

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

Submission from: **Milton Keynes, Oxfordshire, Buckinghamshire (MKOB) Local Skills for Productivity Alliance (LSPA)**

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I am responding to question 7 based on my experience of being the MKOB LSPA manager since early 2007.

Skills and productivity are affected by a wide range of policy drivers and economic imperatives: the need to have skill levels high and unemployment figures low; the need to promote maximum participation and commitment right through the system while spending money wisely; the need to respond quickly to new technologies and industrial conditions by having the right qualifications, training provision and research in place; the importance of taking advantage of every opportunity – large and small- eg 2012! etc etc

There is an important job for the RSPA to do here at the macro level and for the ESBs or similar to do at the more local level. In MKOB we are looking at using the strategic economic partnerships in the 3 LA areas ( each is closely linked with the LA) as very local ESBs and converting the LSPA into a body that adds value on behalf of the employers et al. We have more work to do on what this means but have been greatly helped by recent work within SEEDA on the strategic functions of an ESB.

We do not see this 2 tier activity as a bureaucracy – although that is a danger- rather taking the local employer etc intelligence from the 3 LAs and making common cause where we can exert influence, do something once where we can rather than 3 times and maximise the impact of local ideas and practice by sharing.

I attach a paper that I was asked by the Steering Group to write – you will see that we are moving to option 2 – early stages as yet.

The RSPA needs to have a similar iterative role with some specific goals – to influence locally on behalf of major national policies and to respond to strong local voices by influencing nationally. The RSPA needs to have in balance the employer/provider/policy voices – the local ESBs need to ensure the employer's voice is strong. The work of the Sector Skills Councils and UKCES should have a robust influence – and be influence. I hope this makes sense!

Liz Gifford

## Report requested by MKOB LSPA Steering Group Members

### Employment and Skills Boards: some options for discussion

#### Context

The overall aims for the UK employment and skills agenda stem from the Leitch Review. Following this review **the UK Commission for Employment and Skills (UKCES)** has been established to ensure that the employment and skills system contributes to achieving the highest possible levels of productivity. Broadly there are two angles: raising the skills levels of the workforce; and re-engaging and up-skilling those who are economically inactive. The Commission is concentrating on employability, how employers can use skills for global competitiveness and the integration of employment and skills provision.

**Nationally** there are a number of players and UKCES aims to simplify this. However, the following are likely to remain significant for some time:

- **Sector Skills Councils (SSCs)**– employer driven organisations responsible for: standards and qualifications; policy and research; work with large employers; employer engagement; representation to government on behalf of employers; establishment of National Academies –all for the specified sector. (Also, for some sectors, other national employer bodies work alongside SSCs)
- **Department for Work and Pensions (DWP)**–leading on major interventions to get people off incapacity benefit and to engage lone parents in getting back into work at an earlier point; focus not just on getting into work but employability and work readiness training and support to stay in work; literacy and numeracy provision as part of this
- **Learning and Skills Council (LSC) likely to become Skills Funding Agency (SFA )** which is likely to take responsibility for the National Apprenticeship Scheme (NAS) and for the majority of funding for training for those who are 19+ – increasingly not just government targets but programmes agreed with SSCs. The LSC currently procures for DWP programmes and this is likely to fall to the SFA.

**Regionally** skills and employment are highlighted strategically in the Regional Economic Strategy (RES) which is driven by the South East of England Development Agency (SEEDA). The RES reflects both SEEDA's responsibilities (including, for example, business link contracts and support for innovation) and the responsibilities of partners in the region – notably the above. SEEDA has a forum called **The Regional Skills for Productivity Alliance** which is 'a mature partnership driving performance on skills and employment in the region' (SEEDA Corporate Plan page 20).

**Locally** there are various structures. **Local Authorities (LAs)** are responsible for leading the partnerships for the **Local Area Agreement (LAA)** indicators/targets that relate to skills and employment. LAs are also gathering economic development responsibilities although the interface between those and SEEDA's is not yet fully clarified. LAs are becoming more significant following a

government review in 2007 (Sub National Review or SNR): they will be responsible for commissioning and funding education up to 19 including Further Education from the colleges and training providers; they will be expected to work across boundaries on key economic and skills issues and look to develop **Multi Area Agreements (MAAs)** accordingly. The recent publication by the Department for Innovation, Universities and Skills entitled 'Work Skills' refers also to economic geographical units working together under MAAs with the expectation that a number of local strategic solutions will be developed at that level. SEEDA has sub-regional skills partnerships (Local Skills for Productivity Alliances) which are seen as having the potential to become **Local Employment and Skills Boards** to bring together employability, skills and productivity at a sub-regional level.

' SEEDA funding will be used to pilot new approaches, to further strengthen regional and local partnerships and to support local priorities as identified through LAAs and other local frameworks and strategies... promote the contribution of up-skilling to improve business performance across all skills levels and seek to remove barriers for employers so that many more can commit to the principles of the skills pledge wherever appropriate.' (SEEDA Corporate Plan page 20). Significant local frameworks are the **Strategic Economic Partnerships** funded by SEEDA to convene, lead and foster, working with the LA, the range of working relationships needed to take forward key local economic priorities, including skills.

### **In Milton Keynes, Oxfordshire and Buckinghamshire there are:**

- Three LAs: one is a unitary, the others are two tier with county and district councils
- Three LAAs – all of which include skills and employment targets
- Three education authorities
- Three Education Business Partnerships
- Three Strategic Economic Partnerships – two are Economy(ic) and Learning Partnerships, the third has started to form a Learning and Skills Partnership
- One SEEDA Area team
- Three local LSC teams (set to disappear by 2010) one regional LSC identity including also Berkshire; Skills Funding Agency likely to be more like SSCs with national structure and staff in regions working from home with the possibility of some regional offices
- One Business Link contract ( currently held by ngage) – to include Train to Gain brokerage in future- re-contracting for 2010
- One Jobcentreplus sub region (again including Berkshire)
- A range of SSC arrangements – most of which are MKOB wide or wider, except for Construction Skills which has more capacity
- National organisations represented eg NHBC
- A range of employer networks (as captured by ngage for the LSC)
- Chambers/Market Towns Groups/ Town Centre Management/ IOD, FSB, CBI etc

- One Local Skills for Productivity Alliance

### **Making the most of employment and skills**

The precise **purpose of an Employment and Skills Board (ESB)** (beyond the SEEDA corporate plan entry) has yet to be developed fully. There are different manifestations around the country and that may well apply around the region. This paper is about function and form – see Appendix One for a note on resources/funding.

In Surrey it is proposed to move to an ESB shortly and purposes etc are under discussion. The aspiration is to establish an ESB that is both fit for purpose now and can be adapted or changed as the skills and employment agenda develops in future.

The proposed purposes of the Surrey ESB are:

- Provide strategic direction for employment and skills policy in Surrey, based on evidence of need among Surrey employers for skills that will improve productivity in the existing workforce and ensure that young people are better prepared by education for life and work.
- Identify, through engagement of employers, skills gaps that can be filled through suitable existing training provision or, where none exists, to work with providers and other partners to create appropriate programmes.
- Facilitate dialogue between all individuals and organisations engaged in education, skills and/or employment by promoting best practice to businesses, support partners and training providers and communicating the priorities, activities and achievements of this partnership to the wider public.

Other major strategic objectives have been identified through research in to practice around the country:

- Stimulate **demand** for training that radically alters the skills base – responding to the evidence in the Leitch Review including using the skills pledge, skills accounts, working alongside SSCs in localities etc
- Shape **provision** through demand - not only filling skills gaps but transforming the very nature of delivery to meet needs in the workplace
- **Modify/maximise take –up** of national implementation at a local level – eg local funding/contracting relationships under Local Employment Partnerships, sector specific compacts (LSC agreements with sectors to meet their needs), access to the Qualification Credit Framework (unitised qualifications as requested by employers), integration of employment and skills initiatives

- Promote **excellence**- where there are common issues/LAA targets, share the best solutions and practices
- **Influence** national and regional procurement and policy

#### **Main aspects to an ESB, therefore:**

1. National, regional influence on behalf of locality, including having an impact on policy and procurement
2. Enable the demand led approach to lead and shape provision to boost economic success
3. Maximise excellence through knowledge of and maximum access to what is available, sharing of best practice
4. Local engagement with employers and alignment with other local bodies eg LAs
5. RSPA at sub-regional level to support more local input into high level strategic partnership

#### **Notes from observations of MKOB**

- While the 3 LA areas are distinct in character, all 3 are a mix of many Small and Medium sized Enterprises and a few large employers, have a large service sector and some notable centres of innovation. All feature extensive travel to work areas and high productivity/GVA contrasting with deprivation in certain wards
- There are a number of challenges in common: employability at all levels; employer engagement for work experience and other work related experiences; levels 3 and 4; literacy, numeracy, level 2 etc
- Spotlight on Skills showed that employer links and networks within sectors do not equate to LA boundaries and cross MKOB and into other areas
- There are good things going on in each area which could add considerable value if shared – especially as work starts towards LAA targets
- It will be important for each locality/LA area to be able to use the opportunities provided by aligning around LAAs the LAs, Strategic EPs, employer networks etc
- Maximising Higher Education (HE) – to achieve full value for employers in each locality there is work to do both with local institutions and across boundaries
- Construction Skills is able to operate in LA areas in MKOB thanks to the employer levy – most other SSCs operate regionally or at best sub-regionally, ie across MKOB. So, just as with HE, there need to be both local and sub-regional links as needed according to sector priorities.

## Possible models for ESB

Given the above national/regional/local context it is important to find a model that is: efficient and achieves outcomes; ensures local engagement and buy-in balanced with strength in numbers to exert influence; and maximizes access to opportunities and good practice; fit for purpose now and capable of developing/changing depending on, for example, MKSM or MAAs.

Options:

1. 3 employer driven ESBs in the 3 LA areas aligned with the Strategic Economic Partnerships (SEPs) with the capacity to come together in an appropriate configuration 2/3 times per year in line with the RSPA cycle to: feed into RSPA and keep up with the Integrated Employment and Skills Agenda; share good practice and ensure good links with a range of SSCs
2. MKOB strategic overview body responsible for (name to be determine): 3 employer driven ESBs which undertake local employer and agency engagement in partnership with SEPs ; exerting influence on behalf of the sub region; providing support for LAAs and common skills challenges; work with SSCs; work with key bodies on Integration of Employment and Skills policy to meet local needs
3. MKOB ESB and 3 SEP based skills and employment groups; this would work in a similar way to number 2 but would provide a more formal context for the organisations that do not have the capacity to be represented below the sub- regional level. This capacity/appropriateness question would need to be tested.

Note:

At the point at which a body is called an ESB it needs to bring together employer representatives, key employer bodies, the employment and skills agencies (see national context) at a sufficiently senior level to exert appropriate influence in response to employers, LAs, provider representatives, business support bodies etc below is the PROPOSED membership of the Surrey Board – which may well change as it is discussed.

Surrey Employment and Skills Board	
Business and Industry Members	Partner / Provider Members
Alliance of Sector Skills Councils	Association of Learning Providers in Surrey
Business – small private sector (10 – 50)	Business Link
Business – medium private sector (50 -199)	Connexions

Business – large private sector (200+)	HE/FE Lifelong Learning Network
Federation of Small Businesses	Jobcentre Plus
Gatwick Diamond	SEEDA (Area Director – Berkshire & Surrey)
Guildford Business Forum	Skills SE / Train to Gain
Institute of Directors	Surrey Community Action
Strategic Health Authority	Surrey Economic Partnership
Surrey Chambers (Chief Executive)	Surrey Lifelong Learning Partnership
Surrey County Council (Head of HR)	Surrey Learning and Skills Council
Surrey Education Business Partnership	(Manager - Surrey Employment and Skills Board)

### **Recommendation**

**That this paper is circulated to the steering group and other interested parties who send comments, other options, reactions, suggestions to Liz Gifford by the end of August. There is likely to be a SEEDA response. A revised paper is then discussed at the steering group meeting in September.**

**Liz Gifford**

**July 2008**

### **Appendix One**

#### **A note on resources:**

Currently SEEDA is committed to resourcing the management of LSPAs at a MKOB level with the intention of moving to ESBs and channelling some funding streams through the ESBs.

SEEDA has contracted with MKELP to provide the management function across MKOB and is permitting the delegation of some of the funds in recognition of the local activity needed in each of the 3 areas. The precise amount will be agreed following discussion about the nature of that local engagement.

During the first quarter of the current financial year the ratio of management days was as follows:

**Regional activity (eg RSPA, SSC work etc): 11 days**

**On behalf of MKOB as a whole (activity relating to all 3 areas including work with sector and employer groups): 13 days**

**Oxfordshire specific: 2.5 days**

**Bucks specific: 1 day**

**Milton Keynes: 2.5 days**

Days include writing up, researching, contacting, preparing etc.

30 days @ £350 per day = £10,500.

The discussion needs to reflect how best to organise the 5 main aspects of ESB work (see page 4) while recognising that this may require more resources which may have to be found locally.

All 3 models require the practical involvement of and contribution from the SEPs.

SEEDA will express a view about preferred models and possible resources.

It would be possible to adapt further the current approach to resources eg a management sum that could be split 4 ways: MKOB wide; MK; Bucks; Oxon- but the resources would need to be sufficient to the identified task. All 3 models have an element of local and an element of sub-regional but would require different approaches to resourcing.

Liz Gifford

July 2008