



ANCER SPA

DEVELOPMENT, REGENERATION  
& PLANNING CONSULTANTS

***South East England Regional Assembly  
Select Committee on SEEDA's approach to  
Labour Force and Employment***

**CONTEXT AND ISSUES PAPER**

**EXECUTIVE SUMMARY**

***FOR CONSULTATION AND COMMENT  
(BY 26 SEPTEMBER 2008)***

Prepared for: South East England Regional Assembly  
by ANCER SPA (London and South East) Ltd

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**1. INTRODUCTION**

- 1.1 This is the executive summary of the 'Context and Issues Paper' for the South East England Regional Assembly Select Committee on SEEDA's approach to Labour Force and Employment. The report has been produced by Ancer Spa on behalf of the Assembly. An electronic version of this summary, the full paper and appendices, along with further information on the Assembly's scrutiny work, can be found at: [http://www.southeast-ra.gov.uk/accountability\\_selectcom.html](http://www.southeast-ra.gov.uk/accountability_selectcom.html).
- 1.2 The 'Context and Issues Paper' provides the basis for wider consultation on the issues. This summary sets out key issues from the full paper. **You are invited to comment on any issues raised in this summary and in the full paper.** In particular, the Assembly is keen to hear your views on **the key questions** set out at the end of this summary document. The Assembly would also be pleased to hear if you feel any key issues have not been identified. **Comments should be submitted to Ameeta Rowland at the South East England Regional Assembly** (Berkley House, Cross Lanes, Guildford, GU1 1UN; [ameetarowland@southeast-ra.gov.uk](mailto:ameetarowland@southeast-ra.gov.uk)) **by Friday 26 September 2008** – please include a completed cover sheet (available on the Assembly website if you have not received a copy-see paragraph 1.1) with your contact details. It would also be helpful if you could indicate, on the cover sheet whether you would be willing to **participate in part of the Select Committee's meeting on 24 October 2008**. Please contact Ameeta if you any further queries (01483 555204).

### ***Purpose of this Select Committee***

- 1.3 This select committee will be scrutinising SEEDA's work on Labour Force and Employment in the South East, particularly in relation to the goals set out in the Regional Economic Strategy (RES) 2006-2016. To inform this, the Context and Issues Paper looks at SEEDA's:
- effectiveness in setting labour force and employment strategy;
  - efficiency in delivering those actions with which it is tasked;
  - coordination of the delivery of services at a local level where appropriate;
  - effectiveness in influencing partners, stakeholders and suppliers in the region to develop policies and deliver their actions.
- 1.4 The paper also draws from the views and perceptions of a wide range of stakeholders on the impacts of SEEDA's policies and actions on the issues under scrutiny.

## **2. LABOUR FORCE AND EMPLOYMENT – SOUTH EAST CONTEXT**

- 2.1 There are a number of socio-economic changes facing the region which affect employment and the labour force. These include an ageing indigenous population which will lead to a higher dependency ratio; population change due to migration; a trend towards higher order occupations; challenges around employability and skills; and increasing global competition. In addition whilst headline messages show the region performs well overall in relation to skills and employment there are extreme variations within the region.
- 2.2 This context means the region faces a number of challenges which include: ensuring the local population is adequately qualified to be able to take advantage of higher order employment; keeping more people economically and otherwise active for longer periods of their lives; managing the pressures on the transport infrastructure; and raising the aspirations of those in persistent disadvantaged communities to help them find routes to employment.

## **3. LABOUR FORCE AND EMPLOYMENT – NATIONAL POLICY CONTEXT**

- 3.1 At national level, the Government has produced a number of strategies and reports that have a significant bearing on how SEEDA (and its partners) approaches and prioritises its work on labour force and employment policy and delivery in the region. Collectively, the main national strategies emphasise the Government's aspirations for:
- Raising the effectiveness of Further Education (FE) colleges in providing the skills that employers need to compete in the global economy.
  - Enabling adults from all backgrounds to access and engage successfully in continuous learning and workforce development.
  - Increasing the number of students continuing in education beyond 16.
  - Increased focus on basic skills and employability.
  - Widening the range of provision where needed, for example outsourcing into the private and voluntary sectors.

#### **4. REGIONAL POLICY AND OPERATIONAL CONTEXT**

- 4.1 SEEDA has defined in the RES the core goals of Global Competitiveness, Smart Growth and Sustainable Prosperity. The RES has set challenging targets around employment. These include increasing economic activity from 82% to 85% and bringing 110,000 net additional residents of working age into the labour market by 2016, as a step to getting up to 250,000 residents into the labour market by 2026. Generally the targets set for the region are greater than can be delivered by SEEDA alone and, therefore, require the co-operation of partners. SEEDA's ability to influence and coordinate activity is therefore important.
- 4.2 In discussions, SEEDA stated that the main areas of focus for its work on employment and labour force include:
- a) the development of an integrated Employment and Skills Framework to ensure people get into sustainable employment, coupled with development of Local Skills for Productivity Alliances (LSPAs)/Local Employment and Skills Boards to align all key stakeholders' activities and funding in support of common agreed principles;
  - b) working with strategic partners to develop capacity of training providers to meet the skills needs and requirements of business;
  - c) development of higher level skills, links between innovation and skills and support of sector skills activities;
  - d) linking SEEDA's enterprise and skills teams' activities, particularly given the integration of Train to Gain brokerage activities within Business Link providers.

#### **5. ANALYSIS AND EVALUATION**

##### ***Creating Secure Jobs and Enterprise***

- 5.1 There are extreme variations in the issues around labour force and employment in different parts of the region. For example, some parts of the region, particularly coastal areas, have problems of worklessness and a need for new job creation. There is a challenge for SEEDA to respond to these variations effectively, recognising that there are different needs in different areas and locally customised approaches rather than regional models may often be needed. SEEDA has been involved in a number of local projects over recent years, working closely with local government and other partners, including establishing new university centres, office developments and media and incubation centres which have created some employment and several new companies. However there is limited evidence that substantial job creation impact has been achieved from these initiatives.

##### ***Addressing Barriers to Employment and Skills Development***

- 5.2 A range of barriers can impede people from taking jobs or developing skills within the workplace (e.g. childcare responsibilities; lack of basic skills; transportation difficulties). SEEDA's key role is to ensure that the full range of support measures necessary to facilitate the route into sustainable employment or skills development is in place. This

could be as part of integrated local workforce development strategies, particularly in the lesser performing areas. An example where SEEDA has intervened more directly has been in the area of basic skills in the workplace; this has contributed around 40,000 employees to Public Service Agreement targets for Skills for Life. The consultations show that SEEDA is seen to be involved to an extent in addressing barriers, but not apparently on a consistent basis across the region.

### ***Improving Workforce Employability***

- 5.3 In some parts of the region, the challenge is to ensure that people have the aptitude and the wherewithal that enables them to enter and remain in sustainable employment. A number of employability initiatives have been set up or are under development by SEEDA. For example these include the development of an employability and skills framework, the roll-out of skills for life and the particularly successful 'Redundancy Project' (a rapid, coherent and effective response to redundancies). These initiatives have made good progress in some areas, but in others some partners feel the level of coordination has not been sufficient to translate ideas into action and, therefore, performance and delivery have been patchy.

### ***Skills Interventions***

- 5.4 Compared to others parts of England the South East has a highly qualified and skilled population. Despite this some parts of the region still suffer from a skills deficit. Given the trend towards higher order occupations, unless this shortfall is addressed quickly many employers and employees will be left behind in the global economy. SEEDA has initiated a number of successful skills development programmes in recent years to counter this deficit. For instance the Action for Business Colleges programme has provided a development tool for FE providers to focus on offering high quality, responsive services to employers. Successes have been achieved in developing relevant specialist skills particularly at Levels 3 and 4 through a number of the Sector Consortia. Skills South East, the network of skills brokers for Train to Gain, has generated a number of successful outcomes on targeted sector initiatives. Nevertheless, in spite of these activities, a main concern expressed by some of the business organisations is the shortage of people with the right skills to fill jobs. In addition many businesses have found the provision from Train to Gain inappropriate and not relevant to their needs.
- 5.5 In addition to the employment and up-skilling challenges facing the region, the challenges of getting different agencies to work together to a common purpose often can be imposing. Despite this SEEDA has been involved in the successful education-led regeneration initiatives in Medway, Folkestone, and Hastings, working closely with local government and other partners. It has been seen to play a key role in levering in funding from other partners for these local initiatives. However, it is felt that the multiplicity of strategically focused agencies and multitude of funding sources each with its own decision making process and timescale does not aid effective delivery.

### ***Coordination of Labour Force and Skills Initiatives***

- 5.6 Given the sentiments in the previous paragraph, it is crucial that partners and agencies work closely together in order to co-ordinate their activities to meet the requirements of the RES. The Regional Skills for Productivity Alliance (RSPA) has a key role in ensuring that current and future skills provision and labour market services meet the needs of business, stimulate demand for higher level skills and improve productivity in the region. The RSPA

is a good mechanism to bring together partners involved in the skills agenda. However, given the numbers of organisations involved, it can be rather cumbersome and is perceived by some as a 'talking shop'. A higher-level strategic group of key players may be required with funding to support the coordination to deliver what is needed.

- 5.7 Whereas the RSPA has a strategic and regional focus, it is important to ensure that local issues and requirements are fully reflected in decisions particularly given the diversity of the region. At sub-regional level, the LSPAs (to be evolved into Employment and Skills Boards) have been the main vehicle for engaging with employers, bringing partners together, setting priorities and making the most of the relevant SEEDA programmes at sub-regional level. A number of the LSPAs have been successful and have made a significant difference, stimulating debate which has involved employers in shaping the regeneration initiatives and addressing specific skills shortages. However some of the LSPAs are viewed to have not evolved so effectively giving cause for concern. More intervention by SEEDA appears to be necessary in these circumstances in strengthening their coordination activities.
- 5.8 Helping the hard to reach requires a resource intensive and individualistic approach involving "pre-work ready activities" to build self esteem and confidence. The voluntary and community sector (VCS) is an important contributor to this aspect of economic development although this is not always fully appreciated by all partners. The VCS, therefore, can play a key role in helping people get back to work from unemployment. SEEDA can help support this complex and diverse sector through the provision of development tools in key areas, where these can help it engage local people and help address employability needs. Discussions with the VCS highlighted the dichotomy between SEEDA's priority to grow the economy and the solutions necessary to get those not employed back to work. It was clear that SEEDA needs to clarify its agenda for working with the VCS.
- 5.9 Local authorities, particularly those covering areas which are not performing well economically, have a vital role to play in coordinating initiatives that lead to improved levels of sustainable employment and prosperity, reduced levels of deprivation and social exclusion. In addition to other corporate or project-based policies and strategies, such needs are now prioritised though targets set out in Local Area Agreements and the work of Local Strategic Partnerships. To meet these aims, local authorities need to work closely with a wide range of strategic and local agencies, skills providers and the VCS. SEEDA can help support this by addressing gaps in delivery capacity where they exist; facilitating the alignment of strategic funding where appropriate; deployment of labour force and employment programmes where they are most needed; and ensuring that coherent structures, frameworks and coordination mechanism are in place to ensure that labour force and employment priorities are effectively addressed.

## 6. CONCLUSION AND KEY QUESTIONS:

- 6.1 Overall SEEDA can be seen to have achieved major successes in a number of areas related to labour force and employment, although there are also areas where it appears improvements could be made. In the light of the research undertaken to prepare the 'Context and Issues Paper', the Assembly would welcome your responses on a number of key questions set out below (see paragraph 1.2 for details of how to respond):

### Summary of Questions for Consultation

- 6.2 The Assembly would be interested in your views on any of the issues raised and in particular the following questions on SEEDA's work on employment and labour force in the region. The Assembly would welcome comment from you on any or all of these questions: please include specific examples where possible. **Further information on how to respond is set out in paragraph 1.2.**

1. Within the RES, does SEEDA adequately capture the range of key issues and challenges regarding labour force and employment in the region?
2. How effective are the key strategic regional agencies with an interest in labour force and employment, such as SEEDA, Job Centre Plus and the Learning and Skills Council, in developing a joined up and coherent approach?
3. SEEDA's Corporate Plan gives considerable emphasis to higher level management and technical skills. Is this focus appropriate and what should it do to also ensure development of basic skills and employability?
4. Is the range of SEEDA's activities appropriate and suitably targeted to tackle labour force and employment issues? Where should the balance lie between strategic and local interventions?
5. Is SEEDA doing enough to encourage sustainable job creation in the region, particularly in under-performing areas? How and where should it focus resources on this issue to best effect?
6. How effective is SEEDA in engaging with businesses to understand their skills needs and in promoting employers' responsibilities regarding skills development?
7. What has been your experience of the Regional Skills for Productivity Alliance? What needs to be done to ensure its long-term effectiveness? What can SEEDA or other partners do to support the evolution of Local Skills for Productivity Alliances into revised roles as local Employment and Skills Boards?
8. How effectively do SEEDA and other strategic regional organisations engage with the further and higher education sectors, voluntary and community sector, local partners and deliverers to tackle employment and labour issues in the region? What more needs to be done?
9. How effectively do SEEDA and local authorities work together on labour force and employment issues? In the light of an increasing role for local authorities in this area, what more needs to be done to ensure effective joined-up working arrangements?