

# **London Borough of Croydon Skills & Employment Action Plan – 2016 - 2020**

*March 2017*

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## Skills for Growth

### 1. Introduction

Croydon is going through an unprecedented transformation. Croydon Town Centre is heaving with activity, new buildings are coming up fast, infrastructure improvements are noticeable and plans for new developments are being agreed and implemented. Croydon is the place to be for the next three to five years and intense activity will see the old image replaced with a new one – a modern European city where people want to live, work and visit.

Alongside the visible physical changes to the borough, a much deeper transformation is going on. Croydon's population is growing faster than predicted; the socio-demographic mix of the population is changing with a steady trend of more diverse communities establishing themselves in the borough.

These changes are happening against the background of a challenging political and economic environment. Economic growth is the key and every company, large or small, private or charitable is facing a dilemma – finding a way to deliver growth or stagnate and possibly face closure.

Croydon's challenge is to continue working in partnership to prepare our residents to acquire the skills the need to move into the 23,000 new jobs flowing into the area.

This must be the aim and ambition of the Skills and Employment Action Plan – doing everything we can to ensure Croydon's residents benefit from the boroughs new economic growth.

### 2. Review of existing plan - 'Pathways to employment'

#### 2.1 Delivery

'Pathways to Employment' was the approach the Council and its partners took over the last 2 years to ensure that the skills and employment agenda was delivered in a co-ordinated way. During the period in which Pathways was in place, employment rates increased, Job Seekers Allowance (JSA) claimant rates decreased, young people Not in Education Employment or Training (NEETs) decreased and there was growth of our small and medium sized enterprises (SMEs).

Whilst the approach did deliver results, the Pathways to Employment model was challenging to deliver and was by no means perfect. Funding constraints, duplication of effort and insufficient collaboration locally and with regional and national partners resulted in mixed messages from funding bodies, and delays in decision-making. Pathways to Employment failed to gel as a seamless partnership delivery response – performance met expectations but it was effectively business as usual for many.

Given the a changing economy, policy and funding context combined with the fact that that we are at a pivotal point in the renaissance of Croydon we need a new shared ambitious response to the skills and employment agenda in the borough. This will harness the expertise and resources across all of our partners to deliver outstanding impacts to our residents.

### 3. Current skills and employment scene

#### 3.1 National Context

The **All-Party Parliamentary Group for Skills and Employment** (APGSE) is a cross-party group of MPs and Peers, supported by a broad coalition of employers, training providers, skills practitioners, awarding bodies and academics. In January 2015 the Group published its 'Cross Party Manifesto for Skills and Employment'<sup>1</sup>. The Manifesto outlines the future vision where skills provision takes centre stage in embedding sustainable economic growth in the UK, achieving international competitiveness, and creating a more equal society where every individual can develop and thrive in a manner that is best suited to them. The Manifesto is shaped by the following values:

- Focusing always on 'what is right' for each and every learner
- Ensuring 'dynamic quality' across the whole system
- Achieving fairness across the whole of the system
- Enabling transfer between pathways
- Creating real choice for all through effective information, advice, and guidance
- Ensuring skills for the real economy.

The publication defines the roles of employers, workers and adult learners, and young learners. It concludes that, 'local structures must be inclusive, taking into account all types of employers in the area and skills providers. Priority setting must be realistic and based on a sound and comprehensive understanding of the labour market and economy.'

The role of the **Local Enterprise Partnerships** (Coast to Capital and the London LEP) in shaping skills provision to reflect regional employment demands is becoming more important and Central Government acknowledges this through the devolution agenda and negotiations that are already in motion. In addition, Central Government has shown its commitment to involving local areas in local economic growth via the devolution of key funding streams such as the Work and Health Programme for sub-regional commissioning. Further strategic conversations will be taking place as per the [Memorandum of Understanding between London and Central Government on further devolution](#) building on the Government's commitments in the Autumn Statement 2016.

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<sup>1</sup> <http://www.policyconnect.org.uk/apgse/search/node/manifesto>

The **Area Reviews** of adult skills provision are complete and the recommendations will have an impact on how institutions collaborate and design provision to address the mismatch between local employment and skills supply and demand.

The target of creating 3 million quality **Apprenticeships** during this Parliament and the introduction of the new Apprenticeships Levy confirms the Government's determination to put skills and employment in the centre of the delivering economic growth.

Changes to the benefits regimes through **Universal Credit (UC)** are designed to increase movement into work and progression in work through:

- Improved financial incentives
- Greater simplicity, flexibility and transparency
- Bringing more people into conditionality regimes.

The result of the **EU referendum**, with potential for economic downturn and uncertainty amongst businesses, and lack of clarity over the future of **ESF funds**, means that working closely with partners for the best outcomes and to maximise resources is more important than ever.

### 3.2 Regional Context

In January 2015 the **London Enterprise Panel** published 'London 2036: an agenda for jobs and growth'<sup>2</sup>. The report aims to identify the agenda on which London's stakeholders should focus in order to maximise job creation and economic growth between now and 2036.

The report defines the goals, which should be achieved, by defining an agenda designed to deliver a London economy with:

- The fastest income growth among cities of its scale and type, and that delivers more benefit to the wider UK
- Job growth that translates into opportunity, with employment rates higher than both the UK average and the equivalent rates in New York and Paris and
- Diversity and resilience, with strong performance across more of the economy in order to improve the city's resilience against crises, with no single sector driving more than 40% of GVA or jobs growth.

Today, London is not achieving any of these aspirations. Despite long-term economic success, growth in GVA-per-head has stagnated; unemployment remains higher than in the rest of the UK; and the economy has proven highly vulnerable to shocks. To achieve this goal three core themes for London's economy were identified:

- Cement existing leadership position as the global business hub
- Fuel more diverse growth through creativity and technology and
- Address its weaknesses in inclusion, infrastructure and governance.

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<sup>2</sup> London 2036 | an agenda for jobs and growth

<https://lep.london/sites/default/files/documents/publication/London%202036%20%28reduced%29.pdf>

The following recommendations are directly linked to skills and employment:

- Train more technical talent: respond to market shortages of technically-capable workers by improving education and training at all levels from school through to adult education.
- Develop Londoners' employability: dramatically scale up efforts to ensure that everyone who grows up in London is equipped to compete for jobs in a changing and increasingly competitive labour market.

The sub-regional employment and skills picture across the South London Partnership is mixed and there are close synergies to be developed through the Area Review of post 16 education provision and the devolution of elements of previously nationally commissioned employment provisions.

The **Coast to Capital LEP** is similarly focused on growth; the C2C 'Skills for Growth' strategy is underpinned by two interconnected goals. First, that educational establishments should be aligned with the needs of businesses to compete and grow in a fast moving global economy. Second, that businesses themselves have a central role to play, both collectively and individually, in developing the skills of their workforce, and in inspiring the workforce of the next generation.

### 3.3 Local Context

Croydon is changing and this requires a new approach.

Over 23,000 new jobs will be created over the next 5-7 years, plus additional jobs in the immediate travel to work area including at Gatwick.

'The Croydon Promise – Growth for All' is the Council's commitment to residents, investors, developers and businesses that the Council will do all it can to deliver growth, which is inclusive and sustainable – for all. The document makes commitment to support Croydon residents, young and old – into employment, raise the skills of the workforce so that they can access the new jobs being created across the borough. All stakeholders working in the employment and skills arena need to work collaboratively to enable our residents to benefit from the borough's economic growth.

The Council is adopting new ways to engage with our residents to support them holistically including through the People's Gateway Service and the co-location of Jobcentre Plus in Bernard Weatherill House. Campaigns and actions to make employment accessible for all through initiatives like Flexible Working Borough (accreditation took place in December 2016), London Living Wage borough and the Good Employer Charter are key to ensuring the types of jobs in the borough move our residents out of poverty.

The borough is committed to using its power and influence to ensure residents and local businesses benefit. Value Croydon seeks to sweat out community, social and economic benefits from our Tier 1 contractors; S106 contributions and local employment clauses ensure that developers are required to deliver the same.

Our partners are developing similar ways to support residents to gain the skills they need to get into and progress in work. For example Croydon Health and Employment Partnership is a collaboration across nine local not-for-profit organisations offering employability support as well as encouraging healthier lifestyles, Lives not Knives supports young people into employment, education and training, and housing associations such as Amicus Horizons support residents to get the skills they need to move into employment. This is just a selection, no doubt there is excellent work undertaken at the grass roots level that will only be enhanced by coming together and pooling our efforts.

Now is our opportunity to co-ordinate, collaborate and build partnerships that operate across the public, private and voluntary sector to secure the best outcomes for Croydon residents.

### Need

Croydon's unemployment rate is slightly lower than the London average and our employment rate is rising, however:

- There are 13,000 economically inactive working age adults in the borough;
- Some demographic groups are more likely to be out of work and/or on benefits than others including the over 55s, BAME groups, people with disabilities and women;
- There are geographical variations – people are more likely to be out of work and/or on benefits in the north of the borough and in areas such as New Addington;
- Over 20% of Croydon residents are in low-paid work, and over 25% of jobs in Croydon are low waged;
- In 2015 23.2% of children in the borough were living in families affected by income deprivation.

### Demand

- Businesses and employers are consistent in their message that many people presenting for interview do not have the skills, attitudes and aptitudes required for work; this is particularly the case for younger people;
- Our growth employment sectors are Science & Technology, Creative & Cultural; Retail, Hospitality, Leisure & Tourism, and Business & Finance;
- There are recruitment challenges and skills shortages nationally and locally in health & social care and teaching.

## 4. Priorities for action

Building on promise commitments, the borough's previous skills and employment strategy and in discussion with other stakeholders the following are the key priority actions for the borough:

- P1. To deliver a Job Brokerage to maximise benefits from regeneration and growth, delivering preferential routes into sustainable work for our residents;
- P2. With FE and HE partners ensure delivery of an appropriate range of employer focused training to meet future employment demand in our growth sectors and future-proof our economy and residents;

- P3. With our schools, colleges and employers create effective career pathways for young people, shaping the curriculum and informal education routes to provide clear paths to work in the growth sectors to future proof our economy and resident;
- P4. Provide relevant and appropriate support to residents with multiple and complex barriers to employment and progression through targeted interventions;
- P5. To expand current HE provision and high skills vocational training to meet the growing employment demand of the knowledge economy.

## 5. Ownership & Management of the Plan

The Action Plan will be owned by the Croydon Employment and Skills Board, and will feed into the Croydon Strategic Partnership.

The Employment and Skills Board will endorse the annual delivery plan and will receive regular updates on outcomes and performance. The Board will be expected to review and evaluate delivery throughout the year, highlighting any issues of concern as early as possible.

On an operational basis, the Employment & Investment Service in the Place Department will perform the secretariat for the Croydon Employment & Skills Board, and will lead on developing the plan, and monitoring performance across the partnership. Working group membership will include the following representatives:

- LBC leads from People’s Gateway Service, HR and Universal Peoples Support
- Jobcentre Plus
- Colleges – Croydon, John Ruskin and Coulsdon Colleges
- NHS representation
- Third Sector Representation
- Local employer representation
- Gatwick Airport
- Westfield/ Hammerson
- Croydon Tech City.

Additional business and employer engagement will take place via the Board and its members, as required.

Specific task and finish groups will be set up to fix the annual work programme for each priority area and will convene further as required.

## 6. Annual Delivery Plan (2016-17)

### P1 Job Brokerage

Lead Agency: LBC (Place)  
Core Partners: LBC, Croydon College, Job Centre Plus  
Description: Matching job-ready residents into jobs created by regeneration, investment and growth:

- Free to use recruitment service for employers, which seeks to match employment opportunities to job-ready residents looking for work;
- Creation of bespoke employment pathways with employers e.g. training into work interventions and recruitment fairs;
- Promote Council commitments to local employers including LLW, flexible working;
- Delivery mechanism for S106 and Value Croydon obligations.

## **P2. Employer Focused Training (Adults)**

Lead Agency: LBC (Place)

Core Partners: Croydon College, John Ruskin College, Coulsdon College, CALAT, South London Partnership (Area Review)

Description: Ensuring learning career pathways for growth sectors are established and developed across providers in response to the needs of Croydon employers / businesses by:

- provision of accurate skills forecasting information based on up to date developer and employer intelligence;
- shaping of curriculum across the partnership to ensure synergies and economies of scale;
- developing new learning pathways including apprenticeships, traineeships and work experience provision for adults;
- maximising opportunities for in-work training for adults to support progression for low paid;
- developing entrepreneurship and self-employment as valid career pathway.

## **P3. Pathways for Young People**

Lead Agency: LBC (People)

Core Partners: Schools

Description: Ensuring career pathways for growth sectors are established and developed across schools based in response to the needs of Croydon employers by:

- provision of accurate skills forecasting information based on current business and employer intelligence;
- shaping of curriculum and careers offer;
- promotion of apprenticeships and traineeships as a route into entry and higher level employment;
- consolidating and expanding the Council's provision of apprenticeships, work experience and other opportunities for young people;
- developing new learning pathways including apprenticeships, traineeships and work experience provision.

## **P4. Employment and Progression Support**

Lead Agency: LBC (Place) and JCP

- Core Partners: LBC (People), Third sector, DWP Prime Providers, South London Partnership (devolution)
- Description: Ensuring provision of targeted support to those with multiple and complex barriers to work is effective, appropriate and delivers results, and those in low-paid employment are supported to progress, by:
- informing the devolution discussions with DWP as to future work and health deliver programmes;
  - shaping local offer through commissioning and procurement led by JCP, LBC and other partners, and through an effective offer to unemployed adults from LBC as an employer;
  - developing self-employment options as a route out of worklessness;
  - shape in-work progression routes through influencing externally funded provision;
  - seeking external funding for delivery (as accountable body or delivery agent).

### **P5. HE provision**

- Lead Agency: LBC (Place)
- Core Partners: Universities, FE Colleges
- Description: Engaging with universities to attract them to the borough by:
- building on the inward investment messaging to communicate Croydon's offer to HE providers;
  - establishing a package of support (financial and in-kind) to incentivise providers;
  - engagement campaign with selected providers via Chief Officers and Elected Members.

## **Cross Cutting Themes**

### **Good Employer Charter**

In January 2017 the Council formally launched the Good Employer Charter; this asks that all Croydon Businesses:

- Pay Fair – become London Living Wage Accredited
- Employ Local – use Croydon Works as a recruitment tool
- Buy Local – use Value Croydon to share supply chain opportunities
- Include All – have inclusive staffing policy and practice (White Ribbon, Disability Confident etc.)

The year one target is that 100 local businesses will sign up to the Charter in the first twelve months.

There are several incentives to becoming a Good Employer including the chance for SMEs to receive up to £1000 off their business rates bill; 4 business breakfast's ever

year supporting access to supply chain opportunities; and promotion and case studies for Good Employers.

## **5.2 Flexible Working Borough**

In December 2016 Croydon became accredited as a Timewise Flexible Working Borough and part of the action plan for this is that the Council works with partners and businesses to support the spread of flexible working policies across the borough.

More information about the Timewise Accreditation can be found here:  
<http://timewisefoundation.org.uk/>.

Interventions to support Timewise will include the spread of best practice through Croydon Works and through networking events such as the business breakfasts above.

## **5.3 Opportunity & Fairness Commission**

In 2016 the Opportunity & Fairness Commission published its final report. The report made several recommendations that this Plan directly responds to including Croydon Works, The Good Employer Charter and the First Step programme. The OFC report can be found here:

<https://secure.croydon.gov.uk/akscroydon/users/public/admin/kab12.pl?operation=SUBMIT&meet=45&cmte=CAB&grpId=public&arc=1>

Ensuring that economic growth, regeneration and investment benefits all parts of the community in Croydon is essential and consideration will be given to targeting particular groups in the activities as detailed above including. This targeting may be based on equalities groups, geographies or thematic groups as appropriate and every effort will be made to ensure that performance reporting is broken down appropriately.

## Appendix 2 – Data & Baseline

### DATA

#### Current economic picture

##### Key employment data

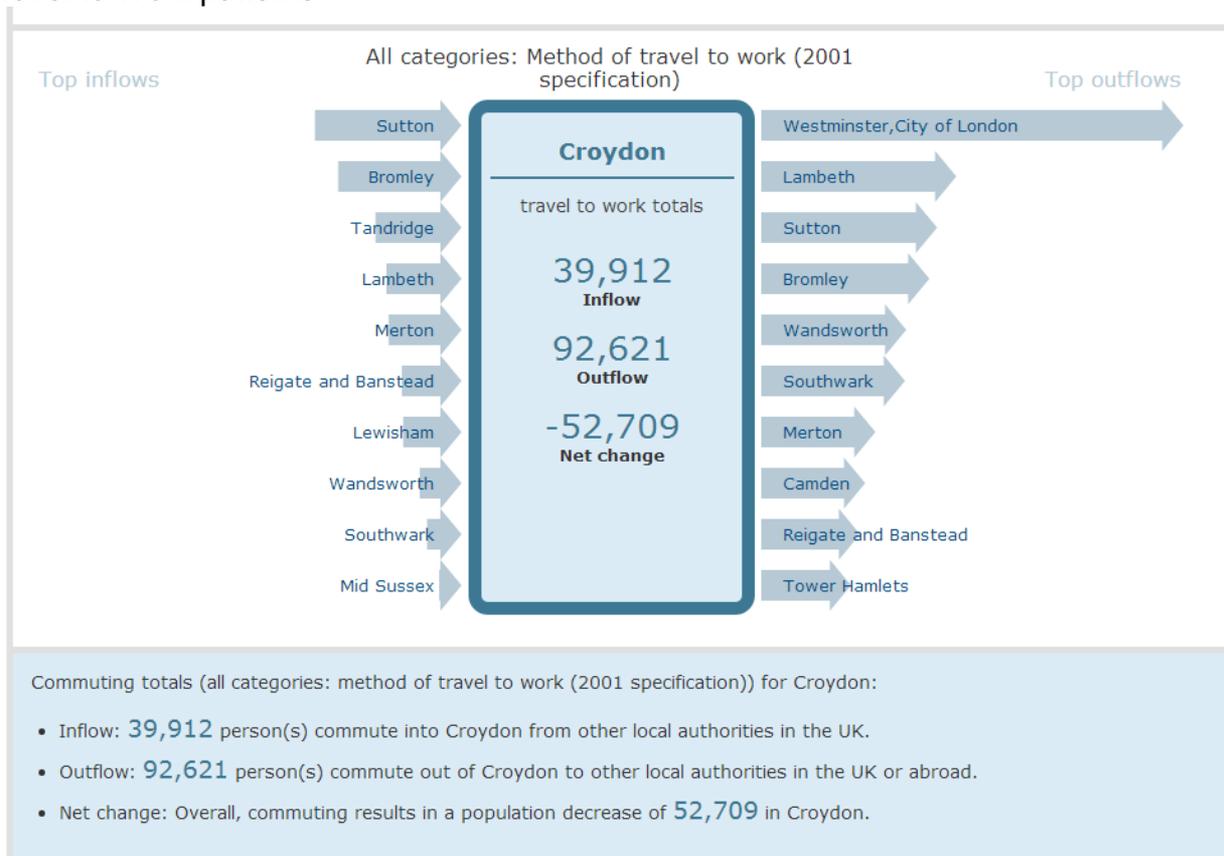
Indicator	Croydon	London
JSA claimant count (16-64 yrs)	1.9%	1.7%
JSA claimant count (18-24 yrs)	1.3%	2.2%
Economic activity	79.1%	77.9%
Residents in employment	75.2%	73.2%
ESA / IB claimants	5.1%	5.1%
% of benefit claimants: lone parents	1.4%	1.1%
% of benefit claimants: carers	1.3%	1.2%
% of benefit claimants: disabled	1.0%	0.8%
Inactive due to long-term illness	14.9%	16.7%
Inactive and wanting a job	33.5%	25.9%
Residents qualified to L4+	40.6%	49.8%
Residents qualified to L3	59.7%	65.2%
Residents qualified to L2	74.2%	76.1%
Gross weekly pay	£602	£621

All data: Nomis / ONS

#### Business Base

- Job density (ratio of jobs to working age population) is below the London and DB average – Croydon 0.58, London 0.96, GB 0.82. Job density in the borough has fallen in the last ten years
- In 2015 there were 12,880 businesses in Croydon, with the vast majority (98.4%) being micro or small companies
- There has been net growth in the number of businesses in the borough every year since 2009
- The top three industries in Croydon by number of businesses are professional, scientific and technical, construction and information and communication (2015)
- The top three sectors by number of jobs are wholesale and retail, financial and other business services, and public administration, education and health
- Just over 25% of jobs in the borough are estimated to pay below London Living Wage
- There is an over-representation of shrinking employment types in the make-up of the Croydon economy, including admin / clerical and mid-skilled roles
- Growth is forecast in service sector businesses, which make up a significant proportion of Croydon businesses, and in sectors requiring high level skills.

## Travel to Work patterns



Census 2011

## Disadvantage and deprivation

- The borough has become relatively more deprived since 2010, with deprivation focused in the North and East of the borough
- There are 6 LSOAs in Croydon in the top 10% most deprived in the country
- Croydon has a lower proportion of households with multiple disadvantage than London (0.73% / 0.91%) but higher than England (0.53%)
- Income support claimants are above the London and England rate – Croydon 2.18%, London 1.73%, England 1.77%
- Proportion of residents claiming Housing Benefit is very close to the London average (24.09% / 23.96%)
- Proportion of children living in poverty is the same as the London average (21.83) but above England (18.62%)

## Further Education / Adult learning provision

Croydon has a breadth of provision covering almost all the sector subject areas, however this is largely learner driven rather than employer driven (compounded by the fact that most Post-16 funding policy is also learner demand driven). This means there is often a mismatch between what learners choose to study and what the local economy requires. However, anecdotally, many employers state that they require the 'soft' skills (interpersonal, communication, team working etc) plus a good level of numeracy and literacy, and are willing to provide on the job training. This particularly applies to skills shortages/hard to fill vacancies in the service and sales industries.

Current and forecast demand of skills provision includes:

- Construction, manufacturing and engineering, in particular modern methods of construction and higher level technologies
- Creative, digital & IT, with a focus on employer-focused, current technical and business skills
- Retail, care and service sectors where there is increasing demand, and an ongoing need for soft skills, numeracy and literacy
- Education: the borough is experiencing a shortage of teachers particularly in STEM subjects.

## Future Economy – Opportunities

In London the short-term outlook for job growth is 1.2% in 2016, 0.75% in 2017, with growth focused in the business, retail, wholesale, accommodation and food and construction sectors. Long-term employment growth is expected to include professional, real estate, scientific and technical services, and the information and communication sectors.<sup>3</sup>

Jobs in the professional, real estate, scientific and technical sector are expected to grow strongly, accounting for nearly two-fifths of the total increase expected in London to 2036. Strong employment growth is also expected in the administrative and support service, accommodation and food service, and information and communication sectors – collectively accounting for just over half the expected total London increase to 2036.<sup>4</sup>

There is increasing demand for high-level and service sector skills nationally and regionally, and local developments and sector growth are in line with this pattern.

Major developments in Croydon Town Centre and beyond will drive economic growth and boost employment opportunities locally.

Croydon hosts London's fastest growing tech sector, with increasing provision for start-ups, including Croydon Tech City and the Sussex University Innovation Centre.

Private sector and Council investment in housing (through new company Brick by Brick) will increase the demand for skilled and experienced construction staff, as well as new entrants.

Key local developments will cater to employment sectors with forecast growth: culture at College Green, professional and business services at Ruskin Square, and retail at Boxpark and the Whitgift Centre.

All of these opportunities need to be supported by a comprehensive and effective skills strategy that can respond to employer demand and be flexible enough to adapt to new markets and changing technologies.

## Baseline (activity)

### People's Gateway and in-house Employment Support

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<sup>3</sup> GLA Intelligence Trends in the demand for labour and skills in London and the South Sub-region, 2016

<sup>4</sup> GLA Economics, Working Paper 67, Updated employment projections for London by sector and trend-based projections by borough, 2015

A range of different services in the People division provide employability to their clients, including the Leaving Care team, Troubled Families, Enablement and Welfare and Housing Needs. There is also commissioned support for residents with disabilities through the Croydon Employment Support Service, and in-kind support from JCP staff embedded in council teams.

At any one time they are supporting over 400 residents to improve their employability skills, gain confidence and tackle a wide range of other barriers to employment.

This provision, whilst addressing a wide range of needs, is fragmented and there is no centralised outcome framework, or capturing of outcomes across the teams. There is work underway to capture the full benefit of the different services provided and to introduce a more collaborative approach to provide a consistent and joined-up service to residents.

### **Value Croydon**

Value Croydon is the council's approach to securing social value through procurement, aiming to maximise the number of opportunities through procurement and commissioning activity, including employment and skills opportunities.

Croydon has now secured London Living Wage accreditation. Croydon Council is committed to promoting the London Living Wage (LLW) to employers in Croydon as a way of increasing fairness and tackling the cost-of-living crisis. We are now paying all our employees the LLW and have asked all publicly funded schools to follow our lead.

Through our procurement and commissioning processes Croydon Council will also require providers delivering services on our behalf to wherever possible pay the LLW.

### **Flexible Working**

Croydon Council is a Timewise employer, having adopted best practice in flexible working as a tool to achieve organisational change. The Council is committed to promoting the benefits of flexible working to other employers as a benefit for employees and also a means for employers to attract and retain the best possible pool of employees.

### **London Living Wage**

Croydon is a LLW borough, with all staff directly employed by the council receiving at least the London Living Wage. It is also now a requirement for all new council contractors to pay the London Living Wage, and Croydon will be working with existing contractors to make the transition in the next two years.

### **Fairness and Opportunity Commission**

A number of the recommendations of the Croydon Fairness and Opportunity Commission are being taken forwards, either with the Council in the lead role or as a key partner:

The Croydon Fairness and Opportunity Commission recommended the following

- An inclusive jobs brokerage service provided by the council working closely with developers and local employers.
- A new Croydon Employment Charter for Croydon businesses and organisations.
- The roll out of First Step so that every young person at college who wants it is offered local work experience, with priority given to schools in the most deprived parts of the borough



