

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

Submission from: **Regional Action and Involvement South East (RAISE)**

Date: **September 2008**

1. Introduction

- 1.1 Regional Action and Involvement South East (RAISE) was established in 1999 in response to the growing importance of regional government and the need to ensure that voluntary/community organisations (VCOs) have the capacity and the mechanisms to influence regional policy. RAISE enables VCOs in the South East 'to influence regional policy wherever it is made or implemented for the benefit of the people they serve'.
- 1.2 RAISE is governed by an elected representative Board consisting of 24 voluntary/community individuals from the South East, who collectively offer full geographic coverage of the region. The Board reflects the diversity of the Third Sector and is accountable to the Third Sector in the South East.
- 1.3 Current membership includes 1,288 VCOs with full voting rights, a further 1,716 individuals from the voluntary/community sector, an Associate membership of thousands and affiliate membership of 346.

2. Select Committee On SEEDA's Approach To Labour Force And Employment

- 2.1 RAISE welcomes the opportunity to be involved in the select committee's scrutiny of the South East England Development Agency (SEEDA)'s work on maximising the potential of the region's labour force and increasing employment opportunities for all.
- 2.2 RAISE feels that the context and issues paper commissioned by the Assembly from consultants Ancer Spa does not fully reflect the role which the Third Sector plays in labour force development and employment.
- 2.3 We are pleased that the context and issues paper refers to the Third Sector as an important contributor in helping the hard to reach back into employment and that it recognises that the sector's role is often not fully appreciated. We also agree with the comments that reaching the most deprived sections of society requires a resource intensive and individualistic approach to build individuals' confidence and self esteem so that they are able to enter the labour market, rather than the generic approach favoured by SEEDA. We also support the recognition that there is a dichotomy between SEEDA's priority to grow the economy and the solutions necessary to get those not employed back into work. It also says that it is clear that SEEDA needs to clarify its agenda for working with the Third Sector, something RAISE would welcome.
- 2.4 However, the context and issues paper does not provide enough information about the role of the Third Sector in reaching those most in need and bringing

them back into employment. We have attached reports detailing Third Sector projects which demonstrate how the sector reaches those most in need (available on the Assembly website http://www.southeast-ra.gov.uk/accountability_selectcom.html).

- 2.5 Neither has enough attention been paid to the Third Sector's role in the South East's economic growth. In order for the South East's economy to continue to grow SEEDA will have to utilise the Third Sector. The South East's economy will not be able to expand unless the labour market also does so. However the unemployment rate in the South East is 4.7%, compared to a national average of 5.5%, so for the labour market to grow then the relatively small percentage of people who are unemployed must be brought back into work (this is one of the transformational actions in SEEDA's Regional Economic Strategy). Many of the people who are unemployed in the South East do not work as they face major barriers to employment (for example people with disabilities, lone parents, ethnic minority groups, people over 50, people with no or low qualifications). Employers do not traditionally actively recruit new employees from these groups but the Third Sector engages with all these groups and can help to bring them back into the labour market.
- 2.6 There is also no reference in the context and issues paper to the key role which the Third Sector plays in reaching the most marginalised communities. There are significant barriers that prevent certain groups from fully participating in the labour market. There are around 250,000 people classified as economically inactive (205,000 excluding students) who would like to have a job as well as around 190,000 people registered as unemployed. Furthermore, women, members of the Black and Minority Ethnic Group and people with disabilities face greater barriers to labour market participation than members of other groups, this is reflected in most of the socio-economic indicators.¹
- 2.7 The paper also fails to recognise that the Third Sector is a major contributor to the South East's economy. The Third Sector in the South East is extremely diverse and many small community groups remain unregistered but at a conservative estimate the sector consists of more than 35,000 organisations. The South East's 28,702 registered charities generate an income of over £6 billion and the sector employs over 200,000 people in the South East (about 6% of the region's workforce). In addition to this the region boasts 726,000 volunteers, the value of whose labour is estimated at £293 million². The Third Sector makes an important contribution to the region's GDP (3.4%), and the economic impact of Third Sector organisations is particularly felt in local communities.
- 2.8 There is also little reference to the effect of migration on the South East's labour market and the impact of either continuing migration from Eastern European Countries or that of the opposite scenario, of migrants returning to Eastern Europe as our economy goes into decline. If immigration continues then there will be increased competition for certain jobs. If the current trend reverses then work to bring those most in need back into employment will become even more essential.

¹ The Regional Economic Strategy 2006 – 2016 Evidence Base. SEEDA

² Hidden Asset, (<http://www.raise-networks.org.uk/inform/docDisplay.cfm?iDocID=778>)