

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

Submission from: **Slough Borough Council**

Date: **September 2008**

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## **1. Introduction**

Slough Borough Council welcomes the opportunity to respond to this important consultation relating to labour force and employment and the contribution that SEEDA has made to address the key issues.

Slough Borough Council's response is provided within the context of Slough's;

- economic and socio-economic profile
- It's progress against local and regional employment and skills targets
- It's aspirations for the future
- the needs of business and residents
- Slough's work as part of the SEEDA funded area programme focusing on priority wards both in Slough and across the Thames Valley
- It's emerging lead role for economic development consistent with the sub national review of economic development

Slough has a higher proportion of its population that is of working age (65.4%) than the South East (61.5%). Slough has a higher jobs (82,000 jobs/78,000 working age population) density 1.06 than the South East average of 0.88. Despite the higher availability of working age people it still has more jobs than available working age people.

However, Slough's concern has always been about the proportion of our working age population that is unemployed, economically inactive, low skilled and on low incomes. This has broader implications than the availability of local labour as it also has a knock on impact in terms of road congestion as a gap grows between (40,000) higher skilled people commuting into the town and nearly (30,000) commuting out each day. As the nature of skills needed by business has continued to change towards higher skilled more and more of the local community are travelling further and further afield to secure ever reducing low skilled jobs.

Our young population has responded well and GCSE performance Grade A- to C is the 10<sup>th</sup> best in the UK despite our poorer socio-economic profile. Our

concerns rest in particular with our adult population namely anyone over 25 years of age. Our desire to gain more activity and more resources are driven by having the second worst NVQ level 2 and above qualifications (53.5%) profile in the South East behind Gravesham and worse than Hastings or Dartford. This is despite having twice the proportion of our business population as in the South East stating that they have a skills gap.

This lacks of skills has implications for Slough's model based unemployment at 6.1% which is above the South East average of 4.2% and has more in common with coastal areas which have much fewer jobs in general terms than Slough.

Poor skills are a contributory factor to a higher proportion of the Slough population being economically inactive (23.8%) again more in common with Thanet (27.6%) and Hastings (24.3%) than the South East average which is (18%). Additional unique factors in Slough is the higher proportion of Black and minority ethnic women that are economically inactive particularly Pakistani women (30%) and Lone Parents who represent 2.7% of the total workforce.

### **Summary of questions for consultation**

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

We believe that within the RES SEEDA does capture the key issues and challenges regarding the labour force and employment. We are not sure that it adequately reflects local needs based on the size of the gap, the distance to travel and therefore the need to prioritise action that delivers step changes for those areas such as Slough. A stronger relationship to the scale of the opportunity and the degree of constraint relating to skills is critical to ensure opportunities for growth and investment are not lost..

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?

It has been very slow progress, the recent past has seen some steps in the right direction but coherent and joint working is not addressed just by sitting around a table. It is the degree to which you share targets, tailor joint approaches, increase outcomes and use the collective taxpayer spend in a manner that is more efficient and more effective. The difficulty lies in each of the stakeholders having centralised or regionalised reporting and accountability. So Job Centre Plus is effectively accountable to Department for Work and Pensions and not the Slough Local Strategic Partnership. The recent LAA process has started to turn the ship around but we have serious reservations about the autonomy of JCP to tailor services locally or have sufficient capacity to respond in a meaningful way at the local level. The Learning and Skills Council has been more flexible recently but it is constrained by the need to procure more at a regional or national level thus

reducing opportunities for local providers who are well and better connected to local communities. This trend appears to be diverging from the emerging role of local authorities to lead on economic development as more and more national resources are being secured by national and regional providers.

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 focus on higher level management and technical skills are relevant and extremely important but they should be part of a continuum that reflects engagement, motivation and confidence building, jobs search, basic skills, English for Speakers of other Language (ESOL) and employability. Support needs to be focused in a holistic manner.

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?

Our view is that SEEDA should play a more strategic role, providing leadership and support to enable local authorities and their partners to deliver at the local level whilst ensuring that activity contributes to regional needs aspirations. Intervention sometimes appears arbitrary when investment or activity goes to a specific area and can be divisive. The area programme in the Thames Valley has been a good model of enabling local authorities to deliver at a local level. However, the bureaucracy has been overbearing and we are concerned that this will increase in the move towards more devolution. We believe that Local strategic Partners are all subject to their own audit processes and inspection and are accountable locally and therefore any bureaucracy should be kept to a minimum.

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?

In Slough and Berkshire there is a healthy supply of jobs. SEEDA's Investment managers looking after existing key companies has proved to be helpful in ensuring major companies are supported to remain in the area. We do not have a comment on job creation in under-performing areas.

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

SEEDA along with other partners including the LSC contributed to a Slough Skills summit and research which consulted 600 local businesses. This initiative was led and motivated at the local level because of concerns about the slow progress in improving adult skills. That research asks all the right questions but we are not satisfied yet that we have the resources and the capacity to make the step change that is required. Incremental change will happen through market

forces, added value has to provide a significant and sustainable change to substantially reduce Slough's gap. More work and investment is required to develop sustained relationships with business.

7. What has been your experience of the Regional Skills for Productivity Alliance?

We have not been aware of what they have done in the Thames Valley area and it was only recently that we were given details of what they had been doing. I am not sure that they have been effective at all and appears to have been a pick and mix of organisations involved in a pick and mix of activity. Not particularly connected to local authorities and local stakeholders.

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?

There is a role for LPSA's but they need to be as part of a coherent plan for action at a sub-regional level. It is critical for LPSA's to have a clear distinction of its role and how it complements local and sub-regional activity to deliver local targets and priorities. The Berkshire Economy Strategic Board has a sub group for skills and enterprise which now has the LPSA represented on it and this should ensure a better more joined up approach.

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?

Much of this joint working is already happening at the local level, some of this as a result of SEEDA's work and using funding as lever to encourage people to work together. However, the real strategic changes need to come from partners at the regional level understanding what the constraints or weaknesses are at the local level and changing the behaviour of their own agencies such as JCP, LSC and Business Link. The recent accord signed by JCP, LSC and SEEDA is helpful statement of intent but it needs to translate into change at the local level so that there is improved, tailored and joined up delivery.

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?

As stated earlier SEEDA should provide a strategic role. It may be that some local authorities need more SEEDA intervention that are not familiar with their local labour market and are unclear about priorities. In Slough we are clear about our priorities and we have committed private and public sector partners. Our constraint is a lack of resources that is proportionate to the need. SEEDA should prioritise those local authorities that have capability but need resources and those that do not have the capability. This would enable SEEDA to ensure a more efficient use of both their human resources and financial resources/.