

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

Submission from: **Sussex Enterprise**

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We welcome the opportunity to share our views to the Regional Select Committee on the approach of SEEDA to Labour Force and Employment. Sussex Enterprise is the Chamber of Commerce for Sussex and our members between them employ over 100,000 people in Sussex.

Before answering the questions posed by the Select Committee, it is worth stating that with current economic conditions proving to be a challenge and difficult to predict in the medium term, economic stakeholders need to be able to respond to changing circumstances. Where there are opportunities to grow we need to exploit them, but due consideration needs to be given to sustaining jobs by reducing costs and increasing productivity. Overall, SEEDA has our confidence in being able to lead in these circumstances, but there is an opportunity to further build partnership and cooperation to meet these challenges.

Our answers to the specific questions raised are as follows:

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

With a wide range of economic areas across the South East, in our view SEEDA has grasped the key issues for the region that take on different importance in different areas in a generally focused and robust RES. Coastal challenges are not the same as those for Surrey. Even in Sussex, we have a wide range in economic performance. What tends to happen when the labour force and employment are considered is a kind of wish list of the types of jobs desired for an area. SEEDA has focused itself on the key ingredient in delivering jobs – growth. The RES quite comprehensively deals with how growth in the region's economy is what suits the diversity of the South East i.e. Smart Growth. Key targets within Smart Growth focus on skills, SME participation in public sector procurement, suitable location of housing and employment space and maximum employment. These targets constitute a framework of actions that are needed to varying degrees in all areas of the South East.

### **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?**

The Ancer Spa paper is correct to highlight the fact that SEEDA alone cannot deliver the RES and this is especially true in the area of the labour force and

employment. It is imperative that SEEDA, Jobcentre Plus and the Learning and Skills Council work together effectively to achieve the economic activity rates targeted in the RES. In Sussex, the Employment and Skills Board created to ensure this happens is in its very earliest stages. We believe however that the signs are good that the partners involved can achieve tangible benefits in working together in a more strategic way.

**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?**

An emphasis on higher level management and technical skills is probably justified with the labour market enjoyed by the South East. These circumstances are not the same everywhere and SEEDA must ensure that effective local partnership can flex resources to meet the needs of areas, where this focus may not be so appropriate. In Sussex, this is evident when East and West Sussex are compared. Economic activity targets in West Sussex are relatively less important than they are for East Sussex. For Brighton and Hove, the picture is more complex. The City Employment and Skills Plan focuses on the ingrained pockets of worklessness that exist in the city, but also looks at ways of maximising the high levels of skills available in the city and mitigating the effects on competition for entry level jobs. As can be seen, 'one size does not fit all', but if impact is to be felt then we believe SEEDA seems to have the right balance in place to deliver the RES objectives set out in the Corporate Plan.

**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?**

In Sussex, SEEDA has demonstrated its ability to provide local intervention through its work with the Hastings and Bexhill Task Force. The Ancer Spa report is mixed in its assessment of SEEDA's impact on labour force and employment issues, citing 'limited evidence' regarding job creation interventions, but general encouragement of education-led regeneration, such as the University Centre in Hastings. Regional activities have, in our experience been more mixed with Training Pools, Regional Resource Centres and Sector Consortia not fully embedded with partners at a sub-regional and local level. One area that needs addressing, identified by the Ancer Spa paper is the more effective engagement of Sector Skills Councils at a sub-regional level. However, generally SEEDA gets the balance right between strategic and local interventions, with the Employment and Skills Boards playing a major part going forward in sustaining this equilibrium.

**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?**

Hastings is probably the best example of SEEDA's work in encouraging sustainable job creation in under-performing areas in Sussex. Here, deep-rooted

challenges have been tackled through new resources such as the University Centre and Creative Media Centre that aim to support higher skills attainment and inherent potential for jobs in new markets. Time is needed to ascertain whether these investments have made any lasting difference to Hastings, but a clear idea of when the best time to evaluate the effects is needed.

The knee-jerk reaction to issues in under-performing areas tends to focus on start-up activity which generally yield low numbers of jobs and low barrier enterprise that may just displace existing businesses. The existing business base can appear to be left behind in this regard. Local partnership, influenced by SEEDA, needs to take account of this issue in order to intervene effectively.

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

The language used for this question is interesting in terms of asking about 'promoting employers' responsibilities regarding skills development'. The reality is that most businesses are small and investment in skills can be difficult to value in the short-term and comes with certain risks. Employers need to be made aware of the benefits of skills development in their business for the medium to long term and in generating new opportunities not be preached to about responsibilities. We believe that SEEDA understands this and is working to influence partners to provide the business case for skills, but there is some way to go with our experiences in Sussex.

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

Sussex Enterprise can only comment on its involvement with the Local Skills for Productivity Alliances and now the Enterprise and Skills Board in operation in Sussex. Although only in its earliest stages, the Board in Sussex has started to set in place an integrated approach to local employment and skills issues. In our opinion, in Sussex SEEDA has sought to bring together partners and take account of local needs.

**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?**

Here we can only comment as a local partner that represents business opinion and need in Sussex. Sussex Enterprise has worked closely with the FE Colleges in Sussex to ensure that they can respond to business needs and have University representation on our board. We have well established communication lines with SEEDA, which generally allow us to inform on sub-regional employment and labour issues. With the restructuring undertaken by SEEDA, we

are now more confident that these lines of communication are fully taken into account in influencing LSC and Jobcentre Plus strategies on skills and employment.

**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?**

From our involvement with SEEDA on labour force and employment issues, mainly through the former LSPA and now the Employment and Skills Board in Sussex, we believe that SEEDA has a positive attitude to working with local authorities. SEEDA has an important role in identifying where there is capacity for local authorities to work strategically and in partnership to deliver the RES locally. Currently in Sussex, this capacity is patchy. Local authorities have a lot to do in; recognising what sub-regional and regional services and strategies can do locally, understanding their local economies and the needs of local businesses and using more effectively business representative organisations to embed a culture of workforce development and more informed recruitment strategies that consider non-traditional groups in each sector.

In answering these questions, Sussex Enterprise believes that SEEDA is working in the right way to meet the challenges of the labour force and employment in the South East. The RES generally balances the focus between a diverse range of local needs across the region and the need to achieve an overall level of economic activity and higher skills translating into GVA growth. In a post-SNR world, with difficult economic conditions SEEDA needs to be strong in influencing regional stakeholders and providing leadership and direction to local partners.

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