

SOUTH EAST ENGLAND REGIONAL ASSEMBLY SELECT COMMITTEE ON SEEDA's APPROACH TO LABOUR FORCE AND EMPLOYMENT

Submission from: **Canterbury City Council**

Date: **September 2008**

Thank you for the opportunity to respond to the above consultation. The council will provide a brief response on a number of the questions set by SEERA in its Context and Issues Paper.

1. Within the RES, does SEEDA adequately capture the range of key issues and challenges regarding labour force and employment in the region?

The RES' regional policy and operational context relies on spatial economic geography separated into the inner, rural and coastal southeast. In the main this provides a relatively good balance between the different areas of the southeast, which is probably the least homogenous of all English regions.

Canterbury district is located within the 'coastal' southeast. Initially this council was critical of SEEDA's overall approach to coastal towns and communities in its RES. However, the subsequent coastal framework has recognized many of the challenges facing coastal areas and commits the RDA to four significant interventions. These are important and potentially broad-changing priorities but do not refer at all to tackling labour market issues including worklessness

These topics are prominent characteristics of underperforming coastal areas and their labour markets. SQW's, 'Coastal South East: A Framework for Action' (2008) indicates that the coastal south east is set to grow and recognises that housing and employment growth are not balanced.

The increased level of out-commuting in coastal areas may have created a labour market imbalance where these have become places to live and not to work. The consultant clearly emphasises the concern that this trend may reach unsustainable levels. Also having stated that the RDA needs to "equip coastal areas to respond appropriately", in turn it is not clear how this will be achieved, how the RES or the coastal framework will improve this situation.

As a local authority we are constantly fighting planning appeals and inquiries to resist housing development on business and employment sites. This activity does not appear to have slowed down as a result of the present economic downturn. Instead developers appear to be seeking to 'bank' sites now in order to prepare them for a time when the housing market recovers from its current slump.

In our view there do not appear to be 'economic' policies that reinforce the above intention to create jobs as well as homes in coastal areas although the coastal framework does outline the need for mixed development in coastal areas. Though the RES / coastal framework would tend to carry less weight than planning policies in a planning inquiry or appeal for instance, these are key material considerations and would highlight the intention of the RDA to deliver a balance of employment and housing in

coastal areas. This would place the local authority in a stronger position in helping to deliver this objective.

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?

We would entirely agree that the employment and skills targets in the RES cannot be delivered by SEEDA alone. These will require the input and cooperation of a range of partners, notably those based in other government departments.

Therein may lie a concern in our view. For example where Job Centre Plus and the LSC belong to different government departments, we would question the level of influence exercised by SEEDA over its partners and therefore its ability to reconcile these interests. Whereas Business Link have been brought into SEEDA's remit, which is entirely sensible in our view, other bodies appear more detached from a coherent regional agenda. By this we mean they tend to be focused on a 'one size fits all' type solution, which has been formulated at a central level and does not necessarily or frequently reflect more local priorities.

Therefore while new government initiatives are launched or job centres closed, services restructured or strained under pressure in local areas such as East Kent, claimant unemployment has begun to rise steadily across the area from August 2008. Our experience of agencies such as Job Centre Plus is that constant restructures and reorganizations coupled with an overall lack of resources, a lack of morale, limited capacity to deliver or work in partnership with local authorities etc, has created a situation that is counterproductive to effective local delivery and resolution to local labour/ employment problems.

Despite these issues, we hope that the need to formulate and deliver Local Area Agreements will enable other agencies to better understand local priorities.

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?

We would generally agree with this approach but would make one key point.

Despite increased exposure to the pressures and processes associated with globalization and enhanced transition away from mass production type manufacturing to services and tertiary sectors in the south east, the region still has a large and globally important manufacturing and engineering sector.

Firms including those in our district still carry out production, assembly and sub-assembly type work and consequently still require labour at a broad range of occupational levels, not just at the higher end.

Therefore it should not be overlooked that other semi and intermediate skills (e.g. plant and machine operators, craft and related occupations) still have an important role in modern industry, particularly for young people at entry-level following education/training or at the beginning of their careers.

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?

We would say that SEEDA labour force and employment activities are pitched at just about the appropriate level. There are clear difficulties in managing or overseeing a multitude of small, local projects in a coherent, efficient and effective way. On this basis programmes and initiatives delivered regionally may be more practical. It is also clear that SEEDA will rely upon sub-regional partnerships to deliver on its objectives thereby limiting its overall involvement in local issues and areas.

Though we appreciate some of the rationale behind the shift in emphasis from 'strategic' regional to local employment and labour market activity, we would not wish to see SEEDA pull back or pull out of projects or existing commitments.

At the same time, SEEDA should still where appropriate encourage, facilitate and support where necessary at a more local level, notably where there is a recognised need for intervention – where its resources, experience can make a difference or where a 3rd party can offer an alternative approach or solution.

Also the term 'strategic' should not mean coercive policy that restricts local authority involvement and limits or removes public accountability. Targeted and significant regional interventions should also be equitable in terms of geographical or spatial focus and not solely focused on the region's growth areas/ points.

Finally, our local authority has had some experience of labour force programmes such as SEEDA's Redundancy Support Service. Despite the difficult and challenging situation presented by business contractions, closures and redundancies, this initiative has assisted firms in our area. We would reinforce the need to approach these issues on a multilateral basis.

If the RSS are to become involved with a local firm it should out of courtesy inform the local authority, which is likely to already have links/communication with the business. Elected members and officers may have even begun working with the firm directly. The council can add local intelligence, help find alternative positions for those affected, promote entitlement to any benefits (e.g. housing), promote and assist with business start-up opportunities and ultimately assist in enabling re-use of the premises/site for employment purposes as soon as possible. It is also important to realize that redundancies/closures in one district may affect other neighbouring districts (e.g. as with recent Pfizer contractions).

We would strongly emphasise the importance of a joined up / task force type approach in order to mitigate the worst effects of the business closure and any redundancies on the local community. This response unfortunately may be tested again if the current economic downturn persists or worsens therefore it is best to be well prepared for such an occurrence.

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?

SEEDA's approach to job creation in our district this is largely manifest through land and property initiatives. This is an important set of interventions in view of the district and east Kent's difficulty to attract new private sector capital investment. This form of market failure in many ways underpins the underperformance of east Kent.

SEEDA through its funding of infrastructure at Lakesview Business Park and, investment in Canterbury Business Innovation Centre and Lakesview Enterprise Centre and Marlowe Theatre invested in projects that either simply would not have gone ahead or would have taken many more years to take forward. This has provided the district with some significant capital projects that continue to create and safeguard jobs and attract new private sector investment that otherwise would not have come to east Kent. These projects will help to sustain employment in creative/cultural, local manufacturing and industrial sectors as well as emerging knowledge-based industries.

Added to these the district has both an Enterprise Hub and Enterprise Gateway, which are yielding results in terms of new employment and businesses.

We would agree that the Gateway has not necessarily created significant job impacts. However, its performance should be judged over a longer term in view of the challenges in developing a stronger entrepreneurial and enterprise culture in under-performing towns and deprived wards. In this respect, it is providing an important service that simply was not available previously. Therefore we would urge SEEDA to ensure long-term commitment to this programme. We would also suggest that this initiative can help to tackle worklessness, particularly in the coastal southeast. Therefore we were disappointed that this topic was not given greater emphasis in the Coastal Framework.

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?

We would certainly highlight the need for SEEDA to better promote the Regional Skills and Productivity Alliance (RSPA) and Local Skills for Productivity Alliances.

Despite these running for two years these have little or no profile or presence locally coupled with limited understanding of their roles, responsibilities and activity. Although this partly may be due to a lack of communication between these sub-regional entities and local bodies, SEEDA also needs to review this situation. Currently we are not aware of the benefits of having them in place, of their successes and whether there may have been missed opportunities locally due to the lack of information about them.

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?

Our local authority would like to work more closely with the RDA on these issues. Despite the fact that local authorities may (via the Sub National Review) have a strengthened role in this regard the current reality does not demonstrate this.

For example SEEDA is no longer minded to work directly with sub area partnerships, instead preferring to work with only a few large sub-regional partnerships across the region.

With Kent being such a large county in physical scale terms this 'one size fits all' arrangement in itself is unlikely to help SEEDA develop a fuller understanding of local needs, priorities and circumstances of its constituent sub areas.

These sub areas are reliant upon a countywide delivery vehicle structure being in place to facilitate this process. In Kent there is presently no vehicle for drawing down devolved funding from SEEDA, which is a concern for us and for other local authorities and economic development practitioners in Kent and Medway. We are concerned that important monies are that could be diverted towards labour force, employment and other initiatives and fulfilling Local Area Agreement (LAA) commitments, are not being utilized.

This situation is a particular frustration in east Kent which via its new Local Strategic Partnership has clearly prioritised actions, focused alignment of the capabilities efforts and resources of east Kent local authorities and their partners in order to achieve the impacts required. Therefore it is imperative that SEEDA and its new area teams help to ensure the establishment of effective joined-up working arrangements in Kent.

This would tackle an issue raised in SEERA's Context and Issues Paper which highlights that SEEDA is well positioned to help address gaps in delivery capacity and enable coherent structures and coordination mechanisms to be in place to ensure labour force and employment priorities are effectively addressed. This would also demonstrate SEEDA's commitment to delivering one of its Coastal Framework key interventions - to build capacity and help develop civic leadership in underperforming coastal areas.

Finally the council is developing effective joined-up working arrangements on business support services in the district. It has a close relationship with Business Link, which now comes under the RDA remit. This is reflected by Canterbury being the first local authority in Kent to sign a Memorandum of Understanding for local business support services. Once in place we would expect this association to yield increased business and employment impacts, which the two organizations will seek to try and measure over time.