Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	<b>Yes</b>	1.1 – 6.1 – the aim of the paper is to enhance equal opportunity in accessing employment for ethnic minority groups.
Policy	<b>Yes</b>	2.1 – 2.12 – the paper gives details of proposed strategy to improve employer engagement and establish an employers' consortium.
Sustainable and Environmental	<b>No</b>	
Crime and Disorder	<b>No</b>	
Human Rights Act	<b>No</b>	
Elderly/People on Low Income	<b>Yes</b>	1.1 – 6.1 – Low pay is manifested in the groups that this paper aims to assist.

## 8.2 Risk Assessment Matrix

	<b>Risk</b>	<b>Likelihood L/M/H</b>	<b>Severity Impact L/M/H</b>	<b>Control Actions (if necessary/or appropriate)</b>
1	Assisting employers in dealing with discrimination.	M	M	The ESU will prepare a series of toolkits that will assist employers in making adapting practices that will meet the needs of ethnic minority groups disadvantaged in the labour market. .
2	Employer engagement on consortium.	M	M	The account management strategy will provide a single gateway to employers and work specifically with specified employers to meet their business needs.

L - Low  
M - Medium  
H - High

L - Low  
M - Medium  
H - High

### 9. **Background Papers – Local Government Act 1972**

Tackling the Employment Gap Among Ethnic Minority Groups, LEAP, 15<sup>th</sup> May 2006, LEAP Programme Delivery Board, 13<sup>th</sup> June 2006.

LEAP minutes, 15<sup>th</sup> May 2006.

Expression of interest for DWP City Strategy, 3<sup>rd</sup> July 2006.

### 10. **Consultations**

LSEP, 18/1/07

### 11. **Report Author**

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