

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

Submission from: **East Sussex Adult Learning and Skills Partnership Board**

Date: **September 2008**

The East Sussex Adult Learning and Skills Partnership Board is the key partnership in East Sussex that understands demand and builds capacity for learning and skills in the county whether this is learning for learning's sake, either first steps into learning or recreational learning; skills development, either learning into employment or learning for sustainable employment; and in all learning strands ensuring that individual needs are understood and met. Comprised of senior level members (eg principal, chief executive, area director) from a range of organisations (FE colleges, JobCentre Plus, Business Link, the community and voluntary sector, the local authority etc) it provides a forum in which partners can develop co-ordinated, collaborative thinking and action throughout the entire East Sussex adult skills architecture for the wellbeing of individuals, communities, businesses and the future prosperity and wellbeing of the county

The Board is responsible for taking the lead in establishing a county-wide vision, with strong underpinning values and firmly driven by the needs of the county, in which all partners have a commitment to a broad scope of collaboration

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Thank you for the opportunity to input to the Select Committee on SEEDA's approach to Labour Force and Employment.

We are disappointed that the consultation timeframe on the document supplied is less than that set out in the National Compact between Government and the Voluntary and Community Sector. The East Sussex Compact, originally published in 2003 and updated annually, allows a 12 week consultation timeframe. It has not therefore been possible to consult fully with VCS partners and this is a significant omission given the crucially important role that this sector plays in the employment and skills landscape in the county.

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

SEEDA and its partners worked well at producing a Regional Economic Strategy so it is not surprising that the RES essentially captures the core of the issues and challenges. There are perhaps not enough linkages between parts of the RES as regards the range of issues affecting the labour force and employment and this is certainly true of the implementation plan. In East Sussex job density (jobs per head of the working population) was 0.77 in 2005 (below the regional average of 0.88 per person and the national average of 0.84 per person)¹. Partly this is due to the fact that the county has very poor quality business accommodation and unprofitable development sites. There needs to be more recognition that labour force and employability interventions cannot happen in isolation; this is not just about skills or employability but about jobs available.

SEEDA's work on physical development aims to ensure that it supports sustainable prosperity by investing in success and releasing untapped potential. Here in East Sussex we have benefited

¹ East Sussex Adult Learning and Skills Strategy, East Sussex Adult Learning and Skills Partnership Board 2008

from investment through SEEDA and Seaspaces in Hastings. Other parts of the county have not benefited from such investment. Typically SEEDA's developments are used as exemplars that demonstrate "best practice" in areas of design and sustainability. However, SEEDA could work on physical development linked to addressing employment issues, for example by bringing forward unprofitable development sites in order to increase the number of jobs available. This could have more impact than, for example, some ESF tenders aimed specifically at raising skills competencies in relation to employability.

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?

Very often approaches at a regional level do not seem to filter through to the local, delivery level.

In addition, there appears to be a lack of involvement with those strategic sub-regional bodies and partnerships (such as the East Sussex Adult Learning and Skills Partnership Board) who have detailed knowledge and expertise at a local level. For example, co-financed European Social Funding has targeted Hastings and Wealden as areas of top priority for the 2007-2011 round of funding for economically inactive people. It is true to say that in terms of pure figures the actual number of this group is high in the Wealden area; however it is, in the main, a wealthy part of East Sussex with many of those economically inactive not wishing or having no need to work (6.5% economically inactive people wanting a job: 15.2% economically inactive people not wanting a job against the South East figures of 5.1% and 12.6% respectively)².

This is not a comment directed at SEEDA only; regionalism is not the answer as there are significant variations between individual localities.

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?

The point made at 2 above partially answer this. There should be more consultation and joint working with local areas to best focus activity on the ground.

The focus on higher level management and technical skills is broadly correct although there is perhaps too much of an emphasis given. We would argue there remains a strong need to ensure a tailored mix to address specific issues at a local level.

Given the Government's aspirations for widening the range of provision available, for example by outsourcing into the voluntary sector, SEEDA should be encouraged to focus on ways to develop and sustain the capacity of the VCS in the region.

It is to be doubted that businesses themselves recognise "management skills" as areas of need. Working with East Sussex County Council, the East Sussex Adult Learning and Skills Partnership Board commissioned a series of specific skills and employment-related questions in the Annual Business Survey³. Businesses across East Sussex were asked to rate a number of skill areas based on the extent to which they would consider them a priority for improvement over the next 12 months. The average scores given suggest that businesses' priorities for development are

² East Sussex Economic Study 2007-08

³ Annual Business Survey, Skills Theme paper, East Sussex County Council 2008

soft skills, most notably customer service, communication, team working and problem solving. This reflects findings from the National Employer Skills Survey (NESS) where around 46% of all skills gaps were felt to be due to a lack of customer handling skills and 48% due to a lack of team working skills⁴. Almost a third (31%) of businesses with at least one employee⁵ were shown to be categorised as having “skills gaps”. This includes 27% who believe that most of their staff are fully skilled with a few individuals in need of improvement and 4% who consider the majority of their workforce not to be fully skilled. Interestingly, a quarter (24%) of sole traders identified themselves as needing to improve their own skills, showing that a significant number of business owners acknowledge limitations in their abilities; however none of these would recognise “management skills” as part of the solution.

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?

See responses at 1. and 2. above. The East Sussex Adult Learning and Skills Partnership Board would encourage SEEDA not to assume that “one size fits all” and offer a homogenous solution or solutions which might not fit the East Sussex context. The role of the RDA should be to give evidential clarity through the RES about the direction of travel needed in economic development and prosperity terms - and then to enable localities to find the solutions towards that direction of travel by devolving budgets to ensure the delivery of resources to the best effect.

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?

See responses at 1. 2. and 4. above. There needs to be more focus on tying up a package across a range of activities to support job creation, for example bringing forward sites to increase jobs available; supporting inward investment activity and so on.

6. How effective is SEEDA in engaging with businesses to understand their skills needs and in promoting employers’ responsibilities regarding skills development?

There remains a need for SEEDA to recognise partner expertise, especially that of business representative organisations, and work with those who have a detailed local knowledge, supporting efforts at a local level where issues are known and where solutions have been tested. There is some degree of “labelling” in that SEEDA has decided who is “able” to communicate with employers in order to understand needs and this is not helpful. This is a complex area requiring expertise on a range of fronts which needs tailored according to the needs/wishes/requirements of local businesses. Again a “one size fits all” approach does not work and does not recognise the degree of variation throughout the region (East Sussex is predominantly a micro business economy and has only around 6 organisations who are 250+ employees; even some of those are public sector organisations).

There is a worrying tendency for SEEDA to replace the word “employers” with “business”. Quite rightly the focus on the private sector is correct as this is the one driving productivity and enabling the UK to compete in a global economy; however this approach does not recognise the role that public and voluntary/community sector organisations play as employers in their own right and the responsibilities they too have in effecting change in the local skills and employment

⁴ National Employers Skills Survey 2005, Main Report, LSC, 2006

⁵ i.e. not sole traders

landscape. The community and voluntary sector play a huge role in East Sussex and whilst it is good to see increasing recognition of their skills and development needs (Train to Gain, for example, recognises volunteers for the first time) more thought needs to be given as to how the needs of this sector are woven into mainstream thinking.

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?

Communication has been variable and/or inconsistent between the RSPA and the localities. It is difficult to know exactly what the RSPA has actually done that has effected change at a local level and we suspect its achievements have been patchy across the region. The East Sussex Adult Learning and Skills Partnership Board has been engaged in the Sussex LSPA for a number of years and is part of the newly formed Sussex Employment and Skills Board. We are aware that the Local Skills for Productive Alliances (LSPAs) have all operated differently, with some taking a more direct delivery role than others.

There is a danger that SEEDA could further complicate the landscape by setting up additional structures. We would urge SEEDA to exercise great care before implementing new structures, even if this is desirable (especially in the view of Government Ministers), when there are structures that already exist and that are fit for purpose that could be utilised.

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?

See responses at 1. 2. and 7. above. SEEDA states that it has a role to play in facilitating, aligning and directing partners to deliver elements of the RES. However, where this is already happening there is no need.

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?

The Lyons Review highlighted the fundamental importance of local authorities in their place shaping role and a key principle of the Sub National Review (SNR) is to ensure that decisions are made at the right spatial level by devolving powers and responsibilities in line with economic outcomes. There is a need for SEEDA to ensure that it does not duplicate activity and to strengthen meaningful communication with Local Authority partners.