

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

Submission from: **Thames Valley University**

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## **1 Introduction**

1.1 TVU welcomes the opportunity to respond to the '**Context and Issues**' paper commissioned from Ancer Spa (August 2008) by the South East England Regional Assembly Select Committee.

1.2 We begin this response with some general observations and then address some of the detailed issues raised by the consultation questions included within the paper.

1.3 Our starting point here is that the University concurs with the conclusion of the Ancer Spa paper that '*overall SEEDA can be seen to have achieved major successes in a number of areas related to labour force and employment*' [7.1: p. 28] and the points made here should be viewed alongside our acknowledgement of this 'overall success'.

## **2 General Observations**

### *2.1 Localisation*

It is striking the number of times in the 'Contexts and Issues' paper the importance of '*understanding local needs*' [e.g. 6.8: p. 16; 6.50: p. 25] and not imposing '*one size fits all*' solutions [e.g. 6.6: p. 16; 6.53: p. 26] is mentioned. [See also 6.62: p. 27; and 7.2: p. 28].

These concerns appear to us to reflect the fundamental issue about the geographical span and size of the SEEDA area and its manageability. We realise this is well-trodden territory, that it is probably not open to further debate and in any case is beyond the remit of this consultation. Nevertheless, it appears that the issue is just not going to go away and the practicalities of delivering a complex programme of activities and initiatives across diverse sub-regions and areas are yet to be resolved.

We are well aware that this is a central concern for SEEDA and very much welcome the more systematic localised approach that is being introduced through – for example – the area-based Employment and Skills Boards and Innovation and Growth teams. However, it is crucial that these mechanisms are given the autonomy and resources necessary to be able to respond to local needs and not merely be the vehicles for delivering centrally determined programmes.

## 2.2 Partnership

We fully understand the principle that ‘*generally the targets set for the region in the RES are greater than can be delivered by SEEDA alone. The RES is the region’s strategy and not just SEEDA’s. Accordingly SEEDA’s ability to influence **partners** can be vitally important in order to be able to meet the RES outcomes*’ [5.6: p. 10; emphasis added]. Indeed, the University is keen to play a specific role in meeting relevant RES targets and to have a much more active involvement in SEEDA’s agendas.

At an obvious level this is important so that the University is able to attract more SEEDA funding to achieve jointly agreed goals. But more than this, we are keen to examine how what we offer does, or can be shaped, to fit a broader regional agenda. As our new Strategic Plan makes clear, the University is fully committed to playing an active part in the sub-regions we are located. Our ambition is clear to be a University *for* rather than merely one that is located *within* the Thames Valley.

However, so far there has not been what can seriously be described as a *partnership* between TVU and SEEDA. We have enjoyed support over the years for a number of different projects and, indeed, continue to do so (re. the Slough Enterprise Centre). We very much appreciate the work we have undertaken for and with SEEDA but these activities tend to occur as isolated events rather than as part of a broader strategic relationship. There has not been a process – for example – where together we identify joint, timeframed goals and the means of achieving them.

From our perspective there appear to be a number of reasons for this:

Firstly, we understand that SEEDA is subject to a degree of resource-stretch which has made it difficult to develop individual relationships with agencies.

Secondly, the University has not previously been organised in a way that made the development of on-going relationships with the RDAs (for example) possible in structural rather than opportunistic terms. We are pleased to say that this is no longer the case: the University has structures in place as well as the addition of other senior outward-facing staff that will make this kind of sustained engagement possible and a central element of the University’s purpose. Through the new five year Strategic Plan, a reshaping of the University structures and personnel, the £8m FutureSkills project and the establishment of the University’s Strategic Enterprise and Business Unit, TVU is well-placed to engage with SEEDA and other regional partners.

Thirdly, and this reflects the past rather than the here and now, we have sometimes felt that the interchange with SEEDA staff has not been as positive as it may have been. Our comparison

here is with central Government departments with whom we regularly deal where the general tenor of our interactions is facilitative and collegiate in a way that has not always been the case with SEEDA colleagues. Partnership requires a quite different mode of engagement than, say, that between the auditor and the delivery agent and we are quite aware that adopting this different mode is a responsibility on our part as well.

### 3 The Consultation Questions

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

The SEEDA agenda is vast and clearly only a high level strategic view is appropriate here – indeed, the acute issue here is not so much what to include but what can be left out.

However, it does appear to us that both the RES and the Ancer Spa paper underestimate the importance of the public sector in the context of employment and skills issues.

There are both quantitative and qualitative aspects here.

The latest statistics indicate that 17.3% of the active workforce are employed in the public sector in the South East [*Economic and Labour Market Review*, Vol. 2, No 7, July 2008 – Table 1, p. 35]; although this is a smaller % than most other regions (the national average is 19.8%), its significance in economic activity terms is unignorable.

At the same time, the need for upskilling and innovation have arguably never been more important in the public sector than they are now if state-funded agencies are to ensure that they meet the requirements of their challenging modernisation agendas.

Similarly, SEEDA's goal of increasing the number of South East residents of working age in the labour market from 82% to 85% simply will not be achieved if the public sector is discounted.

For these (and other) reasons, some **specific focus on the public sector** should form a part of the RES.

Also, there are questions of approach which we would see as being supra-strategic: a matter of principle that ought to be reflected in the delivery of the RES.

For example, we need much more sustained and effective means of eliciting the **views and responses** of those who are the subjects (or objects) of the planned initiatives and measures – and this is just as much

the case for life-skills learners as it is for the MD of a global corporate. This is not a matter of surveying or eliciting views in the traditional sense – it is about getting the recipients involved in the actual design of and delivery of programmes. So although undoubtedly SEEDA will have mechanisms in place for evaluating all of its activities, there is clearly a difference between undertaking evaluation as the add-on to the end of a project than an approach where the ‘targets’ are involved from the outset in the design and planning of an initiative.

Such an approach should underpin the delivery of the RES programmes.

Similarly, there are themes – or principles - which we know SEEDA recognises to be of importance that inevitably get lost in high level strategy statements - for example, the need to ensure that **local people** are better equipped to fill (or hold onto) **local jobs**. The economic – as well as the social – rationale for this is well established and it is of crucial importance in some of the SEEDA areas – Slough, for example.

*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?*

Our assessment here is that progress has been made towards achieving this goal – and its articulation as a goal is in itself helpful – but there is still considerable work to be done to achieve a genuinely rather than rhetorically joined up approach. Of course, it takes two – or in this case, many more than two – to tango, so the degree of coherence that can be achieved is only partially in the hands of SEEDA, although their leadership role here is crucial.

Moreover, there appear to be built in limitations that stand in the way of achieving this ambition. Most notable of these is the almost continuous churn that has beset government-funded agencies over (at least) the last decade. This has meant that initiatives are seldom given the time to bed down on a realistic developmental timeframe whilst these perpetual changes of structure and personnel make it difficult to sustain creative, co-operative relationships.

But we are where we are – and as indicated earlier the University is keen to play an active part in promoting this ‘joined-up and coherent’ approach.

As well as the issue about how well agencies are being engaged currently, there is also a question about which agencies are – or rather are not – included.

For example, given the importance of the worklessness agenda and the strong drive by Government to reduce the numbers claiming Incapacity

Benefit, it is clear to us that **health agencies** – at both the SHA and PCT level – need to be included as critical stakeholders.

Regarding how this more ‘joined-up’ approach might be further promoted, we would support the idea of annual **concordats** signed between SEEDA and ourselves. These would be formal agreements which would spell out commitments and responsibilities on both sides (and which were not only about money!). These may begin as relatively modest documents but – once each partner has demonstrated they can deliver – would become more ambitious and move from being bi-lateral to multi-lateral agreements involving a range of sub-regional stakeholders (and perhaps co-ordinated through the ESB).

So important is the need for coherence that we would like to see SEEDA adopting a radical approach to promote this aim. For example, **the strategic co-location of key agencies** is relatively unknown in England and yet this would potentially have very many advantages - for example, improving (especially informal) communications; sharing resources, expertise and intellectual capital; service improvements; financial savings; enhancing accessibility for users; lifting the standing of services etc.

Given that the logistics of bringing together the key agencies in this way would be highly complex and the decision-making processes involved would be intricate, this is not something – however desirable – that is likely to occur naturally. SEEDA could have a vital facilitative role here, encouraging some pilot co-locations. Ideally, these co-locations would be part of a private sector development and would not involve any financial outlay on the part of the agencies involved (due to land/property swaps etc). But if this was not possible, in exceptional cases SEEDA might consider making a strategic financial investment in order to enable a co-location to occur. Such pilots should be subject to stringent monitoring and evaluation to assess their effectiveness, with a view to whether they comprise a model to be followed on a wider regional/national basis.

### **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?**

Not surprisingly, we are delighted that three of SEEDA’s ‘main drivers’ for its work on labour force and employment focus on HE.

We are also pleased to see articulated later in the paper the proposition that *‘SEEDA’s strategic alliances with Higher Education institutions are necessary to understand and shape future provisions and, therefore,*

*partnership involvement in major development or regeneration initiatives in the region'*  
[6.4: p. 23].

As this indicates, the successful realisation of these 'drivers' will require **direct engagement** with the region's HEIs and we look forward to working with SEEDA colleagues to achieve this end.

Of course, this relates to the point made more than once previously that we are keen to forge a genuine partnership with SEEDA. In practical terms SEEDA (and the University) might consider introducing an **account manager** mechanism to facilitate the partnership. In simple terms, we would both identify an appropriate member of staff who would act as a conduit into each others' organisations and activities and be a repository for knowledge of what is taking (and has taken) place between and within our organisations.

We are not convinced that viewing higher education programmes in isolation is always helpful. In the context of the RES, clear progression route ways are vital. If these 'route ways' become generally promulgated and accepted currency, an undergraduate (or indeed a postgraduate) qualification becomes part of a journey rather than an event in itself. To address the skilling and upskilling challenges both nationally and in the Thames Valley, we need to have far better integrated learning paths where learners even at Level 2 are enabled to envisage a connection between what they do and the stages leading to Higher Education. Despite the really significant developments over the last twenty years, it is still the case that HE is most usually conceived of in terms of learning activities that are categorically discrete from 'lower level' learning. It is the connections and continuities between learning at different levels that needs to be emphasised and not the putative ruptures.

We clearly do need an increasing number of people – especially in the Thames Valley – with postgraduate and research degrees and we need to map much more clearly the gaps in need and demand that are currently not being met by the public providers.

As a sector, HE providers also need to use much more imaginatively all the levels of learning so that we can offer an integrated, step on and step off **structure of learning** for students throughout their lives and careers.

Clearly, some regional universities and colleges are much more attuned to providing this structure of learning possibilities than others. It would seem only appropriate that SEEDA should apply their resources to support those that meet regional needs.

Regarding **employability skills**, it is important to remember that universities and colleges have in many cases proven expertise and success in imparting employability skills through or in addition to standard programme delivery.

TVU is a particular case in point. THE (The Times Higher Educational Supplement) in a recent edition (July '08) reported that **TVU 'tops the league table for graduate employment'**. Our successful record in enriching the curriculum through including employability skills is of utmost importance to the diverse student body the University serves.

Of course regionally there will be better practice available in some institutions than others but SEEDA needs to capture what HEIs and FECs are doing successfully and routinely in this area and work with other key agencies to disseminate it more widely.

TVU would be pleased to share its expertise in this area with schools and colleges – as, indeed, we already do so with the Enterprise specialist schools in Slough.

**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?**

We are surprised at the dichotomy presented here.

The implication is that a local intervention is categorically not strategic and that strategies could not involve local interventions. Such propositions are certainly not empirically true and – we would hope – at odds with SEEDA's approach to tackling issues. This is not semantic nit-picking but at the heart of fundamental issues about how SEEDA operates. (Re, 2.1 above).

Our experience indicates that there is a more or less direct relationship between an initiative's effectiveness and its traction with local conditions and needs.

**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?**

We fully understand that one of the acute difficulties SEEDA faces is the competition across the region for its resources from a wide range of areas, each of which may well have a strong case for focused support. We - for example - are very conscious of the particular social and economic challenges in South Reading and a number of wards in Slough which by

many key indicators are significantly deprived on a national scale. Indeed, we would urge that more resources are made available to the ‘hot spots’ in our target areas but that this is done as part of multi-agency, evidence-based, agreed operational plan.

We believe that the characteristics of Slough as both a town and a business zone make it particularly appropriate for focused support. The coincidence of well-performing schools and a relatively underskilled adult population on the one hand, and a business zone in which the demand for skills and higher skills is increasing annually, presents a particular challenge. Focused and sustained work between the **Skills Slough Campaign** (Slough BC, TVU, East Berkshire College, the LSC, SEGRO, the Slough Business Community Partnership) and SEEDA could have transformational impacts in a way that may not be possible in other areas that do not have this mix of skills deficits and job opportunities.

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

We can only provide a partial view of the success of SEEDA in engaging with business.

However, we have been impressed by our involvement with the **Investor Development Service** - both in terms of the effectiveness of the two managers in the Thames Valley who have been our contacts and by the concept of the service. We also have anecdotal evidence that companies value this service, which seems to be exactly the non-bureaucratic, purpose-driven, flexible service that employers appreciate.

The University has not been directly involved with the **Training Pools Programme** but the model on which it is based is exactly the one we would support. Systematic and clearly focused multi-agency approaches with clear of who is responsible for what seem to us to be of real value.

Regarding the promotion of the “employers’ responsibilities regarding skills development”, our experience indicates that exhortation is virtually useless here. This is why, for example, it would appear that the Government’s ‘**Skills Pledge**’ approach is viewed to be of little real value by those it was meant to engage.

The approach has to be all about commercial advantage: skills development positively hits the bottom line! We need clear case studies demonstrating the veracity of this proposition and business champions who will stand up and be counted as advocates of the importance of skills development – and they can be found!

We recognise that there is a view amongst some companies that ‘publicly funded training organisations are not up to the needs of employers who prefer to get their training as and when they need it from private sector providers’ [6.51; p. 25]. Indeed, it is because we know this is a not uncommon view and because we are also aware that most employers remain unaware of the full range of services HEIs (and FECs) can offer, that we have – with Hefce’s support – launched **FutureSkills**, a major project that is specifically designed to develop and test innovative ways of engaging with employers. We are keen to share our findings with other providers and agencies and for SEEDA to be actively involved in the operation of FutureSkills.

**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?**

We have had very little connection with the Regional Skills for Productivity Alliance. However, we have already had significantly more interaction with the **Berkshire ESB** and we are pleased with the focus and approach the Board has thus far adopted. Indeed, the University is willing – at the highest level – to be directly involved with the Board and contribute to its work and development and would like to pursue this with SEEDA and the current Board.

As indicated earlier, we are convinced that the long term effectiveness will be achieved through putting in place active, specific strategic alliances with the key sub-regional stakeholders.

**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?**

As indicated in our opening general observations and throughout these responses, we do not believe that our engagement with SEEDA is as active at present as it should be. However, we fully understand that this is not just SEEDA’s fault – regardless of what SEEDA has or has not been doing, we have not been appropriately organised to engage with SEEDA in a sustained and synergetic manner.

This is not the case now. We have invested significantly in new personnel and our recently published 5 year Strategic Plan makes explicit our commitment to playing an active and pivotal role in our region(s). As indicated above, we are keen to make a step-change in our links with SEEDA through introducing tactical measures such as forging annual

concordats and through the appointment of appropriate TVU and SEEDA personnel to serve as account managers, etc.

We would strongly advise SEEDA to engage more actively with the **Aimhigher** partnerships and **Lifelong Learning Networks** across the region. These are tried, tested and mostly successful initiatives that as a part of their core business work ‘to raise aspirations in deprived areas or to increase the number of people with higher skills qualifications’ [6.38: p. 23]. This is another part of the jigsaw-matching that needs to take place if we really are to harvest the benefits from the resources and expertise that currently exist across the region.

There are other key points we would like to make here.

Firstly, it is apparent that the costs of public (and indeed private) provision remain an obstacle to individuals particularly in SMEs from pursuing courses that would be of benefit to developing their businesses. Cost is not the only obstacle – the relevance of a programme’s content and the flexibility of its delivery are also key factors. It is clear that in the current difficult economic climate the pressure on SMEs and their employees will be even greater and that learning activities, although often recognised as important, will be seen as unaffordable.

SEEDA could have an important role to play here in offering **targeted bursaries** to staff within SMEs where there are clear needs that are currently unmet but where there would be a clear advantage to that company if the associated skills and knowledge were available.

This would also enable SEEDA to exercise some **leverage on the public provision** available in the region in that they could choose to offer these bursaries only to employees who wished to pursue an approved programme, where approval might depend on criteria such as the content, flexibility, geographical location and cost of the provision.

There should be no limits on the level or the length of the provision sought. In some companies access to undergraduate courses is what will be required; in others it will be postgraduate provision; in yet others; it will be both UG and PG skills and knowledge that are needed. Similarly, the company’s needs may be met by elements of a programme rather than a complete qualification. We are convinced that the scheme will be effective if it is genuinely needs driven.

This does not have to mean that SEEDA would always have to carry all the costs of the programme fees. Different formula might be devised to share these costs. Elements of the fee might be paid by the employer and by the employee. TVU (and the other providers) would bring to the table Hefce funding and if the scheme was successful and significant numbers were attracted it would be possible to offer reduced fees.

Secondly – and similarly - a characteristic of Third Sector organisations is that they have limited resources to support staff development. At the same time, salary levels within the voluntary and community sector are amongst the lowest of all occupational groupings in the UK. Given the increasing importance of these organisations in making interventions in the employment and skills agendas [6.56; p. 26], the need for the development and professionalisation of their staff is also increasing accordingly.

TVU has validated **Foundation Degrees in Management in a Voluntary Organisation and Managing Volunteers** which were developed with a consortium of West London voluntary organisations. We would be pleased to work with SEEDA to see what contribution these programmes could make to providing the development-underpinning for voluntary and community agencies across the Thames Valley (and beyond). These programmes can be offered as whole entities or flexibly by module or unitised into sub-modules – i.e. day long workshops.

With SEEDA's endorsement, promotional assistance and support with the fees for such provision, we could make a significant impact on the capacity of the Third Sector to contribute to skills and employment agendas in the region.

Thirdly, the accurate identification of skills shortages and gaps remains a problem for learning providers and economic development agencies. Skills surveys are by definition abstract: they tend to elicit responses from employers that indicate what skills they would wish to have were money no object, rather than the skills they are willing to pay for now. In our experience, a more effective way of identifying the jobs and skills that are definitely sought is through doing a **content analysis of recruitment adverts** in local, regional, trade and national press over, say, a four month period. This does not have to be a massive, resource-intensive undertaking – it can, for example, be undertaken as an **undergraduate student project**.

The lack of clear employment needs forecasting makes the job of public providers difficult (and is one of the reasons why they are less responsive than they might otherwise be).

There are other ways in which this issue might be addressed. For example, we believe that there must be an opportunity for a **strategic alliance between SEEDA, FE and HE and the Recruitment and Employment Confederation** to address this issue and also to meet another goal.

As is well known, there is currently a huge push from Government for universities and colleges to work much more closely with employers and to shape their provision in line with real demand. No occupational sector is better placed to have an overview of what skills employers really require than recruitment agencies. They will know as a matter of everyday

business where the skills gaps are and what kinds of posts are most difficult to fill. There must be a win-win-win situation here: public providers can shape their provision (and attract more students) to meet the skills needs recruitment agencies have identified in helping their clients fill posts. Indeed, there is something very persuasive in the possibility of being able to capture the intelligence of recruitment agencies and use this to inform the provision of FE and HE within a region (and indeed nationally). Operating this kind of loop in a sub-region, and doing so – **via SEEDA** – in a strategic and planned manner, would help to meet skills gaps and prevent duplication of courses for which there is little or decreasing demand.

We are currently discussing this possibility with the Recruitment and Employment Confederation. We would like to open up similar discussions with SEEDA.

**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?**

We do not feel fully confident to comment on this in general – although we are aware from the Local Authorities we work with most closely that they do not find their links with SEEDA as continuously effective as they would like and they believe that their areas need.

With regard to achieving joined-up working relationships, we believe that localisation is the only answer here and that the area ESB's do provide an opportunity to achieve bottom-up planning. Even in a complex area such as Berkshire the evidence is that effective co-ordination can be achieved (albeit not as much is needed) but this is a significantly less possible when the map is drawn more widely.

This brings us back to the points raised earlier about greater co-ordination across the sub-region and the University's eagerness to work with SEEDA and the other key stakeholders in a far more sustained and fruitful way than has been achieved thus far. We look forward to beginning this work as soon as possible so that we are better able to provide benefits for the communities we are both committed to serve.