Luton’s Skills and Employability Strategy 2016-2020

Introduction by Sian Timoney Portfolio Holder for Place and Infrastructure

Luton is committed to the development of a skilled workforce, creating better opportunities for its residents and supporting a vibrant and thriving business economy. Updating our all-ages Skills and Employability Strategy gives a strong partnership platform to work with employers, training providers and education settings to create a culture of learning, aspiration and high achievement that provides the skills employers are seeking and which will support the goal of sustained growth in Luton’s economy.

Luton has a significant part to play in the national and regional growth agenda. It has the capacity, opportunity and responsibility to harness its economic impact, mobilise its community and improve the health and ambition of Luton’s residents and businesses to meet the highest levels of economic growth.

Proximity to London, the South and the South-East creates an opportunity to support the development of Luton as a place that is connected to all of the benefits of London (22 minutes by train and 31 miles from the very heart of central London) and the South. There is also the added advantage of available affordable land and housing values, affordable commercial rents and commercial property, an increasingly skilled workforce, superb broadband connectivity and proximity to the European and Asian international markets through London Luton Airport.

Over the next 10 years we have opportunities to grow our airport and its European business links and to create over 15,000 jobs. We will dedicate additional resources to work with employers and businesses in the town to match the skills pipeline and identify and develop emerging skills necessary to meet employers’ needs.

Luton will continue to grow, both in jobs and in population. With strategic investment in Luton’s assets and its people, we can begin to offset some of the effects of current economic pressures, and with an expanding, fast-growing airport we will, over the next 20 years, continue to deliver jobs, prosperity and economic opportunity.

Luton has a track record of success and is ambitious for its future. We will continue to work with our partners to establish Luton as a destination for success, with increased aspirations and a culture of life-long learning for all.
Executive Summary

The refreshed Skills and Employability Strategy for Luton takes an honest look at our success and strengths, as well as some of the challenges and barriers to growth and development that some of our young people, our adult residents and our businesses are facing. This strategy links to the Council’s Prospectus, Luton’s Investment Framework, the Flying Start Initiative, the Apprenticeship Strategy, the work of Luton’s Stronger Families team, the Family Poverty Strategy, Health Inequalities Strategy and the Welfare Reform agenda.

It clearly sets out our plans to overcome each barrier to progression, the outcomes we expect to have achieved by 2020 and how we will measure our success. None of this will be possible without joint working with our partners.

Working with the Progression and Transition Board we will increase qualifications and skills levels for all pupils, in the relevant areas that match employers’ emerging needs; link business partners to schools, colleges and higher education providers to shape and prepare tomorrow’s workforce and meet employer demand; and develop innovative curriculum solutions to meet employer and learner skills needs.

Collaboration between employers and Luton’s schools, academies and further and higher education providers will enable the development of work-based teaching in emerging employment areas and we will work to secure extra funding for training for Luton residents and employers through initiatives such as traineeships and all age and higher level apprenticeships.

We will develop employability and training networks to identify training opportunities for residents and to connect candidates from Luton postcodes with Luton jobs. We will align sources of funding, including European Social Funds, to match-fund proposals to close the skills gap and to support development of small business and enterprise. We will use labour market intelligence to develop high quality, informed careers guidance to enable Luton residents to aim high and enter appropriate career pathways.

We will work with our colleges and training providers to develop a tailored and flexible approach to learning with an awareness of skills requirements and the specific needs of different people and communities, with 750 community volunteers (between 2016-20) in training and development opportunities that will improve their employment chances.

The town has some land for development, including a new Enterprise Zone, and we focus very carefully on what our priorities are for land use and resources, and ensure that we adopt only those policies that work well together to promote the ambition for Luton’s residents and businesses and for the region, socially, economically and educationally.
Methodology

The Skills and Employability strategic review began with partners and stakeholders coming together in a series of workshop settings in 2015 to consider how to measure achievements of the 2012 Skills and Employability Strategy and action plan. The delivery of the action plan was overseen by the Skills and Employability Steering Group, with partners taking responsibility for delivering projects and reporting progress on a quarterly basis. All projects were delivered successfully and some are still ongoing.

With the emergence of the Luton Investment Framework, it was agreed to refresh the 2012 strategy, examining the current barriers to progression and social mobility for Luton residents, and the opportunities for, and constraints to, growth for the local economy and local business. It was agreed that the vision and strategic priorities should stay the same but new outcomes and an action plan that would allow for more specific measurement in terms of success and achievements be developed.

A small working group comprising officers from Luton Borough Council’s Economic Development Service, Business Intelligence, Children and Learning’s Support Challenge and Intervention 16-19 team, Social Justice Unit, Luton Adult Learning and the Prince’s Trust undertook the research and re-writing of the strategy.

The strategy began its journey of consultation in February 2016. Suggestions and feedback from the consultation have been taken into consideration and a new detailed action plan developed to allow for measurement of success. This will sit alongside the strategy and be delivered by the Skills and Employability steering group and other multi agency partnerships.
A Spotlight on Progress and Success

The launching of the 2012 Skills and Employability Strategy enabled a town wide group of partners to work together for the first time to share information and resources and use a co-ordinated approach to tackle skills and employability. Skills have become one of Luton Borough Council’s priorities. Below are just a few of the successes in Luton over the last three years.

- The Progression and Transition Board comprising 16-19 provision, including secondary Head Teachers, and FE college principals are working to improve careers education and guidance and focus on employability and future skills needs, with a view to bringing about curriculum change.

- A Business Engagement Pilot with three schools facilitated by Luton Borough Council’s Economic Development Service, 16-19 Team and local employers to encourage young people into the Engineering Sector, where skills shortages are acute. Further work is planned with employers having ‘open days’ for school visits.

- ‘Tokko’ a £4.75million youth facility, opened its doors in June 2013. TOKKO has provided services and activities to more than 2,000 young people who have come to learn and develop new skills and talents, get training, advice, information and guidance and have fun and relax together. TOKKO work with a range of partners including the Prince’s Trust whose Fair-bridge Programme is currently running at TOKKO, helping 100 young people a year to progress their skills, confidence and gain qualifications.

- European Social Fund : Since 2008 Luton Borough Council has attracted and match funded £5m of ESF funding that has been spent in providing support and training to help residents develop new skills, gain qualifications and move into or progress within employment. Over forty projects have been supported helping 575 people into employment, 935 into education and 205 to gain level 2 or 3 qualifications.

- The biannual Luton Employment Training and Skills Fair began as a direct result of the 2012 strategy and is a highly successful partnership between Department for Work and Pensions, Luton Borough Council’s Economic Development Service and Luton Community Interest Company. The LETS Fair continues to grow in size with over 50 stands of employers and training providers. Nearly 1,000 people attended the fair in September 2015.

- A highly successful Annual Apprenticeship Event is organised by a partnership of the National Apprenticeship Service, Luton Borough Council’s 16-19 Team and Economic Development Service alongside other ongoing work with schools and colleges. The 2015 event had over 40 stands providing information about apprenticeship programmes.

- Since 2012, Luton Adult Learning (LAL) has provided ESOL training to over 2,400 learners and, through their work with the Community Learning Trust, has supported an additional 8,000 learners via 24 local organisations. In addition they have delivered apprenticeships to Luton Borough Council and external employers. Their apprenticeship success rates are 14.2% above the national rate. They hold a National Career Service contract which has worked with over 5,000 people.
Luton will have a skilled and qualified workforce that will support a vibrant business economy and meet the requirements of its employers, specialist sectors and high growth businesses. There will be a culture of lifelong learning, aspiration, participation and high achievement that will help to provide opportunities to improve the life chances for residents and the sustained development of the town’s economy.

The partnership will ensure the development of a cohesive action plan to improve learning, skills and employment outcomes and inward investment in the Borough. It will be accountable for improving outcomes for residents, communities and the local economy.

Skills and Employability Partnership

The Luton Skills & Employability Strategy is made up of representatives from the following organisations:

**Skills Development and Employment**
- Luton Borough Council Economic Development
- Luton Borough Council 16-19 Team
- Luton Borough Council Youth Advice
- University of Bedfordshire
- Luton Adult Learning (LBC)
- The Learning Partnership
- The Prince’s Trust
- Luton Sixth Form College
- Barnfield College
- LBC Community Development
- LBC Planning
- LBC Social Justice Unit
- LBC Business Intelligence Team
- Bedfordshire Chamber of Commerce
- Federation of Small Business

**Skills Funding**
- Skills Funding Agency

**Worklessness and Employment**
- Department for Work and Pensions/Jobcentre Plus
- National Apprenticeship Service

The partnership will ensure the development of a cohesive action plan to improve learning, skills and employment outcomes and inward investment in the Borough. It will be accountable for improving outcomes for residents, communities and the local economy.
The Strategic Priorities

These priorities are focussed on the local population and will be delivered through a number of workstreams and overseen by the Skills and Employability Steering Group.

1. To improve young people’s transition from education to employment and to provide a more comprehensive vocational offer for young people aged up to 24 years old.

2. To increase the range and take up of vocational training offered, including the number of apprenticeships being created and taken up, for all ages and at all levels.

3. To improve opportunities for learning, self development and employment progression for all, but particularly for the low paid and the low skilled.

4. To remove barriers and improve pathways into work for the unemployed.

5. To facilitate work with employers and training providers to ensure Luton’s residents are equipped to meet the skills needs of local businesses now and in the future and to provide good quality jobs for local people.

Governance

The high level outcomes will be supplemented by a detailed action plan, agreed and regularly reviewed by partners, and through the appropriate governance arrangements. The Progression and Transition Board will continue to oversee initiatives to improve opportunities for the development of young people in the town. The Welfare Reform Board will oversee the work to be carried out to remove barriers to progression for the unemployed, the low skilled and the low waged. The Skills and Employability Steering Group will continue to oversee the work carried out to encourage business growth and economic development.
Part 2: Our priorities

The Strategy sets the key priorities in the following areas:

2.1 Luton’s young people (focusing on strategic priorities 1 and 2)
2.2 Adult residents and social mobility (focusing on strategic priorities 2 and 3)
2.3 Unemployment and social mobility (focusing on strategic priority 4)
2.4 Skills for Luton’s economic growth (focusing on strategic priority 5)

2.1 Luton’s Young People

Strategic Priority 1
To improve young people’s transition from education to employment and to provide a more comprehensive vocational offer for young people aged up to 24 years old.

Strategic Priority 2
To increase the range and take up of vocational training offered, including the number of apprenticeships being created and taken up, for all ages and at all levels.

It is important that all young people (not just high or low achievers) are supported in school to achieve their full potential. This includes helping young people to prepare for their transition from school to work. This can be achieved by continuing to support aspiration and achievement and by enhancing young people’s preparation for the world of work, including quality careers advice, comprehensive information about the full range of post 16 options, including apprenticeships at advanced and higher levels, employability training and work experience.

Baseline Data

For May 2016, the numbers of young people not in employment, education or training (NEET), aged 16-19 within Luton remained consistently low at 3.9%. This figure remained favourable in comparison to the Council’s statistical and regional neighbours and the national percentage (4.2%, 4.4% and 4.4% respectively).¹

There has been a decrease in the percentage of young people aged 16-19 who are not in education, employment or training (NEET). Taking the month of May as a snapshot, NEET figures within Luton for the last three years have been: May 2016 (3.9%); May 2015 (4.8%) and May 2014 (6.5%).² This trend is supported by DfE data that shows ‘End of Year’ NEET figures for 16 to 18 year olds as 2015 (4%); 2014 (4.7%) and 2013 (5.6%).³ Having a small, designated ‘statutory’ team of YAS (Youth Advice Service) advisers has helped to support these reductions.

The number of young people who are recorded using the ‘adjusted NEET’ formula differs in each neighbourhood and these numbers can change each month. However some neighbourhoods remain higher than others. Most recent figures from May 2016 show that the three wards with percentages of 7% and above were South, Northwell and Farley. These findings shows similar results from one year previously (May 2015) when South and Farley (South wards) had the highest percentage of young people recorded as NEET.¹²

The number of young people in Luton aged 16-19 and recorded as not having a current destination (Not Knowns) for May 2016 was 3.7%. This figure out-performed the percentage results from Luton’s statistical neighbours (8.6%); regional neighbours (5.2%); and the national % (6.6%). These figures confirm that having a small, dedicated tracking team helps to reduce young people whose destinations are unknown and thus supports tracking young people who are potentially missing.¹

¹ Luton Borough Council Youth Advice. Performance on a Page (2016/17)
² Luton Borough Council Youth Advice. Performance on a Page (2015/16)
Data from May 2016 shows that in terms of ethnicity, 54.5% of NEET young people are White which represents the largest cohort percentage. In terms of gender, for the same period 57% are male and 43% are female.¹

The proportion of the workforce with GCSE and A Level qualifications has increased from 18.8% in 2009 to 21.3%. This brings Luton closer to the regional and GB average of 23.5% and 23.3% respectively.²

The 2015/2016 Ofsted Inspections data for Luton schools show that 91.5% of Luton secondary pupils now attend a school that is good or better. Luton is 3rd in the Eastern Region authorities (82.2%) and well above the England average of 80%. It ranks Luton 34th out of 162 LAs nationally.³

In 2015 Luton Schools have achieved 60.3% of young people gaining five or more GCSE exam results at A* – C (the national average figure is 64.9%)

A year 10 career goal survey was carried out by Luton Borough Council in 2015. The survey was designed to seek information about young people’s aspirations around employment, education or training. There were 1,574 individual responses to the survey.

Outlined below are some of the key headlines:

- Work Experience has the most responses of careers/vocational activities that students would like to experience, with 4 out of 5 students responding positively to it. This was the single biggest response to any question in the survey.
- Less than 1 in 10 students sees an apprenticeship as their preferred post-16 option (8.8%) although almost a third (494 students / 31.4%) of students would like more information on apprenticeships.
- Understanding of employability skills may be an issue to explore further.
- ‘Universities and Colleges’ (44.5%) and ‘Interview Skills’ (43.1%) were the two most popular areas that students felt they needed more help with.

Two-thirds (66.8%) of students see college as their intended destination post-16, with 53% intending to do A-Levels, and 13.8% doing another course there.

Medicine (17.4%), ‘Sport, Leisure & Tourism’ (16.1%) and ‘Education & Training’ (15.6%) are the leading three occupational areas that students can imagine themselves working in.

The Rationale for intervention

- An audit of Careers Education, Information, Advice and Guidance (CEIAG) provision in May 2015 of Luton Educational Establishments found that, although there may be some good (although often uncoordinated) work taking place, very few institutions reviewed, monitored or evaluated their CEIAG in a systematic way and the majority are not embedding CEIAG into curriculum areas. Therefore institutions are sometimes missing opportunities to develop young people’s knowledge of career pathways within subject areas.

- The offer of CEIAG varies considerably in each institution. Some have invested time and resources internally and externally, however other institutions are making slower progress. The new Ofsted requirements have imposed a duty on schools to secure independent careers guidance for all year 8-13 pupils, although in Luton we think there is a need for CEIAG for year 7 onwards (when children start considering their options). Some professionals believe that CEIAG should be embedded into subject areas from primary school age, e.g. years 5 and 6.

- Employability training is part of ongoing ‘careers education’, and is often delivered as part of Personal, Health and Social Education (PSHE). Employers in Luton tell us that many young people leaving school, college and even university are unprepared for the world of work. They are lacking in ‘employability skills’ e.g. basic communication skills and right attitude, initiative, self-reliance and self discipline.

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²Annual Population Survey 2015, Office for National Statistics

³http://www.watchsted.com/ (latest Ofsted Inspections)
Employers in the engineering sector say that young people’s physics and maths skills combined with a lack of ‘hand skills’ are not adequate to prepare them for in-house or sector training in engineering. Further work needs to be carried out with other business growth sectors to ascertain their skills needs.

Further work needs to be done to develop opportunities for work experience for under 16s, which is in short supply. Schools say some employers engage well, but reliance on personal contacts is a model that does not help schools overcome social mobility barriers.

More support is needed for young people to continue to participate in learning since the ‘Raising of the Participation Age’, but this does not have to be in school. Alternative and vocational provision is needed, but there is concern that young people are attending courses run by independent training providers who are delivering lots of similar low level courses in a limited number of core subjects with no progression route.

In spite of the growth in apprenticeships remaining a national priority and high profile promotion of apprenticeships locally, there is still a lack of enthusiasm shown by parents, schools and young people themselves, with many preferring the traditional academic route of college and university into employment.

Many employers are not aware how Higher Level Apprenticeships (at Level 4 and above) could work in their business. Low salaries are also an issue for apprentices, with many paid the minimum, rather than a living wage.

In the next 4 years, Luton will:

1. Strive to improve performance and raise the standards of achievement at least to the level of the national rate especially in core curriculum subjects.

2. Continue to engage with schools through the Luton Careers Network, to develop their relationship with the Careers and Enterprise Company, employers and training providers to offer vital local and national Labour Market Information and Continuing Personal Development opportunities for teaching staff; and to raise their understanding of the needs of industry particularly in the growth sectors in Luton. Through the PTB Luton Borough Council will provide Labour Market Information to schools, training providers and the community particularly about new opportunities arising e.g. from growth at the Airport and to inform the 2016/17 Area Based Review of Post 16 education.

3. Bring employers and schools together to ensure that young people have the skills that employers need and to provide tomorrow’s workforce with the skills required locally and nationally. Consultation feedback endorses this approach.

4. Continue to provide through Luton Borough Council’s Advice Service, an effective careers advice, guidance and support provision to young people who become NEET and offer careers advice via its traded service. They also continue to track Luton’s young people’s destinations up to age nineteen.

5. Continue to work with partners to develop work experience placements and community enrichment programmes in schools and colleges. The National Citizen Service currently runs volunteering programmes for year 11 students. In Luton 400 young people are already signed up and the target is 1800 volunteers per year by 2021.

6. Prioritise the creation and promotion of apprenticeships for young people with employers, especially Higher Apprenticeships, those in the growth sector and the new developments in and around the town.

7. Encourage a perception of a ‘Pathway to Professionalism’ rather than ‘low cost labour’.
Luton will have succeeded if, by 2020:

a) All Luton businesses in growth sectors understand the new GCSE grading scales being introduced by the Government in 2016/17.

b) Our schools attainment figures have improved and are in line with national and regional average.

c) All young people benefit from more progression opportunities both in school and through independent training providers.

d) All young people are better informed and supported to make choices about career pathways.

e) All young people have raised aspirations and are better prepared for the world of work.

f) More young people are self aware, self confident and contribute to community life and volunteering.

g) All young people under 21 access employment, apprenticeships or work experience within four months of leaving a job, education or training.

h) The percentage of 16-19 year olds with no qualifications is in line with the national average. In 2015 this was 16.2%, which is higher than the national (12.6%) and regional averages (12.3%) (ONS Annual Population Survey 2015).

i) There is a closing of the gap between high and low achievers at Key Stage 4.

j) The unemployment rate for young people aged 16-24 years is in line with the national average. In 2015, this was 19.1% compared to 14.4% nationally and 11.2% in the East of England. (ONS Annual Populations Survey 2015).

k) The percentage of Luton young people who are not in education, employment or training are in line with the national average.

l) All Luton schools have a strategy on CEIAG and provide an ‘agreed minimum standard’ for all pupils, including the option of vocational training leading to apprenticeships, employability training and careers education embedded into subject areas.

m) More employers are in productive and ongoing relationships with Luton schools.

n) The percentage of young people taking up apprenticeships, especially Higher Apprenticeships and in the growth sectors, has increased and is in line with the national average.

o) The percentage of educational establishments offering enrichment programmes and take up by young people has increased.

p) The attainment and destination reports are reviewed and applied. This should assist in investigating trends that can inform the curriculum and compare young people’s backgrounds and end destinations in different areas of the town.
2.2 Adult Residents and Social Mobility

Strategic Priority 2
To increase the range and take up of vocational training offered, including the number of apprenticeships being created and taken up, for all ages and at all levels.

Strategic Priority 3
To improve opportunities for learning, self development and employment progression for all, but particularly for the low paid and the low skilled.

Social mobility is about progression in society irrespective of social background. It means that an individual’s ability and effort can determine their social success. Those who are furthest away from the labour market need the most support and are less able to help themselves. Luton’s ambition is to provide people with progression and life-long learning opportunities to be able to update basic and advanced level skills in order to achieve their full potential.

Baseline Data
Luton has a lower proportion of residents with degrees (22.9%) than GB (27.5%). However this figure has increased from 14.9% in 2009. The figures do however remain below those of the eastern region and GB. (ONS Annual Population Survey, 2015).

Luton’s population has a higher proportion of people without qualifications; however the proportion of people in Luton without qualifications has been falling. The proportion of 16-19 year olds in Luton with no qualifications is 16.2% and is higher than the national (12.6%) and regional averages (12.3%). (ONS Annual Population Survey, 2015).

The ONS Annual Population Survey 2015 shows that Luton residents were on average more likely to be in lower level occupations than the Luton workforce as a whole, suggesting that either Luton residents are less able, via skills, competences or experience, to gain higher level occupations than non-residents or that there is perception that this is the case.

Research by Luton Borough Council’s Business Intelligence Team on Child Poverty (January 2015) shows that the population of Luton is becoming more skilled. All ethnic groups are obtaining more qualifications with the biggest increases in the level of education in Black and Minority Ethnic Groups. However, Luton has a higher proportion of people without any qualifications than the national average and a lower proportion of people with degree level and above qualifications.

The Rationale for intervention

- With the reduction in Skills Funding Agency (SFA) funding, the range of non-apprenticeship vocational learning opportunities has reduced. Available resources are directed more towards lower level qualifications in core subjects with no progression route.
- Apprenticeships are open to adults, but take-up is low. There may be two reasons for this: (i) National advertising for apprenticeships is aimed at young people and therefore adults do not see this as a viable route to employment for them; and (ii) The average hourly rate for an apprentice is not sufficient for an adult with a family and higher accommodation expenses.
- Other work-based learning has fallen by 57% in Luton in 2014; contributing factors could be cost, employer contributions or the impact of Advanced Learner Loans.
- Partners and service providers tell us that there are people who are employed who cannot progress because they lack the right skills and qualifications, e.g. older workers who lack IT skills, or people who don’t speak English or whose qualifications are not recognised.
- Not enough is known about how many people apply for jobs or are employed locally, who do not speak English, or are without recognised qualifications.
- According to the 2011 census, the percentage
of people with ‘other qualifications’ in England is 5.7% compared to Luton where the figure is 10.65% indicating high numbers of people with qualifications that are not recognised in the UK.

Data from the Annual Population survey (2015) shows that 13% of people across the UK were born abroad, compared to 32% of people living in Luton who were born outside of the UK.

Not enough is known about how many employers support their staff with training, either by providing in-house, or part-funding external courses and allowing staff time off to train or study.

Even though there are some strong links between some employers and the main training providers, partners are concerned that funding is only available for smaller independent training providers to deliver low level courses in a limited number of subjects with no funded progression route.

There is also a need for retraining for those being made redundant, or looking for a career change.

Reductions in adult learning budgets mean there is less provision. Those willing to contribute to their own progression will find there are limited opportunities for evening and part-time study with IT skills and other vocational training and general educational qualifications at A Level/Level 3 and above in short supply. Progression pathways are difficult to identify.

Learners are required to take out an Advanced Learner Loan to cover tuition fees (on eligible courses). However the number of loans being taken out is falling.

Approximately 16,000 children are living in families facing poverty in Luton. Child Poverty in Luton has increased by nearly 3% since 2010. Affordable child care is an issue for every working parent.

In 2013/14 there were more than double the amount of ‘in work’ families claiming benefits than those out of work compared to the national average. People are coming off the unemployment register, but can still be victims of the poverty trap in low skilled, low paid jobs or zero hours contracts.

Funding issues for colleges and training providers regarding installation of new infrastructure. For example, it is expensive to provide machinery in a college for Science, Technology, Engineering and Maths (STEM) teaching. In comparison it costs much less to provide a hairdressing course and hair and beauty courses are also popular with students.

Whilst apprenticeships for those aged 16-18 years are fully funded, this is reduced by 50% for those over 19 years old and further still for those aged 24 and over making it less attractive to employers.

**In the next 4 years, Luton will:**

1. Work with employers and training providers to develop more apprenticeship opportunities for adults.
2. Develop a Careers Information website (Jobs4Luton) for residents that will provide material and links on careers progression routes and pathways, qualifications and skills required, local training, volunteering and job opportunities.
3. Develop employability and training networks to identify training opportunities for residents and to connect candidates from Luton postcodes to Luton jobs.
4. Work with employers, educational and training providers to encourage and facilitate take up of funding opportunities to provide courses that ensure a tailored and flexible approach to learning and progression pathways. This in turn will close the skills gaps and provide accessible progression routes for learners of all ages and abilities.
5. Encourage take up of ESOL and qualification conversion programmes in the town and work together to explore how to create a culture of lifelong learning in Luton.
6. Work with the child care providers to encourage a network of local, affordable and accessible provision for working parents across Luton and for those looking for work.
7. Improve social mobility in the town with Luton residents accessing better paid jobs, affordable child care and re-training and self-development opportunities.
Luton will have succeeded if, by 2020:

a) More residents are in vocational and work based learning.

b) More apprenticeships are being taken up by adult residents especially at higher levels and in the growth sectors.

c) More residents are aware of and accessing learning, re-training and self-development opportunities.

d) Increased numbers of residents gain new skills, becoming better educated and more qualified.

e) Decreased numbers require ESOL and qualification conversions.

f) Increased numbers of affordable childcare places are available.

g) More good quality jobs are available in Luton – to be measured by local salary levels.

h) Earnings for Luton residents increase in line with people from outside of the town who work in Luton.

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Part 2: Our priorities

2.3 Unemployment and social mobility

Strategic Priority 4
To remove barriers and improve pathways into work for the unemployed.

Those who are furthest away from the labour market and those who are unemployed often have multiple, complex and holistic needs that require more in-depth help and support as they are less able to help themselves.

Baseline Data

Unemployment in Luton has fallen by 3% over the last two years from from 9.1% in December 2013 to 6.1% in December 2015.

The claimant count unemployment rate in Luton is 1.8%, which is higher than the national average of 1.5% and the regional average of 1%. Unemployment is highest in Northwell (3.0%), and South (2.8%) wards, whilst unemployment is lowest in Bramingham (0.4%) and Barnfield (0.5%) wards. (ONS Unemployment Claimant Count May 2016).

The economic activity rate in Luton is 72.1% of the workforce (aged 16 to 64). This is below the eastern regional figure of 80.6% and the GB figure of 77.7%.

There has been targeted work funded by Luton Borough Council’s ESF programme and Jobcentre Plus for those aged 50+ but unemployed people aged 45+ who are willing to make career changes are a new and increasing group for whom there is little or no support. Lack of IT skills for older residents is an issue, coupled with lack of this kind of vocational training being available due to SFA funding cuts.

There are also people who are “hidden” from the unemployment register, either relying on the support of family and friends, crime or the ‘black economy’. This is often used by the poorest and hardest to reach, is illegal and frequently fed through street lending or online lenders with incredibly high lending rates. It also undermines the local economy with no rates or taxes being paid.

More than one hundred vulnerable people have been helped to move off benefits and into work by Luton Borough Council’s Stronger Families programme, including some people involved in crime or anti social behaviour; and those affected by domestic violence and abuse. Jobcentre Plus Outreach Work Coaches work with Probation Officers to identify the skills needs of ex-offenders.

It is estimated that 20.6% of jobs in Luton pay below the living wage, compared to neighbouring Central Bedfordshire at 27%. (Office of National Statistics, 2015).
The Rationale for intervention

- It has been identified that those who are long-term unemployed have multiple, complex and holistic needs that require more in-depth help and support.
- A lack of basic communication and IT skills are identified by training providers and some employers as particular barriers.
- Jobcentre Plus has identified lack of English and lack of ESOL provision as one of the main barriers to work.
- Affordable child care is another key barrier to work.
- Qualifications that are not recognised in the UK are both barriers to entering employment and progression within employment.
- People with ill health or disabilities but who are able to work also experience barriers to employment.
- There are also people who are ‘hidden’ from the unemployment register, either relying on the support of family and friends, crime or the ‘black economy’.

In the next 4 years, Luton will:

1. Ensure that training providers work with Adult Social Care, Children’s Services, Luton Access and Welfare Reform partners to enable carers to participate in training and return to work opportunities.
2. Support and promote volunteering activities as a route to employment.
3. Look into what further preparatory training is needed for those with multiple barriers to employment and encourage use of employment support services that include access to free IT provision and other support.
4. Ensure there is adequate provision and awareness of ESOL and qualification conversion programmes in the town.
5. Promote take up of short and intense courses including higher level ESOL.
6. Encourage more currently unemployed 45+ Luton residents into employment.
7. In line with recommendations from Luton’s Investment Framework, initiate a coordinated multi-agency skills programme to maximise opportunities for Luton’s residents to secure a job in the town.
8. Work with partners to resource and deliver the said skills programme, aimed at addressing the skills challenges in the town. This will include pre-employment training, self employment, raising aspirations and bespoke training to support vulnerable people.
9. Work with employers to develop apprenticeships for adults, particularly at higher levels.
10. Build on Luton’s strong social enterprise network and charitable sector to encourage volunteering, self-development, raised aspirations, self-employment and business start-ups.
11. Continue dialogue with South East Midlands Local Enterprise Partnership (SEMLEP) and funders to raise awareness about the barriers and issues raised in the strategy with a view to influencing spend in skills gaps areas.
Luton will have succeeded if, by 2020:

a) The European Social Investment Fund (2014-2020) and other external funding take up by Luton community & training organisations increases and results in more people moving closer to the job market or into sustainable employment.

b) The Building Better Opportunities programme of £2m (across the SEMLEP area) is spent to work on many of the objectives identified in this strategy.

c) Potential delivery of the Community Led Local Development Fund bid, (successful in the first stage) removes barriers to work for people living in the most deprived areas of Luton.

d) Take up of information, advice and support services for business start-ups has resulted in more residents moving into self-employment.

e) More adult residents are in employment or becoming entrepreneurs’ including those furthest from the labour market.

f) The percentage of working age people in employment increases, resulting in narrowing the gap in Luton and national average.

g) The percentage of residents with no qualifications decrease on an annual basis.

h) The percentage of residents with qualifications at all levels is in line with national average.

i) The percentage of residents requiring ESOL training and qualification conversions is in line with national average.

j) The percentage of vocational learning places and apprenticeships being created and taken up particularly in the growth sectors increases.

k) The percentage of 45+, vulnerable people and people with complex and multiple needs are in sustainable employment, aligned with national average. Stakeholders report that affordable childcare is no longer a barrier to employment.

l) More good quality jobs are available in Luton – to be measured by local salary levels.

m) Earning for Luton residents increases in line with people from outside of the town who work in Luton.

n) Fewer numbers are using Foodbank and Crisis Support Loans.
2.4 Skills for Luton’s economic growth

Strategic Priority 5
To facilitate work with employers and training providers, to ensure Luton’s residents are equipped to meet the skills needs of local business now and in the future, and to provide good quality jobs for local people.

Residents of Luton need to have the necessary skills and qualifications to ensure that they can access and sustain employment opportunities now and in the future. This will enable them to benefit from and contribute to increased economic success in the town. The town also needs to continue to attract and sustain new commercial and existing employer investment.

Baseline Data
Over the next 20 years Luton will have opportunities to create over 18,000 jobs, with over 15,000 in the next 10 years.  
Average weekly earnings of people living in Luton are £479 per week which is less than the national average of £518 per week. Those living outside of Luton but working in Luton have slightly higher earnings than Luton residents (£486 per week). (Annual Survey of Hours & Earnings published by the Office for National Statistics.)

In 2013 Luton’s Gross Disposable Income per Head was £13,337 which fell by 3.6% between 2012 and 2013. Luton’s GDHI per head is 24% lower than the UK average. Luton has the lowest GDHI per head in the East region. Luton is ranked 165th out of 173 local areas in the UK. (Source: Office for National Statistics).

Luton is home to one of the UK’s fastest growing airports. Currently, 40% of Airport employees live in Luton. London Luton Airport could need 1,145 workers in the three highest-skilled occupational groups, which include roles such as aeronautical engineers, aircraft pilots and flight engineers. An additional of 2,487 workers will be needed for unskilled roles such as customer advisors, baggage handler and storage workers.

London Luton Airport (LLA) is the UK’s fifth busiest airport transporting over 14 million passengers a year. LLA currently employs around 8,500 people, making it the largest private sector employer in the town. A significant proportion of the new jobs are expected to be derived from the airport growth and from town centre sites. Many of these jobs will be in business services, land transport/distribution, healthcare, retail, construction and arts/entertainment.

In July 2014 the airport was granted planning permission for a £100 million redevelopment that will increase passenger capacity to 18 million, generate up to 5,000 new jobs and bring £218 million a year into the county’s economy by 2026.

Luton’s economy has performed positively in terms of jobs growth, and its future economic growth prospects are good, supported by planned infrastructure improvements, Airport growth and the granting of an Enterprise Zone. This multi-million pound development comprises three linked sites surrounding London Luton Airport totalling over 300 acres. These sites have the potential to accommodate major aerospace and associated manufacturing and engineering businesses, together with a wide range of service industries supporting the airport, all of which will generate significant growth in new jobs.

Luton has four key business growth sectors which include Airport & Aerospace, Engineering & manufacturing, ICT and Creative Industries.

The assessment of future employment space requirements in Luton using the East of England Forecasting Model predicted 17,825 jobs between 2011-31. This could underplay Luton’s economic growth potential although it is one that it is likely to be able to achieve. The 10,000 jobs to be created will be service/commercial jobs and 8,000 B1 – B8 jobs which include office, industry and warehousing.

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1. Luton’s Investment Framework. 2015-2035, Draft
The Rationale for intervention

- The 2015 SEMLEP Business Survey for Luton found that around two in five Luton businesses reported skill gaps within their existing workforce (39%). This is a higher proportion than the South East Midlands average (33%).

- Fewer than half the businesses in the survey had a workforce development plan. Skills lacking within existing workforces are most likely to be job specific skills (17%) and technical or practical skills (15%).

- Skills in IT, sales and marketing, and planning and organisation are mentioned by fewer businesses in 2015 compared with 2014, suggesting some success in addressing them.

- Poor quality staff is most frequently cited as a reason for skill gaps (13% of those with skill gaps), in addition to a lack of investment in staff training and development (12%) and a lack of job specific skills (11%).

- The Business Survey further found that more than half the businesses (58%) that had vacancies in the last year experienced difficulties filling them, compared to 41% in 2014.

- Skilled trade occupations are those in which businesses are most likely to have experienced hard-to-fill vacancies (23%) followed by elementary administration and service occupations (19%) and associate professional and technical occupations (16%).

- The predominant reason for recruitment difficulties has been the low number of applicants with the required skills (46%), while 16% cited a lack of applicants with the required attitude, motivation or personality and slightly fewer cited lack of people interested in doing this type of job (14%).

- Job specific and technical or practical skills are the two most frequently mentioned skills that have been difficult to obtain amongst all businesses that have had vacancies in the last 12 months (47%).

- Advanced manufacturing, engineering and aerospace companies have flagged the difficulty in recruiting people with the right skills, coupled with an ageing highly-skilled workforce.

- 90% of the businesses at a London Luton Airport Transformation Event in June 2015 said they require better skills from school leavers and college students.

- Evidence points to a need to raise the aspiration within local people and provide the opportunities to gain the necessary skills. If this does not happen then the likelihood is that existing businesses will suffer, slow airport growth and create congestion on key highways as employers ‘import the necessary skills’ from outside of the town.

- Employers from all sectors report that there is a reluctance and inflexibility amongst older workers to retrain for new roles and many older workers lack IT skills.

- In SEMLEP’s research (July 2015) on skills needs, employers in the Cultural and Creative sector were concerned about retention of key staff, finding and keeping staff with management and leadership skills and finding the right training for workforce development.

In the next 4 years, Luton will:

1. Work with the Airport and other major developments within the town, to link the jobs/skills pipeline, and provide work experience and employment opportunities for local people.

2. Ensure residents are better qualified, upskilled and prepared to take up employment opportunities provided by the airport growth and other major developments.

3. Improve relationships and more joint working between employers, the council, education and training providers to address the skills needs of businesses.

4. Better understand the skills requirements of businesses, to match the skills and jobs pipeline, identify emerging needs and to influence the curriculum and local training provision.

5. Ensure more businesses of all sizes including self employed trades people, are taking on more all age apprenticeships particularly at higher levels and in the business growth sectors.

6. Secure more inward investment, including
major employers relocating to the town, providing ‘better quality’ employment opportunities. (Luton’s Investment Framework 2015-2035 sets the aspirations) including bespoke relocation support.

7. Work with partners; continue to promote an improved image of Luton in the media as a competitive place to invest and concentrate resources into making Luton cleaner, more attractive and a safer place for businesses and residents.

8. Increase local business growth and development through business engagement, inward investment and support activities.

9. Support more new enterprises starting up, and less business closure or business relocating elsewhere.

10. Increase numbers of new/existing employers recruiting locally and investing in work based learning programmes, training and development and career progression for their employees.

11. Continue to work with the University of Bedfordshire to engage and support businesses in their research, development and training needs and to promote and increase take up of short and intense courses for company employees, particularly at a higher level, including higher level ESOL.

12. Continue to facilitate the work being carried out by the Council to bring employers together through the Luton Technology Network and replicate this across all the business growth sectors to identify and address skills gaps and other constraints to growth.

13. Continue dialogue with SEMLEP and funders to raise awareness about the barriers and issues raised in the strategy with a view to influencing spend in skills gaps areas and work with SEMLEP.

14. Set up a coordinated multi-agency skills programme as a central focus to access provision to improve experience and develop skills of current and future workforce. (Luton’s Investment Framework 2015-2035).

15. Encourage staff relations and skills transference through mentoring schemes which can make a tangible difference, raise staff morale and increase profits.

16. Encourage employer investment in training, including giving existing staff the opportunity to mentor apprentices.

Luton will have succeeded if, by 2020:

a) The skills needs of local employers are being addressed by local educational and training providers.

b) The expected growth of five new hotels increases the number of available hotel beds in line with the demand for provision of conference facilities and provides jobs in hospitality, catering and hotel management (Luton Investment Framework 2015-2035).

c) The expected targets outlined in the Investment Framework can attract 10 new large businesses to the town by 2024. This will increase revenue from growth in business rates by 17.5 percent and increase economic output by nearly £10 for every £1 invested in Luton.

d) The substantial inward investment joins up skills and careers activities and delivers the projects within the Framework including Luton Skills and Jobs4Luton.

e) The Investment Framework delivers the target of building 2,225 new homes. This includes initial developments of 400 homes at Marsh Farm and 625 at Napier Park and 350-400 at High Town.

f) Achieve the planned maintenance and improvement of council’s housing stock to energy efficiency and build a new day centre in Stopsley, creating job opportunities in construction and related industries.

g) A greater proportion of local people are able to access local jobs (across the range of jobs).

h) The future business survey results show a reduction in the skills and qualifications gap reported by local employers.
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