

Leicester  
City Council

**WARDS AFFECTED: Aylestone, Eyres Monsell, Freeman**

**STRATEGIC PLANNING AND REGENERATION  
SCRUTINY COMMITTEE**

**19 FEBRUARY 2004**

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## **LOCAL EMPLOYMENT ISSUES IN SAFFRON AND EYRES MONSELL**

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### **Report of the Service Director, Regeneration**

#### **1 Purpose of Report**

- 1.1 To inform members of the issues relating to employment in the Saffron and Eyres Monsell areas, and to outline an approach to address some of these issues and take advantage of potential new employment opportunities.

#### **2 Summary**

- 2.1 The report examines issues relating to employment opportunities for residents of the Saffron and Eyres Monsell areas (covered by the new wards of Freeman and Eyres Monsell) and particularly characteristics of the "walk to work" area, and access to opportunities elsewhere. The Saffron and Eyres Monsell areas experience a range of disadvantage and the quality and quantity of local employment have declined with the decline of traditional manufacturing.. Some key issues relating to employment in the area include: a pattern of low skill, low paid employment; low levels of education and skills; public transport links; shortage of suitable premises for new businesses and physical disincentives to business investment in the traditional walk to work area. The paper also identifies some major employment opportunities and outlines a way forward to respond to some of the issues raised.

#### **3 Recommendations**

Members are recommended to:

1. Consider the issues raised and comment on the way forward as outlined in paragraph 10.2 of the report

#### **4 Financial & Legal Implications**

##### **4.1 *Financial Implications***

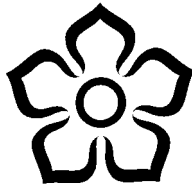
There are no financial implications arising directly from this report.

##### **4.2 *Legal Implications***

There are no legal implications arising directly from this report.

#### **5 Report Author**

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**Report of the Service Director, Regeneration**

### **SUPPORTING INFORMATION**

#### **Report**

##### **1. Background**

1.1 This report was requested following discussion at the Saffron Area Forum meeting on 25 June 2003. The report examines issues relating to employment opportunities for residents of the Saffron and Eyres Monsell areas (covered by the new wards of Freeman and Eyres Monsell) and particularly characteristics of the “walk to work” area, and access to opportunities elsewhere. The paper identifies some potential major employment opportunities and outlines an approach to help people take advantage of these, as well as responding to some of the other issues raised.

##### **2. Deprivation and unemployment**

2.1 The Saffron and Eyres Monsell areas are the 4<sup>th</sup> and 9<sup>th</sup> most deprived in the City. Saffron is the 4<sup>th</sup> worst for Income, 4<sup>th</sup> worst for Employment, 8<sup>th</sup> worst for Education, and 3<sup>rd</sup> worst for Child Poverty. Eyres Monsell ranks 6<sup>th</sup> worst in the City for Education, and 7<sup>th</sup> worst for Child Poverty (*Indices of Deprivation 2000*).

2.2 The areas of the Saffron and Eyres Monsell estates themselves are almost entirely residential. On the Saffron estate, other than a few shops along Southfields Drive/Atlee Way (the A563 outer ring road) and a small supermarket and takeaway on The Fairway, all local retail businesses are along Saffron Lane. Similarly on the Eyres Monsell estate, a number of retail businesses are concentrated on The Exchange.

2.3 The area immediately to the west of Saffron Lane (part of the Aylestone ward) traditionally provided the major source of employment in the locality. The decline in manufacturing, particularly textiles, has diminished this, though it is still important.

- 2.4 In the vicinity but outside the City boundary, the industrial areas of South Wigston have also provided local employment, although again, major textiles and engineering factories in this area have closed or declined.
- 2.5 Numbers of claimant (Jobseeker's Allowance claimant) unemployed are still calculated on the old ward boundaries but the combined Saffron and Eyres Monsell total stood at 639 in October 2003 (*Leicestershire Economic Research Partnership Unemployment Bulletin*). The trend has been upwards in the number of unemployed over the last 12-18 months, in line with an increase across Leicester. (Percentage rate comparisons over the period are meaningless due to a change in January 2003 in the base on which the percentage rates are calculated.)
- 2.6 The 2001 Census detail is based on the new ward boundaries, and gives figures of 391 economically active unemployed (and 114 long term unemployed) in Eyres Monsell, and 340 (116 long term) in Freeman. The number of lone parent households in Eyres Monsell was 657 (14%) and in Freeman 570 (14.4%).
- 2.7 There has been low educational achievement at primary and secondary level coupled with high levels of school exclusions, and low levels of vocational or other qualifications in the adult population. Lack of basic skills is a major concern. Educational underachievement is a factor in unemployment and poor employment – equally poverty in families affected by unemployment and low-paid employment is a factor in educational underachievement.

### **3 Pattern of low skill, low paid employment**

- 3.1 Of as much concern as the numbers of unemployed is the pattern of low skill, low paid and insecure work of those in employment.
- 3.2 While unemployment has fallen in the last 10 years, over the same period there has been a marked shift in the types of occupations of local people in work. A detailed survey conducted for the Saffron Single Regeneration Budget (SRB) programme in 2000 showed that the average skill level of residents' occupations has decreased sharply since a similar study in 1993 – the proportion in skilled manual work has decreased with a corresponding increase in the number in low skilled occupations. A similar survey conducted in 1993 found that 29% of working respondents were in skilled craft trades (including textile and shoe machinists) and 17% in unskilled occupations. But the survey in 2000 found only 7% of working respondents in skilled crafts, while 34% were in unskilled occupations. In 1993 12% of working respondents had skilled manual occupations in textiles or the footwear industry compared with just 2% of the sample in 2000. This reflects the change in local industry, especially the decline in textiles manufacture. (*Skills Survey Saffron Lane, 1993 and Saffron Skills & Opportunities Audit 2000*)
- 3.3 When compared with Leicester as a whole, a higher proportion of respondents were working in the health and education sectors, mainly in low paid occupations such as cleaners and care assistants. A far lower proportion than the average for Leicester as a whole worked in financial and business services.
- 3.4 Only 3% of respondents were in managerial occupations, compared with a Leicestershire average of 16.2%, and 83% said that they did not have any supervisory responsibility for other staff.

- 3.5 Sustainability of employment is an issue: changing labour practices have led to an increase in short-term contracts and temporary work, with little scope for skills development and progression.
- 3.6 There has been an increasing trend to agency work replacing direct employment. One in ten respondents said that they worked for an agency, rising to one in three of those aged under 30. 13% of those working full-time said that they worked for an agency. Agency work is relatively plentiful, but is insecure, often low quality and low paid. Both for young people without skills and experience, and for older people with high but redundant skills, this type of work is often all that they can get when the need for an immediate income is paramount.

#### **4 Location of Workplace and Transport**

- 4.1 Residents work all over the City and County and even further afield – some travel to Corby (these are probably agency workers) – but the majority work in postcode areas LE1, LE2 and LE18 (Wigston and South Wigston), and women generally work nearer to home than men.
- 4.2 Access to some areas of employment is restricted by the nature of existing bus routes in Leicester, which are generally radial from the city centre. For example, the only practical way to reach Fosse Park and Meridian Business Park (3 miles from Saffron/Eyres Monsell) by any regular bus service, is indirectly by taking a bus into the city centre and then another to Fosse/Meridian.

#### **5 Existing Local Businesses**

- 5.1 154 businesses of all types have been identified in the “walk to work” area (as far west as Aylestone Road). The majority are very small: in 91 of the businesses the number of employees is in single figures; only 4 employ more than 50, and only 2 employ more than 100 people.

#### **6 Shortage of suitable business premises**

- 6.1 There is a shortage of suitable premises for new enterprise, even for offices, in the area. Many of the industrial premises in this area are unsuitable for the development of modern businesses due to their age, condition and design.
- 6.2 In the area to the west of Saffron Lane, many of the existing industrial buildings are old manufacturing premises and, in their present configuration, unsuited for modern business use. The Atlas of Social, Environmental and Economic conditions in Leicester (1998, revised 2001) highlighted this area as one with hard to let commercial property. A subsequent local study found that of the then vacant premises, very few offered scope for useful refurbishment without radical rebuilding. Also this is a mixed industrial/commercial and residential area, with relatively narrow streets. The pressure on these streets due to traffic passing, loading and parking is another disincentive to new business in the area. It has been suggested that any conversion of this older industrial property probably would also need to include demolition of some property to provide parking and loading bays.
- 6.3 The existing Leicester City Council managed workspace at Linwood Workshops (part of an converted old school) provides a limited number of business units. The building, rent level and location are attractive to businesses. The condition of the premises is

better than at some commercial workspaces in the city; and the site is convenient for access to the ring road and the motorway. The building is currently fully occupied.

- 6.4 However, workspace limitations at Linwood Workshops can lead to loss of employment opportunities in the area. The problem for businesses is that the choice of unit size here is limited to either 500 or 1000 sq.ft – some start up businesses in their early stages would prefer less than 500 sq.ft; and for others, 1000 sq.ft is insufficient to accommodate equipment, staff, materials and work processes. So businesses in the Workshops that grow to need more space tend to leave for other locations; in some cases, depending on the locations and the individuals, local employees are able to stay in employment with the same firm, but in others, the result of the move is that jobs are lost to other areas.

## **7 Access to Finance**

- 7.1 The Saffron area in particular is noted as one where a large number of people have taken out loans with high interest credit companies. Lack of money to cover the period until the first salary cheque frequently proves a obstacle to obtaining or keeping a job. Delays in the Working Tax Credits system have forced some people into debt. Credit union activity is helping to tackle personal debt issues in the area – the Saffron branch of Leicester’s Credit Union, Clockwise, was established with SRB support and is growing quickly.
- 7.2 However, it is often difficult to get sufficient start-up and development funding for a business. Leicester Housing Association and its SRB supported financial inclusion project, Saffcash, have been investigating the potential for creating a Community Reinvestment Trust (CRT) for Leicester. CRTs are a form of Community Development Finance Initiative (CDFI) and are intended to allow the provision of economic opportunities to individuals and businesses which otherwise would have to use high interest credit.
- 7.3 CRTs use public and private sector capital to create revolving loan funds from which to provide business start-up loans, as well as personal loans for home repairs, and other household needs. The aim is to provide a source of affordable credit for “disinvested” communities and to do this CRTs recognise the need to be flexible, to accept unconventional collateral, and provide financial education, advice and assistance to customers.
- 7.4 There are 6 pilot CRTs in the country. Delegates at a seminar “A Community Reinvestment Trust for Leicester?” on 1 December 2003 agreed to proceed with a feasibility study, funded by the East Midlands Development Agency (emda).

## **8 Opportunities arising from developments in the City centre and elsewhere**

- 8.1 The planned extension to the Shires complex, the Leicester Regeneration Company’s Masterplan, the Cultural Quarter, and proposed developments around Junction 24 and East Midlands Airport, potentially offer employment opportunities both during and after construction. However, if Saffron and Eyres Monsell residents are to benefit, effective mechanisms to provide access to these opportunities need to be put in place.
- 8.2 In the case of construction work, some form of intermediate labour market (ILM) approach is required, as since the construction boom there is no longer a pool of unemployed skilled construction workers. The Economic Development Group, Leicester City Council, has secured funding to undertake a feasibility study into the creation of a construction based ILM. Arguably, an ILM approach may also be

valuable in order to develop skills and experience in other sectors and occupations to take advantage of employment opportunities in the completed developments.

- 8.3 The Leicester Economic Regeneration Partnership Employment Strategy Working Group has discussed the 'single gateway' for recruitment proposed for use at East Midlands Airport, and concluded that it would be desirable to apply this practice to other major developments. This model of recruitment was used for the Bullring development in Birmingham to recruit to jobs with the occupiers of the development. The single gateway need not mean a single physical access point: it can be a single initial process or application form made available in several ways to reach the maximum number. A single gateway with access through community-based and outreach organisations, preferably supported by advice and assistance, would help to ensure that residents of areas like Saffron and Eyres Monsell have full opportunity to secure jobs in these developments.
- 8.4 The recent Three Cities Scoping Study conducted for the East Midlands Assembly and emda highlights the need for Derby, Leicester and Nottingham to develop complementary specialisms and for there to be a diversity of economic activities. It also emphasises the importance of investment in transportation in order to open up employment opportunities across the sub-region to all (adequate transport has also been identified as key to opening up employment at East Midlands Airport).

## **9 Development Trust**

- 9.1 A community development trust is being established with the support of the Saffron SRB programme. A development trust can provide an infrastructure for the continuing development of the local economy and channel resources into other social economy initiatives and other projects. This body is community-owned and community-led, and able to hold funds and assets. The development trust company, Saffron Community Enterprises Ltd, has been registered this year and all the directors are local residents. However, it is in its early stages and much has yet to be done to create an effective development trust. The company has been given lead responsibility for producing a community plan for the area in consultation with all stakeholders. This will help the trust to define its position and its own future activities, and it also provides a focus and starting point to engage in developing an economic development plan for the area.
- 9.2 Development trusts engage in income-generating enterprise, with surplus income (profit) reinvested for community benefit. This development trust is expected to become involved in a mix of activities including trading activities which provide employment and create wealth. One possibility is that Saffron Community Enterprises will look again at the feasibility of developing new managed workspace in the vicinity; another is the creation of income-generating services which combine trading with skills development.
- 9.3 In February 2003 the Saffron area applied to be one of the first four pilots of the "Local Alchemy" initiative developed by the New Economics Foundation (NEF) and funded through the East Midlands Development Agency (emda). Four very different types of community were sought. The Saffron application was based on the then Saffron ward and its traditional "walk to work" area. The application was one of seven shortlisted but was ultimately unsuccessful. Local Alchemy is a process designed to enable all stakeholders in a community to work together to analyse, understand and change the economic conditions of their community, creating a more enterprising culture. Change may be achieved through development of social enterprises and community businesses, encouraging private business start-ups and supporting existing businesses.

- 9.4 Local Alchemy is not a funding stream; the funding granted to pilot communities is to support the process, not to fund initiatives. An important element in the process is a wealth check to measure the money going into a community and how much leaks out, as a first step to planning ways to retain more wealth in the community. This is an intensive and extensive exercise and is an example of the type of activity which cannot be conducted without the level of funding available in Local Alchemy.
- 9.5 Had the Saffron application been successful, it would have been extremely useful in helping to determine the direction of the development trust in the context of the wider local economy. It may still be so: a further round of Local Alchemy is proposed for 2004.

## 10. Conclusion

10.1 The Saffron and Eyres Monsell areas experience a range of disadvantage and the quality and quantity of local employment have declined with the decline of traditional manufacturing. There are physical disincentives to business investment in the traditional walk to work area. While it is important to seek ways to change this situation, methods of ensuring access to employment opportunities further afield, and in particular those generated as a result of major new physical developments, must be put in place.

10.2 A way forward would therefore encompass several elements:

- To maintain and develop local points of access to employment information and advice, and ensure that these have effective links to the opportunities arising from physical regeneration in and outside the City. These access points can act as a gateway to ILMs and to recruitment to jobs in the completed developments. A proposal to ensure that these access points are in place is the subject of an application to the Leicester Shire Economic Partnership.
- To work with Business Link and others to develop a more proactive approach to support and development of business in the area.
- To support, and ensure access to, initiatives such as the credit union and proposed community reinvestment trust which address financial barriers to employment and small business starts.
- To ensure that adequate and affordable support services, such as childcare, are in place to enable people to go to work.
- To support the development trust in taking a co-ordinated approach to the creation of new social enterprises and community businesses.
- To strengthen links between organisations which have a role at one of three stages in moving people into sustainable employment: education and training; advice and practical assistance to find appropriate work; and what may be termed the aftercare of the newly employed to maximise their ability to retain employment and progress. The latter is a significant weakness at the moment, but is included as part of a current tender to the European Social Fund Objective 3.
- To ensure that local residents have the opportunity, through the development trust and initiatives like Local Alchemy, to steer economic change in their community and contribute to the development of a comprehensive and long-term economic development plan. The ideal for the local economy would be a diversity of activity

which attracts and retains wealth in the community and offers people the opportunity to progress upwards and outwards.

## 11. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

### 11.1 Financial Implications

There are no financial implications arising directly from this report

### 11.2 Legal Implications

There are no legal implications arising directly from this report

### 11.3 Other Implications

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities		The report is particularly concerned with issues facing disadvantaged groups within deprived areas.
Policy		Employment Strategy Leicester Shire Economic Strategy
Sustainable and Environmental		The report considers limitations on employment growth within the walk to work area and the transport implications for access to opportunities elsewhere esp. Paras 2.3, 2.4, 4, 6, 8.3 and 8.4
Crime and Disorder		
Human Rights Act		
Older People on Low Income		

## 12. Background Papers – Local Government Act 1972

- *Indices of Deprivation*, DETR 2000
- *Unemployment Bulletin for October 2003*, Leicestershire Economic Research Partnership
- *2001 Census, Small Area Statistics*, Office for National Statistics, 2003
- *Skills Survey Saffron Lane*, Community Consultants, June 1993
- *Saffron Skills & Opportunities Audit 2000*, Community Consultants, February 2001
- *Leicester Local Employment Strategy Document 2004-2007, Second Draft*, Leicester Economic regeneration Partnership, October 2003
- *East Midlands Assembly & EMDA: Three Cities Scoping Study: Building a Complementary Development Framework, Draft Final Report*, Ove Arup & Partners, September 2003
- *East Midlands International Airport Economic Development Strategy, Revised Draft*, York Aviation, December 2003

## 13. Consultations

**Consultee**

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**Date Consulted**

16 December 2003

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