



LEICESTER CITY COUNCIL

**ECONOMIC DEVELOPMENT, CULTURE AND TOURISM
SCRUTINY COMMISSION**

**ECONOMIC DEVELOPMENT AND JOB CREATION:
THE ROLE OF LEICESTER CITY COUNCIL**

REPORT BY COUNCILLOR SUE WADDINGTON, CHAIR OF THE SCRUTINY COMMISSION, 1ST AUGUST 2012



Leicester City Council Economic Development Culture and Tourism Scrutiny Commission

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Foreword



By Cllr Sue Waddington

**Chair of Leicester City
Council Economic
Development Culture and
Tourism Scrutiny Commission**

“It gives me great pleasure to present this report, based on the work of the Commission I chair

and also, importantly, the input, intelligence and enthusiasm of a range of individuals and groups both within Leicester City Council and beyond. A list of those to whom we are grateful for their input is contained within the appendices to this work.

The Commission’s research began in the Autumn of 2011 against a background of concern about the state of both the national and the local economies. By the time we had completed the report the country was officially within a double-dip recession.

Against this difficult national and regional economic backcloth we wanted to look at how the Council, both through its own efforts, and in co-operation with others, could help sustain and create employment within the city.

There are enormous assets within the city: a vibrant and perhaps insufficiently recognised cultural and creative sector, access to three first-class universities, two within the city and, just along the road, Loughborough University.

There are nationally-known brand names such as Walkers, and national icons such as the Space Centre. But alongside this there are depressingly deeply-ingrained swathes of unemployment allied to low expectations of improved education, training or employment.

The city has a nationally low rate of trained and qualified workers, as a number of reports have pointed out. It is important that the knowledge gained in producing these reports is applied effectively, rather than have them remain unread and not acted upon.

We welcomed the opportunity to work along with the Mayor and his Executive who have made the need to revive the economy of the city a central tenet of the work of the authority leading to the production of a new Economic Action Plan.

The recommendations are not a quick fix: repairing an economy takes time and the co-operation of a broad spectrum of partners across the public and private sectors.”

1 Introduction

- 1.1 Below the broad-brush issues set out in my foreword, the Commission set about gathering evidence, ideas and information from within and outside the City Council, locally and nationally.
- 1.2 At the heart of the inquiry was the question: What can the Council do to help create and preserve employment within the local economy?
- 1.3 Leicester's workforce suffers from a significant lack of qualifications. The latest Centre for Cities study into economic performance gave the following data:

Working age population with no formal qualifications 2010 (%)

Ten cities with highest percentage of no qualifications

55	Liverpool	16.4
56	Stoke	16.8
57	Glasgow	17.3
58	Hull	17.4
59	Blackburn	18.1
60	Birmingham	18.2
61	Bradford	18.3
61	Leicester	18.3
63	Belfast	18.8
64	Derby	19.5
	United Kingdom	11.6

Source: Centre for Cities Outlook 2012

- 1.4 The ability to educate and train the workforce is seen as a key objective. This objective is shared objective by public and private sectors, with the voluntary sector also having a key role.
- 1.5 The Council is a major employer within the city and the wider county area, but has been heavily affected by cuts in central funding. We are two years into a four-year programme of budget reductions which have been imposed by the Government and which have resulted in job losses within the authority.
- 1.6 Against that background, the Council has looked to react creatively, working with partners in the public and private sector, to reduce the impact of recession, unemployment and low educational achievement within the city.
- 1.7 The Mayor's Economic Action Plan (EAP) was made available to the Commission for comment and observation.
- 1.8 The Deputy Mayor's Leicester to Work programme, a sub-set of the EAP, underscored the priority to help get young people into work. Much of the evidence and concerns of the Review reflected those priorities.
- 1.9 Additionally the Leicester and Leicestershire Enterprise Partnership (LLEP) has drafted its own economic

growth plan for the years to 2020. This was made available to the Commission for its May 2012 meeting.

1.10 Other issues were also drawn out; two major reports concentrated on issues relating to women's unemployment within Leicester.

1.11 This report includes and reviews information from:

- Centre For Cities, setting the national framework (Chapter 3)
- The Leicester City economic context (Chapter 4)
- The Mayor's Economic Action Plan (Chapter 5)
- Leicester to Work initiative (Chapter 5)
- LLEP (Chapter 5)
- Private sector perspectives
- Women's Employment (Chapter 6)
- NEET (young people's unemployment – Chapter 7)
- Paper from Connexions (Chapter 7)
- Paper from Leicester College (Chapter 8)
- exchange of letters between the Chair and the City Mayor on draft recommendations (Appendix 1);
- City economic and social data (Appendix 2)
- Creative Leicestershire (Appendix 3)
- Submissions to the Mayor's draft Economic Action Plan and recommendations. (Chapter 2).

2 Conclusions and recommendations

1 The Mayor's Economic Action Plan (Chapter 5)

The Mayor invited the Commission to comment on the plan, and to contribute to the identification of appropriate Performance Indicators for the Economic Action Plan.

1. We would like as a Commission to work with the Mayor's office to develop appropriate, challenging but also realistic Performance Indicators for the Economic Action Plan.
2. Other partners, including the private sector, FE colleges, and agencies such as Connexions should also be consulted on the development of credible and realistic performance indicators.
3. There should be an annual report to the Commission to assess the effectiveness of the Mayor's Economic Action Plan, and to monitor the Performance Indicators within the Plan.
4. The Commission welcomes the high priority given to worklessness and NEET levels within Leicester.

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5. In exploring the problems faced by young people who are not in employment, education and training it is important to recognise that the numbers increase in the older age groups. A service is required that tracks and supports young people from the ages of 16 to 24. It is suggested that successful European models are examined, which are more effective than those used in the UK, in that far smaller numbers of young people drop out of the support systems.
6. It is recommended that the Mayor adopts a Performance Indicator which seeks to reduce the rate of NEET unemployment among 16-24 year olds by 2020. This objective has been agreed by every EU country except the UK. The City Mayor is urged to ask all three City MPs to lobby the Government for the introduction of this PI as a national target and to lobby government directly himself.
7. **We believe that addressing the higher than average levels of economic inactivity and unemployment in Leicester among particular groups, and particular areas, such as wards with the highest level of NEETs should be a priority for action.**
8. We would strongly support a strategy which addresses the problem of comparatively low employment levels among women, some older age groups, some minority groups, and the dramatically low levels of employment, in some areas of the city. (See special recommendations re women below).
9. These groups and communities should receive additional support from locally based Leicester to Work Centres (the renamed MACs) to enable them to gain access to advice and guidance, training and education and employment services. The work of these Centres should be reviewed and renewed to make them fit for this purpose.
10. A Leicester Skills and Qualifications policy should be developed which includes a comprehensive set of actions to address skills shortages and low levels of qualifications across all sectors and age groups. This should be a long term commitment by the City Council. It is recommended that the Mayor establishes a high level task group to define a skills and qualifications policy which would feed into the proposed skills network. The Task Group should be made up of relevant Executive members and external partners with specialist knowledge. The Task Group should report within 12 months of being established.

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11. Coordination of activities across the city to improve training and employment opportunities should include a strategic decision to link the many diverse elements within the Council to deliver the EAP. This would include much closer cooperation between education, further education and training, adult education and economic development programmes and teams.

12. The Council has a valuable role in sponsoring and promoting apprenticeships. It is recommended that this programme is expanded as resources allow.

13. The Council can seek to build training and development requirements into its own contracts as part of a wider and separate review of its procurement practices.

14. The Commission notes that two elements of “employability” of school leavers (and indeed university graduates) do not relate to formal qualifications at all.

These relate to the “soft” skills of communications and team working. The Council, private sector and other work providers should develop programmes which can be delivered in schools, FE, AE and HE to support the development of these ‘soft skills’, building on existing good practice being developed at Leicester University and within schools in the city.

It is important that the private sector, which has highlighted the lack of these skills, should be much more proactive in identifying what is needed, and also help provide solutions.

15. The Mayor should seek powers to enable the City Council to determine and manage the ‘welfare to work’ programmes currently contracted by the Government to private providers in the City. These multi million pound projects would be more effective if managed by organisations with local accountability, a local stake and comprehensive responsibilities for the welfare of the City and its residents.

16. The Mayor’s EAP identifies transport development as an issue. One of the barriers to work is the high cost of transport especially for those seeking low paid employment. The Mayor should therefore seek greater powers to direct the bus operators, along the lines of the Transport for London model.

17. The Commission welcomes the partnership approach proposed in the Mayor’s EAP. Time and again, the evidence presented to the Commission has called for greater co-operation between stakeholders and leadership from the Council in this area.

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18. The Partnership, and other groups and agencies working with the city council, should set targets and objectives which aim to provide further opportunities for all young unemployed people out of education and training (NEETs), and other vulnerable groups.

19. Partnership arrangements established by the Mayor should be subject to regular scrutiny to assess their achievements against objectives.

2 Women in employment (Chapter 6)

The following recommendations were proposed by 2010 Sheffield Hallam University report and are supported by the Commission:

1. There is a need for more locally based and well informed careers advice which builds on existing and successful services in Leicester. Advice and guidance should seek to raise employment aspirations where relevant, and not simply push people towards any job.
2. Careers advice needs to consider the dynamics of the labour market in Leicester. This needs to be balanced alongside individual preferences and aspirations.
3. Work placement programmes (which engage with a range of employers) and ILMs offer mutual benefits to individuals and organisations, and should be

considered as a means of addressing ...lack of experience.

4. There is a clear preference for job search support to be administered locally, perhaps through the MACs in a more formalised way and, where possible, on a one-to-one basis. This should also include identifying and/or collating work opportunities compatible with childcare responsibilities.
5. The success and popularity of existing service provision mentioned above (e.g. MACs, *Nextstep*) suggests that any further interventions and changes to employment support for women should draw upon the existing knowledge, experience and expertise of those organisations.
6. As many of the research participants were keen to enter employment in the childcare sector there may be potential to provide cost efficient childcare services by drawing on the skills and labour of workless women qualified in this area. This could also provide valuable work experience at the same time as increasing the level of provision and going some way to reducing the cost.

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There is a need to provide information on the welfare reforms introduced by the coalition government and to inform women of their benefit rights and entitlements. This should pay attention to the complexities of eligibility and the interplay with household circumstances, which dictate eligibility to certain benefits.

7. There is a need for engagement with employers, in terms of addressing discrimination in the workplace and during recruitment. This engagement is crucial as a means of raising awareness and cultural sensitivity to the religious and cultural needs of many women in Leicester, and also in helping to tackle age discrimination.
8. There is a need for more accessible English courses, mainly for "older" Asian women and new migrants. The benefits of such provision extend far beyond access to employment.

3 Recommendations re changes in the Connexions provision (Chapter 7)

The Commission welcomed evidence from Connexions. It helped highlight key issues facing NEET youngsters. But it also offers a structure and framework for the City Council and other agencies to work

together to provide a wrap-around service for agencies across the city.

The Commission notes the sharp reduction (£2.4m to £750,000) available for the service currently provided by Connexions.

This contract is currently being retendered and is an issue which has yet to be resolved by the City Mayor and Executive.

1. The Council will have to demonstrate that if direct funding is being cut in this way that it is directing other resources to providing the range of services and data-tracking being provided by Connexions.
2. The effectiveness of school-commissioned careers information, advice and guidance should be put under review. The Mayor may wish to review the current arrangements, the new arrangements, their respective costs and outcomes.

4 Leicester College

We recommend that the City Mayor discusses the issues highlighted by Leicester College as part of the Council's leadership and co-ordination role across the city. (Section 8.2), including in particular the College's role as an Apprentice Training Agency (ATA)

3 The national context

- 3.1 This can perhaps be best set out by the Local Government Association's Centre for Cities outlook report for 2012, released in January.
- 3.2 This annual survey is a comprehensive review of economic and employment data and prospects for 64 cities and major towns across the UK.
- 3.3 The report highlights "some of the challenges confronting cities today: economic development, unemployment and changing demographics, but most importantly the need to stimulate private sector growth."
- 3.4 It identifies the main issues as
- Low growth in 2011
 - Lower growth in 2012
 - Increasing unemployment (2.64m – the highest since 1994)
 - Youth unemployment 1m+
 - High inflation
 - Limited wages growth
- 3.5 Priority is seen to be growth of the private sector. Cities already have 58% of private sector employment and public sector jobs growth prospects are poor ("limited at best").
- 3.6 All cities "will be squeezed by short and long term economic trends," the report says.
- 3.7 Short term issues include:
- Weak economic growth
 - Increased demand for services
 - Cuts to council budgets and workforce
- 3.8 Longer-term challenges are:
- Globalisation
 - Technological change
 - Competition with emerging economies
 - Need to compete in higher-value, knowledge-intensive markets
- 3.8 In the latter category "many of these higher-value businesses in both public and private sector cluster together in certain cities that offer access to specialist skills and proximity to key markets and suppliers – so-called "agglomeration benefits."

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3.9 “These benefits apply to a range of sectors, including publishing, media, IT, universities and financial and business services.”

The view from government

3.10 National economic growth policy is strongly based on local themes – including localism, decentralisation and liberalisation.

3.11 Concerns that cities would slip down the agenda were not borne out and a view emerged that intervention through direct investment would be needed.

3.12 Policies included:

- Finance and credit for small businesses
- Mortgage indemnities for first-time buyers
- Investment in super-fast broadband
- Enterprise zones
- Power of general competence for local government.

3.13 Regional growth funds and growing places funds are essentially short term. (LLEC has recently received a £8.9m GPF allocation).

3.14 Regional Growth and Growing Places Funds are described by the report as “essentially short term,

seeking to address immediate issues such as lack of credit for businesses, stalled regeneration projects or over-reliance on the public sector.

3.15 “Other policies such as the National Planning Policy Framework, Localism Bill and Local Government Financial Review are more fundamental in nature. They seek to change the context in which cities make decisions, deliver services and relate to their residents.

3.16 “2012 will be the year when it will start to become clearer whether these short and long term policies will deliver real change for cities.”

Implications for cities

3.17 First, cities will need to continue to work with the private sector and neighbouring authorities to take advantage of emerging policies and respond to rapid change.

3.18 Second, in prioritising how to support growth and jobs in their economies, cities will need to work at the appropriate spatial scale and Government needs to allow policies to be tailored to local circumstances.

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3.19 Third, cities and Government will need to recast their relationship, with Government delivering on its commitment to devolve powers and cities demonstrating the strong leadership required to transform local economies

3.20 Fourth, Government's commitment to give cities more powers and autonomy needs to result in cities having more responsibilities as well as managing more risks.

Cities and the unemployment challenge

3.21 The expected weak nature of economic growth coupled with continued public sector job losses mean that the number of people out of work is likely to increase further during 2012.

Main points

3.22 All cities underwent an increase in their claimant count rates during the recession and **all now have rates that are higher than at the start of 2008.**

3.23 Unemployment tends to be a particularly urban problem. Of all 64 cities, just 22 had Jobseeker's Allowance (JSA) claimant count rates that were below the UK average.

3.24 The gap between cities has widened. Even before the onset of the recession there was a wide divergence in claimant count rate between cities. The downturn has simply accentuated this gap.

3.25 In general, cities in the South have seen smaller increases in their claimant counts than cities in the North. But more detailed analysis shows that it is more complex than a North-South divide. Instead, these patterns are mainly driven by the occupational and industrial structure of cities.

Percentage point change in JSA (job seekers' allowance) claimant count since February 2008 (Extract)

Youth claimant counts %age (November 2011)

City	Change in rate	City	Rate
Northampton	1.6	Northampton	5.1
Coventry	1.7	Coventry	5.4
Leicester	1.9	Leicester	5.6
Peterborough	1.9	Nottingham	6.2
Nottingham	2.4	Sheffield	6.4
Sheffield	2.4	Peterborough	6.5
Derby	2.5	Derby	7.2
Birmingham	2.6	Birmingham	9.4

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Long term claimant rate %age
(November 2011)

City	Rate
Northampton	0.6
Peterborough	0.8
Coventry	0.9
Leicester	0.9
Sheffield	0.9
Derby	0.9
Nottingham	1.0
Birmingham	1.6

3.26 The Centre for Cities report says: “Cities with high rates of residents with no qualifications tend to be in the North and Midlands.”

3.27 Derby, Bradford, Hull and **Leicester** all rank amongst the ten cities with the highest percentage of working-age population without any formal qualifications.

3.28 Cities with the highest percentage of workers without qualifications also have the lowest employment rates which impacts on the overall economic performance of these cities.

RESIDENTS WITH NO QUALIFICATIONS

Ten cities with highest percentage working age population with no qualifications

55	Liverpool	16.4
56	Stoke	16.8
57	Glasgow	17.3
58	Hull	17.4
59	Blackburn	18.1
60	Birmingham	18.2
61	Bradford	18.3
61	Leicester	18.3
63	Belfast	18.8
64	Derby	19.5
	United Kingdom	11.6

4 The Leicester city context

4.1 The economy of Leicester cannot be taken out of context from the surrounding urban and rural context of Leicestershire.

4.2 Each day around 70,000 commuter vehicles come into the city (and 30,000 go out).

4.3 The various economies within the county are brought under the umbrella of the Leicester and Leicestershire Enterprise Partnership (LLEP).

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4.4 [The LLEP draft economic growth plan 2012-2020¹](#), was published in May 2012 and was one of the last documents submitted to the Commission.

4.5 In brief its headline objectives are to:

- Create 25k private sector jobs
- Attract £2bn private sector investment
- Increase GVA (Gross Value Added) by £4bn to £23bn.

4.6 It has defined its role as:

- **Engaging** with business, local authorities, Higher and Further education and the voluntary sector
- **Facilitating** local partnership working and relations with national government
- **Influencing** national government economic policy and spending
- **Investing** LLEP funding and aligning partner resources
- Strategic objectives in helping the economy to grow are defined as:

- Improving the match between skills supply and demand
- Increase supply of employment land and infrastructure
In this context infrastructure includes transport and digital infrastructure
- Support enterprise growth and investment
- Match available capital to enterprise growth

Priority sectors are identified as:

- Food and drink manufacturing
- Distribution and logistics
- Tourism and hospitality
- Knowledge-based business
- High-tech engineering
- Business and financial services
- Creative design, media and performing arts
- Space and aerospace
- Environmental technologies

4.7 Other roles for the LLEP include and economic intelligence resource which:

- Provides robust evidence and market intelligence
- Measures local economic performance

¹

<http://www.cabinet.leicester.gov.uk:8071/documents/s46014/Final%20Draft%20Economic%20Growth%20Plan.pdf>

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- Consults with the business community
- Helps research collaboration

4.8 The LLEP says the Government considers that the UK as a whole is falling behind competitor nations in terms of educational attainment and that the country needs to improve its performance to remain globally competitive.

4.9 “In this context it is a concern to see that our area performs below the national level on qualifications indicators.

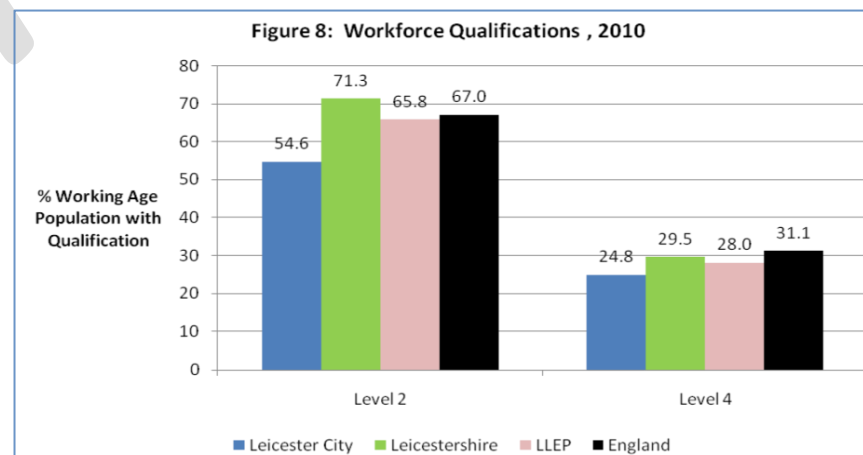
4.10 For example a lower proportion of our area’s workforce is qualified to degree level (NVQ4 equivalent) than is the case nationally 4.11 “This is in spite of the fact that our area is home to three world-class universities and has a strong further education sector.

4.11 “Workforce qualifications are linked to the sector and occupational structure in the local economy. The current situation in the LLEP area, to some extent, reflects a lack of graduate level opportunities in the labour market. This could be addressed through a growth in knowledge-based employment resulting in increased demand for high level skills.

4.12 “In addition, 18% of Leicester City residents have no recognised qualifications, which is significantly higher than the England average of 11%. For individuals, this lack of qualifications acts as a significant barrier to labour market entry.

4.13 “In terms of implications for the wider economy, this situation could hamper economic growth, especially our ability to attract investors in knowledge-based sectors.

4.14 From our recent business survey, 23% of employers consider that skills shortages are having a serious impact on their business and 27% of recruiting businesses have experienced difficulties in filling their vacancies in the last 12 months.



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- 4.15 “These recruitment difficulties were experienced in positions at all skill levels. In many instances, the difficulties were due to a lack of applicants with the appropriate skills.
- 4.16 “Furthermore, many employers have commented on a lack of applicants that are ‘job ready’, especially young people, suggesting a need to improve ‘employability skills’.
- 4.17 “Overall, the evidence indicates some mismatch between the supply of skills and the needs of businesses.”
- 4.18 The issue of job readiness was raised by a number of employers in evidence to the Commission, reinforcing the evidence of the report. Martin Traynor, chief executive of Leicestershire Chamber of Commerce, in evidence to the Commission in December 2011, said:
- 4.19 “The makeup of the local labour market (is) in our opinion, the single biggest threat to the future success of our local economy.
- 4.20 “This is not new but is something that has been steadily getting worse and has been further compounded by the recession and the jobs now being created in the local economy.
- 4.21 “This problem can be traced back to the last recession, where our economy went through major changes that left many unemployed people with a set of skills that were no longer relevant to the emerging businesses.
- 4.22 “In Leicester and Leicestershire this was an issue focussed around the loss of our textile companies and the skill associated with this once buoyant sector.
- 4.23 “By the time we had reached 2007, the position had started to become critical. In September 2007, unemployment stood at 14,000 in the city and county, with job vacancies being around 20,000 (using the combined figures from Job Centre Plus and the estimated vacancies amongst the 200 private sector employment agencies operating in Leicester, who fill two in every three vacancies).
- 4.24 “The onset of this recession clearly impacted on these figures, where at one point unemployment had peaked at 25,000, yet vacancies still remained high at 14,000. From this point the situation has continued to deteriorate. In November 2011 unemployment fell, against the national trend, and vacancies rose.
- 4.26 “Currently we have just under 22,000 people unemployed, with estimated vacancies running at

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20,000, borne out by many local companies reporting severe difficulties recruiting people with the right skills.

- 4.27 “To compound the issue, it appears that the problem has now become even more complex than in the 1990s, where it is no longer just an issue about a skills mismatch, but also involves an element of ‘work readiness’ skills.
- 4.28 “According to major private sector employment agencies, the work readiness issue is as big a barrier to gaining employment as not having the relevant skills for the job.”
- 4.29 The issue of work-readiness, particularly among school leavers, what it meant in practice and what can be done to alleviate it – by potential staff and employers - was considered in later evidence by the Commission.

5 The Mayor’s Economic Action Plan (EAP)

- 5.1 This plan – subtitled a plan for jobs and growth – 2012 to 2020 - was presented in late draft form to the Commission’s May hearing.
- 5.2 The timescale and general scope of the plan mirrors in significant respects the LLEP plan already referenced. It also echoed many of the issues and strands reviews

by this Commission, and comes to many of the same conclusions.

- 5.3 The document clearly highlights action areas and programme aspirations. But underlying issues, which perhaps can be linked to individual Performance Indicators, were set out in much greater detail early in the Commission’s inquiries.
- 5.4 An analysis of the local economy was presented to the city Council Executive in the Autumn. Some of the key features – strengths and weaknesses are set out below.
- 5.5 They provide a useful background for– and fast-track understanding of - many of the proposals and recommendations set out in the EAP.

5.6 Structure of Local Economy

- GVA in Leicester per head is lower than Derby, Nottingham and England - **but**
- Diverse economy limits vulnerability

5.7 Public Sector Reliance

- 1 in 3 jobs in public sector - admin, health and education

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- New tighter Gov't definition of public sector (excludes HE/FE) puts Leicester 115th of 408 in public sector dependency
- Key private sectors – finance and business, wholesale and retail and manufacturing
- Poor private sector jobs growth record (- 500 from 2003-08) during time of economic expansion
- Public sector jobs grew by 2000 over same period
- Mid table in Centre for Cities 'vulnerability' rankings.
- Many other cities are more vulnerable.

5.8 Employment and Earnings

Median weekly earnings:

- £398 Leicester
- £422 Nottingham
- £506 England

5.9 Earnings linked to sector structure & relatively low %age of jobs in management and professional occupations.

5.10 Also influenced by qualification / skill levels. Graduate retention low: % of graduates employed in the sub region 6 months after graduation: 15,000 graduates p.a.

- DMU 36.7%
- Leicester 22.5%
- L'boro 12.5%

5.11 Employment and Worklessness

JSA claimant trend

- 6.8% (13,300) Jan 2010
- 5.6% (11,524) Jan 2011
- 6.2% (12,887) Aug 2011
- Particular concern as 16-24yrs unemployment now very high
- 18-24yr olds on JSA between 6-12 mths is 800 in Aug '11. Was 300 in Jan '11.
- Some wards have very high % of residents claiming out of work benefits e.g. New Parks 31%. City Average 19.8%
- Skills mismatch: Vacancies in personal care, sales & HGV drivers

5.12 Skills

- 23% of residents have no qualifications - amongst highest in country (12% UK)

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- Schools improving - In 2010 48.9% pupils attained 5 A-C GCSEs (England comparator 53%)
- Underperformance of white pupils. Only 17% progress to HE compared to 62% Indian pupils
- Strongly performing FE sector– but relatively few apprenticeships
- Businesses reporting that skills shortages are impacting on growth reduced to 18%
- In some areas recruitment remains a problem and issues with basic skills / attitudes to work are big issues for employers

5.13 A Place to Do Business

- Shortage of good quality employment land and premises including Grade A offices and R&D facilities in science parks
- Retail ranking 14th (Fosse Park 3rd). Improved greatly with Highcross
- Relatively compact city centre
- Core Strategy required 25,600 homes 2006 – 26 (1280/yr) – approx 1100/yr built in last 5 yrs – 45% family housing, 35% flats, 20% student flats
- Lack of high quality family housing in city – “city flight”

5.14 Supporting Business: Further issues

- Higher than average business failure
- Loss of face to face Business Link support service
- High growth businesses - 5% of businesses create 50% jobs
- Loss of previous capital funding support from emda (East Midlands Development Agency)

5.15 Plans

- New ERDF programme designed to tackle all the above
- New Better Regulation Pilot – to simplify interface for businesses
- New LLEP key to accessing support from national contracts for
- Inward Investment
- High Growth Support

5.16 Development and Infrastructure: further issues

- Development industry stalled in both commercial and residential sectors (except supermarkets and student housing)
- Loss of Gov't Capital Funding support

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5.17 Pressure on retail sector – and therefore city centre - due to:

- economic climate
- structural challenges such as internet shopping

CONCLUSIONS AND RECOMMENDATIONS

5.18 The Mayor invited the Commission to comment on the plan, and to contribute to the identification of appropriate Performance Indicators for the Economic Action Plan.

5.19 We would like as a Commission to work with the Mayor's office to develop appropriate, challenging but also realistic Performance Indicators for the Economic Action Plan.

5.20 Other partners, including the private sector, FE colleges, and agencies such as Connexions should also be consulted on the development of credible and realistic performance indicators.

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5.22 The Commission welcomes the high priority given to worklessness and NEET levels within Leicester.

5.23 In exploring the problems faced by young people who are not in employment, education and training it is important to recognise that the numbers increase in the older age groups. A service is required that tracks and supports young people from the ages of 16 to 24. It is suggested that successful European models are examined, which are more effective than those used in the UK, in that far smaller numbers of young people drop out of the support systems.

5.24 It is recommended that the Mayor adopts a Performance Indicator (PI) which seeks to reduce the rate of NEET unemployment among 16-24 year olds by 2020. This objective has been agreed by every EU country except the UK. The City Mayor is urged to ask all three City MPs to lobby the Government for the introduction of this PI as a national target and to lobby government directly himself.

5.25 We believe that addressing the higher than average levels of economic inactivity and unemployment in Leicester among particular groups, and particular areas, such as wards with the highest level of NEETs should be a priority for action.

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- 5.26 It would strongly support a strategy which addresses comparatively low employment levels among women and the dramatically low levels of employment, and indeed hope, among some areas of the city.
- 5.27 These groups and communities should receive additional support from locally based Leicester to Work Centres (the renamed MACs) to enable them to gain access to advice and guidance, training and education and employment services. The work of these Centres should be reviewed and renewed to make them fit for this purpose.
- 5.28 This could include concentrating the diminished resources available for Multi Access Centres (MACs) to concentrate on these physical and social communities). (New Parks, for example, is cited as having high levels of unemployment and low levels of employment. Parts of the Abbey Ward, with some of the highest levels of deprivation in the country, also report high levels of customer satisfaction with their community - reflecting very low expectations of work or training).
- 5.29 Coordination of activities across the city to improve training and employment opportunities should include a strategic decision to link the many diverse elements within the Council to deliver the EAP.
- 5.30 This would include much closer cooperation between education, Further education and economic development programmes and teams.
- 5.31 The Commission recommends that the City Council looks to the Danish model of tracking and supporting the education and training of young people so that the artificial barriers (local programmes merging into national programmes and age milestones of 13,16,18,21 and 24) which are built into these programmes and the problems of continuity on different programmes are reduced.
- 5.32 The Council has a valuable role in sponsoring and promoting apprenticeships. The work already done, particularly in construction, is welcomed, and it is recommended that this programme is expanded.
- 5.33 It would provide community-based benefits on a range of fronts, with young people working within their own community to improve their own community, providing a greater sense of “ownership” and responsibility. (Evidence from the Future Jobs Fund programme, terminated by the Government, indicated these positive community benefits for the programme).

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- 5.34 Additionally, the highly cyclical construction industry, particularly the private sector, can recover sharply and find itself short of skills, driving up costs and delaying programmes.
- 5.35 Construction skills training is therefore important in stabilising and developing local infrastructure.
- 5.36 The Council can seek to build training and development requirements into its own contracts as part of a wider and separate review of its procurement practices.
- 5.37 The Commission notes that two elements of “employability” of school leavers (and indeed university graduates) do not relate to formal qualifications at all. These relate to the “soft” skills of communications and team working.
- 5.38 The Council, private sector and other work providers should develop programmes, through work placements, within the education system, through internships and work placements (the latter of which have recently reduced radically in the last year or so), the mainstream and FE/higher education systems, to develop these softer skills.
- 5.39 It is important that the private sector, which has highlighted the lack of these skills, should be much more proactive in identifying what is needed, and also help provide solutions rather than complain from the sidelines.
- 5.40 The Mayor’s EAP identifies transport development as an issue. But in evidence, especially involving work access for young people, the cost of transport within the city is now considered to be so high as to be a barrier to accessing employment if significant travel is required.
- 5.41 The Mayor should therefore seek greater powers to direct the bus operators, along the lines of the Transport for London model.
- (There is another economic aspect to this: cuts in evening, weekend and late night services make it more difficult for people to access the night-time economy in the city centre, including major venues such as Curve and the Phoenix digital centre).
- 5.42 In considering its own investment programmes, and programmes involving direct partnerships or the promotion of investment, the Council should overwhelmingly prioritise these programmes to take

into account the extent to which they preserve or create employment opportunities.

5.43 Partnership arrangements established by the Mayor should be subject to regular scrutiny to assess their achievements against objectives.

5.44 The problems faced by the city of Leicester – low levels of qualifications and so on - are strikingly similar to those of other major East Midlands cities, as identified by the Centre for Cities report.

5.45 While on one level Leicester may feel that it is in competition with cities such as Derby and Nottingham, there should be the cope and vision to work on a sub-regional level both with these authorities and with LLEPs.

(There are developing models of LLEPs working at a sub-regional level to co-operate on sector investment programmes as evidenced in an earlier Overview Select Committee review of Inward Investment).

5.46 The city council and LLEP should also further encourage the development of the local digital media sector, building on existing successes.

6 Women in employment

6.1 In 2010 a major report² looked at why women's employment in Leicester, particularly among some sectors, was so low.

6.2 The report noted that "*female economic activity rates in Leicester barely shifted from 65.2 per cent in 1999 to 65.9 per cent in 2009.*"

6.3 "This minimal growth occurred within a period, which until the recession of 2008, was characterised by sustained national economic growth.

6.4 "The gap between Leicester and the national average has therefore widened over time.

6.5 **The female employment rate in Leicester is also very low** compared with the national average and has fallen from 59.5 per cent in 1999 to 58.2 per cent in 2009 rose from 72.5 per cent to 74.2 per cent.

² **Participation of Women in the Labour Market in Leicester:** Christina Beatty, Tony Gore and Ryan Powell
Centre for Regional Economic and Social Research: Sheffield Hallam University

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- 6.6. The gap between Leicester and the national average has therefore widened over time. **The female employment rate in Leicester is also very low** compared with the national average and has fallen from 59.5 per cent in 1999 to 58.2 per cent in 2009.
- 6.7. The report described as “stark” the difference in women’s employment rates within Leicester compared with the wider Leicestershire sub-region.
- 6.8. Factors for low employment rates within the city were identified as follows:
- the ethnic composition of the workforce
 - some women preferred not to work
 - concentrations of benefit claimants in particular parts of the city
 - poor qualifications or lack of basic skills
 - low levels of pay available
 - fewer job opportunities especially as a consequence of the decline of the textiles industry
- 6.9. The report stressed that these factors were not the same for all women across the city.
- 6.10. The profile of the women’s workforce, the report said, was that 41% was BME, with 26% of working age women being Indian.
- 6.11. The report says “Economic activity rates amongst Indian women in Leicester are nine percentage points lower than for Indian women nationally and eight percentage points lower than Indian women in the comparator areas.
- 6.12. “Indications are that lower rates of participation amongst Indian women in Leicester may therefore be a function of structural weaknesses the local labour market which will also potentially affect white women as well as those from other BME groups.”
- 6.13. Further, “more than **one in three** of all working age women in Leicester are **economically inactive**. This high rate largely reflects greater numbers of women who are **not looking for work and do not want to work**.
- 6.14. “The primary reason given for not wanting to work is **looking after a home or family** which accounts for 14 per cent of working age women in Leicester and comparator areas compared to just nine per cent in England.

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- 6.15 “Engaging with this group is likely to be very difficult if they do not want to work and many have no interaction with the benefits system or local agencies.
- 6.16 **“This group represents a challenge for local agencies who may wish to see the employment rate in the area rise.”**
- 6.17 Lack of qualifications might be another factor, the report suggested. “In Leicester **24 per cent of working age women have no qualifications** higher than the 18 per cent in the comparator areas and nearly double the 13 per cent seen nationally.
- 6.18 “Amongst **non-employed women the rate with no qualifications increases to 38 per cent** in Leicester, 32 per cent in the comparators 26 per cent in England and only 22 per cent in Leicestershire county.
- 6.19 “The number of young women who are not in education, employment or training (NEETs) is relatively high compared the rest of the sub-region (8.2 per cent of young women in Leicester compared to only 4.0 per cent in Leicestershire).
- 6.20 “The need to obtain **sufficient language skills** was also mentioned as crucial for some groups of women to enter the workforce.
- 6.21 “Overall increasing skills and qualifications across women in Leicester is likely to improve their ability to compete in the workforce for jobs in the area.
- 6.22 (“On a more positive note, just over 1,000 female graduates from the three universities in the sub-region obtained employment in Leicester city”).
- 6.23 Further research³, published in 2011, looked in greater detail, through focus groups and other research, at the issues affecting low unemployment of women in Leicester, and made the following recommendations:
- 1 There is a need for more locally based and well informed careers advice which builds on existing and successful services in Leicester. Advice and guidance should seek to raise employment

³ Participation of Women in the Labour Market in Leicester: Qualitative Follow-up Study: Centre for Regional Economic and Social Research Sheffield Hallam University

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- aspirations where relevant, and not simply push people towards any job.
2. Careers advice needs to consider the dynamics of the labour market in Leicester. This needs to be balanced alongside individual preferences and aspirations.
 3. Work placement programmes (which engage with a range of employers) and ILMs offer mutual benefits to individuals and organisations, and should be considered as a means of addressing ...lack of experience.
 4. There is a clear preference for job search support to be administered locally, perhaps through the MACs in a more formalised way and, where possible, on a one-to-one basis. This should also include identifying and/or collating work opportunities compatible with childcare responsibilities.
 5. The success and popularity of existing service provision mentioned above (e.g. MACs, *Nextstep*) suggests that any further interventions and changes to employment support for women should draw upon the existing knowledge, experience and expertise of those organisations.
 6. As many of the research participants were keen to enter employment in the childcare sector there may be potential to provide cost efficient childcare services by drawing on the skills and labour of workless women qualified in this area. This could also provide valuable work experience at the same time as increasing the level of provision and going some way to reducing the cost.
 7. There is a need to provide information on the welfare reforms introduced by the coalition government and to inform women of their benefit rights and entitlements. This should pay attention to the complexities of eligibility and the interplay with household circumstances, which dictate eligibility to certain benefits.
 8. There is a need for engagement with employers, in terms of addressing discrimination in the workplace and during recruitment. This engagement is crucial as a means of raising awareness and cultural sensitivity to the religious and cultural needs of many women in Leicester, and also in helping to tackle age discrimination.

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9. There is a need for accessible English courses, mainly for "older" Asian women and recent in-migrants. The benefits of such provision extend far beyond access to employment.
- 6.24 These recommendations are in general endorsed by the Commission. However, considerable changes in the financial structures within the authority and further afield mean they cannot be simply slotted into the Council's policy.
- 6.25 Additionally, written evidence from the GMB Trades Union (GMBTU) suggests that the Sheffield reports laid perhaps too much stress on the way in which the decline of the textile industry within the city affected women.
- 6.26 Both men and women were affected by the industry's decline, writes Ms Mary-Louise Harrison, women's officer for the GMBTU.
- 6.27 "The problem for women, above that of men however, is that the textile sector was based in easily accessible local factories, they required little or no qualifications and offered flexible working-hours enabling women to work around their childcare / caring needs.
- 6.28 "When women are in work, they often receive lower wages than their male counter-parts and a "glass ceiling" to promotion or struggle to stay in work, due to expensive childcare and due to a lack of due to lack of occupational mobility - regular and affordable transport around the City.
- 6.29 "This is because the move by many of Leicester's employers to out of town business parks has often meant that many women do not always have access to these jobs.
- 6.30 "This leads me to the conclusion that what women need to participate more fully in the market place are:
- better wages,
 - more affordable childcare,
 - flexible working hours and
 - Regular and affordable public transport
- 6.31 "In addition, cuts to the welfare system including cuts to childcare tax credits and support for the elderly, often means that women are increasingly being forced to leave their jobs to become unpaid carers.
- 6.32 "Therefore GMB would encourage Leicester City Council and its partners to continue to represent women and support initiatives that aim to improve their

lives by providing access to quality education, leading to higher qualifications and better employment-skill sets, better job opportunities, higher salaries and equal pay where disparities between men and women occur, affordable childcare and regular / affordable transport.”

- 6.33 The issue of language barriers to educating, training and work is considered in some detail in these reports. In the context of the City Council’s organisation, the Adult Learning Service has a considerable role to play, despite the cuts in funding it faces through the ending of government funding streams.
- 6.34 The ALS can be proud of its wide scope in working with other education agencies and by its self in providing a range of cultural and educational services for a full spectrum of communities across the city.

7 Young people not in education, employment or training (NEETs)

- 7.1 The Work Foundation, in a report: Lost in Transition: [http://www.theworkfoundation.com/DownloadPublication/Report/310_lost_in_transition%20\(2\).pdf](http://www.theworkfoundation.com/DownloadPublication/Report/310_lost_in_transition%20(2).pdf)
- 7.2 published in May 2012, and referenced in the May meeting of the Commission, said: “The large numbers of young people who are NEET is one of the most serious social problems facing the country.”
- 7.3 The social and economic consequences of NEET on individuals and communities is further spelled out by the same report.
- 7.4 “There are a number of costs which are associated with growing numbers of young people being NEET.
- 7.5 “Some of these are borne by young people themselves, but there are wider social and economic costs. For the individual:

Wage scarring – A period of unemployment at an early age can result in reduced wages over a long

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period. Gregg and Tominey estimate that youth unemployment can reduce an individual's wages by between 13 and 21 per cent by the age of 42. 5

- **Increased participation in crime** – Youth unemployment has been seen to increase the risk of problematic behaviour and delinquency.

Whilst representing a considerable cost to the criminal justice system, this also impacts greatly at an individual level as having a criminal record is a barrier to employment and impacts negatively on subsequent labour market experiences.

Reduced employability – Lack of labour market contact inhibits the development of key 'employability' and 'soft' skills including self-motivation, time management and communication skills. Employers have highlighted a growing shortage of these skills amongst young people. 7

Poorer well-being – Being out of work can lead to stress, lower self-esteem, and depression. 8 This in turn may increase the strain on families, communities and the NHS.

"In a recent UK survey of young people a quarter of those who were or had been unemployed said that being unemployed caused arguments with their family; and more than one in ten said that being unemployed drove them to drugs or alcohol.

Reduced self-confidence – More than one-in-five NEETs surveyed in 2009 reported that they had lost the confidence to go to job interviews."

Additional social costs include extra benefits payments, lost tax revenue and extra health costs. The estimated average total cost to public finances of 16-18 year olds who are currently NEET is estimated at £56,000 over the course of their lifetimes, the report says.

7.6 This was the backdrop to the raised urgency around NEET issues in the city. In a note to the Commission, Deputy Mayor Councillor Rory Palmer identified a number of headline issues.

These included the view that:

7.8 A simple picture needs to be created which will provide support to young people looking to access employment, training etc."

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- 7.9 There was a range of available projects and programmes “but the picture is confusing and this needs to be simplified.
- 7.10 “There is a strong partnership and information around for 16-19 but this has to tie better with the 18-24 organisations and delivery bodies.”
- 7.11 “Consideration should be given to include 14+ within the Economic Action Plan especially in relation to reduced budgets of the schools and their priorities being focused on GCSE achievements, rather than say career advice etc.
- 7.12 “Funding for this is expected to reduce by 50% over the next year, including the support for work experience.
- 7.13 “One of key strengths of the local economy are SME’s which need to be built on and linked to training, employment and career advice.
- 7.14 “The Social enterprise sector should not be forgotten as is continuing to grow in Leicester compared to Nottingham and Derby
- 7.15 The “plan should reflect work around family support both in relation to troubled families and families with multiple problems.”
- 7.16 “Within the council, it was recommended (it) look at job descriptions and assess if they need the level of qualification they are requesting - check to see how these can be more flexible to open up opportunities for those that have not secured 5 GCEs for eg for apprenticeships.”
- 7.17 He reported “a lot of activity already existing and being provided such as brokerage support from connexions (16-19) and Job Centre Plus (19+).
- 7.18 “It was suggested we have the right structures but there needs to be more joined up working as this is confusing picture to both young people and employers. Web based coordination was suggested as a potential part of any proposal for (an apprenticeship) hub.
- 7.19 “We need to look at the mis-match between the market and the young person’s aspirations. We should also consider how we support young people that apprenticeships would not be suitable for and pre-apprenticeship work interventions.”
- 7.20 A possible Skills & Worklessness Network “must not create additional bureaucracy and it must link to particular issues and address particular problems to provide solutions.

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7.21 “The focus of the network should not be segmented by age or by different services. In particular, the language and distinction used between economic development and children’s services is not helpful when trying to deliver and address services needed by the youth age group. Therefore, a more joined up network should be a key aim.”

7.22 The “Network should improve communications between internal organisations (ie within the council) as well as external organisations.

7.23 “Any new network must be what is demanded by the labour market, thus this should include the priorities of the LLEP too and therefore it should be wider than just the City Council boundary and really needs to cover the County too.”

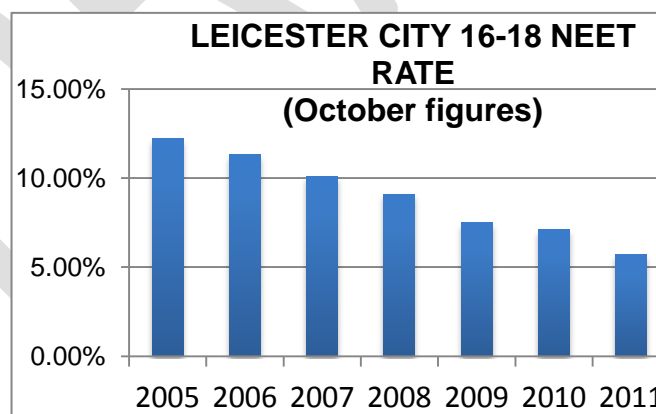
7.24 Cllr Palmer also reported that “The main agencies (Job Centre plus, NAS, the Colleges) felt that the distribution of skills funds and the priorities it was being directed to was about right.”

7.25 However, “there is a perception

that a lot of previous good practice in local and community based approaches to providing services and training to unemployed people is being by- passed; small voluntary organisations are picking up the pieces and consequently are supporting larger programmes without acknowledgement or resource as they are supporting clients that have approached JCP or WP providers.”

7.26 The City Council “could act as a partner in the Work Programme and Youth Contract; and have an influence on their priorities in order to get a better deal for clients and sub-contractors, and to encourage the use of existing, established local and community providers.

7.27 Agencies appreciated the space to discuss these issues and to think strategically – LCC has the capacity to plan over long –time scales, is there, therefore a role for the LCC to help “glue” together the landscape of apprenticeships, training, skills and employment services offer in Leicester and to take on a co-ordination role amongst the agencies.”



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7.28 The May hearing of the Commission heard evidence about the way NEET patterns develop in Leicester.

Evidence showed that in Leicester:

“NEET increases with age.

Connexions reported that in round figures:

- 100 16 year olds (out of 3,500) are NEET
- 300 17 year olds are NEET
- 500 18 year olds are NEET

7.29 In broad terms, agencies

working within the city have helped reduce NEET levels at rates faster than in other parts of the country and the rate of reduction is better than the national average.

7.30 The hearing was told:

“In March 2012 Leicester had a 16-18 NEET rate of 7.4%. This represented 878 young people. Leicester’s NEET rate is 9th in the table of eleven statistical neighbours (Birmingham, Coventry, Slough, Walsall for example).

7.32 It is above that for Nottingham but below that of Derby. The England rate is 6.0%. 16-18 unemployment is now at an all-time low.”

7.33 However, the data showed some significant patterns and anomalies.

7.34 “NEET is clustered in the west and south of the city. Freeman, Castle, New Parks, Abbey and Braunstone/Rowley Fields have the highest numbers and rates. Almost $\frac{3}{4}$ of all NEETs are White British males and females.”

7.35 The 13-19 Partnership within the City Council has recently been expanded to include the Council’s economic regeneration team.

7.36 This is a welcome move towards breaking down some artificial boundaries within the authority (but by no means solely within the authority) to give a greater recognition of the connection between educational attainment and employment prospects within the city.

7.37 In a note of evidence made available to the Commission, Adam Suddaby commented: “There is a particular issue around the school secondary curriculum 14-16.

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7.38 The government emphasis is now specifically on a traditional academic curriculum – the English Baccalaureate.

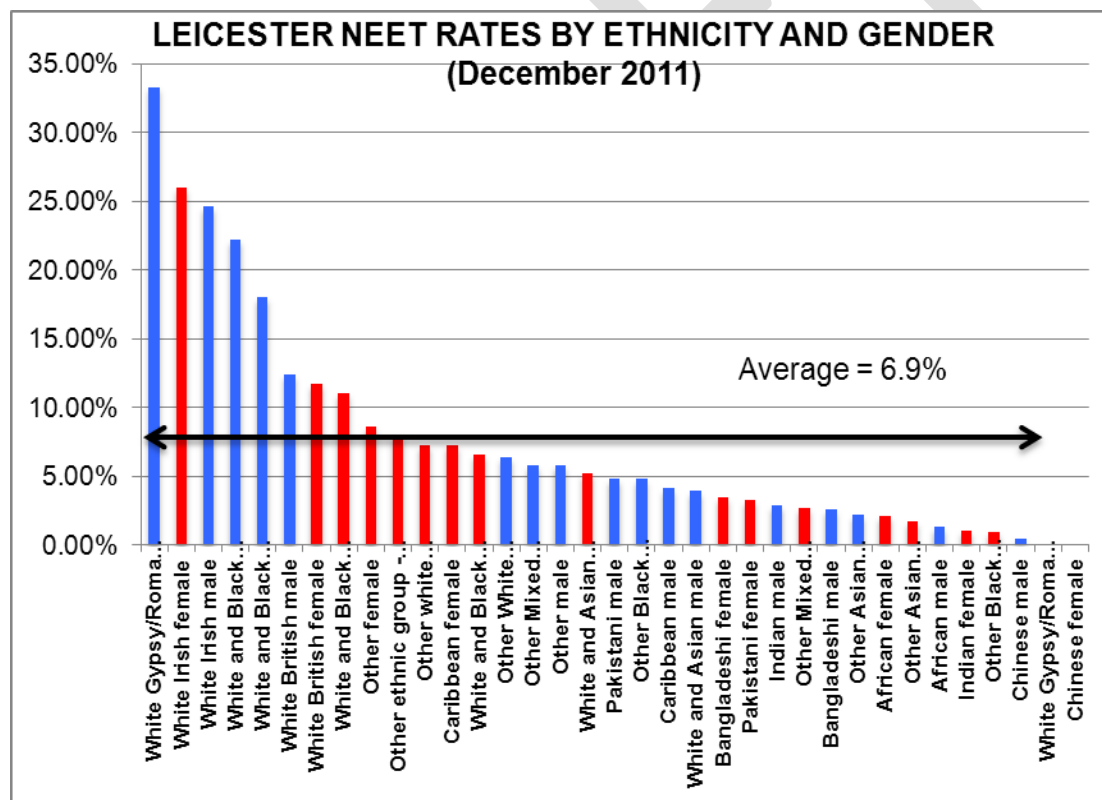
7.39 “This is being reinforced by the league tables. Against their better judgement many schools in Leicester are moving away from a broader curriculum that included vocational skills.

7.40 “Further issues are the removal of externally funded careers education and guidance referred to above and the removal of central funding for work experience placements coupled with government severely reducing emphasis on this in the 14-16 curriculum.”

FUNDING

7.41 In 16-19 education and training is passed directly by the Education Funding Agency (formerly the Young People’s Funding Agency) to providers.

7.42 “In Leicester there is one large General FE College, three Sixth Form Colleges, four school sixth forms and a number of smaller private and third sector providers.



7.43 “19+ funding is provided by the Skills Funding Agency and apprenticeship funding is by the National Apprenticeship Service.

“Approximately £50 million is provided annually for 16-19 and around £30 million for 19+ and apprenticeships. The local authority has no direct role in funding

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but it does have a role in ensuring that provision matches local needs and is of high quality.

“It discharges this function by monitoring the provision made and assessing its quality. A formal meeting is held each year with each provider.”

- 7.44 In summary, he said: “There is strong partnership working in Leicester around 14-19 and generally quality is good.
- 7.45 “Certainly there are issues around further reducing NEETs – particularly at age 17 and 18 and amongst particular groups. Also, there is a need to further raise levels of attainment by age 19, particularly amongst some key groups like white males.
- 7.46 “The curriculum is broadly appropriate but greater involvement and advice on changing needs and around priority sectors would be welcome, as would employers help in work experience to better develop young people’s employability skills.
- 7.47 “Finally there is a clear infrastructure for the development of 16-19 employment and skills in Leicester through a well-established 13-19 Partnership and officer capacity in Learning Services.

7.48 “At issue is how best can this be developed, particularly to engage the voice of employers and more widely, to articulate with strategies for worklessness and skills for 19-24 year olds.”

7.49 The dislocation between the Council’s responsibilities, In this case 19+ education, and the funding sources was a continuing theme through the inquiry, and the Commission feels that on a range of issues it would be better to have local control of funding – either directly or in partnership with local providers.

(This was also a feature of the funding agencies such as A4e and Ingeus being given funding to provide pathways for unemployed people to get into work).

7.50 A4e provided evidence to the Commission but was, it said, barred by the Government from providing information about how well it was performing against its objectives.

7.51 The Commission was satisfied, however, that the evidence provided by the agency suggested it was suffering against its work programme.

7.52 This was at least in part because many of those it expected to be clients, namely those being removed

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from disability benefit entitlements were appealing against those determinations).

7.53 Connexions provided detailed evidence of patterns of unemployment among young people within the city at the Commission's March hearing.

7.54 This report is intended to bring together information from a range of sources, to perform one function of being a one-stop shop for those interested in these issues and the Connexions evidence fits very well with the information provided by Mr Suddaby at the May hearing as well as chiming with the evidence provided by the Deputy Mayor.

Connexions Leicester Shire: note of evidence from Chief Executive Rosemary Beard.

1. Introduction

a) This paper analyses the current and historic situation regarding the number of young people aged 16-19 resident in the City of Leicester who are not in education training or employment. Very few of these young people are eligible for benefits and therefore do not appear in the unemployment statistics.

b) The report looks at the factors influencing the likelihood of a young person becoming NEET (not in education employment or training), the composition of this group and suggests some additional measures that could improve the work that is already being taken to support this group.

2. Context

a) Since 2002 the primary responsibility for supporting young people aged 13-19 and reducing the numbers who become NEET has rested with Connexions.

b) Connexions Leicester Shire was formed in 2002 as a not for profit company, owned by the Directors who were drawn from a wide range of stakeholders, including the city and county councils, and providing services across Leicester and Leicestershire.

c) The primary source of funding was a grant from the Department for Education aimed at reducing the numbers of young people 13-19 who became NEET.

d) Every young person had a named personal advisor who was responsible for co-ordinating support to

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- remove barriers to the young person's engagement in education, training or work.
- e) This was linked to the provision of careers information advice and guidance (CIAG) delivered in schools and localities by qualified advisors.
 - f) In 2008 funding for Connexions transferred to Local Authorities as part of the Area Based Grant (ABG). The City and County Councils agreed to transmute the company in to a wholly owned subsidiary of the two Local Authorities.
 - g) Connexions Leicester Shire delivers services to young people in schools, colleges and localities and to adults and young people through our City centre premises in Charles Street.
 - h) This centre provides a hub for multi-agency delivery offering co-located support from Job Centre Plus, housing advice and sexual health and midwifery services.
 - i) The sexual health service based here is the busiest in the City, seeing 730 young people in the last year. In 2011 the centre helped 13,533 young people and 9,467 adults.
 - j) Our work centres on:
 - (i) **early intervention** in schools and colleges to prevent drop out or disengagement from learning through supporting young people and removing barriers to engagement; and
 - (ii) **re-engagement** - helping young people who have dropped out to get back into learning or employment.
 - k) Alongside this work the company also provides free careers advice and guidance to adults through the **Next Step** contract. In April 2012 this (became) the **National Careers Service (NCS)**, funded by BIS.
 - l) The company has always sought to bring in additional sources of funding. Since 2002 the company has brought in over £10.5m additional funding to the City to support work with vulnerable young people and adults. Currently we hold contracts for ESF and other funding bringing in £2.45m to the City in the last year.

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2 Changes in 2012 / 2013

a) Young People

(i) The DfE is splitting the responsibility currently held by local authorities and discharged through Connexions so that:

- From April 2012, local authorities (have) responsibility for NEET young people (prevention pre-16 and re-engagement 16-19) and support to vulnerable young people (13-19 and up to 24 for those with additional needs).
- From September 2012, schools pick up responsibility for ensuring pupils in years 10 and 11 have access to impartial and independent careers advice and guidance. They are receiving no additional funding to secure this.
- The responsibility on schools to provide careers education will cease. Careers education in the curriculum enables young people to build decision making skills, explore opportunities,

develop self-awareness to make the right choices and make a successful transition.

(ii) Employers frequently complain about the lack of job readiness in young employees and there is a concern that reduced programmes of careers guidance will further exacerbate this problem.

(iii) Schools and colleges are not required to provide access to careers advice and guidance for pupils/students in years 12 and 13. There is no responsibility to fund access to **careers** advice and guidance for young people aged 16-19 unless a local authority decides to include this as part of its response to NEET prevention and re-engagement.

b) Adults

(i) From April 2012 Next Step (was) rebranded as the National Careers Service providing face to face advice and guidance to clients aged 19+ and a national website and telephone helpline to adults and young people.

(ii) Although trailed by the government as an all age service the NCS will not provide face to face services to young people under 19.

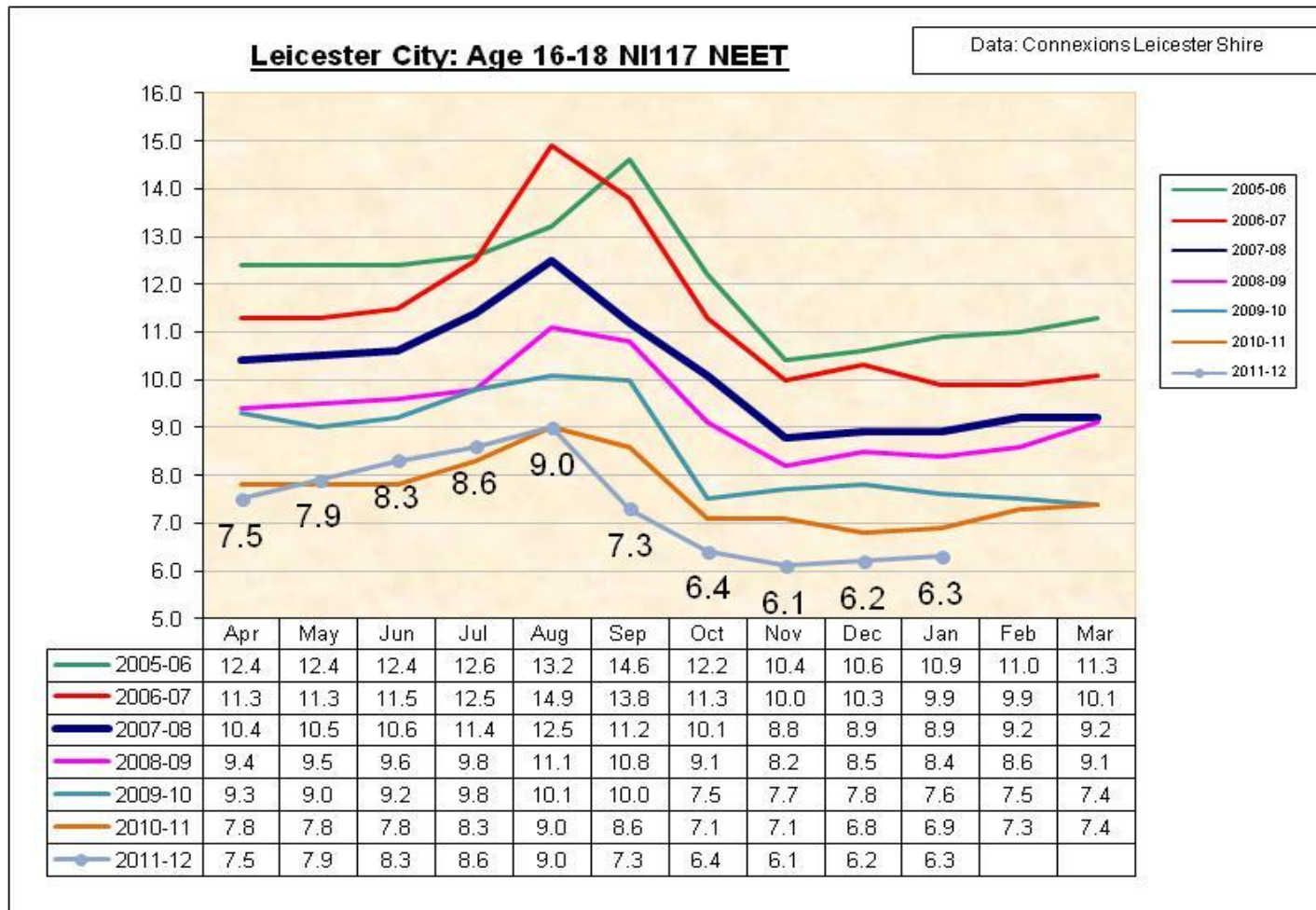
3. Youth Unemployment 16-19

a) Who is NEET?

- (i) Levels of NEET 16-19 in the City have fallen from 9.9% in 2006 / 2007 to 6.3% in January 2012, a reduction of 36% over 5 years compared to a national reduction of only 22%. Leicester City has moved from ninth to fifth against statistical neighbours over the last two years.

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- (ii) NEET is never a static picture: most young people moving in and out of NEET over any given period. The 6.3% of young people registered as NEET in January 2012 represents 728 young people. Over

the twelve months of 2011, Connexions enabled 2,641 young people to move from NEET to EET.

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b) How do we know?

- (i) The CCIS tracking system used by Connexions Leicester Shire allows the collection of detailed longitudinal information about young people.
- (ii) At age 13 each young person is allocated a named personal advisor who is then responsible for keeping in touch with them and monitoring their progress.
- (iii) Once they leave school post 16 the personal advisor will maintain contact to ensure that they make a positive transition into further learning, training or employment.
- (iv) Any young person who becomes NEET will receive intensive support until they are settled. The collection of this data over the last 10 years provides a wealth of data that can be mapped and analysed to help understand the causes of NEET, inform the demand for post 16 provision, and design appropriate support for those who drop out or are at risk of dropping out.

- (v) Analysis of this data means that we know that the following factors influence the likelihood of becoming NEET.

c) Age

- (i) NEET increases with age.
- (ii) 95% of 16 year old City residents are in education, employment or training (EET), compared with 92% of 17 year olds, 89% of 18 year olds and 86% of 19 year olds.
- (iii) Intensive work in year 11 ensures that most young people make a positive transition at 16. Each January Connexions staff collect information on the intended destinations of all year 11's.
- (iv) Those without a clear plan or whose plan is unrealistic receive additional support. In September contact is made with all young people to verify that they have taken up their choice of post 16 learning or training. Any young people who are not settled at this stage receive intensive support until they are settled in EET.

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(v) As an example, in May 2011, from the 3,577 young people in Year 11, 751 were recorded with no transition plans, these were identified for additional support and by August this had fallen to 249. By September, only 100 young people remained without a guaranteed place in education, training or employment.

(vi) The reasons why NEET increases between 16 and 19 are complex and but are often linked to the ability of the young person to achieve and progress. This is discussed in more detail in the section on “What makes a difference?”

d) Gender

(i) Boys are more likely to be NEET than girls.

e) Ethnicity

(i) White males are most likely to be NEET.

f) Vulnerable Groups

(i) Young people who are looked after, who have learning difficulties and disabilities, who are teenage parents or who are known to the YOS are more likely to be NEET, although in each

category levels have reduced over the last year and are continuing to reduce.

g) Where you live

(I) Young people are disproportionately likely to be NEET if they live in the west of the City. However 16 of the City wards have shown a reduction in NEET since December 2010.

(II) Only one ward, Castle, has shown a significant increase (5%), largely caused by numbers of NEET young people moving into the area from outside the City.

g) Vulnerable Groups

(1) Young people who are looked after, who have learning difficulties and disabilities, who are teenage parents or who are known to the YOS are more likely to be NEET, although in each category levels have reduced over the last year and are continuing to reduce.

h) Length of time unemployed

(1) The length of time spent NEET also increases with age. In the six months after leaving school the average length of time spent NEET is 64 days.

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(2) In the 18 months after leaving school the average length of time spent NEET rises to 162 days and 30 months after leaving school the average has **risen** again to 235 days. However during this time only 17 young people had been continuously NEET. It has been shown that if a young person receives effective support within six weeks of becoming NEET they are more likely to be successfully re-engaged in learning and less likely to become NEET again

4. Impact of Unemployment

(a) There has been a wealth of research on the impact of unemployment on the life chances of an individual and the economy of an area.

(b) Recently the ACEVO Commission on youth unemployment “Youth Unemployment: the crisis we cannot afford” [http://dn56eaq5gsh5n.cloudfront.net/ACEVO%20Youth%20Unemployment lo res.pdf](http://dn56eaq5gsh5n.cloudfront.net/ACEVO%20Youth%20Unemployment%20lo%20res.pdf) provides a detailed analysis of the impact. In summary, when young people experience unemployment at a young age the effects are:

- They are more likely to experience further, longer periods of unemployment throughout their lives.

- They are likely to be paid less in later life.
- Their mental and physical health will be negatively affected.
- They are more likely to get involved in anti-social activity, or, if female, to become teenage mothers.

6 What Makes a Difference?

(a) The key factors in determining economic success as an adult are:

- Achievement of 5 GCSE's **including English and maths.**
- Progression 16-18 to level 2 and level 3.
- Having the right mix of opportunities and support to enable progression.

a) Achievement of GCSE's including English and Maths

- (i) Only 11% of the NEET group have five GCES's including English and Maths. Whereas, 72% of the NEET group have qualifications below level 2.
- (ii) Lack of a level 2 equivalent in Maths and English limits options for progression post-16. Many young people find that they are either unable to follow their preferred career

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path or have to repeat level 2 qualifications because they are unable to progress to level three courses.

- (iii) Frustration and disillusionment leads to drop out and makes it harder to persuade young people to keep trying and re-engage.

b) Progression to Levels 2 and 3

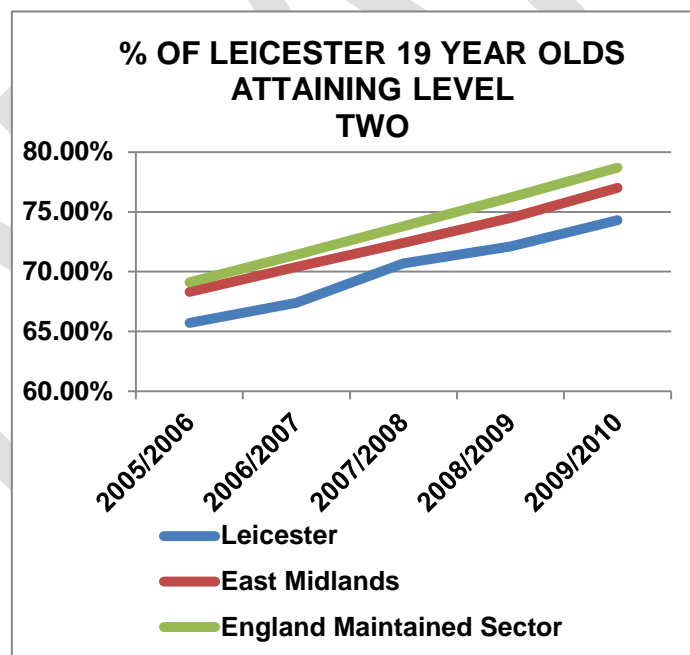
- (i) Leicester is successfully narrowing the gap with national levels of achievement at Key stages One, Two and Four (Level 2).
- (ii) However, post 16, the gap is widening and there are very significant gaps between the attainment of different groups of young people with 45% of white boys failing to attain Level 2 by age 19 and only 26% attaining Level 3.
- (iii) The reasons for this lack of progression are not well understood but may include:

- Lack of aspiration and ambition to achieve academically
- Lack of flexibility in FE course provision means that young people have to retake a whole qualification rather than 'top up' the elements they need to progress quickly
- Teachers not understanding the complexity of the post 16 offer, including apprenticeships, resulting in young people choosing options that do not aid progression

- Pressure on success rates in FE leading to admissions tutors minimising risk and placing young people on courses where they are most likely to succeed, with more young people repeating levels

c) Having the Right Mix of Opportunities

- (i) Young people need help to make the best choice for them. Schools see their responsibility as getting young people to achieve at GCSE and too little attention is paid



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to what young people need to progress post-16.

- (ii) Many teachers admit to knowing relatively little about routes into employment or the subject combinations needed for various professions.
- (iii) The Wolf Report identified the problem that a number of current qualifications offer poor progression into post-16 and higher education, limiting young people's choice post-16 and forcing many to repeat a level. There is also insufficient information on what is needed to allow progression between levels.

5. Current challenges

- (i) Although most young people make a smooth and positive transition into employment, for many of the most disadvantaged this proves to be a struggle.

In addition to the existing weaknesses in the system of support, two further changes to the current situation are likely to impact adversely on the chances of young people making a positive transition.

d) Access to Independent and Impartial CIAG in Schools

- (i) From September 2012 schools have the freedom to make their own arrangements for the provision currently provided by qualified careers advisors from Connexions. This is a new responsibility for schools who have never previously had to purchase careers advice and who have been given no additional funding to do so.
- (ii) The City schools, through the EIP have indicated that they may wish to make internal arrangements for providing this service.
- (iii) This raises questions as to the extent this will provide independent and impartial advice, the likelihood of school staff having appropriate professional skills and whether such staff will fully understand the full range of options available to young people.
- (iv) If young people are unable to make informed choices on all the options available to them they are less likely to make a choice that is best for them and more likely to make poor decisions. The impact

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of this is likely to be higher drop out post 16 and poorer progression to higher skills and employment.

e) Prevention and Re-engagement of NEET

- (i) Responsibility for the prevention and re-engagement of NEET young people up to age 19 is the responsibility of Local Authorities.
- (ii) Our understanding is that the City Council intends to maintain the current support for Connexions until September 2012, when the part of the current responsibility for securing impartial careers information advice and guidance shifts to schools. The Council will then tender for the delivery of the remaining statutory responsibilities.
- (iii) However it appears from the budget proposals that the value of this tender will be considerably less than the current value of support given to the remaining statutory responsibilities, reducing current levels of funding by up to 70%.
- (iv) Proposals are subject to the budget process and outcomes of the 0-19 review but indicative figures show that full year funding for this area of work will fall from £3.1m in 2010 / 2011 to £750,000 in 2012 /

2013. It seems inevitable that there will be a severe impact on level of service available to support NEET young people.

f) Gaps

- (i) Currently there are gaps between:
 - Responsibilities of schools in preparing young people for the world of work and expectations of employers
 - Strategic planning at board level in the LEP and agencies working on the ground
 - Ownership and leadership of local authority responsibilities for co-ordinating responses to unemployment and low skills between children's services and economic regeneration

6. Suggested Improvements

- (i) Although NEET 16-18 has been decreasing year on year, there remain approximately 728 young people in the City who are NEET and unemployment amongst 19 – 24s is of increasing concern.
- (ii) Further fragmentation of responsibilities and reductions in funding mean that it is likely that the

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situation will worsen over the next 12 months and that 16- 19 year old NEET will rise for the first time in ten years.

- (iii) There are however a number of simple and practical steps that can be taken to improve chances for young people. What is lacking is a mechanism for the co-ordination of responses to unemployment for young people and adults. Currently there is no City wide forum that brings together statutory and voluntary agencies involved in supporting unemployed people and devising solutions to meet needs.
- (iv) In particular there is a disjuncture between the schools / children's services responsibilities and those of economic regeneration. Such a group could provide a link between delivery organisations and the LEP, with clear task and finish groups.
- (v) Continued progress in reducing NEET is possible, despite the worsening economic conditions, providing support is sustained and agencies are enabled to collaborate more effectively.

9. Conclusion

- (i) Although NEET is rising in many cities across the Country, Leicester stands out as a place where NEET levels are continuing to fall. A focus on reducing NEET is important for the economic wellbeing of the City and for the benefit of the young people involved, many of whom are amongst the most vulnerable.
- (ii) Sustained investment and improved collaboration provide a sound basis for continued improvement in this important priority for the City.

COMMISSION CONCLUSION AND RECOMMENDATIONS

- 1 The Commission welcomed this evidence and continuing assistance from Connexions.
- 2 It helped highlight key issues facing NEET youngsters. But it also offers a structure and framework for the City Council and other agencies to work together to provide a wrap-around service for agencies across the city.
- 3 The Commission notes the sharp reduction (£2.4m to £750,000) available for the service currently provided by Connexions.

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- 4 This contract is currently being retendered and is an issue which has yet to be resolved by the City Mayor and Executive.
- 5 The Council will have to demonstrate that if direct funding is being cut in this way that it is directing other resources to providing the range of services and data-tracking being provided by Connexions.
- 6 The effectiveness of school-commissioned careers information, advice and guidance should be put under review. The Mayor may wish to review the current arrangements, the new arrangements, their respective costs and outcomes.

8 Leicester College

- 8.1 Leicester College, in a paper reproduced in this section, set out its own view of the issues facing the city and those who are trying to gain skills, improve their skills or seek training and employment.
- 8.2 The College, which says it is one of the few in the country to have an Apprentice Training Agency (ATA), makes a series of proposals which seek to improve, strengthen or create partnership links with the City

Council and other agencies working within the city. They are summarised as follows:

1. The City Council might wish to consider supporting the national Skills Enterprise Academy by becoming a sponsoring employer.
2. As a major employer, the City Council could be a key partner to benefit from the Apprentice Training Agency (ATA). In addition, the Council could support and use the ATA to promote apprenticeships, training and employment opportunities to businesses and potential employees
3. While the College has established a good relationship with Connexions in identifying vulnerable young people, there is a co-ordination issue.

When the Connexions Service is reduced, how will these learners be identified and referred to the College in a timely way? The City Council may wish to review the relationship with Connexions in order to ensure that young people continue to be well supported.

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4. We would like to explore with the economic development department how this relationship could be developed and how the College could fulfil its role as a key partner in the economic development strategy for the City.

INTRODUCTION

- 8.3 This paper provides evidence from Leicester College to inform the City Council's Scrutiny Review of employment improvement measures.
- 8.4 It describes in particular, the College's current activity in supporting individuals into employment and in preparing them for successful and sustainable employment. It also suggests ways in which the College could work more closely with the City Council in order to join up and promote support and services for individuals and businesses, and to inform planning at a strategic level.

BACKGROUND

- 8.5 Leicester College is the only college of further education (FE) in the city of Leicester and one of the largest FE colleges in the Country. In 2010/11 it provided for around 26,000 learners. Of these 82% were adults.

- 8.6 It draws around 70% of its learners from the city with the majority of the rest from the wider county. It offers a broad range of provision including a substantial provision for 16-18 year olds, workplace learning, apprenticeships, a vocational offer across all sector subject areas and higher education programmes.

- 8.7 At its last inspection in January 2011, it was assessed to be 'a very good college with many outstanding features'. Inspectors particularly noted that:

'The college is outstanding at meeting the needs of learners, employers and the county's wider community. It provides an impressive and broad range of courses to meet the needs of all learners.'

'Successful collaboration with other providers through franchise arrangements has contributed to the reduction in the proportion of young people who are not in education and employment. Provision developed for apprenticeships has provided a very effective alternative approach and flexible bespoke training for a number of local industries.'

'The college's partnership work is outstanding. Links with a wide range of community groups and voluntary'

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organisations benefit learners greatly. Partnerships have resulted in very good success rates on provision designed for the most disadvantaged and demanding client groups in the area.

“The college’s reputation for flexibility and responsiveness is strong. It takes a lead role in many productive partnerships including with the city council and private training providers, increasing the range and extent of employer-based provision.”

OUR CURRENT ACTIVITY

8.8 In addition to providing education and training to a significant proportion of the local adult population, the College delivers a range of specific programmes and targeted interventions aimed at promoting individuals’ employability and enabling businesses to find, develop and utilise a skilled workforce.

Programmes to Support the Unemployed

8.9 The College provides training to support people furthest from the workplace and had been at the leading edge of this work. Staff gave a very well received presentation to ministers on its work around the employment and skills agenda.

8.10 The College will also be hosting a visit from representatives from the Department for Business, Innovation and Skills (BIS) in early March.

8.11 It has developed a productive working relationship with Jobcentre Plus (JCP) to target support at individuals most in need. This relationship has been developed since the original work for Highcross in 2008, in recognition of which, the College and other partners were awarded a National Training Award.

8.12 Regular strategic meetings are held between senior managers from both organisations. Actions are then followed up during regular operational meetings.

8.13 The College was involved in a number of the pilot projects targeted at the unemployed when grant funding was available, including the Unemployed Training Offer and Six Month Offer (UTO), Routes into Work (RiW) and Work Focussed Training (WFT) streams.

8.14 In support of the Futures Jobs Fund, the College also worked with the City Council to provide training for over 100 young people who gained valuable experience working to improve their local neighbourhoods. In addition, the College was a key partner in supporting the City Council through the

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Working Neighbourhood Fund targeted at City residents who were not on active benefits.

8.15 The College has continued to make provision for unemployed people following the cessation of grant funding through the development of the new Skills Booster Programme which is funded through its mainstream funding.

8.16 The Skills Booster is designed to act as a gateway into the College for unemployed adults in the City and County. Support is divided into five elements:

- i. Initial assessment and careers information advice and guidance
 - ii. EDEXCEL Self-Assessment unit
 - iii. Literacy and numeracy skills; encouraged to gain Literacy and Numeracy qualifications
 - iv. Vocational programmes linked to current labour market information
 - v. Ongoing support with practical job seeking through our three Work Clubs.
- } Skills
Booster

8.17 The programme aims to develop confidence and techniques that job seekers may need to improve their

chances of gaining employment or developing their career further.

8.18 After completing the Skills Booster, learners can progress onto a vocational offer which is put together to meet the current local labour market demand. The provision is focussed on the 10 sectors which have been identified by JCP as having the most vacancies in the local economy.

8.19 The College has an internal steering group which constantly reviews this list of 10 areas of vacancies in the City and County to ensure that it is targeting the areas where there is most need and most potential to prepare individuals for employment.

8.20 Between April and December 2011, the College had 1,500 referrals, of which 535 started on a Skills Booster programme. Referrals come from JCP, City and County Multi Access Centres, Next Step, Apex and other IAG providers across the city and county.

8.21 Across all of the unemployment programmes run by the College since 2009, the around 25% of learners have progressed into employment which compares very well with national figures; indications are that LeicesterShire has been the most successful area in the region in this respect.

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8.22 The College also works with the prime contractors for the DWP. These contractors refer clients to the College where there are specific ESOL and Skills for Life needs. Again, these learners are supported through the College's mainstream funding sources.

8.23 Sector based work academies form part of (DWP) the Department for Work and Pensions Get Britain Working initiative and have three elements to them: training, work experience and a guaranteed interview for learners who complete the course.

8.24 Leicester College provides the training element of these programmes. To support individuals to gain employment over the Christmas period the College responded to a request from JCP to deliver a programme of training for the retailer Iceland. Fifteen learners completed the programme, of whom ten gained employment.

8.25 Moving forward we continue to work with JCP to increase the number of sector based work academies and other related strategies such as that designed by the College for Caterpillar, as part of which, the pass rate from their entry test was raised from 30% to 80%.

8.26 Under the current round of ESF tenders we are leading on a tender to provide support and training for unemployed adults for Leicester and Leicestershire and also to working collaboratively with a mix of FE providers and private training providers.

8.27 In addition, the College has an Employment Support Officer and offers Work Clubs where people can develop their CVs and practice interview skills.

8.28 The College is currently working with JCP in the development of appropriate programmes for the 16-24 year old age group. An element of this work will include support on how they can access apprenticeship vacancies.

8.29 In a recent development with Apex and Great Central Railway, the College is also developing provision for the Greenacres site with a heavy focus on employment and skills.

Enterprise and Work Readiness

8.30 The College has developed a range of enterprise and work readiness programmes. These programmes are particularly targeted at 16-18 learners where this forms an important part of the enrichment curriculum.

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Enterprise and work readiness elements are also available to adult learners.

- 8.30 The College has recently been successful in becoming the East Midlands hub for the National Skills Academy for Enterprise with the Peter Jones Enterprise Academy. The Enterprise Academy courses, which will be focussed on young people, include the running of a small business as a key component. Learners on the programme will receive mentoring and advice from existing business people and sponsoring employers.

The City Council might wish to consider supporting the Academy by becoming a sponsoring employer.

- 8.31 Leicester College is also part of a project led by the Peter Jones Foundation to develop a Higher Level Apprenticeship in Innovation and Growth. This new apprenticeship framework is designed to enable employers to grow the next generation of innovative managers and leaders quickly, and to offer young people a new, faster route into a business career.

- 8.32 It will develop higher level skills to support the successful management of innovation and growth within organisations, developing notions of being

enterprising in the workplace and building new business.

- 8.33 The College is also looking to develop the use of micro businesses to provide learners with real work experience while learning and is piloting micro businesses with a plan to extend this. One of the micro businesses, Adjust and Stitch, and has been developed and set up by year two students on the Foundation Degree in Fashion and Costume Craft. Similar companies in Print, Photography, Ceramics and Jewellery are in development.

Apprenticeships

- 8.34 Leicester College's view is that apprenticeships are highly effective and an invaluable means of providing individuals with training, and businesses with a skilled workforce.

- 8.35 Evidence from employers supports this. Research from City and Guilds⁴ shows that:

- Nine in ten (89 per cent) employers view apprentices as key to the future success of their business over the next two years

⁴ City & Guilds, Building Business Through Apprenticeships - February 2011

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- Over half (52 per cent) of those companies that already recruit apprentices believe that they offer greater value than hiring university graduates
- Seven in ten (71 per cent) of employers of apprentices say apprenticeships are a vital element in an organisation's recruitment and training and development mix.

8.36 The College currently has around 2,000 apprentices; this figure has grown from around 900 in 2009/10 and further growth is anticipated. The sectors with the highest numbers of apprentices are Engineering, Retail and commercial, Construction, Health, public services and care, and Business Administration.

8.37 One of the key considerations is driving up the volume of apprentices. This means ensuring that businesses are aware of the benefits of employing apprentices and that young people are well informed about apprenticeships as a potential path for them. There are therefore both supply and demand side issues.

8.38 In terms of supply, we recognise that not everyone is ready to start on an apprenticeship. Leicester College is participating in an ESF project, led by Connexions, to prepare disengaged young people

(NEETs) for employment or further training. Some learners need substantial programmes to become ready for work.

8.39 To this end, the College is looking to develop more substantial pre-apprenticeship programmes which could be up to a year long to get learners ready and also to provide a pool of potential recruits for employers looking to employ an apprentice. The College is working with the City Council and Connexions on this issue.

8.40 The College is also one of the few in the Country to have an Apprentice Training Agency (ATA). This provides a matching service to prospective apprentices and employers, matching suitable candidates to vacancies.

The College acts at the employer for the apprentice which helps businesses by reducing the risk and administrative burden associated with employing new apprentices.

8.41 In 2010, the College ran a very successful campaign in association with the Leicester Mercury to match 100 Apprentices in 100 days. It currently has 83 people employed through the ATA with a further 56 vacancies.

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8.42 At any one time the College has around 60-70 vacancies in the ATA which it is looking to fill. The majority (currently around 75%) of apprentices employed through the ATA are gaining permanent employment whilst on or before the end of their training.

8.43 A very good relationship also exists with the National Apprenticeship Service (NAS) and the College makes effective use of the apprenticeship vacancy system.

8.44 However, as suggested in other evidence provided to the committee, many job opportunities never rise to the level of advertised vacancy because people are appointed on a temporary basis and then made permanent.

8.45 There is perhaps a training issue here in that the employers are missing an opportunity for training with employment to make their skills set more targeted and/or more sustainable.

8.46 We would like to develop the relationship with private employment agencies to promote progression of learners into other employment and indeed to provide a route for individuals registered with agencies

for whom an apprenticeship or indeed a pre-apprenticeship programme might be suitable.

As a major employer, the City Council could be a key partner to benefit from the ATA. In addition, the Council could support and use the ATA to promote apprenticeships, training and employment opportunities to businesses and potential employees.

NEETS

8.47 We know there is a rotating pool of young people within the City who are or are at risk of becoming Not in Employment, Education or Training (NEET).

8.48 With changes to leagues tables and the reclassification of some vocational provision, we anticipate there could be an impact on the number of young people who fall into this category.

8.49 Government reforms to the school system will mean that more 14-16 year olds will follow a curriculum dominated by GCSEs. The purpose of the system will be to equip young people with the general 'core academic' education; specialism will be discouraged until the 16-19 phase. Opportunities to experience

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vocational education within the core curriculum will therefore be reduced.

8.50 These changes will present key challenges: while more learners may emerge from the school system with good 'academic' skills, they will be less likely to be prepared for an appropriate vocational pathway.

8.51 It is also possible that the reforms will produce an increase in the number of 16 year olds without GCSEs; they may also lead to de-motivation and frustration for some with a consequent impact on their willingness to continue their learning.

8.52 There will be a need for young people for whom the core academic curriculum is not appropriate, to access the vocational learning that will enable them to realise their potential.

8.54 The College has a range of strategies to support these learners. For example, it has recently developed Career Learning Bugs. These are short courses for anyone over the age of 16 designed to introduce people to the career paths available in each of the College's areas. They include visits to different employers, the opportunity to speak to people about their jobs and take part in plenty of practical activities.

8.55 For example, a Fashion Career Learning Bug would provide an insight into the various careers in the fashion industry, such as a Fashion Designer, Buyer and Merchandiser, working as a freelancer or in a large organisation.

8.56 Learners might also study designing, pattern cutting, production techniques and marketing. By the end of the Career Learning Bug, the aim is that learners would be clearer about which course is right for them. Learners can attend up to three Career Learning Bugs in the space of a year, one per term.

8.57 The College has also run a series of programme for NEETS for some years through its Launchpad programme which offers a range of taster programmes for young people as well as a range of essential skills.

8.58 In addition the College has been working with the City Council and Connexions and is involved in an ESF funded project focussed on NEETs. The College's offer is flexible enough to allow learners who have dropped out of learning in year to be engaged on Leicester College programmes and to enable them to maximise the contribution of previous learning so they do not lose too much time or indeed have to repeat previous relevant study.

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While the College has established a good relationship with Connexions in identifying vulnerable young people, there is a co-ordination issue. When the Connexions Service is reduced, how will these learners be identified and referred to the College in a timely way?

The City Council may wish to review the relationship with Connexions in order to ensure that young people continue to be well supported.

Support for Employers

8.59 The College is also working with JCP to develop support for employers particularly in terms of improving employee retention. The College has an extensive network of partnerships and is able to broker relationships in and between education and businesses.

8.60 It works closely with the Chamber, for example hosting Chamber member network events, being recognised on Chamber website and their printed materials as their preferred training supplier (including 10% off all full cost training for their members) and free

editorial to promote training in their business directories.

8.61 It also works with the Federation of Small Businesses and has provided sales training workshops to their members.

8.62 The FSB had a stand at the College's Apprenticeship Fair, and has provided articles for the employer newsletters (print and electronic) with reciprocal Leicester College articles in its member communications. The College has also established links with the LEP in particular to work initially around the hospitality strand.

8.63 As described above, recruitment and pre-recruitment services can be offered through the ATA.

In addition, the College has a range of internal expertise which it could offer to new start-ups on a consultancy basis for example, training in how to complete income tax returns, marketing etc, as well as training for the staff of those businesses.

8.64 It is also looking to develop how it might support businesses in fulfilling their corporate social responsibility.

Supporting Inward Investment

- 9 As the major provider of education and training in Leicester there is scope for the College and the City Council's economic development department to work closely together, particularly around inward investment.

For example, if it is known that a company is looking to relocate to Leicester, the College may be able to train to order to provide a suitably skilled workforce.

The collaborative work on the Highcross project is an example where joint working and planning to deliver the necessary workforce meant that businesses were provided with skilled labour and people in Leicester, many of whom were unemployed, were given the opportunity to retrain to secure sustainable employment.

- 10 *We would like to explore with the economic development department how this relationship could be developed and how the College could fulfil its role as a key partner in the economic development strategy for the City.*

SUMMARY OF AREAS FOR DEVELOPMENT

- 11 In summary, we would welcome the opportunity to explore ways in which the College could work more closely with the City Council on the following areas:

- How the City Council might be able to support the National Skills Enterprise Academy for example by becoming a sponsoring employer.
- How the ATA could benefit the City Council and ways in which the Council could support and use the ATA to promote apprenticeships, training and employment opportunities to businesses and potential employees.
- How vulnerable learners who are or are at risk of becoming NEET can be identified and referred to the College in a timely way.
- How the College could work more closely with the Economic Development department, in particular to support inward investment.

9 Getting into work

- 9.1 Increasingly, for many people there is no longer a single clear pathway into employment. Instead, there are now multiple pathways.
- 9.2 Paul Ross, founder and chief executive of Agency Barker Ross, estimated that around 120 registered agencies handled around twice as many vacancies in the Leicester Travel-to-Work area as the 7,000 handled by Job Centre Plus.
- 9.3 The traditional role of the Employment Exchange is long gone. The modern Job Centre Plus is a signposting agency, though one which works in a positive way within the city.
- 9.4 It was, for example, a key player in the MAC project which provided the employment recruitment strategy for Highcross.
- 9.5 However, many companies use their web site as the main employment tool, supplanting newspaper and other more traditional advertising media.
- 9.6 Others use employment agencies to provide flexible workforces. Evidence from the sector, however, said that agency work had changed in nature and that a negative image of short-term rapidly turned-round jobs was out of date.
- 9.7 Agency work allowed for flexible working arrangements to suit, for example, working mothers who wanted fit their lives around school and childcare or other carer responsibilities.
- 9.8 Further significant changes included evidence that an agency job could last for months – rather than days or weeks.
- 9.9 Mr Ross said he was aware of one firm where 75% of its permanent staff had originated from its temporary workforce.
- 9.10 This didn't apply to shop floor work either – back office jobs such as accounts, office and engineering appointments were being filled through these temporary routes into permanent work.
- 9.11 The temporary employment sector appeared more resilient in recession than the full time market. (In January 2012, vacancies were down 10% on a year earlier compared with a 25% reduction in permanent vacancies – reflecting a national trend).

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- 9.12 In further evidence Mr Ross said a significant under-used asset involved many experienced, well-qualified staff who had recently found themselves out of work after years of stable employment.
- 9.13 They needed to understand how the new jobs market worked, and in particular how to use the Internet to look for vacancies and apply for jobs.
- 9.14 Those who did this properly were in demand. But a characteristic of sudden unemployment was a plunge into depression and passivity which could lead to permanent loss of work.
- 9.15 Accompanying problems included a loss of health. The impact of six months' unemployment could equate to smoking 40 cigarettes a day.
- 9.16 Job clubs could help to improve the required skills, and employers could also be more proactive in helping those who were being made redundant to improve their skills in applying for work. These skills also include interviewing skills.
- 9.17 A converse issue was a problem for graduates. They needed to tailor applications more specifically to the post and the company concerned.
- 9.18 Too many were simply sent out without consideration for the target audience (ie the employer) and were easy to spot and reject.
- 9.19 Graduates should seriously consider internships or charity work: this provides work experience which even if it does not provide paid employment is valuable for use on cvs.
- 9.20 Mr Ross's Employment group included an industrial and warehousing employment agency. He said most of the 1,800 workers on the agency books were Eastern European. There were few local people on the agency books, which he acknowledged was a problem.
- 9.21 A further barrier to employment for hopeful candidates has been drugs and alcohol tests which employers have set alongside more formal tests. This was a particular problem for white British workers, he said.
- 9.22 Julie Measures, training manager at Barker Ross, worked with a voluntary project supporting job seekers and helping improve CV, interviewing and job search skills.

Conclusion

The employment agency sector could improve its reputation by emphasising its role as pathway to more permanent employment and the more stable employment regime than is generally perceived.

10 Further measures

10.1 During the course of this Review, the City Mayor launched a review of the City Council's **procurement procedures**.

10.2 This is a fundamental view of the way in which the Council operates, particularly in the way it buys goods and services.

10.3 These goods and services amount to around £1m every working day of the year. But the rules hedging the way the money is spent has made it very hard for local contractors and suppliers to win contracts or even access to approved supplier lists.

10.4 Pre-qualification questionnaires (PQQs) are complex, varied and many in number (though it should not be assumed that public bodies are more bureaucratic in nature than the private sector as any small business trying to get a bank loan might testify).

10.5 However, there are great opportunities to boost the local economy by carefully specifying requirements such as working with, for example, social enterprises or companies who commit to training and/or apprenticeships.

10.6 These rules must comply with European tendering regulations, but there are opportunities for re-shaping the way in which the Council does business within and for the local economy.

10.7 In a wider context, a successful re-writing of procurement rules opens the option of delivering significant savings – helping to preserve or create local programmes by the authority – by itself or with local partners.

APPENDICES

APPENDIX 1

Exchange of correspondence between the Scrutiny Commission Chair and Sir Peter Soulsby.

28th May 2012

Dear Peter

Report from the Economic Development, Culture and Tourism Scrutiny Commission

The Commission will shortly be producing its final report after having considered a range of evidence in relation to the role of the City Council in employment and economic development matters.

However in order to contribute to the discussions and consultations on the Mayor's Economic Action plan in good time we are producing an early draft of our recommendations.

They concentrate on responding to your draft EAP, but for your information I am including other recommendations from my draft final report.

These may be developed before or at our next hearing, but I hope you and your colleagues find it helpful to have an early sight of the general direction of the report.

Summary of draft recommendations The Mayor's Economic Action Plan

The Mayor invited the Commission to comment on the plan, and to contribute to the identification of appropriate Performance Indicators for the Economic Action Plan.

1. We would like as a Commission to work with the Mayor's office to develop appropriate, challenging but also realistic Performance Indicators for the Economic Action Plan.
2. Other partners, including the private sector, FE colleges, and agencies such as Connexions should also be consulted on the development of credible and realistic performance indicators.
3. The Commission welcomes the high priority given to worklessness and NEET levels within Leicester.
4. In exploring the problems faced by young people who are not in employment, education and training it is important to recognise that the numbers increase in the older age groups.

A service is required that tracks and supports young people from the ages of 16 to 24. It is suggested that successful European models are examined, which are more effective than those used in the UK, in that far smaller numbers of young people drop out of the support systems.

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5. We believe that addressing the higher than average levels of economic inactivity and unemployment in Leicester among particular groups should be a priority for action.

6. We would strongly support a strategy which addresses the problem of comparatively low employment levels among women, some older age groups, some minority groups, and the dramatically low levels of employment, in some areas of the city. (See special recommendations re women below)

7. These groups and communities should receive additional support from locally based Leicester to Work Centres (the renamed MACs) to enable them to gain access to advice and guidance, training and education and employment services. The work of these Centres should be reviewed and renewed to make them fit for this purpose.

8. A Leicester Skills and Qualifications policy should be developed which includes a comprehensive set of actions to address skills shortages and low levels of qualifications across all sectors and age groups. This should be a long term commitment by the City Council.

9. Coordination of activities across the city to improve training and employment opportunities should include a strategic decision to link the many diverse elements within the Council to deliver the EAP. This would include much closer cooperation between education, further education and

training, adult education and economic development programmes and teams.

10. The Council has a valuable role in sponsoring and promoting apprenticeships. It is recommended that this programme is expanded as resources allow.

11. The Council can seek to build training and development requirements into its own contracts as part of a wider and separate review of its procurement practices.

12. The Commission notes that two elements of "employability" of school-leavers (and indeed university graduates) do not relate to formal qualifications at all. These relate to the "soft" skills of communications and team working.

The Council, private sector and other work providers should develop programmes which can be delivered in schools, FE, AE and HE to support the development of these 'soft skills', building on existing good practice being developed at Leicester University and within schools in the city.

It is important that the private sector, which has highlighted the lack of these skills, should be much more proactive in identifying what is needed, and also help provide solutions.

13. The Mayor should seek powers to enable the City Council to determine and manage the 'welfare to work' programmes

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currently contracted by the Government to private providers in the City.

These multi million pound projects would be more effective if managed by organisations with local accountability, a local stake and comprehensive responsibilities for the welfare of the City and its residents.

14. The Mayor's EAP identifies transport development as an issue. One of the barriers to work is the high cost of transport especially for those seeking low paid employment. The Mayor should therefore seek greater powers to direct the bus operators, along the lines of the Transport for London model.

15. The Commission welcomes the partnership approach proposed in the Mayors EAP. Time and again, the evidence presented to the Commission has called for greater co-operation between stakeholders and leadership from the Council in this area.

16. The Partnership, and other groups and agencies working with the city council, should set targets and objectives which aim to provide further opportunities for all young unemployed people out of education and training (NEETs), and other vulnerable groups.

Women in employment

The following recommendations were proposed by 2010 Sheffield Hallam University report and are supported by the Commission

1. There is a need for more locally based and well informed careers advice which builds on existing and successful services in Leicester. Advice and guidance should seek to raise employment aspirations where relevant, and not simply push people towards any job.
2. Careers advice needs to consider the dynamics of the labour market in Leicester. This needs to be balanced alongside individual preferences and aspirations.
3. Work placement programmes (which engage with a range of employers) and ILMs offer mutual benefits to individuals and organisations, and should be considered as a means of addressing ... lack of experience.
4. There is a clear preference for job search support to be administered locally, perhaps through the MACs in a more formalised way and, where possible, on a one-to-one basis. This should also include identifying and/or collating work opportunities compatible with childcare responsibilities.
5. The success and popularity of existing service provision mentioned above (e.g. MACs, *Nextstep*) suggests that any

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further interventions and changes to employment support for women should draw upon the existing knowledge, experience and expertise of those organisations.

6. As many of the research participants were keen to enter employment in the childcare sector there may be potential to provide cost efficient childcare services by drawing on the skills and labour of workless women qualified in this area.

This could also provide valuable work experience at the same time as increasing the level of provision and going some way to reducing the cost.

7. There is a need to provide information on the welfare reforms introduced by the coalition government and to inform women of their benefit rights and entitlements.

This should pay attention to the complexities of eligibility and the interplay with household circumstances, which dictate eligibility to certain benefits.

8. There is a need for engagement with employers, in terms of addressing discrimination in the workplace and during recruitment.

This engagement is...crucial as a means of raising awareness and cultural sensitivity to the religious and cultural needs of many women in Leicester, and also, in helping to tackle age discrimination.

9. There is a need for more accessible English courses, mainly for "older" Asian women and new migrants. The benefits of such provision extend far beyond access to employment.

Recommendations re changes in the Connexions provision

The Commission welcomed evidence from Connexions. It helped highlight key issues facing **NEET** youngsters. But it also offers a structure and framework for the City Council and other agencies to work together to provide a wrap-around service for agencies across the city.

The Commission notes the sharp reduction (£2.4m to £750,000) available for the service currently provided by Connexions. This contract is currently being retendered and is an issue which has yet to be resolved by the City Mayor and Executive.

1. The Council will have to demonstrate that if direct funding is being cut in this way that it is directing other resources to providing the range of services and data tracking being provided by Connexions.

2. The effectiveness of school-commissioned careers information, advice and guidance should be put under review. The Mayor may wish to review the current arrangements, the

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new arrangements, their respective costs and outcomes. I hope you will find this helpful in the development of your EAP and look forward to working with you further in addressing the severe challenges facing the city and its communities.

Sue Waddington

Chair: Economic Development, Culture and Tourism Scrutiny Commission

Letter from the City Mayor Sir Peter Soulsby

Report from the Economic Development, Culture and Tourism Scrutiny Commission

Thank you for your letter regarding the report of the Economic Development, Culture and Tourism Scrutiny Commission in relation to the role of the City Council in employment and economic development related matters. I understand the Commission have yet to formally approve any recommendations, though have noted and considered the draft recommendations you have made so far on the matter.

In response I have set out below some comments on the recommendations which I hope will aid the development of any final recommendations which you and the Commission may wish to make. For ease of reference and tracking I have organised these comments to follow the sequence in your original communication.

Performance Indicators

I welcome your offer of support for the task of setting appropriate indicators and challenges. This opportunity has already been shared with partner agencies, all of whom have been able to comment and make suggestions. It is essential that my Economic Action Plan makes a clear distinction between targets that will actually be delivered through the Plan itself, for which we will be more directly accountable, and also a set of relevant measures that will allow us to track and report on the overall performance of the economy on an annual basis.

Worklessness and NEET

I welcome your endorsement of this key priority and look forward to any further views you have on addressing the issue.

Tracking Systems

Regarding your comments about the need for a service that tracks and supports young people not in employment, education and training I will ask my officers to consider how best to accommodate this.

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Targeting Support

Your proposals make a series of interesting suggestions on the need for specific targeting of certain groups that suffer particular disadvantage. I agree that we should be seeking to do this and the Leicester to Work initiative will be developed with such targeting in mind.

It is clear from the evidence that the Commission has received and from the earlier work done on the economic assessment, that disadvantage is entrenched amongst certain groups. The monitoring and reporting of the Plan will be structured so as to evidence action and impact on these disadvantaged groups.

Leicester Skills and Qualification Policy

This is an interesting idea and I would be keen to understand more specifically how you think such a policy could be developed and implemented.

Co-ordination of Training and Employment Activities

I accept this point and that the lack of such join-up to date has been a hindrance. In practical terms I think the co-ordination needed for implementing and tracking the Leicester to Work programme as a whole will require much closer joint working than previously and should enable us to deliver the co-

ordination that is needed. Greater join-up from Government would also help!

Apprenticeships

Plans to develop our own apprenticeship offer are under active consideration alongside our continued support and assistance to those external organisations offering apprenticeship opportunities.

Procurement and Training

This is also under active consideration and I will certainly raise the matter once more at the next meeting of the Procurement Task Force.

Aside from this, good progress is being made via the contracts being delivered now through the Building Schools for the Future programme and my officers are also in discussion with the contractors that will deliver the Innovation Workspace at Abbey Park to secure similar outcomes in regard to employing apprentices etc.

Through our regeneration efforts, and subject to a successful planning application, Sainsbury's will work with Officers to develop a local labour recruitment initiative linked to their new development scheme.

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Employability and the Soft Skills requirements

As you note, this issue has been raised repeatedly by employers. We are working closely with the LLEP on this issue and it will be a strand within the Leicester to Work programme. We are considering a range of options here including an interesting skills assessment model (Bright Sparks) developed by an organisation called Life Beyond School which appears to be working well in other parts of the country.

Welfare to Work and Transport Powers

I agree that much more needs to be done to develop greater local accountability for the national welfare to work programmes and for local transport. We will be pursuing this theme with government through the discussions around a Leicester City Deal and with regards to Mayoral powers, which will be taking place imminently.

Partnership and Targets

I accept that the Council needs to both lead but work closely with partners if we are to successfully deliver the priorities within the Economic Action Plan.

This is often not assisted though when much of the activity, such as the national welfare to work provision referred to

above or indeed the major enterprise support contracts, have been contracted directly through national government and often delivered by national providers at a regional or sub-regional level.

That greatly diminishes our ability to provide such co-ordination. Nevertheless, we will continue to do what we can to ensure that any actions, targets and objectives correspond with our view of the needs of our citizens.

Women in Employment

Your recommendations refer to the previous work undertaken at the request of the LLEP and carried out by Sheffield Hallam.

I wholeheartedly agree that the value and role of women in employment is often overlooked and will be considering the matter specifically with Officers connected to the issue in order to better understand what we do at the moment and also identify whether this can be improved.

I will gladly report back on my investigations and views regarding the specific recommendations of the Sheffield Hallam University report once I have had the opportunity to consider the matter in detail.

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Connexions

I am aware that revisions to the provision of information, advice and guidance being implemented are a direct result of changes in the law from April 2012. As you know, Schools are now responsible for the universal provision of this advice and the City Council for residual duties in connection with vulnerable groups.

Expressions of interest in undertaking this residual work have been invited via a restricted tender process, for which I understand the contractual value to be in the range of between £800,000 -£1.5m per annum.

Responses are already being evaluated at this time therefore it would be inappropriate to comment further at this stage about these particularly.

I will be considering this matter with Cllr Vi Dempster, Assistant City Mayor and other relevant Officers responsible for this service area and once again will gladly update the Commission in due course regarding our future plans.

Overall, I welcome the inclusive and collaborative approach you and the Commission have taken on this and a number of other reviews. Once the final recommendations have been determined I would be grateful for your attendance once more at an appropriate Executive Briefing where the

recommendations can be presented to myself and my Executive Team for further consideration.

Yours sincerely

Peter Soulsby
City Mayor

APPENDIX 2

Economic and other information provided by Leicester City Council's Economic Development department

1. We have ..provided information which compares Leicester with a number of comparator cities.
2. The data covers in detail:
 - a. High Growth Firms
 - b. Extent of public sector dependency
 - c. Unemployment
 - d. Employment rate
 - e. Job Seekers Allowance claimants
 - f. JSA claimants – age and duration and comparison data
 - g. NEET – Not in Education Employment and Training – by ward
 - h. Vacancy information
 - i. Skills and Qualifications data
 - j. Public Sector job losses
 - k. Earnings growth
 - l. Population Growth
 - m. Ward Profile
 - i. Population
 - ii. Economic Activity
 - iii. Full and Part time breakdown
 - iv. Employment by Occupation
 - v. Qualifications
 - vi. Out of Work benefits

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ECONOMIC STATISTICS

HIGH GROWTH BUSINESSES

Distribution of high growth firms across England's cities (2005-08)⁵

Rank	City	% of firms that are high growth
1	Aldershot	8.5
2	Wigan	7.8
3	Telford	7.6
4	Reading	7.1
5	Cambridge	7.1
6	Swindon	7.0
7	London	6.9
8	Crawley	6.8
9	Warrington	6.5
49	Sheffield	4.6
50	Leicester	4.5
51	Rochdale	4.5
52	Chatham	4.4
53	Birmingham	4.3
54	Bolton	4.1
55	Burnley	3.9
56	Worthing	2.8

⁵ Centre for Cities Report – Firms Intentions: Cities, Private Sector Jobs & the Coalition, Sept 2010

UNEMPLOYMENT

Leicester's total working age population is 207,700⁶ of which 34,190 are currently on out-of-work benefits⁷

	Leicester City (numbers)	Leicester City (%)	East Midlands (%)	Great Britain (%)
Total claimants	40,370	19.4	13.9	14.5
By statistical group				
Job seekers	12,120	5.8	3.4	3.6
ESA and incapacity benefits	16,190	7.8	6.1	6.5
Lone parents	4,600	2.2	1.4	1.5
Carers	3,350	1.6	1.2	1.2
Others on income related benefits	1,400	0.7	0.4	0.5
Disabled	2,290	1.1	1.1	1
Bereaved	420	0.2	0.2	0.2
Key out-of-work benefits [†]	34,310	16.5	11.4	12.1

⁶ ONS Mid-year population estimates of 2010, NOMIS

⁷ NOMIS – May 2011

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Employment Rate

On average Great Britain has an average of 70.4% employment rate percentage whereas Leicester shows only 65.7%.⁸ This is particularly due to a lower employment rate of females in the city.

Rank	City	Employment Rate July 2009-June 2010 (%)
62	Birmingham	62.3
55	Coventry	65.1
53	Nottingham	65.3
21	Derby	71.2
51	Leicester	65.7
28	Peterborough	69.9
	Great Britain	70.4
10	Northampton	74.5

Job Seekers Allowance

This table provides a comparison with other cities in the east midlands and surrounding areas.

It shows unemployment hasn't increased as much in Leicester as in other cities.

City	% point change in claimant rate Feb '08 - Oct '11 ⁹	Claimant count rate % - Oct 11 ¹⁰
Birmingham	2.7	6.8
Coventry	1.8	5.0
Nottingham	2.3	4.9
Derby	2.4	4.9
Leicester	2.0	4.8
Peterborough	2.1	4.7
Great Britain	1.7	3.8
Northampton	1.7	3.8

⁸ Centreforcities outlook 2011, NOMIS 2010, Annual Population Survey, residents analysis, July 2009-June 2009 and July 2009-June 2010 data

⁹ February 2008 – the lowest point on the UK claimant count series – is used here as the initial measurement point to take into account the extended duration of the recession

¹⁰ Centre for cities used data fro Primary Urban Areas (PUA) – a measurement of the built-up area of a city, rather than individual local authority districts – source ONS Crown Copyright reserved (from nomis 16.11.11)

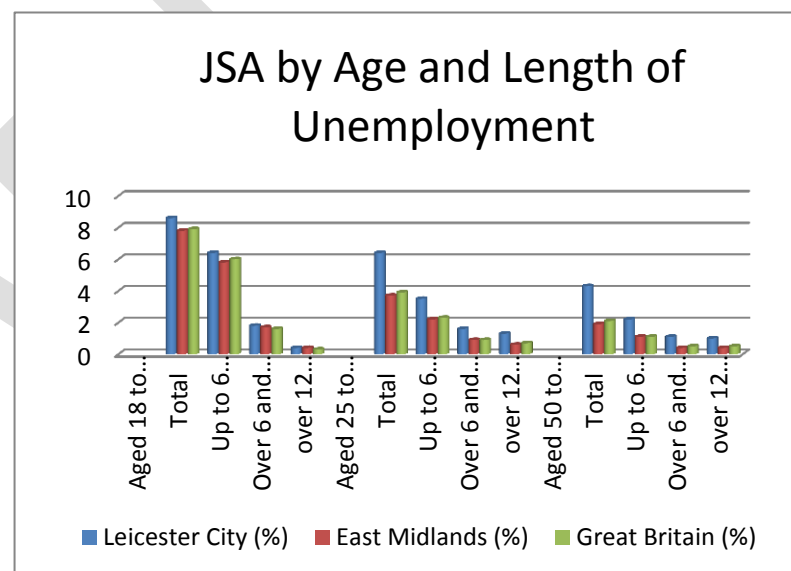
Age and Length of Unemployment

The following table show comparison of length of unemployment by Age for Leicester in comparison with the East Midlands and Great Britain.¹¹ It shows we are about average when it comes to the position of 18-24 yrs old but worse than average for the older age groups.

18 – 24yrs JSA Claimants

The national average for Youth JSA claimants is 5.8%, Leicester currently stands at 5.7% so our position is better than average and better than many city comparators.

City	Youth claimant count rate % ¹² Oct 11	City	% point change in youth claimant count rate Feb 08-Oct 11	Youth claimant count rate % Oct 11
Birmingham	9.6	Leicester	2.5	5.7
Coventry	5.7	Peterborough	2.5	7.1
Nottingham	6.2	Great Britain	2.5	5.8
Derby	7.2	Northampton	2.2	5.2



¹¹ Nomis data – August 2011

¹² The youth claimant count rate is calculated as a percentage of all young people (Aged 16-24). Source ONS crown copyright reserved (from NOMIS on 16.11.11)

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NEET

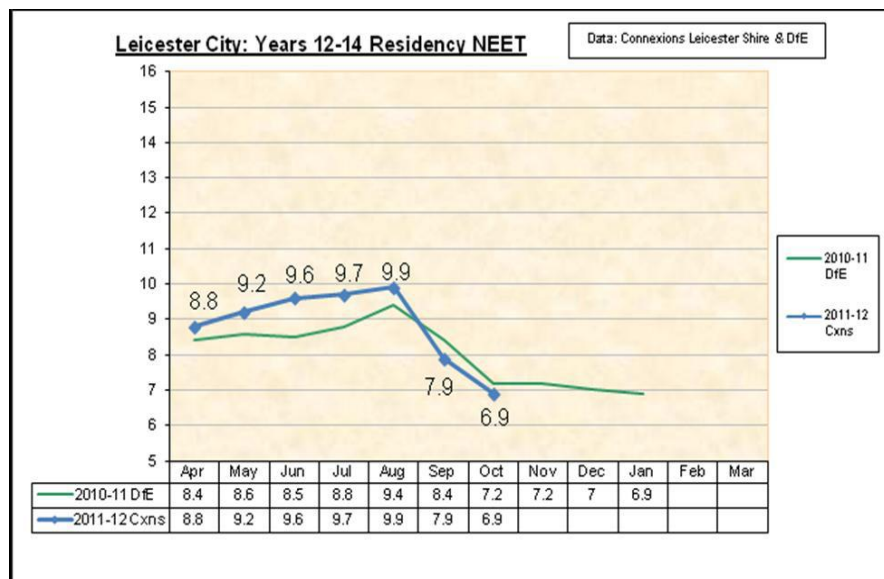
The following table provides a breakdown by ward in relation to young people Not in Employment, Education or Training (NEET)¹³. The highest numbers are in Freemans, Castle, New Parks and Westcotes.

Ward	Cohort	NEETs	Oct-11
Freemen	454	70	15.4
Westcotes	155	19	12.3
Castle	243	37	15.2
New Parks	737	97	13.2
Abbey	614	62	10.1
Eyres Monsell	542	59	10.9
Beaumont Leys	680	55	8.1
Braunstone	804	86	10.7
Aylestone	350	26	7.4
Thurncourt	394	26	6.6

Ward	Cohort	NEETs	Oct-11
Charnwood	574	35	6.1
Humberstone & Hamilton	680	38	5.6
Fosse	367	35	9.5
Belgrave	493	26	5.3
Spinney Hills	1161	37	3.2
Coleman	572	24	4.2
Stoneygate	837	30	3.6
Western Park	298	18	6.0
Rushey Mead	613	18	2.9
Evington	443	15	3.4
Knighton	522	8	2
Latimer	526	12	1.6
Total	12059	833	6.9

¹³ Connexions newsletter, October 2011

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From the data collected (*Connexions Leicester Shire Monthly Performance Information Report October 2011*) the trend towards reducing numbers of young people becoming NEET appears to be continuing. However analysis at a ward level demonstrates significant differences in percentages and numbers of young people becoming NEET.

The tables below shows NEET data across the City wards, the percentage figure represents the number of individuals who are NEET out of the total number of young people in that Ward. The City Average has been included as a way of comparison.

This shows a significantly higher than average proportion of young people in the most deprived wards are NEET. The disproportionate balance also follows the yearly cycle with greater disparity between months in those wards with the highest levels of deprivation.

Cycles of young people moving in and out of ETE follows periods of transition within the academic year where there are peaks during the late summer months, a fall during autumn, and a gradual increase towards April/May.

Analysis of the data by Connexions shows that the higher concentrations of NEET young people are in the South West and West of the City.

The recent headline figures of October 2011 suggest that approximately between 88-90% of young people in Leicester City were in education, 5-7% in employment, and 4-5% in training.

Compared to October 2010 there has been an apparent increase in the numbers going into education, employment has remained the same, and a slight drop in training.

These figures represent a snapshot of the data held and are used to demonstrate some indicative trends, any further conclusions would require a fuller analysis of the data available.

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Ward Rank		October 2010 - October 2011												
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
1	Freemen Oct 2010-Oct 2011	14.8%	13.5%	14.1%	13.6%	15.4%	18.1%	18.8%	20.1%	21.2%	22.5%	24.3%	16.5%	15.5%
2	Westcotes Oct 2010-Oct 2011	16.5%	17.8%	16.9%	15.4%	17.4%	12.3%	13.3%	14.9%	14.4%	17.3%	14.5%	12.7%	12.0%
3	Castle Oct 2010-Oct 2011	8.8%	9.0%	10.1%	7.7%	10.3%	14.3%	13.7%	14.5%	15.1%	16.4%	19.4%	16.0%	15.0%
4	New Parks Oct 2010-Oct 2011	11.8%	10.1%	10.3%	10.5%	12.0%	12.0%	13.0%	14.3%	15.1%	16.2%	18.2%	12.7%	13.3%
5	Abbey Oct 2010-Oct 2011	10.6%	12.2%	11.0%	10.8%	13.2%	13.3%	14.0%	15.2%	15.3%	16.1%	14.7%	10.2%	9.6%
5	Eyres Monsell Oct 2010-Oct 2011	14.2%	11.4%	11.0%	11.9%	13.2%	13.7%	13.3%	12.7%	14.8%	15.4%	14.0%	10.6%	10.8%
7	Braunstone Park and Rowley Fields Oct 2010-Oct 2011	10.0%	10.0%	9.8%	10.4%	11.0%	10.3%	10.9%	12.9%	13.0%	11.5%	11.6%	11.5%	10.5%
8	Beaumont Leys Oct 2010-Oct 2011	9.0%	9.7%	10.1%	9.2%	10.0%	9.6%	11.0%	10.5%	10.4%	11.6%	12.3%	9.5%	7.9%
9	Thurncourt Oct 2010-Oct 2011	8.5%	8.5%	7.9%	7.5%	9.2%	9.3%	9.2%	9.7%	9.7%	8.9%	9.1%	8.2%	6.2%
10	Charnwood Oct 2010-Oct 2011	8.9%	9.7%	8.9%	8.4%	9.2%	9.8%	9.8%	8.1%	8.1%	8.9%	8.2%	6.8%	5.9%
11	Aylestone Oct 2010-Oct 2011	8.9%	7.6%	7.1%	7.8%	7.8%	6.8%	8.6%	10.0%	9.5%	9.8%	11.2%	7.2%	7.5%
12	Fosse Oct 2010-Oct 2011	8.7%	8.5%	7.5%	6.6%	6.7%	7.0%	5.7%	7.2%	7.7%	8.1%	10.1%	10.1%	9.6%
13	City Average Oct 2010-Oct 2011	7.1%	7.1%	6.8%	6.9%	7.3%	7.4%	7.5%	7.9%	8.3%	8.6%	9.0%	7.3%	5.7%
14	Humberstone and Hamilton Oct 2010-Oct 2011	6.9%	7.6%	7.4%	7.0%	6.4%	6.1%	6.9%	7.5%	7.7%	8.1%	8.9%	6.6%	5.3%
15	Belgrave Oct 2010-Oct 2011	7.4%	6.4%	5.9%	6.5%	6.7%	7.2%	8.3%	8.3%	8.7%	7.5%	8.2%	6.0%	4.8%
16	Western Park Oct 2010-Oct 2011	3.9%	4.2%	4.5%	4.3%	4.4%	4.8%	5.5%	4.4%	5.0%	5.3%	7.7%	6.3%	5.8%
17	Spinney Hills Oct 2010-Oct 2011	4.5%	5.1%	5.2%	4.7%	4.8%	5.1%	5.2%	5.4%	5.5%	6.0%	6.2%	4.7%	3.1%
18	Coleman Oct 2010-Oct 2011	6.0%	5.9%	4.8%	4.7%	4.1%	4.2%	4.6%	4.6%	5.4%	5.6%	4.9%	4.4%	4.3%
19	Stoneygate Oct 2010-Oct 2011	4.1%	4.3%	4.1%	3.9%	4.4%	4.7%	5.3%	5.2%	5.3%	5.3%	5.2%	5.2%	3.5%
20	Rushey Mead Oct 2010-Oct 2011	3.4%	4.6%	5.0%	4.4%	4.6%	5.2%	5.4%	5.1%	5.4%	5.1%	4.6%	4.3%	3.0%
21	Evington Oct 2010-Oct 2011	2.6%	2.2%	2.2%	2.3%	3.2%	3.6%	4.4%	4.8%	4.3%	3.8%	3.8%	5.4%	3.0%
22	Latimer Oct 2010-Oct 2011	3.7%	3.6%	3.2%	3.3%	2.8%	2.6%	2.3%	1.8%	1.8%	1.6%	1.5%	2.7%	2.3%
23	Knighton Oct 2010-Oct 2011	3.4%	3.3%	2.3%	1.9%	2.7%	3.0%	2.6%	1.6%	1.7%	2.0%	2.0%	3.6%	1.1%

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Vacancy Data

The following table provides data in relation to the number of JSA claimants against the job vacancies recorded at Job Centre Plus.

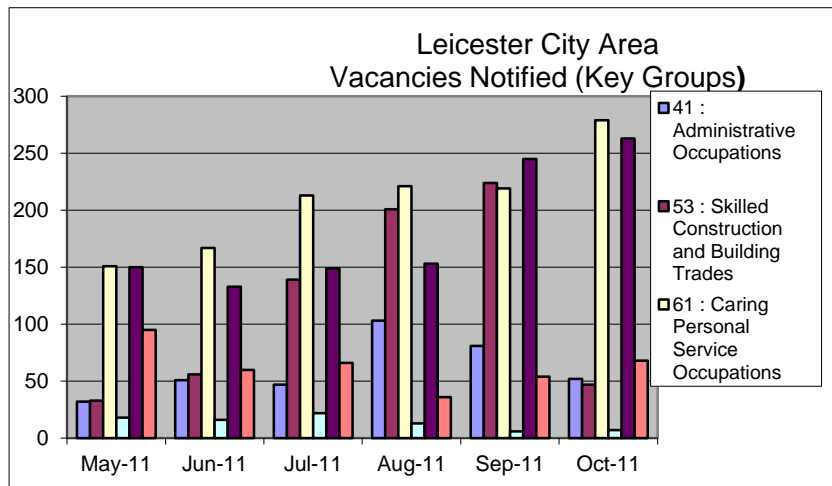
Area	JSA Claimants	Claimants per live unfilled JCP vacancy	Ranking
Leicester	14,556	5.4	25
Nottingham	21,429	4.9	31
Derby	7,816	4.7	33
Coventry	10,445	4.1	36
Great Britain		4.6 (average)	

Breaking this down further, the table opposite provides details of the top 10 vacancies recorded by Job Centre Plus in October 2011¹⁴ and the 2nd table shows an average of 6 months activity across the vacancies.

Leicester vacancies	October 2011
Sales representatives	268
Care assistants and home carers	191
Heavy goods vehicle drivers	129
Security guards and related occupations	103
Telephone salespersons	80
Sales and retail assistants	74
Food, drink and tobacco process operatives	72
Sales related occupations n.e.c.	66
Fork-lift truck drivers	53
Nursing auxiliaries and assistants	50

¹⁴ ONS Crown Copyright Reserved [from Nomis on 16 November 2011]

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Skills Qualifications

The table below provides an overview of qualifications skills in comparison with the East Midlands and Great Britain. We are worse than average in all areas¹⁵.

	Leicester City (numbers)	Leicester City (%)	East Midlands (%)	Great Britain (%)
NVQ4 and above	51200.00	24.80	27.20	31.30
NVQ3 and above	83800.00	40.60	48.90	51.00
NVQ2 and above	112800.00	54.60	65.90	67.30
NVQ1 and above	140400.00	68.00	79.10	80.20
Other qualifications	29000.00	14.00	8.00	8.50
No qualifications	37200.00	18.00	12.90	11.30

¹⁵ Baseline Information from Nomis January 2010 - Dec 2010, Annual Population Survey (2009 data)

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The following tables provide comparisons with other cities. This shows Leicester 63rd out of 63 in relation to those with no qualifications.

No Qualifications: ¹⁶

Rank	City	% working age population with no qualification 2009
61	Birmingham	19.4
41	Coventry	14.6
30	Nottingham	12.8
60	Derby	18.3
63	Leicester	19.9
40	Peterborough	14.2
	Great Britain	7.8
47	Northampton	15.5

High Level Qualifications: ¹⁷

Rank	City	% working age population with NVQ4+ 2009
46	Birmingham	22.4
34	Coventry	25.3
32	Nottingham	25.6
28	Derby	26.3
41	Leicester	23.3
51	Peterborough	20.7
	Great Britain	29.9
53	Northampton	20.5

¹⁶ CentreforCities Report , Outlook 2011: source NOMIS 2010, Annual population Survey (2009 data)

¹⁷ Centreforcities report, outlook 2011,source NOMIS 2010, Annual population survey (2009 data)

Predicted Public Sector Job Losses (by 2014/15)

The following table predicts public sector job losses¹⁸

Rank	City	Number of Jobs	% of all jobs
28	Birmingham	-23800	-2.3
17	Coventry	-3600	-2.6
13	Nottingham	-7800	-2.7
26	Derby	-2800	-2.4
12	Leicester	-6000	-2.7
55	Peterborough	-1600	-1.6
	Great Britain		
46	Northampton	-2600	-2.0

Earnings Growth (average weekly earnings)

This table shows that Great Britain had an average of -0.2%, whereas Leicester's current growth is estimated at -0.5%, below the national average.

Rank	City	Earnings 2006 (£)	Earnings 2010 (£)	Real Growth rate (%)
31	Birmingham	389	389	-0.2
37	Coventry	380	386	-0.3
54	Nottingham	403	390	-0.7
9	Derby	376	408	0.4
45	Leicester	382	371	-0.5
53	Peterborough	413	389	-0.7
	Great Britain	451	444	-0.2
63	Northampton	412	390	-1.8

¹⁸ Centreforcities Outlook 2011, ONS 2010, Civil service Employment, NOMIS 2010, Annual Business Inquiry, LGA 2010, Quarterly Public Sector Employment Survey

Population Growth

In relation to population growth, Peterborough has grown most from 1999-2009.¹⁹

Rank	City	Population 2009	Annual Growth Rate (%)	Change 1999-2009
46	Birmingham	2,325,900	0.21	48,500
42	Coventry	312,800	0.26	8,000
22	Nottingham	635,900	0.55	33,700
25	Derby	244,100	0.54	12,800
20	Leicester	456,900	0.62	27,400
8	Peterborough	171,200	0.90	14,700
	Great Britain	60,003,100	0.51	2,997,700
16	Northampton	210,500	0.73	14,800

¹⁹ Centrefor cities outlook 2011, NOMIS 2010, Mid-year estimates, 1999 and 2009 data

APPENDIX 3

Creative sector contribution to Economic Development

Paper by Clare Hudson, Creative Industries Manager

www.creativeleicestershire.org.uk

Background

What is the creative sector?

Advertising	Architecture
Art & Antiques	Craft
Design	Designer Fashion
Film, Video &	Music and visual and
Photography	Performing Arts
Publishing	Digital & Entertainment Media
TV & Radio	

(software development just been removed from DCMS stats)

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- 5% of UK workforce (1.5 m) and increasing by about 500,000 jobs p.a.
- 2.89% of GVA
- Allegedly 4,600 businesses in the East Midlands (see self-employment comments below)
- Over 10% of national exports (esp. publishing, tv & radio)
- 2.3 million jobs of which 1m in other sectors
- 50% educated to Level 4 plus
- 80% microbusinesses (employing 1-5) = around average
- 35% self-employed (= 12% across all sectors)

How do we support it?

Creative Leicestershire Programme

- Shared service covering Leicester/shire and Rutland, hosted by Leicestershire County Council
- Focus on very small businesses esp. self-employed in arts, design, media
- Funded by all 10 local authorities plus Arts Council England & small contracts from Universities, Colleges
- Mailing list of over 2563 businesses of which 924 are based in the city.
- Staff of nearly 2!

What Creative Leicestershire does:

1. We send out information to over 2500 businesses and provide information on www.creativeleicestershire.org.uk
2. We give free one to one specialist advice
3. We provide informal specialist training sessions
4. We run networking events & networks
5. We support local Universities and Colleges to focus on entrepreneurialism for the students and graduates
6. We create projects to help sell work and services

Eg www.madeinleicestershire.org.uk;
www.artslinknetwork.org.uk
www.leicestershirecreatives.org.uk

Workspace for creative businesses

The Leicester Creative Business Depot, Phoenix Square digital media centre, and upcoming Rutland Street Studios in Leicester are all workspaces housing creative businesses in the city's Cultural Quarter – creating the 'clustering' which has been championed internationally.

These three creative workspaces are/will be run by Leicester City Council: The LCB Depot has continually over-achieved on occupancy levels since its opening in 2005, standing at 95% occupancy. Phoenix Square is achieving its target

81

occupancy levels, currently at 63% occupancy. Both are creating creative hubs where businesses can thrive and graduates can be retained in the city. Start Me Up and the Creative Enterprise Hub are externally funded projects run from the LCB Depot and Phoenix Square which have created 24 jobs so far.

Rutland Street Studios (opening in October 2012) will provide the long-needed 'dirty' designing & making space for designer makers and craft. The planned Innovation Space at the Science Park, planned to open in Autumn 2013 will accommodate high-tech creative businesses.

Why is the creative sector important?

1. Economic Impact

Creative Design has been chosen as a key sector for the LLEP. Product design, retail design, point of sale and packaging design have a significant presence in Leicester/shire.

In 2004 EMDA commissioned a comprehensive investigation of the local design industry which determined that Leicestershire has the largest cluster of design industry practitioners in the UK outside London.

31% of the creative workforce nationally is self-employed. This is very high compared to other sectors (eg 17% for construction) and is set to rise.

Only the Annual Population Survey recognizes both sole traders and the creative sector – not the Annual Business Survey (ABS) or Inter-Departmental Business Register (IDBR) which are used for most business/employment statistics.

Case Study: Performing Arts Leicester commissioned De Montfort University to undertake an economic impact study of 12 performing arts organisations in 2010. The organizations included venues, festivals and performing companies. They jointly:

- Sustain 164 FTE jobs directly
- indirectly sustain a further 213 FTE jobs
- spend £4.3m with local suppliers
- have an audience which spends £17m outside of PAL venues and shows; on transport, dining out, hotels and other ancillary shopping.

This creates a total annual economic impact of £21m.

2. Creating an interesting and lively place for people to live, work and visit

A lively creative sector makes a place unique is vital to attract day and overnight visitors. Large companies see quality of life as third line (behind transport and skills issues) as criteria for relocation.

Case Study: Recent in-depth research into Leicester Comedy Festival co-commissioned by the City Council, De Montfort University, Leicestershire Promotions and Prospect Leicestershire produced the following headlines:

- 40,316 tickets were sold for the 2011 Festival (growing from around 5000 in 1993)
- Since 2009 the Festival has generated around £2m of non-ticket expenditure (eg food, drink, accommodation etc)
- 39% of visitors to the Festivals come from outside the City and 13% come to the Festival from outside the LE postcode area.
- Business leaders believe the Festival brings a positive image to the city and makes it a more lively place to live

3. Social Impact

A relatively high proportion of creative businesses are social enterprises using creativity and the arts to deliver on health, education and community safety outcomes. Though these outcomes are not directly relevant to this scrutiny panel this is another important reason for local authorities to support the development the sector.

What we could do better

- Supporting small companies to take on their first employee (and take up apprenticeships)
- Ongoing (generic) business start-up courses
- Mentoring/peer support schemes in each 'sub-sector'
- Cross-sector networking
- Support for export
- Support public sector use/commissioning of local creative companies

APPENDIX 4

Acknowledgements and thanks

Evidence and information, written and oral, was taken from a wide range of witnesses. The chair is extremely grateful for the help provided in the course of this Review.

Those who provided written evidence included:

Mike Dalzell: Leicester City Council Head of Economic Regeneration

Joanne Ives Leicester City Council Policy, Partnership and programmes manager

Sir Peter Soulsby: City Mayor

Cllr Rory Palmer: Deputy City Mayor

Cllr Ted Cassidy: Assistant City Mayor

Chris Minter: Leicester City Council

Martin Traynor: chief Executive

Steve Roome: Job Centre Plus

Rob Cooper: Job Centre Plus

Mary-Louise Harrison: GMBTU Women's officer

Paul Ross: MD Barker Ross

Julie Measures: Barker Ross

Keith Whittaker: Leicester College

Ian Lewis: Leicester College

Clare Hudson: Creative Leicestershire

Rosemary Beard: Connexions

Julia Conlon: Connexions

Alison Byrne: Leicester City Council

Henry Inman: National Apprenticeship Scheme

Lisa Hickman: A4e

Julie Trigg: A4e

Kerry Blair: A4e

Leicester City Council
Economic Development Culture and Tourism Scrutiny Commission

Members of the Commission who attended meetings

Cllr Sue Waddington (Chair)
Cllr Culdip Bhatti (Vice Chair)
Cllr Harshad Bhavsar
Cllr Lucy Chaplin
Cllr Adam Clarke
Cllr Ross Grant
Cllr Wayne Naylor
Cllr Paul Newcombe
Cllr Bill Shelton
Cllr Malcolm Unsworth

A task group which considered the response of Sir Peter Soulsby (Appendix 1) was held on 4th July 2012. It was attended by Cllrs Waddington, Bhatti and Cassidy.

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18th July 2012

Formal meetings of the Commission were held on

12th October 2011
14th December 2012
1st February 2012
7th March 2012
25th April 2012
23rd May 2012
1st August 2012