

## City of Wolverhampton College

### Employer Responsiveness Strategy 2008 - 2010

#### Introduction

City of Wolverhampton College's *Development Plan* is clear about the significance of government policy on skills following Leitch in December 2006 and the impact of, among other things, demand-led funding, Train to Gain, National Skills Academies and the increasing influence of sector skills councils. At its heart is a focus on employer engagement and skills for employment that reflects Leitch's emphasis on 'the need for a demand-led system geared up to sustainable employment and productivity driven by an enriched skills base and built on a principle of shared responsibility between employers, individuals and Government'. This echoes the LSC's desire to put *employers centre stage* in recognition that their well-being is the chief indicator of the prosperity of the City and sub-region. In short, the College's significance rests in the degree to which it facilitates skills, knowledge and attitudes that are responsive to the needs of employers and which sustain and nourish the local economy. How it meets employer need becomes therefore one of the main measures of its legitimacy.

The College's reach extends to all parts of the community, to young people about to start on a career, to employed people needing to enhance or upgrade their skills and to those looking to gain the skills they need for lasting employment. We are also uniquely placed in that we offer skills and learning across such a wide range – not just through the diversity of the curriculum but also the forms that learning takes, where it can be delivered and the levels at which it is pitched.

The College's role in Wolverhampton, the Black Country and City Region centres on aspirations towards a diverse and thriving economy sustained by a skilled workforce who, by and large, live, shop and spend their leisure time in the area. That the City and sub-region are commonly associated with low skills, declining industries and an ailing economy denotes both the importance of the College and the extent of the challenge it faces. Producing skills and qualifications of a type and at a level that meet the requirements of employers is pivotal to growth. And as Wolverhampton's most significant provider of skills and qualifications at all levels, the College has the leading role in taking people across the skills divide and into the jobs that will take the economy forward.

Our *Employer Responsiveness Strategy* signifies the importance the College gives to employer needs in the context of the issues facing the economies of Wolverhampton, the sub-region and the wider West Midlands, including Telford to the west and Staffordshire to the north. In particular, it is an attempt to set out our priorities and approach in the wake of the area's economic development and regeneration. Naturally, it will require review and updating as this begins to take shape and new strategies, arrangements and initiatives materialise. It remains nonetheless a description of why and how the College will engage with employers with a currency that we hope will remain intact despite the pace of changing times.

## 2. Context

### *Local and Regional Economy*

Though Wolverhampton's industrial and cultural associations are with Birmingham and the Black Country, its adjacency to Staffordshire and the high technology industries associated with the corridor extending out of the City towards Telford have increasing importance. On the one hand, it is a city of 236,000 people, almost two thirds of whom are of working age, including more than 35,000 people who are economically inactive. Wages are 12 per cent below the national average and just 32 per cent of the workforce occupies managerial, professional, associate professional or technical posts, more than 10 per cent below the national figure. Only 3 per cent of people earn more the £50,000 a year and less than 1 in 5 hold a qualification at degree level. On the other, it is the focus of a number of major regeneration projects. <sup>i54</sup> The i54 has been designated as the Regional Investment Site and will create around 6000 new high value jobs. In addition, the Summer Row retail and leisure development and the Transport Interchange are set to commence in 2008 and 2009 respectively. Both these major regeneration projects will support the transformation of the City centre, acting as a magnet for further investment. Likewise, the aspirations set out in the Black Country Study envisage the transformation of an area shaped in the 19<sup>th</sup> century into a sub-region who's economic, architectural, cultural and topographical characteristics belong to the new millennium.

Just as the promise of an exciting future should not be ignored nor can the challenges it presents be understated. It is not insignificant, for example, that over the 3 years to 2007 relative deprivation actually got worse in every part of the Black Country. Wolverhampton, in particular, has remained relatively uncompetitive for more than a decade and in 2008 was ranked 305<sup>th</sup> most competitive out of 407 local authority areas, compared to 302<sup>nd</sup> in 1997. At the same time, GVA per capita has fallen from 94% of the West Midlands a whole in 1995 to 83% in 2005. Also, between 2002 and 2007, skills levels in Wolverhampton actually fell with the percentage of the working age population with no qualifications increasing from 25 per cent to 30 per cent (compared to 13 per cent nationally and 17 per cent in the region). The proportion of the working age population claiming benefits also increased during this period and at 2007 stood at 21.3 per cent, higher than in any other part of the West Midlands/

This is the context shaping the College's part in economic transformation. It can be boiled down into a single priority *to help more people develop the types and levels of skills that will be needed by a transformed regional economy.*

### *Strategic Drivers*

*World Class Skills: Implementing the Leitch Review of Skills in England* remains central to the College's plans, not least through its emphasis on the significance of skills to economic prosperity and advocacy of a demand-led system integrating skills and employment services. The strengthening of the 'employer voice' and increasing 'employer engagement and investment in skills' is echoed in West Midlands City Strategy, which envisages a single system of engagement, progression to work and skills development, and the West Midlands Skills Action Plan's goals for intermediate and high level achievement. The LSC's Statement of Priority 2008-2011 also identifies 'Sustainable Growth and Prosperity' as an outcome of action on skills.

The College likewise prioritises 'Creating the Demand for Skills' and acknowledges the targets included in the LSC West Midlands Regional Commissioning Plan. We also acknowledge the importance this gives to particular sectors, including Manufacturing/Engineering, Construction, Public Services and Tourism/Leisure; and to 'closing the gap for adults with no qualifications', 'employer engagement', 'skills leading to employment', 'Skills for Life' and the development of a 'diverse and responsive provider network'.

West Midlands Economic Strategy's emphasis on 'stimulating employer investment in skills and training' and perpetuating 'a stronger culture of life-long learning and continuous development' are equally consistent with the College's role and purpose. Similarly, the Black Country Study analyses the weak economic performance of the sub-region in terms of low skill levels; while Wolverhampton's Community Plan refers to skill levels as 'an important issue for the City', while the draft Sustainable Communities Strategy which will supersede it sets targets for higher skills and qualifications. Also at local level the new Local Area Agreement delivery plan for skills, employment and enterprise, prioritises action on employer investment in skills, increasing intermediate and higher level skills and supporting employers of emerging significance to the economy.

### The Wolverhampton and Black Country economy – an outline

The local economy is the defining influence on the College's strategy on employer engagement, since it provides the ultimate rationale for the services we offer and the learning and skills we deliver. The table below provides a comparative summary in terms of employers and employment structure, working age population in employment, qualifications, gross value added and average earnings.

	England	W.Mids	W'ton
Total employers (2005)	2,042,463	197,592	7,568
- employers 1-10	1,716,067	163,341	6,085
- employers 200+	13,613	1,417	62
- manufacturing	148,336	18,988	878
- construction	193,354	19,120	604
- distribution/hotels/restaurants	573,590	59,188	2,593
- transport/comms	89,378	9,468	337
- banking/finance/insurance	666,193	56,838	1,925
- public admin/education/health	184,770	18,028	739
- other services	175,569	15,001	478
Total Jobs (2005)	22,921,669	2,376,375	104,448
- manufacturing	2,545,920	362,252	16,167
- construction	1,029,983	107,165	4,817
- distribution, hotels, restaurants	5,567,948	573,679	26,463
- transport/comms	1,402,968	133,742	4,918
- banking/finance/insurance	4,897,087	416,208	14,546
- public admin/education/health	6,011,924	636,280	33,791
- other services	1,175,195	112,673	3,413

	<b>England</b>	<b>W.Mids</b>	<b>W'ton</b>
% working age population in employment (2006)	74.3	72.9	68.7 (95,100)
% working age qualification with (2007)			
- No qualifications	13.1	17	29.9
- Level 2 +	64.1	61.1	49.9
- Level 3 +	45.9	42	32
- Level 4 +	28.1	24.6	18.3
Gross added value per head (£) (2005)	18,205	15,841	15,031
Median gross annual salary (2007)	£24,428	£22,546	£22,438

Sources : Black Country Observatory, GHK

### Commentary

Wolverhampton borders the Black Country to the south and east and the counties of Shropshire and Staffordshire. As a travel-to-work and travel-to-learn area it is a focus not only for its 236,000 residents but also for the sub-region and the relatively prosperous areas to the west and north.

At the 2001 Census 33 per cent of the City's population were aged over 50. It is projected that, by 2011, this will have increased to 35 per cent; while the proportion of residents aged 15 to 24 will increase by 1 per cent to 36000. Despite an expected overall reduction in population during the first 10 years or so of the century, the numbers of residents of working age will change little. In fact, assuming a reduction in benefit dependency in Wolverhampton, the demand for jobs is likely to increase.

More than 22 per cent of residents belong to an ethnic minority, two thirds of these being Asian or Asian British, while more than a fifth are Black or Black British.

Wolverhampton continues to figure significantly in the Index of Multiple Deprivation (IMD). Almost half of the City falls within the 20 per cent most deprived areas in England. Little more than two thirds of the working age population are actually in employment, compared to almost three-quarters for England as a whole. Unemployment continues to run at twice the national rate and at August 2008 stood at 5.4 per cent, higher than any other part of the Black Country. 1 in 3 unemployed people have been so for more than 6 months. In total, almost 16,000 residents are currently seeking employment. Those who are in work bring home, on average, £22,500 a year, compared to a national average of £24,500, while the average weekly wage of working women in Wolverhampton is below £350. Part-time jobs meanwhile are the poorest paid in the Black Country, the average part-time worker – the majority of who are women – earning £120 a week (England : £131).

29 per cent of Wolverhampton's employed workforce are in managerial, professional, associate professional and technical jobs, compared to more than 41 per cent nationally; while almost 1 in 3 are in low skill jobs, where the national figure is 1 in 5.

18 per cent of the working population are qualified at degree level or above (25 per cent nationally), while one half are qualified at level 2 or above (GB:61 per cent) and almost 23 per cent have no qualifications (GB : 15 per cent).

The chief economic indicators for Wolverhampton are unsurprisingly consistent with those for worklessness, earnings, jobs and qualifications. The City's Gross Added Value (GVA) per head is 85 per cent of that of the UK; it has 252 businesses per 10,000 population, compared to 308 for the UK; and new businesses in Wolverhampton are 5 per cent less likely to survive for 3 years than businesses elsewhere. It might also be added that of the 2,890 jobs created in the Black Country over the last 5 years as a result of inward investment only 146 have been in Wolverhampton.

The counterweight to the grim commentary provided by these kind of data lies in the significant investment in the City's regeneration planned for the next 5 years or so; Wolverhampton's part in realising the wider vision for the sub-region set out in the Black Country Study; and the benefits accruing from its proximity to the 21<sup>st</sup> century economy emerging in the corridor sweeping out towards Telford. Also, though the economic indicators make dispiriting reading relative to the national picture, the City compares well to the rest of the Black Country in relation to, for example, GVA, business per 10,000 population, ownership of higher level qualifications; and the increase in young people gaining 5 or more GCSEs at A\* to C.

The 7,000 predominantly knowledge economy jobs that will be created on the i54 site, the planned expansion of the City as a retail centre, the creation of a single hub integrating bus, rail and Metro transport along with a range of housing, business, cultural and sectoral developments promise a transformation of the declining industrial town into a modern city with an economy, amenities, housing and leisure opportunities to match. Thus the Black Country Study designates Wolverhampton as the 'city in the Black Country'.

### **The Context : key strategies**

The *Leitch Review of Skills* and the Government's response through *World Class Skills* published at the end of 2006 remain the key strategic drivers of the College's approach to employer engagement. Its focus on economically valuable skills within the context of a demand-led system that is equipped to adapt and respond to changing needs from a basis of strong existing structures is echoed in the College's Development Plan :

*.....the need for a demand-led system geared up to sustainable employment and productivity driven by an enriched skills base and built on a principle of shared responsibility between employers, individuals and Government will be taken forward through the College's equivalent focus on employer engagement and through access to skills for employment*

Leitch's recommendation on the creation of a new integrated employment and skills service – which is echoed in City Strategy - is anticipated not only in the conviction with which the College has approached the development and delivery of *Train to Gain* but also through its collaboration with employers on recruitment and bespoke training. Likewise its diverse and evolving Apprenticeships programmes provide opportunities for employers to directly influence skills training and to shape training to meet their needs.

The LSC's plans for the growth and influence of *Train to Gain* and its assertion of a new offer for employers through a stronger network of *Train to Gain* quality providers committed to taking forward the message behind *Train to Gain* provides the basis for the implementation of the current phase of the College's strategy on employer engagement.

If they are to have meaning at ground level, however, national strategic pressures require mediation through regional, sub-regional and local priorities. Thus the continued resonance of the aim of Pillar 2 of the West Midlands Economic Strategy (RES) to '*create a highly skilled, innovative and adaptable workforce to attract and support the growth of high value jobs and wealth-creating businesses, leading to increased income... and to ensure that all individuals have the relevant skills to take advantage of job opportunities.*' Likewise, the Skills Action Plan, published jointly by the LSC and Advantage West Midlands (AWM) at the end of 2007 (not least as a response to Leitch) is also central to the College's strategy for employer engagement. In particular, its target for increasing investment in Apprenticeships, subscription to Train to Gain among Chamber, CBI and EEF members and for commitment to the Skills Pledge.

At sub-regional level, the 3 main priorities that the *Black Country Consortium* has attached to the area's 2 regeneration zones include an aspiration to create an :

*... innovative, skilful and adaptable workforce is a prerequisite for the Zones' future prosperity. It is crucial to enhance skill levels and guide the development of human resources towards training opportunities and higher levels of educational attainment.*

This is consistent with the aims of the Black Country Study and its emphasis on how a transformed sub-region will rely on the delivery of the skills and attitudes required to support sectoral, occupational and skills change and create a *knowledge economy*; and with the future outlined in Wolverhampton's *Community Plan 2006-2009* in which Wolverhampton is a *learning city* and a *wealth creating city*. Even stronger echoes are to be found in Wolverhampton's Local Area Agreement, which has specific targets for increasing the numbers of the City's residents who are qualified at levels 2, 3 and 4 and which prioritises increases in the 'economic growth and productivity of specific business sectors'.

#### **Economic and Strategic Drivers: summary**

<i>Economic Drivers</i>	<i>Strategic Drivers</i>
<ul style="list-style-type: none"> <li>▪ Increased demand for skills in               <ul style="list-style-type: none"> <li>- Retail</li> <li>- Care/healthcare</li> <li>- public services</li> <li>- construction</li> <li>- hotel/catering/leisure</li> <li>- personal services</li> </ul> </li> <li>▪ Continued significance of manufacturing industry despite reduced employment in manufacturing sectors.</li> <li>▪ Increased demand for skills at higher levels against a backdrop of low ownership of skills at Level 3+ and almost 1 in 4 of the working population having no qualifications whatsoever.</li> <li>▪ Predominance of low skill, low wage employment and low levels of inward investment in the wake of transformational regeneration projects.</li> <li>▪ High levels of worklessness and increasing numbers of people in the workforce aged 50+.</li> <li>▪ Low levels of entrepreneurial activity and business survival.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensuring that provision meets the needs of employers and that it is demand-led rather than centrally planned.</li> <li>▪ Provision of learning that as well as being responsiveness to employer requirements is both accessible and capable of flexible delivery.</li> <li>▪ Provision of economically valuable skills and skills that meet the approval of sector skills councils.</li> <li>▪ Delivery of an integrated employment and skills service that provides workless people with the skills they need for sustainable employment and supports them into employment in economically viable sectors.</li> <li>▪ Raising employer investment in skills through Apprenticeships and Train to Gain.</li> <li>▪ Development of high quality provision.</li> <li>▪ Responding to the needs of the knowledge economy and the provision of skills at levels 3 and above.</li> </ul>

### **City of Wolverhampton College Employer Engagement Strategy : Aims**

The strategic and economic context outline above has led the College to the agreement of an Employer Engagement Strategy which aims to :

- provide employers in Wolverhampton, the Black Country and beyond with a comprehensive range of skills development and recruitment services;
- recognize and anticipate the needs of the local economy; and
- ensure that the College is organizationally oriented towards employer engagement and economic impact and that the significance of employer engagement permeates 14 – 19 provision and action to address social inclusion.

### **City of Wolverhampton College Employer Engagement Strategy : Priorities**

The further distillation of the College's employer engagement aims leads to 5 main priority areas which together embrace both external awareness and internal issues of structure and capacity :

- *Context and infrastructure* : provision of services to employers that are conducive to engagement and which provide a means of understanding their needs.
- *Impact on the economy* : development and delivery of provision that responds to employer need and especially those business and industrial sectors which are significant to the economy. This extends from basic skills to level 4 and aspires to meet the needs of major City and Black Country regeneration projects.
- *Quality and Responsiveness* : maintaining a wide range of services with suitably high levels of quality, flexibility and responsiveness.
- *Maximising resources* available to the implementation of the Strategy

#### ***(i) Context and Infrastructure***

The College is committed to sustaining resources and an organizational infrastructure commensurate with responsiveness to employers. The chief features of this will be :

*Employer Engagement Directorate* responsible for the management, development and delivery of key employer engagement contracts (Train to Gain, Apprenticeships) and having a specific role to broker relationships with - and promote College services to – employers. In consequence, the College is able to take an account management approach to working with employers and to developing bespoke services.

*Differentiated Marketing* and an approach to employer engagement that is distinct from the mainstream. This includes the maintenance of a website directed specifically at employers and the publication of marketing materials which are clearly targeted at employers.

*Consultation* with employers as a means of gathering information and intelligence on their requirements, understanding their views and ensuring services reflect their needs.

This is to include employer forums where possible and the use of evaluation techniques to assess employer responses to College services.

Institution and maintenance of a *Client Relationship Management* (CRM) arrangements that meet the requirement of employer responsiveness in a college of the size and reach of City of Wolverhampton and which ensures a coherent approach to delivering services to employers and meeting their needs.

In order to secure an understanding of employer and industrial/business needs the College will undertake and update *sectoral analyses* that support the development of approaches that reflect the needs of different sectors.

### ***(ii) Impact on the economy***

The most public indicators of the College's impact on the economy derive from Wolverhampton's new Local Area Agreement, most notably its targets for ownership of qualifications and skills and the associated cross-cutting delivery plan for employment, skills and enterprise. From early 2009 this will be driven by the City's strategy for economic development which will be drawn up following publication of its economic assessment in late 2008.

*Train to Gain* : a comprehensive and high quality Train to Gain programme. This will seek to be responsive to employer need as it emerges and embrace new developments such as the Integrated Employment and Skills (IES) plan. The College will also ensure that Train to Gain includes opportunities for the employed workforce in respect of Skills for Life.

*Apprenticeships* : the College will continue to be the most substantial, diverse and responsive co-ordinator of Apprenticeships in Wolverhampton, working with the LSC and with partners to ensure Apprenticeships are prominent among the options available both to young people and adults in the region.

*E2E* : is a vital means of asserting vocational and work-based opportunities among those young people who may not be quite ready to follow an Apprenticeship and will thus remain an important feature of the College's employer engagement portfolio.

*Recruitment* : is a natural component of College services to employers and we will continue to support the recruitment needs of growing or inward investing employers by working, not least, with Jobcentre Plus to identify the people and provide the skills training they need. This includes supporting *City Strategy*-related initiatives and services linking workless people with job opportunities and Train to Gain.

*Lean Academy* : will continue to be a flagship regional initiative promoting the benefits of lean manufacturing techniques to employers from its partnership base at Turner Powertrain, a subsidiary of Caterpillar. The College will also explore further opportunities to extend the reach of lean techniques to employers in other sectors, notably construction and care.

*Strategic partnership* : in the context of employer engagement Wolverhampton's Local Strategic Partnership is most apparent through the College's membership of Wolverhampton Economic Partnership (WEP) and Wolverhampton Learning Partnership which together have specific and extensive interests in enterprise, skills and worklessness. This extends to the co-ordination of the delivery plan for worklessness, skills and enterprise-related actions to address Local Area Agreement

priorities. The College will exert its influence to ensure that the skills and recruitment needs of new and existing employers are recognized and that local strategic funding is invested accordingly.

*Information and intelligence* will be maintained in the form of secondary information on sectors, employers, economic trends, business and occupational structures, demand for skills, and so on, and regional, sub-regional and local strategic plans. Qualitative information will also be drawn from employer forums, evaluation mechanisms and other employer relations.

*Innovation* : developing the College's collaboration with the University of Wolverhampton as a provider of innovation services to employers, including the links with the University evolving in relation to the Lean Academy and icentral.

### ***(iii) Quality and Responsiveness***

The quality and value of the services provided to employers is measured in terms of participation, success rates, achievement of targets, and so on, alongside impact, employer satisfaction, responsiveness and understanding of employer needs. These will be sustained through :

- Registration for Part A assessment under the Training Quality Standard and Part B assessment in care and other sectors.
- An *account management* approach to engagement services ensuring employers have officer support adequate to their particular needs and of promoting the widest range of college services. This will rely, not least, on maintaining effective relationships between employer engagement officers and curriculum areas.
- Provision of *information* to employers describing what the College can offer them (see *Marketing* above) in terms both of services and responsiveness.
- *Evaluating* employer reactions to our services and seeking employer feedback.
- Applying the *assess-train-assess* model to ensure the acquisition and accreditation of skills is neither laboured nor beset by bureaucracy and outmoded practice.

### ***(iv) Maximising Resources***

The competitive and market-driven environment in which the College operates compels an approach to employer engagement that demands high quality services and understanding of what employers need in equal share. It is important therefore that our *strategy* includes alertness both to the expectations that underpin mainstream funding and the aims of the strategic funding on which resources will increasingly depend. It will therefore prioritise :

- Making the most of opportunities both to sustain and extend delivery of government programmes delivering training and development to employers.
- Collaborating with partners to secure alternative sources of funding – including LSC/ESF co-financing - to bridge apparent gaps in mainstream provision.
- Using membership of *local strategic forums* to ensure employer engagement is prioritised within Local Area Agreements and that it attracts appropriate levels of investment.
- Close and productive relationships between employer engagement officers and *curriculum areas* – this being pivotal not only to sectoral range and to quality standards but also to ensuring greatest possible pool of resources is available.

The implementation and impact of the Strategy is measured through 5 quantitative indicators:

1. Maintain a year on year increase in the number of employers with which we engage to deliver training.
2. Increase the take up of Skills for Life provision by employers.
3. Maintain a year on year increase in success rates for (i) Apprenticeships and (ii) NVQs achieved by the employed workforce aged 19+.
4. Maintain year on year improvements in employer satisfaction.
5. Maximise the availability of Government funding to support employers by increasing Train to Gain and Apprenticeships contracts year on year.