

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

Submission from: **Hastings Borough Council**

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Response of Hastings Borough Council to the SEERA Consultation

This is an interesting and thoughtful study which raises a number of issues which merit discussion

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

There are some useful key concepts underpinning the economic analysis. For example, it is aware of the potential for an "hour-glass" economy with a polarisation between high-end and basic occupations, and a decline in semi-skilled jobs. This acknowledges the importance of lower-end jobs to many residents, although it could go further in acknowledging too - at this point of strategic analysis - the level and causes of economic inactivity in the more deprived areas.

It speaks too of the need for investment in "soft" infrastructure to address worklessness and employment issues – a valuable recognition that balanced development benefiting all cannot come solely through physical and capital investment.

The geographical division acknowledges the situation of the coastal strip, and calls for both overall coherence and a variety of locally-driven approaches, including community support.

The resources do not cascade to a local level, and since the demise of devolved funding, there seems no scope for SEEDA to play a role in local initiatives.

The RES was extensively consulted on, and its targets for raising economic activity from 82% to 85% by 2016 are challenging. Hastings Borough Council commented on the RES as part of the consultation process and there is no doubt that the RES core goals of:

- Global competitiveness
- Smart growth
- Sustainable prosperity

are an appropriate fit with the prevailing economic conditions in the region.

However, it is clear that economic success is not enjoyed by all areas in the region, and it is here that SEEDA (as any other organisation) struggles to meet the needs of all areas.

This has been partially managed through the division, into three parts, of the region. Nevertheless, because of the significant disadvantage and relatively poor economic performance of the coastal fringes, SEEDA is unable to find answers which resonate with the thrusts of the strategic direction.

Throughout the report it is clear that the coastal areas have specific challenges which SEEDA would always struggle to meet. This has much more to do with the local economic situation and levels of deprivation than any perceived shortcomings in the RES or Coastal Framework.

In short, the RES meets the needs of the more prosperous, urban areas – the diamonds for growth – but rural areas and the distant, poorly connected coastal areas are always likely to remain outside of the benefits of strategic thinking in the region.

2. How effective are the key strategic regional agencies (eg SEEDA, JCP & LSC) in developing a joined up and coherent approach?

There has been greater success recently in working more closely with JCP and the LSC. These two agencies have also been working to align their individual objectives more closely together. Such close partnership working can only be beneficial to meeting the RES objectives.

However, the LSC will not be a key player for much longer and it is important that successor bodies are embedded into the partnerships and processes that must exist if the RES objectives are to be achieved.

While there are effective strategic links at a sub-regional level, the local experience is not as integrated. The emphasis is on SEEDA joining mainstream JCP and LSC activities at a county-wide level, rather than taking the opportunity to add value through local frontline initiatives addressing gaps in mainstream provision, and tailored to local need and opportunity. Where there is a uniformity or commonality of experience in areas, this is an effective approach. However, Hastings has a completely different economic and employment profile from most of the rest of East Sussex, so the point reiterated throughout the report of one size not fitting all is particularly apposite.

- 3. Is SEEDA's emphasis on higher level skills appropriate?**
- 4. Where should the balance lie between strategic and local interventions?**
- 5. Sustainable job creation in under-performing areas**

Hastings is a major exemplar of the potential "hour-glass" economy. The majority of people who most need help will not only be unable to access the benefits of high-value investment, but will be by default alienated from it. This further reinforces the low aspirations that cause poor educational attainment, which is itself a major barrier to successful local economic development and high employment levels.

This reasoning applies to the provision of higher-level skills, but even more so to the investment in high-level employment growth. This is not to say that such investment is undesirable, but that it needs to be balanced with lower-value investment in (for example) retail, blue-collar and tourism, and the associated infrastructure, and a much greater weighting onto support for entry-level employment and employment-readiness.

Insufficient attention to local situations could result in a relative lack of focus of those parts of the region away from the prosperous and dynamic heartland.

The report seems too quick to acknowledge the impossibility of SEEDA working with different areas to get the unskilled and long term workless into training and employment. SEEDA needs to work with local authorities to ensure that regeneration and growth does not merely widen the gap between the prosperous and the poor. While the RES does not devote significant space to excluded and unskilled/workless groups, there is an action in the implementation plan to develop an Economic Inclusion Strategy.

Thus SEEDA clearly identifies a part of its role in this area, so the report may be wrong to conclude with such alacrity that it is not feasible for SEEDA to influence this agenda effectively.

6. Engagement with business, promoting employers responsibilities re skills development

It is a struggle for all partnerships and agencies to make their work relevant and immediately useful to business. SEEDA appears to be performing no better but, crucially, no worse than other partnerships and agencies.

SEEDA is more effective engaging with high-value and knowledge-based businesses than it is across the board. Its engagement especially with smaller employers regarding skills development could be improved. For example it has a complex relationship with the local construction industry in Hastings, in spite of being the major developer here. Engagement at county level has been through Sussex Enterprise, but this is now being contracted out, and this could lead to a greater distance than before.

There has also been positive engagement via Hastings College.

A devolved approach can be useful but there are resource implications in adopting this approach. The approach the SEEDA has adopted has been a response to scarce resources and is therefore understandable.

7. RSPA

RSPA has a low profile locally. In Hastings there is no strong awareness of many of the initiatives referred to in the report. This may point to a key issue. Having to work across a large and diverse area means that SEEDA will never be able satisfactorily to achieve adequate reach for most of the initiatives and programmes which it delivers. This reality provokes an interesting tension between the strategic role of SEEDA and delivery across the region. The RES is clear in its objectives and it is for agencies and areas to determine how central they feel those objectives should be to their own strategies and delivery. However, unless delivery is substantially devolved, it is not realistic for SEEDA to attempt blanket coverage of the region in relation to all initiatives or programmes.

There may instead be merit in SEEDA working with local authorities to ensure that local economic conditions and needs are fully understood and for a more targeted approach to be adopted in terms of resources and interventions.

8. SEEDA engagement with HE, FE, VCS, and other partners.

HE and FE engagement is thought to be very positive.

VCS engagement is not systematic and there seems to be no natural place for this sector within the RES or SEEDA's initiatives. This has had the unfortunate effect locally of creating a cool distance between the RDA and the sector. It is considered by the third sector that SEEDA objectives do not include any of the priorities and aims of voluntary and community organisations. The emphasis on growth in the coastal strategy and the objectives in the RES may leave the sector feeling excluded or that only cursory attention is paid to its potential contribution

However the Economic Inclusion Strategy could begin to resolve that tension and the input of the third sector in the region could help to open valuable lines of communication

9. SEEDA and local authority work on labour force issues

The restructure of partnership working which SEEDA carried out two years ago effectively distanced the agency from many of its previous partners around the region. However it was understood that there was a plethora of partnerships in existence at that time and it was not possible for SEEDA to work with them all. This rationalisation was therefore necessary for SEEDA but may have contributed to the distance between SEEDA and areas in the region which the report commented upon.

SEEDA and local authorities could provide a very strong lead on labour issues by working together to ensure that public sector employers operate best practice in local recruitment, supported employment, placements and training. This would provide a lead to all employers.

It is therefore to be hoped that in future this lead will be taken

Further Comments

The target of reaching 85% economic activity does not include an element of spatial tagging. This should be reconsidered as success in raising employment levels in disadvantaged areas would contribute disproportionately to the regional figure. However it may be more cost effective to enable people to access work elsewhere in the region. Hence what appears to be a strong “levelling up” measure, may in fact produce the opposite, unless specific local targets are set.

Investment in infrastructure and business premises will not contribute to economic activity – it is more likely to advance those already active.

SEEDA and the RES does not have a consistent approach to addressing barriers to economic activity and employment. The approach should be consistent, but the delivery should be tailored to local conditions and needs. The barriers need tackling on an individual and community basis – the identified area (in this report) of SEEDA’s greatest weakness.

It could be contended that SEEDA’s complex framework for partnership working has not been as successful as planned and may have diverted resources and effort.

Conclusion

The report tends to judge SEEDA and the RES on exacting criteria that any organisation would be challenged to meet. In general, it must be contended that SEEDA delivers on the RES priorities and objectives. The report seems to want to re-open the debate on the appropriateness of those objectives and priorities, and this is not a useful starting point.