Sandwell Metropolitan Borough Council
Position Statement on Work & Skills

1. Existing work & skills priorities & principles

Sandwell’s approach to the skills and employment agenda is framed by the Regional Economic Strategy (RES), the Black Country Strategy for Economic Growth and Competitiveness and the Sandwell Employment and Skills Partnership (SERP) Business Plan. Below these strategic documents, all of Sandwell’s wards have an Employment and Skills Plan (NESP). These serve to allow the local community to determine interventions that will best serve to local people to gain employment. Sandwell is also part of the Birmingham, Coventry and Black Country Multi Area Agreement for Employment and Skills.

All levels of strategy highlight the need to tackle issues of relatively poor academic achievement, poor skills and in many cases a range of other barriers to employment. In 2009, Audit Commission undertook a review of Sandwell’s response to worklessness with the recommendations from this now embedded in the SERP’s Business Plan for 2010/11.

Sandwell has a large Future Jobs Fund programme in operation with 373 vacancies advertised in the first phase through a variety of partners including the Fire Service, The National Health Service, Primary Care Trust, and a number of community and voluntary organisations. Interest has been received from organisations to deliver approx 500 opportunities in the second phase. The ‘Backing Young Sandwell’ initiative is developing apprenticeships and work placements for 16-24 year olds who need to improve their skills to gain future employment.

The Working Neighbourhood Fund Grant to assist that people on out of work benefits to improve their skills and gain future sustainable employment. The community and voluntary sector deliver the client journey including engagement, personal support/mentoring, training and job brokerage in each of the borough’s six towns.

Sandwell MBC and Dudley MBC have jointly been allocated £12m European Regional Development Fund (ERDF) Priority 3 Sustainable Urban Development Funding. The Package Plan incorporates a number of themes for investment, one of which is worklessness. A European Social Fund (ESF) contract is held to target low level skills and boost employment within the borough.

2. Current business needs

Sectors

The chart shows industry sectors by percentage employees for Sandwell. Over 20% of employees who work within the Borough are employed within the manufacturing sector; however the service sector is becoming increasingly significant.

(Source ABI 2008, 2007 SIC Codes, NOMIS)
In terms of the number of Sandwell residents employed in each industry sector, over 70% work within the service sector, with 16.9% working within manufacturing, and 9.2% within the construction sector. It is important to note that a large number of higher level jobs are filled by residents from other boroughs.


Vacancies
The top ten notified vacancies in the Black Country by occupation reported by Black Country JobCentre Plus District, February 2010 included heavy goods vehicle drivers, followed by care assistants and home carers and sales representatives. In Sandwell there are approx 78 vacancies per 10,000 population with 9.8 JSA claimants per vacancy compared with 6.4 for England.

Skills needs identified by local businesses
Little data relating to the skill needs of local businesses is currently available. However the Regional Skills Assessment suggests that business and professional services, health and social care, construction and building technology skills and environmental technology skills are all likely to see increased demand. Manufacturing will continue to be a major employer in the Borough but with future emphasis increasingly on diversification into higher value adding products and focusing on higher level technical, management and customer care skills.

Recruitment difficulties & skills gaps
The Regional Skills Assessment (WMRO) identifies a growing requirement across all occupations for ICT skills to exploit the potential for new technology, and inter-personal skills. There will be a growing need for higher level technical skills specific to sectors, industries and individual businesses, including:

- Environmental technologies – scientific specialists, operational waste plant specialists, installation skills and energy assessors. There is also demand for more generic skills such as combining technical skills and commercial acumen
- Building technologies - skilled and experienced managers and specialist professional staff
- Business and professional services – legal executives, accounting technicians, leadership and management, sales
- Health and social care – literacy and numeracy, communication and interpersonal skills, IT skills, leadership
- Engineering – graduates and highly skilled technicians, management and leadership
- Food and Drink – food technologists, chemists, microbiologists, engineers and fitters

Sandwell MBC is currently working in Local Employment Partnerships (LEP’s), to assist businesses through the recruitment process and enable local people to gain to opportunity to gain skills and employment.
3. Future skill needs

Sandwell’s Economic Prospectus (2010) suggests that its future economy will be more diverse in terms of its sectoral makeup, have a greater emphasis on higher value added, specialist products and will be flexible in the face of changing customer preferences and technological capability. There will be an increased diversification into the service sector.

The three priority sectors identified for future growth are:-

- Diversified manufacturing; including high value added engineering, food production, offsite construction and health products.
- Business, financial and customer services.
- Green industries; including environmental technologies, waste recycling and research management and research.

Manufacturing has traditionally been a mainstay of the local economy but is likely to employ proportionately fewer people, if productivity is to increase and the goods and services produced locally to maintain their competitiveness in world markets. New employment opportunities will reflect this and demand new and a more diverse set of skills from Sandwell’s residents. It is therefore important for the local economy to ensure that the skills lost through retirement and structural movement within the labour force are replaced, but with an eye to increased flexibility. This will allow increased future transfer of skills between sectors and support rising GVA per head for the Borough.

Many of the future opportunities for employment are expected to be in one of the priority sectors identified above. Manufacturing is likely to remain a key sector of the local economy but with future opportunities likely to be skewed towards higher value adding products and services. Diversification of the existing business base is likely to see transfer of production in to areas of new and increasing demand eg health care products such as hospital equipment or new emerging food products. Find it in Sandwell a procurement network has enabled the Local Authority to work closely with local organizations to develop local opportunities through the local supply chain.

Major Investment

A number of high profile economic regeneration projects are underway within Sandwell. These include:-

- West Bromwich Town Centre – A £1 billion plus regeneration programme which will create 600 jobs. The site will provide in excess of 250,000 square feet of Grade A office accommodation offering a range of sizes and footplates. This will include BTs new regional business centre with another 450 jobs anticipated.
- Sandwell Hospital – A new £380 million acute hospital on 12 hectares of newly regenerated land.
- New Sandwell College – An £80 million, state of the art Further Education College, with potential to accommodate 10,000 students.
- Tesco are investing in one of their top of range Extra stores, creating 700 jobs.

Community Benefit Clauses have enabled Sandwell to ensure that job outcomes form local people are secured from major developments within the borough. It is anticipated that over 5000 jobs will be created within the borough by 2013.

14-19 Commissioning

Although attainment of five GCSEs has risen strongly in recent years, when maths and English are taken into account, Sandwell is among the lowest performing districts in the West Midlands. In contrast however, apprenticeship success rates for 2007/8 were 68.5%;
above the national average of 63.9%. Attainment over the same period at level two by age 19 (63% for 2007/8) is 12% below the regional average. For the same period, Level three attainment, by age 19 at 35% are also 12% below the regional average.

Against this backdrop, the Borough’s stated priorities for 14 to 19 are:-
- Increase participation to meet government targets as at 2013-2015,
- Provide a flexible and challenging curriculum that is relevant to the Learning needs of young people in their development, future employment and independent living,
- Provide effective learner support,
- Raise standards of provision and attainment.

4. Tackling worklessness and economic exclusion

Sandwell faces a significant challenge in terms of people out of employment, with 21.2% of the population classified as out of work or workless in March 2010. Some areas of the borough have as many as 31.2% out of work.

The majority of the people who have been in receipt of out of work benefits for a long period face significant barriers to gaining employment. Over recent years, as a result of the economic downturn, the labour market has changed dramatically. Many jobs within traditional sectors have declined, with new ones emerging. The change in skills requirements and a limited knowledge of work/employer expectations within the borough are issues which therefore need to be addressed. It is anticipated that training to re-skill and raise confidence will be needed on a larger scale to reduce the number of people claiming out of work benefits.

Key barriers to obtaining employment have been identified by residents through the NESP’s include:
- Long term unemployment
- Long term illness
- Low level car ownership
- Lack of Skills
- Lack of Suitable Childcare
- Low level qualifications
- Comparatively old population

It is clear that several resident sub groups including BME, over 50’s and NEETS require additional support in order to gain employment. Many of the people from these groups are characterized by limited employment experience and low or no skills.

16,560 Employment Support Allowance and Incapacity Benefit claimants (Aug 09) have a number of additional issues which drive the need for additional support. These include 37.9% with mental and behavioral disorders, 22.5% with musculoskeletal/connective tissue and 19.4% with other diseases that act as a barrier to employment. Specialist
employability training such as Pathways and Fit for Work help to enable these residents
to gain confidence and employment.

Traditionally a large number of jobs within the borough have the national minimum wage and
require low level skills. This means that those in employment often do not have the skills or qualifications
to move into higher, better paid roles. In work training is therefore seen as an important intervention
to raise the output of both individuals and the local economy.

5. Informal learning needs

A large proportion of Sandwell residents have low level qualifications, with 36,800 (21.2%)
residents having no qualifications at all. Many therefore need basic literacy and numeracy training before they are able to begin level 2 or 3 qualifications. The Local Authority is committed to improving the skills of local residents and with key partners, has developed an Employment and Skills Pledge. The Strategy for the improvement of Skills for Life in Sandwell 2008 – 2011 outlines the aspiration to assist those with the lowest level skills to improve their lives.

A significant number of people within Sandwell do not speak English as their first language. Many recent migrant workers are relatively young and want to enter employment. An adequate supply of ESOL provision across the borough is therefore needed to ensure that these people are able to gain the skills needed to enter the local employment market.

6. Conclusion

Sandwell has ‘Educated and Skilled people into Employment’ as one of three shared priorities for the Borough and its partners in regeneration. Critical to achieving this is the development of a seamless offer of support to business comprising of a focus on employment and training to ensure that investors have access to the skills they need and that Sandwell residents have access to arising opportunities. The outcome of Sandwell’s approach will be a greater and more diverse range of employment opportunities for local people who have the skills to access these opportunities.

Critical issues underpinning Sandwell’s objective of reducing worklessness include:

- The need to identify funding streams that will allow the future delivery of interventions designed to reduce worklessness
- Alignment of commissioning 14-19 and beyond to Sandwell’s economic need.
- Targeting of resources to achieve maximum impact eg information and guidance on the NEET sub group.
- A clear pathway through education at all levels for residents of all ages.
- The creation of opportunities within the local economy to employ and retain those with higher level skills.
- The decline of public sector jobs driving the need to increase growth of private sector opportunities
- The pace and scale of improvement needing to be much greater, supported by enhanced central government funded employment and skills programmes, and fiscal policies that enable job creation within the private sector