

LEARNING FROM LONGBRIDGE

Informing an approach for support and recovery in Birmingham from the COVID-19 pandemic

Ifor Jones, Head of Partnerships, The Pioneer Group, May 2020

1. Introduction

This short learning document is based on my experience of engaging and leading the support for the community strand of the MG Rover Taskforce between 2005 and 2007. It draws on some of the literature about the recovery which is generally regarded as a success in terms of:

- providing immediate community support during the initial shock wave caused by mass redundancies
- work on transitioning former MG Rover employees back into employment and/or training and the wider regeneration of Longbridge.

2. Current context

In the lead up to COVID-19 statistics in the first quarter of 2020 confirmed Birmingham's comparatively high unemployment claimant rate at 9.3%¹ (the highest of the UK's core cities, some 3.1% higher than the other cities and 3.5% higher than the West Midlands average. The figure had been relatively stable since returning to pre-recession levels, but began to increase from 2018 due to the benefit changes associated with the roll out of Universal Credit

A range of initial forecasts on job losses have been reported over the past six weeks from 29,000 jobs in the hospitality sector or 100,000 in the private sector across the region. The statistics for this will become clearer with the publication of the April 2020 data shortly and, of course, it is likely the anticipated increased unemployment claimant rate will continue to rise over the next quarter and potentially beyond, exacerbating the already high level in Birmingham.

We will see two distinct cohorts within the unemployment claimant count:

- longer term cases, many of whom who will have been out of the labour market for some time, clustered in geographical hotspots e.g. Aston at 12.8%, Birchfield at 13.6%, Handsworth at 15% or with demographic characteristics e.g. youth unemployment, BAME groups and people with disabilities.
- those who have lost their jobs as an economic consequence of COVID-19 across a range of sectors and impacting on wider cross section of the working population. Many will have enjoyed comparatively higher earnings, own or privately rent their homes and have enjoyed a better quality of life than the first cohort

¹ Birmingham Labour Market Update, Q1, 2020, BCC

3. The Learning from Longbridge



Figure 1: Gemma Cartwright and family making the case for Rover workers. April 13 2005

In 2005, MG Rover at Longbridge closed with the overnight loss of 6,300 jobs and further job losses in the supply chain indicating a potential loss of over 12,000 jobs, but mitigated to just over 8,000.

A range of academic analyses were produced in the aftermath including:

- Bailey, Bentley, de Ruyter and Hall (*Plant Closures and Taskforce Responses, An analysis of the impact of and policy response to MG Rover in Birmingham*)
- The Rover Taskforce report produced by Advantage West Midlands, 2007
- The National Audit Office Report (*The Closure of MG Rover*), March 2006
- and the *Select Committee on Trade and Industry report on the Lessons from the MG Rover Taskforce* (March 2007).

Each in different ways considered the economic and social impacts of the closure locally, in Birmingham and the wider region, the effectiveness of the taskforce interventions, including community support and how ex-MG Rover workers fared in terms of new employment; but also the impact on their wellbeing and household debt.

The severity of the closure on MG Rover workers was reduced in the community and the local area by preplanning, particularly through the actions taken between 2000 and the closure in 2005 to diversify and de-risk the supply chain and to undertake some local area regeneration in Northfield.

However, in 2005 with the onset of 6,300 redundancies, 1,400 of them within the Northfield Constituency itself, there was a combination of a new cohort of claimants

from high quality manufacturing jobs paying above average wages for the West Midlands region with a cohort of more long-term, particularly adult male claimants.

The academic, professional and institutional literature suggests that this was well handled by a range of micro and macro interventions. Bailey et al suggest the quicker people found re-employment the more likely they were to use the same skills in their new roles, that those who remained in the same sector in their new roles earned similar amounts of money but those who moved into the service sector earned 60 % less – equivalent to a £6,000 reduction in their income.

A significant number of workers were able to retrain and change their career and undertook academic vocational training. The Taskforce report indicated that 4,000 or 63% of former workers at MG Rover had found work, mostly full-time with a half earning less and a quarter earning more. This is not to say that the impact was not profound and affected the economic and social wellbeing of the workforce from increased levels of debt, loss of homes, family breakdown, drug and alcohol abuse, domestic abuse, damage to health and suicide.

A key feature of the success was strong partnerships working together to manage and mitigate the social and economic impact of a significant plant closure, and included:

- effective administration of the redundancies between DWP and the local authority
- job fairs and mobilisation of retraining and skills packages via the then LSC
- local action support for the community in the Longbridge area through a Community Support Board
- And community regeneration funding of around £5 million.

4. Personal reflection

In a two-year period, I witnessed a shift from crisis management to sustained economic and social strategies for recovery. At the heart of this was a collaborative approach coordinated at different levels, from the very local around the tight cohort of workers in Longbridge and Northfield – some 1400 workers - to across the city, region and nationally.

My engagement through a localised team in the City Council was to coordinate the initial crisis response regarding advice and community support in partnership with agencies such as JC+, the Learning Skills Council, the voluntary and community sector and most critically the MG Rover communities. Mobilising a response to administer change at pace was critical, as was building relationships with the workers and MG Rover to ensure engagement with and wider community buy-in.

The role of key individuals, in particular Gemma and Andy Cartwright (*pictured*), made a difference and steered the strategy to provide support to the community through a plethora of active community interventions, from festivals and holiday breaks to food and welfare support.

Despite this, there were significant negative outcomes for families from debt, homelessness, family breakdown and suicide. However, overall the level of intense support significantly reduced the scale and negative impact. The support also provided time for workers to access new employment from youth work and leisure in local centres to jobs in automotive and other industries and to start the process of physical regeneration of Longbridge.

5. Lessons that could apply in the COVID-19 crisis

Lessons for the current emerging position with COVID-19 include:

- mobilise interventions at pace working with both cohorts – existing and new claimants
- get new cohort of unemployed into training and work as soon as possible
- quickly intervene with training agencies and providers for reskilling
- ensure personal contact with individuals whether through advice and support or training
- recognise importance of welfare advice and wellbeing services and administering benefits quickly
- use opportunities for public service employers to take on and train former MG Rover workers, for example the city council created opportunities in youth, leisure and community development services
- work in partnership – at regional, city and local levels - with public services, employers, community and third sector agencies
- provide community support in the moment of crisis – e.g. helplines, social events, funding for holiday breaks
- create a strategy for inclusive growth e.g. local area regeneration – Longbridge transitioned from a centre of economic activity of regional and national significance to an important local centre with a mix of new housing, retail, public services and some retained manufacturing.