

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

Submission from: **Southampton Voluntary Services**

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Introductory remarks.

Firtly, it is clear that SEEDA's priority is the economic performance of the region, if only because it is an "Economic Development Agency". In our own area of operation (Southampton in the context of South Hampshire), it would seem that SEEDA's engagement in terms of initiatives such as Woolston Riverside is entirely constructive and that serious and successful efforts are made to attract organisations and through that employment in to the Region.

It is disappointing, however, that the City has lost AIF Funding and that SEEDA makes many positive noises about things to be done in the city, but that there is little in the way of resources forthcoming to tackle the problems of the City, many of which can be put down to economic and workforce issues. If one discounts Woolston Riverside, there seems to be very little, if any, other SEEDA activity in the City.

The Regional Picture set against the Local Picture.

The emphasis within the region as a whole is on high tech high skills industry and areas of work, and it is clear that the region as a whole is already very successful in these areas. This needs and deserves to be built on. Failure to do so would probably lead to regression, rather than either stasis or a slow down in progress.

The world of the high-tech is however much less relevant to places like Southampton and, I guess, large parts of the Region, particularly around the coastal fringe, which has been described in the past as a necklace of "poverty". In Southampton and surrounding areas, it is sought currently to develop industry and employment around marine matters, which in many ways is sensible and appropriate.

It is also, however, of some concern that much of the current emphasis in the city is on luxury end products which, particularly in the current climate, might be markets that suffer. One realises that the customers for the very highest end of the Marine Market might be the super-rich who are immune from the day to day travails of ordinary economic life, but much of the marine market concerns people on more modest incomes who may be more cautious about how they spend their money – even including City Bankers whose jobs and bonuses might be under threat. Other factors such as changing of regulations on the tax on marine diesel, which will bring our prices up to be in line with the rest of Europe, let alone the question of climate change, the environment and the future sustainability of these markets will mean that Cruise Travel and expenditure on an expensive marine hobby could well suffer.

A sensible alternative or companion area to this might be around becoming a City of green technology Growth, where the area already is home to producers of wind turbines and similar items, and a mixture of high-tech Research and Development work,

production and manufacturing work as well as installation work for technical craft and manual skills workers could result from a sector which is becoming increasingly important.

The Local Situation – Poverty and Worklessness.

The principal problem in a place like Southampton, however, is the other end of the labour market, where the high-tech is not a realistic option, and where the skills level is often either very low or perhaps even non-existent when measured in conventional terms of qualifications. There are obviously other significant potential barriers to employment – such as for example lack of confidence, mental health issues or social exclusion by lack of public transport. It is obvious that Southampton is not alone in having a range of problems that SEEDA and other Regional Agencies do not address anywhere near adequately.

The LSOA (Lower Super Output Area) in Southampton which is worst performing in terms of employment statistics is Woolston, where 38% of the working age population is on benefits – Job-seeker’s Allowance, Incapacity Benefit or similar, according to research currently being undertaken by the University of Portsmouth on behalf of one local agency. In a recent presentation, it was clear that this 38% were people who would prefer to be working, or who ought to be working in a perfect world – i.e. not having taken early retirement, but would prefer to return to the workplace given the right support and possibilities. Two other LSOA’s in the city have similar figures in excess of 30%, and while a total of 13 LSOA’s have figures in excess of 25%.

There are issues not only around the lack of confidence or ability of individuals, but around the confidence of whole communities, of the aspirations of communities and individuals and even of the aspirations of parents on behalf of their children. This can lead to very capable young people not going on in to further or higher education because their parents don’t think it is their place: – “it is not for the likes of us” might sound like a cliché, but it happens.

The situation is exacerbated by the fact of high student loans, which make it even more difficult even for slightly more ambitious families which do harbour greater expectations for their children to envisage their children entering in to Higher Education. Even though their children may be well capable of benefiting enormously from Higher Education in the long term, and their ultimate earning capacity could be greatly enhanced, the level of debt which could be and usually is accumulated by students is an enormous disincentive.

At a Further Education level, such problems have been offset to some extent by the introduction of the EMA’ (Educational Maintenance Allowance). These have been very successful, and Taunton’s College – one of the sixth-form colleges in Southampton – has 44% of its students in receipt of this allowance. The figures for other comparable colleges within a ten to twelve mile radius but outside the City of Southampton are significantly lower than this – half or in one case approaching one third of this percentage.

These allowances are therefore a great success in encouraging students from backgrounds where finance might be an issue. It also needs to be emphasised strongly, however, that many of these students would bring their own “retention” issues, and establishments need to have far more highly developed support systems in place to keep them on track. This in

itself often does not seem to be taken in to account adequately by the Education authorities and such bodies as OFSTED.

For those who will not progress in to Further and Higher Education, it is accepted that vocation and construction skills training, especially apprenticeships, are an enormously important part of the local scene. Apprenticeships in particular are really hard to get. Recent developments in Southampton are seriously seeking to find out what skills are needed in the City by existing and potential future employers. This information is often very difficult to elicit, and when information is available it seems clear that it will be difficult to establish the right infrastructure to be able to deliver what is necessary, precisely because of funding issues.

Current and Recent Developments.

There are a great number of exciting developments going on in the City at the moment. These include projects initiated under a Liberal-Democrat led administration and which now continue under Conservative leadership, and so they are not “party political”. There have developed partnerships which include the Local Authority, Education in the City, other agencies such as JobCentre Plus, Employers in the City and the Voluntary and Community Sector. It is recognised that this range of players is needed to work in partnership to tackle adequately the problems which exist in this or any other locality. SEEDA representatives are frequently involved in meetings and are often – in fact usually – supportive, even to the extent of enthusiasm. But this has never translated in to resources or finance which might help to make a real difference for those “at the bottom of the pile”.

A paper has recently been produced – “The Southampton Skills Development Zone” – which addresses the whole range of issues which need to be addressed in the complex question of the prosperity of a locality. This includes a wide range of activities from the retention of graduates within the City – making efforts to ensure people who graduate from the City’s two Universities stay in the City – to tackling the serious issues of unemployment and through unemployment to worklessness. Three major employers in the City are already signed up to support this initiative, Southampton City Council, Southampton City Primary Care Trust and the Southampton University Hospitals Trust (SUHT).

But within the whole project, it seems to be accepted that “worklessness” is the most pressing and the most difficult area to be tackled, because:

- It is a question of finding and supporting those who need most help, which is why partnership working between the Voluntary Sector and the more mainstream work-related agencies is vital, and recognised to be so locally.
- Such work is usually resource intensive.
- The Voluntary and Community Sector organisations involved in this sort of work are often recognised as excellent operators and professional partners, but are often inadequately or unreliably (or usually both) funded – almost as a matter of course.

The Importance of the Local.

Finally, two points need to be made:

- Local is important. The allocation of region-wide contracts to tackle this area of work is always going to be less effective than making efforts to enable local people and organisations to identify and tackle local problems. This is partly

- down to the need for local knowledge in identifying and addressing a problem, and partly just through commitment to the locality and its people.
- Given the percentage of the population that is already in work in the South-east region as a whole, and in a City like Southampton more locally, there is an urgent need to tackle the problem of the “economically inactive”. The levels of employment in Hampshire as a whole are already in excess of government targets which need to be met if the economy is to remain vibrant (presuming that the current problems are a comparatively short-term dip). Failure to take appropriate action for the more needy people within the region would inevitably lead to:
 - In the short and medium term the need to “import” larger number of skilled people in to the region, when surely it would be better to “grow our own”.
 - A widening of the already significant gulf between rich and poor.

David Wrighton.
As a Trustee on behalf of SVS