



*Scrutiny Review Barriers to Employment from
an Employer Perspective*

Final Report
May 2012

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1.0 PURPOSE OF THE REPORT

The purpose of the report is to report back on the Employment Learning and Skills Scrutiny Topic “Barriers to Employment from an Employer Perspective” and to set out recommendations for acting upon the views of employers.

2.0 STRUCTURE OF THE REPORT

This report is structured with the introduction, a brief summary of the methodology followed by evidence, analysis with findings/conclusions and recommendations. The annexes include the topic brief, methodology detail and an action plan to capture the recommendations of the report.

3.0 INTRODUCTION

3.1 Reason the report was commissioned

In September 2010, the Council’s Executive Board received a comprehensive report on the Barriers to Work Scrutiny Topic Group. The group had been established to analyse research that had been commissioned by the Employment Learning and Skills Specialist Strategic Partnership to better understand why worklessness was so high in the then Neighbourhood Management Areas in Halton. In conducting this Topic Group emphasis was placed on the ‘employee experience’ and was more focused on employability issues and the support Halton’s partners provided in helping people to find jobs.

Members felt that it was important to complement this work by obtaining a view from an “Employer Perspective”.

3.2 Policy and Performance Boards

This report was commissioned as a scrutiny working group for the Employment Learning and Skills and Community Policy Performance Board.

3.3 Membership of the Topic Team

Membership of the Topic Team included:

Members	Officers
Cllr Sue Edge (Chair) Cllr Margaret Horabin Cllr Stan Parker Cllr Harry Howard Cllr Joe Roberts Cllr Peter Lloyd Jones Cllr Andrew MacManus	Wesley Rourke, Operational Director

4.0 Methodology Summary

This scrutiny review was conducted through a number of means:

- Six Meetings of the scrutiny review topic group;
- Presentations by the Operational Director for Economy, Enterprise and Property
- A Review of Primary and Secondary Research (Halton Business Perceptions Survey)

- Discussions with Employer Organisations including Halton, Chamber of Commerce and the EEF

Members of the Group referred to Corporate Guidance on undertaking scrutiny reviews.

Members considered the following questions:

- 1) Have we chosen the right topic?
- 2) What are we looking at?
- 3) Why?
- 4) What do we hope to achieve?
- 5) Is the topic geared to our top priorities?

Members considered that the chosen Scrutiny Topic Group was timely, given the announcements in the Government's Spending Review in the Autumn of 2010, which placed and continue to place emphasis on the need for services to be employer facing. This topic complemented the scrutiny topic "Impact of Deficit policy on regeneration in Halton"

Members initially discussed whether the topic should focus on the needs of employers or the needs of individuals. It was felt that both aspects should be considered, but that views from employers on how they could be encouraged to employ local people, including those from vulnerable groups would be sought, as otherwise this would duplicate work previously done.

Members also discussed the methodology for engaging with businesses. It was agreed that views from a cross-section of businesses would be sought. The businesses to be approached would focus on sites, sectors and size of company.

An audit of information available took place to ascertain the key evidence needed. Members, considered a list of companies, together with a list of sources information which was then filtered down.

Members initially felt that where there were gaps in the information, that this might lead to the development of a questionnaire for business to further understand the reasons behind their decisions on employing people, and how we can increase employment levels in the borough. However, as the Topic Group progressed it became clear that a wealth of primary and secondary research had been gathered which led to the conclusions and recommendations contained in this report, and therefore, removed the need to undertake this additional work.

5.0 Evidence (summary of evidence gathered) and Analysis with findings/conclusions

Members concluded that the perceived barriers to employment from the perspective of the individual job seeker in Halton are well documented. There are a number of barriers or key considerations cited by employers when they are considering recruiting staff

▪ National Perspective

A study, undertaken by the University of York and the Social Policy Research Unit on behalf of the Department for Work and Pensions entitled 'A Qualitative Study Exploring Employers' Recruitment Behaviour and Decisions', found that the overriding concern of employers was 'to find someone who they perceived could 'do the job' or 'who was the best person for the job'.

The study found that employers short-list candidates on the basis of :-

- CV construction
- the applicant's travelling distance to work
- their qualifications, skills and experience
- their age and employment history.

Employers reported forming first impressions of candidates from their appearance, manner and dress. The candidate's perceived performance at interview informed recruitment decisions.

Successful candidates were appointed in relation to a range of factors :-

- **Flexibility.** Employers sought someone with a flexible attitude to work and a willingness to perform a number of roles, especially in an economic recession.
- **Competence.** Could the person do the job properly?
- **Reliability.** Would the person be at work when they were supposed to be?
- **Stability.** Personal stability could be taken by some employers as a sign of reliability.

- **Location.** Employers perceived that employees living close to workplaces can minimise costs and disruption associated with travelling to work.
- **Attitude to work.** A strong work ethic was valued by employers.
- **Personality.** Personable employees were thought to enhance customer relations, especially in the service sector.
- **Honesty.** Employers wanted employees they could trust with the best interests of the business.

Source : <http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep754.pdf>

See also : Select Committee on Education and Employment : Barriers to Employment <http://www.publications.parliament.uk/pa/cm199900/cmselect/cmduemp/60/6008.htm>

The Engineering Employers' federation (EEF) were also approached to provide an employer view on the challenges to employing young people. They had recently conducted research with four companies. The findings are contained in appendix 1.

In summary, employers felt there was a pressing need for careers advice to focus on increasing opportunities in the engineering sector and that advice to be given to young people prior to deciding their GCSE options. Employers felt that we need to raise the profile of Apprenticeships in schools as a career option.

▪ **City Region Perspective**

Arising out of the Localism Act, Government set out its proposals for restructuring the coordination of economic regeneration in regions. Government is currently progressing the City Deal approach which has invited Local Authorities within the Liverpool City Region to put forward asks of Government aimed at promoting economic growth in the area.

As part of the process Halton submitted a number of asks to Government under the theme of raising skills reducing unemployment. These asks are included under the conclusions and recommendations included later in this report.

▪ **Local Perspective**

It was also concluded that in the recent past Halton Borough Council have undertaken a number of studies to ascertain the views of the business community on a range of matters. Studies which touch upon barrier to the employment of local people include :-

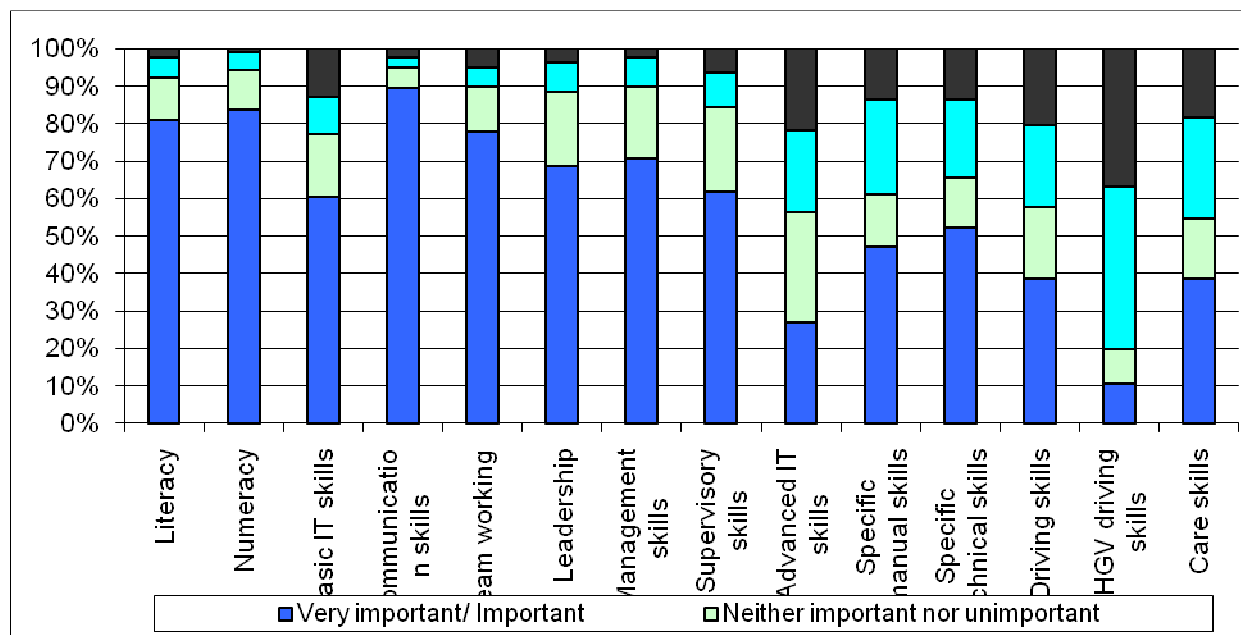
- **STAM Skills Survey** : Peat Associates. 180 businesses in the science, technology and advanced manufacturing (STAM) sector are currently being interviewed by PEAT Associates as part of a joint project involving Halton Borough Council, Halton Chamber of Commerce and Enterprise, Riverside College and a specialist private sector technical recruitment company to ascertain the future skills needs of the sector. Preliminary results are expected in now (March 2012)
- **STAM Skills Survey** : In collaboration with Riverside College Halton. A basic, on-line survey of 174 STAM businesses in 2011 to help Riverside College better plan their future science and technology curriculum. A very poor response rate was recorded rendering the results statistically meaningless
- **STAM Skills Survey** : AMION Consulting. A 2009 study of 161 STAM businesses surveyed by email / phone / face-to-face. 32 businesses responded (20% response rate)
- **Business Perceptions Survey** : ECOTEC Survey. The most recent of a series of Business Perception Surveys was undertaken on behalf of the Employment, Learning and Skills Team in 2010. The survey asks a broad range of questions seeking to identify the recruitment, training and skills needs of the Borough's employers.

- Findings

All businesses who took part in the Business Perception Study 2010 were asked to rate by importance the required skills of potential employees using a five point scale from 'very important' through to 'very unimportant'.

Three skills or attributes were found to be of greatest importance to local employers; **communication, numeracy and literacy**.

The following table gives a visual representation of the relevant importance of skills, where 'very important' and 'important' have been aggregated, as have 'very unimportant' and 'unimportant'.



Participants in the Business Perception Survey were also asked a number of qualitative questions regarding the attributes they were seeking in potential employees.

A number of respondents felt that, as a result of redundancies, organisations were seeing a higher calibre of applicant for their vacancies, meaning that those people with fewer skills were facing more competition and would, therefore, struggle even more to find employment:

"We're getting a much higher calibre of applicants for our admin jobs, so the job market is much more competitive for people with lower skills."

Most respondents agreed that Halton was lacking in people with level 3 and 4 qualifications:

"People are lacking in higher level qualifications...people are often trained to level 2 but not level 3. Previously you did not have to be highly trained to gain employment, but that is what employers are looking for now."

There was also a feeling that some basic skills were lacking, such as literacy and numeracy, as well as more personal skills such as "attitude and motivation".

Some respondents mentioned that some employers had such specific requirements that they would almost prefer to employ someone that they could 'skill up' to do the job:

"...they would much prefer to have somebody who they could train and skill up. It's great to have a round peg in a round hole, but what they often say is 'you provide me with the right individual and I will ensure that they get the right training and skills...'"

When asked about gaps at particular occupational levels, respondents almost unanimously reiterated the need for people with level 3 and 4 skills, as current jobs at these levels were being filled by people from outside Halton:

"There is a level three, higher level, skills gap, there's no doubt about it. There's demand for more employers with what we'd refer to as a level three skill. We know that employers are able to fill, at the moment, those vacancies, but it tends to be from people outside of the borough."

Summary

It is evident that there exists consensus amongst the local business community that the key skills\attributes they seek in potential employees are :-

1. Communication
2. Numeracy
3. Literacy

Team working, leadership and management skills were also felt to be of particular importance.

A Local 'bespoke' Approach

Increasingly, through the Halton Employment Partnership (HEP) initiative, the Borough Council engages with employers at an early stage in relation to their recruitment needs in order to develop bespoke, pre-employment training programmes that meet the needs of the employer. For example, a considerable degree of preliminary research and consultation was undertaken to understand both the recruitment and retention needs and potential barrier to employment for O2, Tesco and The Hive.

Part of that process involves setting out the real expectation associated with the roles for potential employees. For example, potential recruits for the Tesco chilled distribution facility were informed from the outset that they would be working in a fridge, so if they didn't like the cold, then they should not undertake the training.

HEP routinely work with employers to determine their understanding of potential barriers to employment and staff retention. HEP then develop appropriate skills solutions through the design of specific pre-employment training programmes.

As part of its discussions the Topic Group acknowledged that employer needs varied according to the type and size of business as well as the sector in which the business operated. Members felt that in certain areas businesses placed varying degrees of emphasis on qualifications, skills and experience. Some employers wanted individuals with the right attitude towards work and were content to train up potential employees – some employers placed greater emphasis on qualifications. A discussion took place regarding the National Curriculum and that qualifications of the past equipped individuals with literacy and numeracy competencies which were often valued by today's employers. It was felt that this needed to be balanced with an acknowledgement that modern jobs also required modern skills, for example, IT.

Members considered a paper on individuals Not in Education, Employment or Training (NEET). The paper was an extract from the Strategic Analysis to support the 14 – 19 Strategic Commissioning in 2012/13. It was suggested that the paper was an important reference point in better understanding of NEET issues in Halton. It was a reminder of the difficult economic environment in which young people were trying to find employment and further emphasised the need to help people into work through initiatives such as the Halton Employment Partnership.

Members of the Topic Group considered an evaluation report that had been commissioned by the Welsh Assembly in 2009 which looked at Employment Programmes in Wales: Barriers to Success and Best Practice from an employer perspective.

The paper set out several key messages which accord with the experience of Halton Borough Council and its partners when engaging with employers through Government funded employment programmes.

Members also considered a wide range of initiatives which were being developed to further promote relationships between potential employers and potential employees. Examples included Halton Science, The Science Routeway and Halton Apprenticeships, which are referred to in the recommendations contained in this report.

Recommendations

Recommendation One

Halton is bucking the trend in respect of a number of physical regeneration opportunities being brought on the back of the Mersey Gateway project and we can apply proven employment and employability principles to reinforce the competitive edge of these sites.

The HEP is a voluntary arrangement between the borough's partners i.e. NAS, college, JCP, Chamber, Council, where we work closely with employers to determine their employment requirements. This includes understanding the job types available and the skills requirements of employers. Where appropriate the whole of the recruitment process is managed. Through this kind of partnership working with the employer, the HEP is able to actively support local people into newly created jobs in the borough.

- ***To continue the Recruitment and Training 'offer' to inward investors provided through the Halton Employment Partnership and seek funding for a dedicated resource to provide this coordinated support on a medium term basis.***

Activities we would continue include:

- Funding to deliver ACL/IT/Skills for Life/Employability skills in community venues (including funding for IT equipment and Internet access)
- Funding to continue the Skills for Life Assessment Service long term
- Increased/enhanced level of funding for Pre-Entry, Entry 1 level SFL provision to allow us to deliver 1:1 or very small group provision that funds small steps in progression towards a nationally recognised qualification
- Longer term core funding to be able to plan provision on 3/5 year basis rather on a year to year basis

It should be noted that existing companies are supported through the Council's Business Improvement and Growth Team. However, it is hoped that this service will be augmented further by the development of an ERDF funded Business Support Programme (decision pending).

Recommendation Two

- **Construction Halton** is a project that acknowledges that the forecast scale of development and other construction related activity in the borough offers significant potential for moving people from benefits into work. The Mersey Gateway Project, Building Schools for the Future programme and 3MG highway infrastructure works have been identified as offering significant training, employment and supply chain opportunities.

Construction Halton is focused on facilitating a range of measures to deliver community benefits from construction related work, in the form of employment, apprenticeships, training and work experience opportunities. However, again this is a project that is delivered on an ad hoc basis.

To seek Government support to help Halton support people from disadvantaged groups and areas within Halton to access jobs and training opportunities arising in the construction industry.

Recommendation Three

- **Science Halton** is the new name for the combined Science, Technology & Advanced Manufacturing (STAM) Steering Group and Halton Science Action Group. The membership of the group is broad and includes Halton Borough Council, STFC, Riverside College, schools, and sector skills councils, Jobcentre Plus, Connexions and Skills Funding Agency.

To support the development of a wider system of vocational qualifications focused on the STAM agenda.

The strategy will involve the creation of **strong pathways** towards professional careers that are understood and recognised by employers and provide clarity and value to prospective learners.

Collaborative networks between higher and further education institutions will ensure alignment between economic development priorities and the skills provision available locally.

Given this backdrop, it is clear, therefore, that at a local level we have some potential gaps in provision in the STAM related curriculum, we have a net growth in STAM related jobs and we have a new Skills Strategy for England that is clear about making local provision reflect the needs of local employers.

Recommendation 4

- **The Science Halton Routeway**

The Science Halton group is clear about the strategic importance of the STAM sector in Halton and has developed an online routeway of information, skills, training and advice for careers advisers, young people and their parents.

The Science Halton Group has already enabled a number of STAM related initiatives to move forward. For example, the feeder primary schools to Bankfield College are being supported by Bankfield School to gain the **Primary Science Quality Mark**. Riverside College science students have been identified to act as **science champions/mentors** for young people considering science as an option. A Halton Employment Partnership **Award in Science** is being developed in partnership with Riverside College, with a view to helping plug a gap at below level 2 provision, as identified in the skills gap analysis referred to earlier. Pro Skills have worked in partnership with 2 secondary schools in **assessing learning materials** developed through this particular sector skills council.

Given the uniqueness that Halton affords with its significant Science & Technology offer at both Daresbury Science & Innovation Campus (DSIC) and the Heath Technical Business Park, Science Halton group members are extremely keen to pursue the **Fab**

Labs (Fabrication Laboratories) concept. A **Fab Lab** is a fully kitted fabrication workshop which gives everyone in the community from small children through to entrepreneurs and businesses, the capability to turn their ideas and concepts into reality. **Fab Lab** can help children realise their potential and go beyond the classroom boundaries. Community groups that would like a space to meet and to develop new ideas, build teams or make something incredible can use the Fab Lab; and businesses of all sizes can have the opportunity to develop and make prototypes for new product ideas.

To support the development of the Fab Lab concept.

Recommendation 5

▪ Halton Apprenticeships

In recent times apprenticeships in the borough have been supported by a number of funding pots, in particular Working Neighbourhoods Fund (WNF).

We work closely with the National Apprenticeships Service (NAS) to ensure that resources are deployed efficiently and effectively in order to create apprenticeships that are relevant to both the needs of the employer and young people.

In the past Halton partners have provided an Apprentice Business Grant of up to £3,000 to support employers in recruiting a new or additional apprentice. We do not have the funding to do this anymore.

Whilst the Government's new incentive packages are welcome, they are not enough to encourage large numbers of employers to take on an apprentice.

To qualify for the grant employers must pay at least the national minimum wage depending on the age of the candidate and recruit someone who is currently unemployed. This means that young people who are **not** unemployed i.e. not on JSA from enrolling on an apprenticeship.

To ask Government to revisit the Apprenticeship Eligibility rules

6.0 Overall Conclusion

This scrutiny review has been both a successful and a worthwhile exercise in terms of covering all the outputs and outcomes from the initial topic brief and gaining a thorough knowledge of barriers to Employment from an Employer perspective. One continuing problem remains the difficulty in engaging with a high proportion of the existing SME's in the Borough. This means that inevitably and quite correctly, the help available is concentrated on the small number that are prepared to engage and large companies wishing to move into the Borough. Successfully addressing this issue is vital for both the Borough and its businesses.

There are recommendations for further improvement that have been identified from this scrutiny review. There are also actions identified in annex 1 of this report which it is anticipated will progress the implementation of these recommendations

ACTION PLAN

ANNEX

Action No.	Action	Responsible person	Timescale	Resources Required	Progress
1	Formally recognise the Halton Employment Partnership as the single officer voice and strategic lead for employer engagement	Siobhan Saunders	September 2012	Other ELS partners	
2	Undertake an analysis of early intervention on careers advice in schools	Connexions	tbc		
3	Promote the Education Business Partnership's Work Experience Programme	Simon Clough/Siobhan Saunders	September 2012	ELS division Corporate Strategic Organisational Development Group	
4	Identify Funding for a future Halton Business Perceptions Survey	Wesley Rourke	September 2012	Business Improvement and Growth team, ELS division	
5	Raise the profile of Apprenticeships in schools as a career option	National Apprenticeship Service	Ongoing	Other partners	
6	Lobby Government on Apprenticeship eligibility through the City Deal dialogue	Wesley Rourke	March 2013	Liverpool City Region Employment	

				Board	
7	To work with the Department of Work and Pensions on the Leading By Example Initiative which takes a multi agency approach to supporting employability and worklessness issues	Wesley Rourke	Ongoing	Job Centre Plus, Local Strategic Partnership	

Bibliography:

Halton 14-19 Strategic Commissioning document

Youth Unemployment – Engineering Employers Federation Study

Barriers to Success and best Practice from and Employer Perspective – Welsh Assembly 2009

A Qualitative Study Exploring Employers Recruitment Behaviour and Decisions – University of York

Barriers to Employment – Department of Work and Pensions Select Committee

Halton Business Perceptions Survey 2010

Halton Science, Technology and Advanced Manufacturing Surveys

Halton Borough Council Research and Intelligence – Monthly Reports

Nomis Official Labour Market Statistics

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