



Shaping the Future Workforce

Addressing Worklessness and Building Skills for Tomorrow

4th SEDfIG Networking Event

Monday 12th July 2010. Main Hall, Oxford Town Hall, Oxford.



Welcome to Oxford - Cllr Bob Price

Leader, Oxford City Council

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4th SEDFIG Networking Event

12th July 2010, Oxford





Introduction - Cllr Andrew Finney

Chair, South East Diamonds for Investment & Growth

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**SOUTH EAST
DIAMONDS**
for investment and growth

Making the economic case for the South-east

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South East England And The Knowledge Economy

By Michael Coughlin, Chief Executive, Reading BC and Lead CEO
Published Monday, 26 April, 2010 - 22:38

The South East currently accounts for 25.1% (£3.2 billion) of business expenditure on research and development, while the region only accounts for 14% of the UK population. What steps needed to ensure the South East continues to succeed?

The knowledge economy is a vital component in the continued recovery of the UK economy. It plays a particularly pivotal role in the

FUNDING CUTS
LGC Research
Axe to fall hardest in the...

Analysis:
Ring-fences removed?

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Huge cuts to hit southern RDAs

23 May, 2010 | By Alister Hayman

RDAs prepare to face £270m cuts

See a 20 per cent of combined budget as part of Treasury cuts

The BNP lost seats in the local elections in many of the areas receiving cohesion funding
February 2010

NEWS Leaders complain to chancellor that they are subsidising unproductive regions

NI exemptions 'will hit south-east'

George Osborne's Budget proposals for NI exemptions have come under fire

Allister Hayman
allsterhayman@emap.com

Exemption for regions branded 'geography tax'

above-average prosperity. The aim was to stimulate the growth in the rest of the UK to narrow that gap, and compensate for the smaller amount of public sector spending cuts.

However, Andrew Finney, leader of Basingstoke and Deane council, said: "This all thought-through tax on geography stacks the odds against the small businesses we're depending on for recovery."

Advisers warned it could drain places such as Milton Keynes and Peterborough, on the fringes of the prosperous zone, of new small business.

"The big question is, what will be the strategic economic architecture of the region after the regional development agency is no longer here?" he said. "The concern will be... whether a series of reliefs for a number of businesses can add up to the provision of major developments and facilities."

Nevertheless, some big transport projects were spared, mostly where contracts had already been awarded. The Tyne & Wear Metro, linking Newcastle and Sunderland to surrounding areas, is being upgraded. Manchester's Metrolink tram system is to be extended.

The two projects on the

mainline railway – the upgrading of Birmingham New Street station and improvements to lines to Sheffield and across the Pennines – were part of Network Rail's five-year funding programme.

Changes to any of the big projects in that period would require a formal reopening of the funding deal and are therefore likely to be minimal.

Mike Whitty, leader of Birmingham city council, said: "I am delighted that George Osborne has recognised the strategic importance of the (New Street) Gateway scheme and reiterated the government's support for a project that is not only significant regionally and nationally but is also a statement about how Britain values good public transport infrastructure."

Damian Waters, north-west regional director of the CBI employers' body, said east-west transport links needed to match the improved north-south ones. "The coalition has talked about rebalancing the economy away from the public sector and financial services. There has to be a geographic rebalancing too."

Reporting by Andrew Bounds, Chris Tighe, Jonathan Guthrie and Robert Wright

Budget: dependent to be targeted

The leaders of 10 councils in the south-east have written to the chancellor to object to measures outlined in the Budget to award businesses in poorer regions exemption from national insurance contributions.

Under the plan outlined in the Budget to award businesses in poorer regions exemption from national insurance contributions. The measures are designed to private sector growth and job creation in the south-east of a drive to reduce the structural budget deficit to zero over the next six years. The full details of regional growth scheme will be announced shortly.

Employers in targeted areas will not have to pay the first £5,000 of employer NICs due in the first year of work for each of the first ten employees. The scheme is intended to start no later than September and will apply to any business set up from today that meets the criteria.

Forum of Private Business chief executive Phil Orford said: "Not only did the chancellor make all the right noises about supporting enterprise and smaller businesses, he backed it up with a number of crucial tax changes. What we need now are some guarantees on how the white paper on local economic growth Mr Osborne promised will follow up on the message and take in relation that we have

George Osborne's Budget proposals for NI exemptions have come under fire

by 60% through to 2016, scarce resources must be directed to areas where they will have the greatest economic impact, namely cities that can "drive the growth the country needs for a sustained economic recovery".

The letter said: "Put bluntly, the country cannot afford to subsidise unproductive areas while starving the productive ones of investment. Without growth in our buoyant cities, there will be no resources with which to support the transition of less buoyant areas."

concerns about Mr Osborne's plan to set up a regional fund that would

4th SEDIG Networking Event

The fourth South East Diamonds for Investment & Growth (SEDIG) networking event will take place on the 12th July at Oxford Town Hall. The half-day event is entitled *Shaping the Future Workforce: Addressing Worklessness & Building Skills for Tomorrow*.

A range of recognised speakers will present their perspectives and explore best practices to inform local actions in tackling worklessness and building skills. Key speakers will include Ian Mulhern, Director of the Social Markets Foundation, alongside speakers from central and local government.

Delegates would subsequently be able to reflect on key issues through round table discussions followed by a Panel Q&A session.

Places at the event, which is free of charge, can be reserved by emailing: sumt.chairs@reading.gov.uk

Places are limited, and will be allocated on a first come, first served basis.

The event will run from 1pm to 4pm, with

Media

SEDIG research features in eGov Monitor
Michael Coughlin, Lead Chief Executive, SEDIG sets out measures to ensure the continued success of the South East, in the eGov Monitor. [Click here](#) to read the full article.

Cities in South East back 'Cities Manifesto' call for growth incentives
SEDIG Chair, Cllr Andrew Finney, responds to the 'Cities Manifesto' formulated by the think-tank Centre for Cities. [Click here](#) for more.

Future Meetings

The next SEDIG Board and CEO meetings are scheduled for the afternoon of Wednesday 30th June, at 1 Carlton House Terrace, London.



Emerging Policy from the Coalition Government

Ian Mulheirn - Director, Social Market Foundation

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Tackling Worklessness in a New Landscape

Cllr Stephen Houghton - Leader, Barnsley MBC & Chair, National Worklessness Learning Forum

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SOUTH EAST DIAMONDS PARTNERSHIP

LOCAL AUTHORITIES AND PARTNERS

**- TACKLING WORKLESSNESS IN A NEW
LANDSCAPE**

Councillor Stephen Houghton

**Chair, National Worklessness
Learning Forum**

WORKLESSNESS – PROBLEM NOT GONE AWAY

- Geographically concentrated – disadvantaged neighbourhoods – can be close to places of affluence
- Vulnerable groups hit hardest: -
 - Young people; BME;
 - People with disabilities
 - Lone parents
- People with poor mobility, low skills, poor information networks, high social needs

TASKFORCE REPORT FINDINGS – STILL RELEVANT

- Council's and LSP's have a major role to play in tackling worklessness
- Our major concern is with vulnerable economies during a recession
- Multi-Agency approach essential to local flexibility and success
- Councils have a major role to play
- The project framework for devolving and planning local support is too complicated
- In order to comprehend the challenges, information sharing between partners requires attention

LOCAL COUNCIL AND LSP LEADERSHIP

- Worklessness should be a mainstream objective for LA's and LSP's
- LA's and LSP's focus on most disadvantaged people and neighbourhoods
- Ensure added value from direct expenditure
- Ensure funded provision is integrated with mainstream provision
- Council's and LSP's need to plan the correct mix of provision
- Local indicators adopted to measure success

A DEVOLVED PARTNERSHIP FRAMEWORK – WHAT’S NEEDED

- A Central and local government single framework for integrating skills, employment and wider support via: -
 - Worklessness assessments undertaken by each Council within current statutory economic assessment duty
 - Work and Skills Plans
 - Work and Skills integrated budgets – where robust partnerships exist
 - LA’s choice to progress within framework

WHAT APPEARS TO WORK?

- Demand Side Interventions: -
 - Business support and development; entrepreneurial support, 'hand holding' business; - Job creation is an issue
- Supply Side Interventions: -
 - Initial engagement via outreach
 - A holistic individualised approach – personal advisers
 - Employment focused education and training
 - Specific work activity schemes
 - Targeting specific groups e.g. lone parents, BME
 - Upskilling existing workforce
- No single model of successful intervention – multi-element packages work best

WHAT CAN COUNCILS & PARTNERS DO?

- Align funding streams to provide 'wraparound services' which includes: -
 - Debt and Benefit Advice
 - Childcare, Children's Centres, Extended Schools
 - Adult Social Care and Mental Health
 - Care Leavers
 - Community Outreach Services
 - Adult Education
 - Drug and Alcohol Action Teams
 - Housing Support

WORKLESSNESS IN BARNESLEY

- 16,000 Incapacity Benefit claimants – 12% of workforce
- Increasingly young profile – 25-49 years
- Estimates: -
 - 1/3 permanently incapacitated
 - 1/3 need support
 - 1/3 'on the system'
- 5 wards account for almost 1/3 of all IB claimants
- 65% claiming 5 years or more

WORKLESSNESS IN BARNLSLEY – A NEIGHBOURHOOD PICTURE

- Average of 16% of working age Borough population on benefits
- Wider figures (incls. JSA & Lone Parents) – 22%
- Variation across 21 Council wards from 9.8% to 32%
- Of all 21 wards, three account for a fifth of workless total

HOW WE USED THE MULTI-AGENCY APPROACH IN BARNESLEY

- Developing third sector to target worklessness and boost economic prosperity
- Developing a welfare rights service to facilitate pathways to work
 - Includes access to in-work and returning to work benefit
- Third sector (and Black, Minority, Ethnic) advice, training and employ opportunities (including volunteering)
- Providing skills, training and careers advice in educational and community organisations
 - Up-skill young people after formal education
 - All age skills and training in libraries, resource centres

LESSONS FROM THE FUTURE JOBS FUND – (1)

- Understand the labour market – moving people on
 - Address the jobs and skills mismatches
 - Undertake economics & worklessness assessments, implement work & skills plans
- Address the demand side
 - Can we ‘regenerate’ the Private Sector? – Scheme members and placements – Future opportunities
 - Public sector has significant procurement & employment power in the economy
- Address the supply side
 - Enhance mobility of labour
 - People do want jobs – changing people’s lives
 - Prospect of a real job & a quality experience – is engaging people in a pioneering way
 - 250 people have experienced work in Barnsley on FJF

LESSONS FROM THE FJF (2)

- Private Sector Engagement – LA's should have responsibility for constructing private sector programmes, real life experience with real jobs is needed
- Literacy & Numeracy a major issue
- Start job search immediately
- Wraparound aids retention
- Mainstreaming FJF lessons
 - What happens after 2011?

HOW & WHAT LOCAL AUTHORITIES CAN DO MORE & DIFFERENTLY AS EMPLOYERS

- Targeted recruitment
- Expand work experience opportunities
- Make the skills pledge
- Show ambition in expanding apprenticeships
- Invest in training and development – provide a broader range of opportunities
- Notify all external job vacancies to JC+ & LG Jobs
- Better Succession Planning

HOW & WHAT LOCAL AUTHORITIES CAN DO MORE & DIFFERENTLY AS PROCURERS

- Ensure recruitment and training integral to procurement process
- Exploit contract compliance – community benefit clauses – usually legally proofed model clause
 - Also voluntary agreements within contracts on % of apprentices in workforce
- S106 opportunity for worklessness commitments in major development projects
- Increase no. of local SME's; social enterprise and third sector in L.A. procurement – build capacity

WHAT'S NEEDED?

- A robust policy for regeneration recognising contribution of wider improvement activity – housing & infrastructure
- Councils, Government, Contractors & local Agencies working together
- We still need to share data
- We still need to pool resources across Agencies
- We still need to intervene in the labour market - WNF initiatives show that it works! – we need a replacement
- Further measures – NWLF report on improving demand side of economy
- Cuts need to match speed of private sector growth - ?

SO, WHAT CAN COUNCILS DO?

- Take the Taskforce Recommendations forward
- Work with Partners
- Ensure Service Planning & Delivery factored into employment outcomes
- Ensure links to wider economic improvement activity (e.g. Housing) reduces worklessness
- In short, make worklessness mainstream business!



The Skills Challenge – An Employer Perspective

Chris Allington - Managing Director, Oxford Innovation

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The Skills Challenge – An Employer Perspective

Chris. Allington

PUSH ESB Board Member

Managing Director, Business and Innovation Centres



Together shaping the future of South Hampshire



What is PUSH?

- 11 partner authorities – 6 wholly and 5 partly in South Hampshire
- Clearly defined sub-region in South East Plan, endorsed by Secretary of State
- Population around 1 million
- Skills deficit in the sub-region
- Recently Established Private Sector Led Employment and Skills Board



Together shaping the future of South Hampshire



Locating a business

Strategic

- Proximity to R&D centres of excellence
- Proximity to customers and market-place
- Proximity of competition
- Supply chain quality and availability
- Reputation for successful businesses
- Branding and presence

Staffing

- A highly productive workforce
- Availability of skills
- Training support
- Supporting future growth

People

- Quality of Life
- Culture and recreation

Location and access

- Buildings
- Transport infrastructure
- Services infrastructure (utilities)
- Communications
- Supporting future growth

Cost

- Staff
- Location
- Business support services
- Supply chain
- Transport and infrastructure

Regulation

- Business support services
- Ease of doing business

Together shaping the future of South Hampshire



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People and their Skills

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The last 30 Years

Graduated – Mechanical Eng.
1st Job – Analyst programmer
Data Driven Automation

Manufacturing cost challenges

Career development
Global Outsourcing
Management Skills

Corporate Career
"Job for Life"

Hi-Tech MBO from IBM
Commercial GM

Langstone Technology Park
Managing Director

Fasset --> Oxford Innovation
Managing Director
Flexible Property Solutions

SME Career
"Empowered"

1980

2010

1981 - IBM PC



5.25" HDD - 5,000,000 bytes

2010 - Apple I-Pad
64,000,000,000 bytes

World Wide Web

1998 - Google



The Skills Agenda?

Market Need
Defined

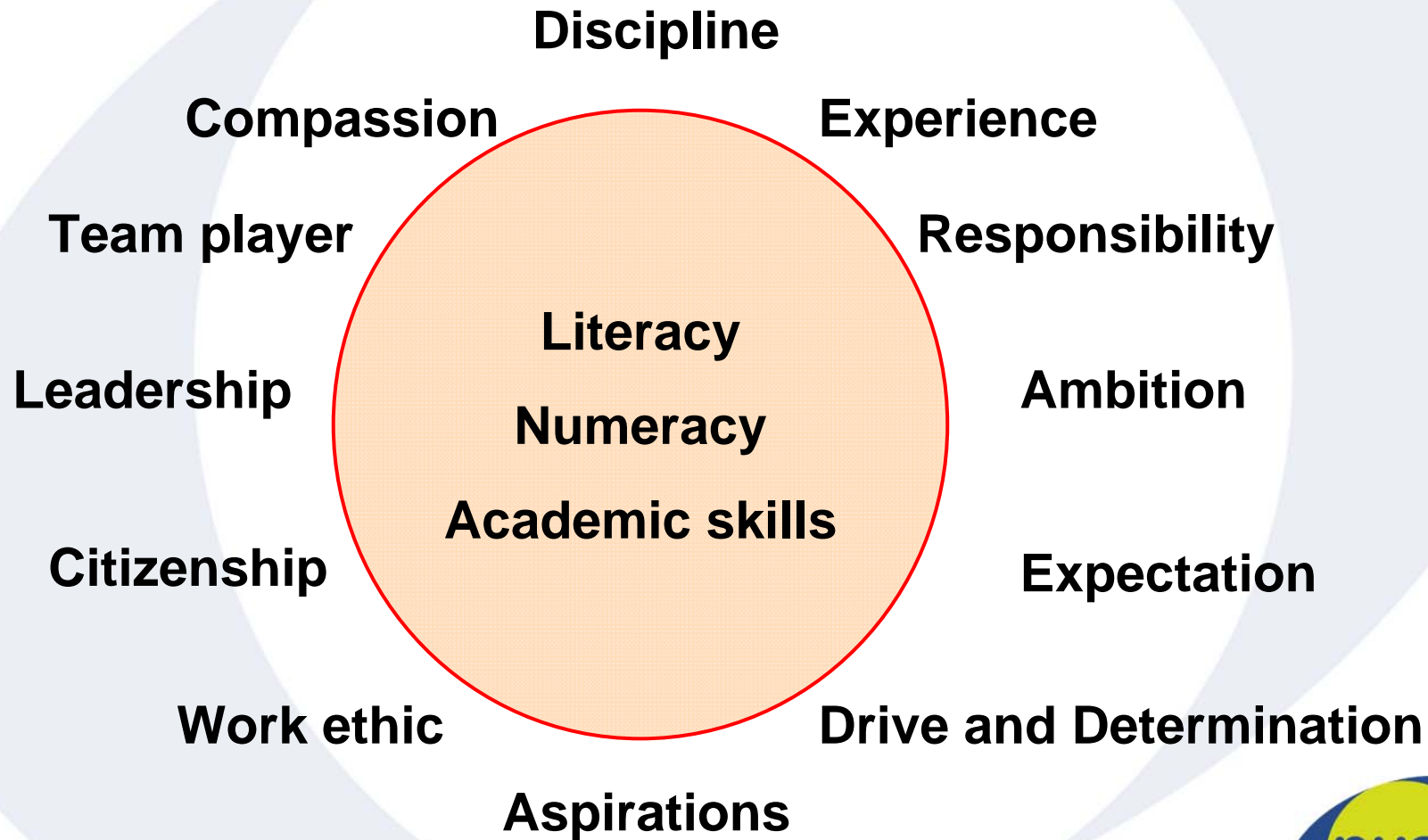
The Education Process



Skills
Available

10 to 15 years

Core Skills



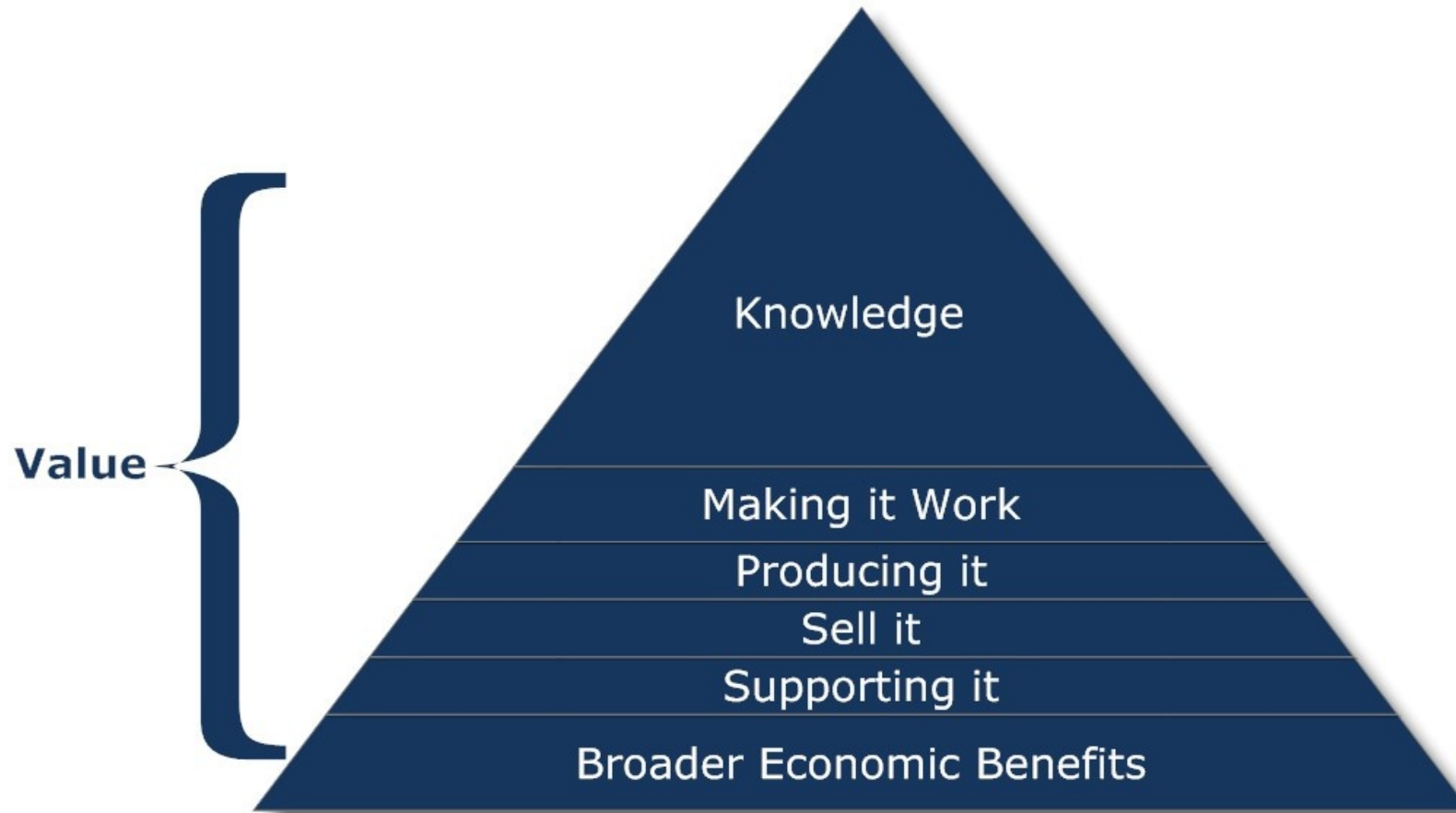
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The test of successful education is not the amount of knowledge that a pupil takes away from school, but his appetite to know and his capacity to learn. If the school sends out children with the desire for knowledge and some idea how to acquire it, it will have done its work. Too many leave school with the appetite killed and the mind loaded with undigested lumps of information. The good schoolmaster is known by the number of valuable subjects which he declines to teach.

• *The Future of Education* (Livingstone, 1941 p. 28)

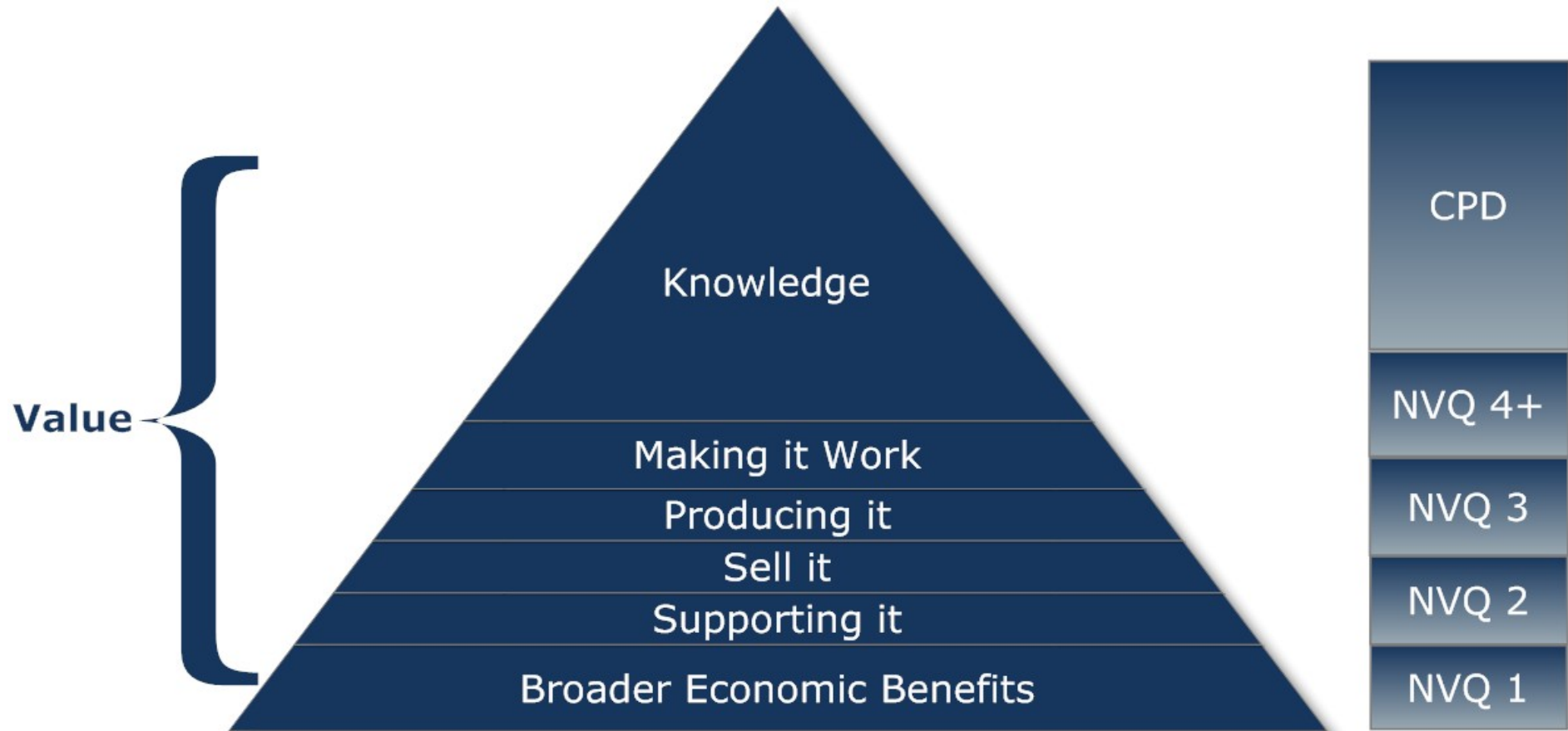
Skill Levels



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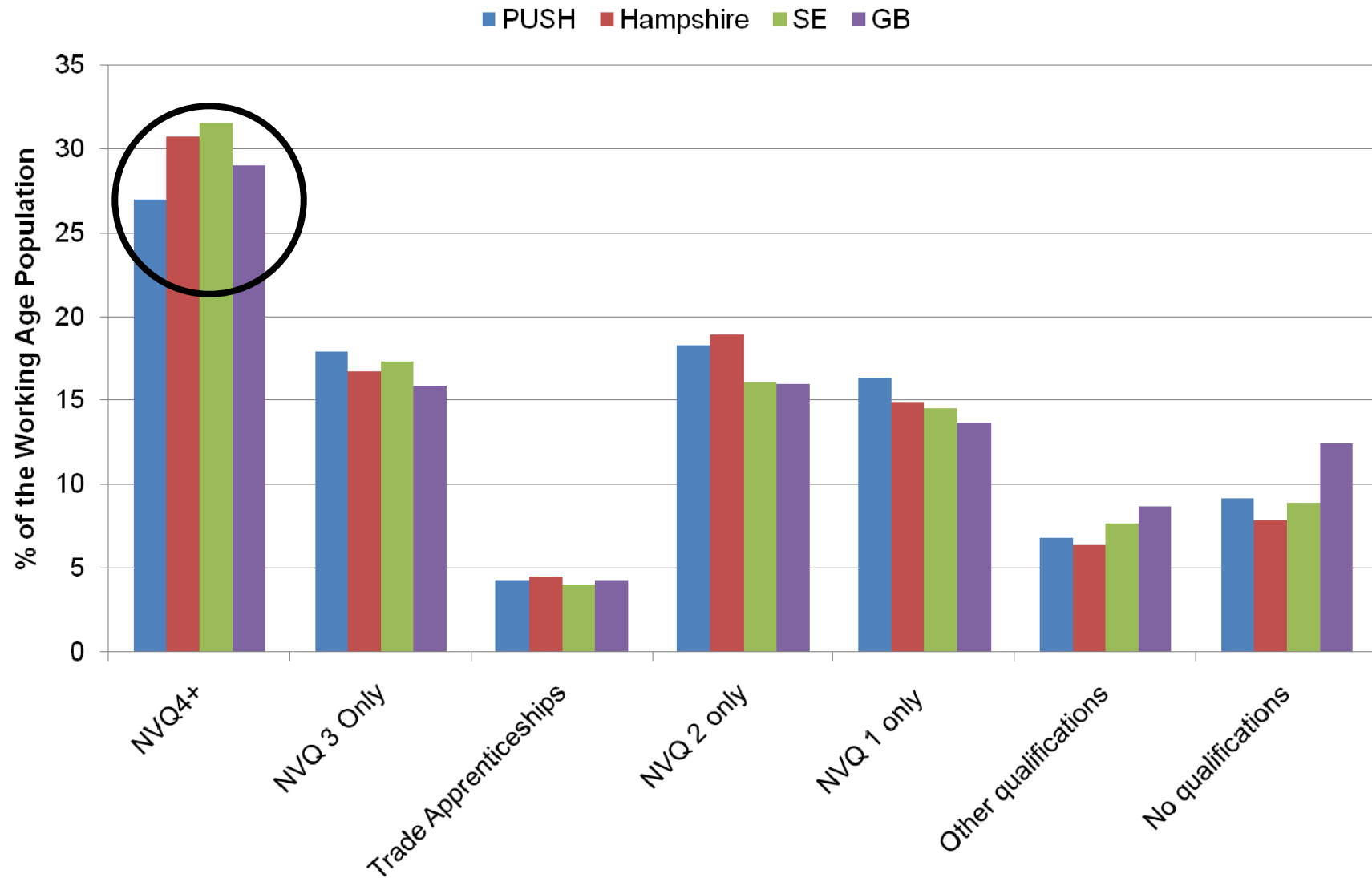
Skill Levels



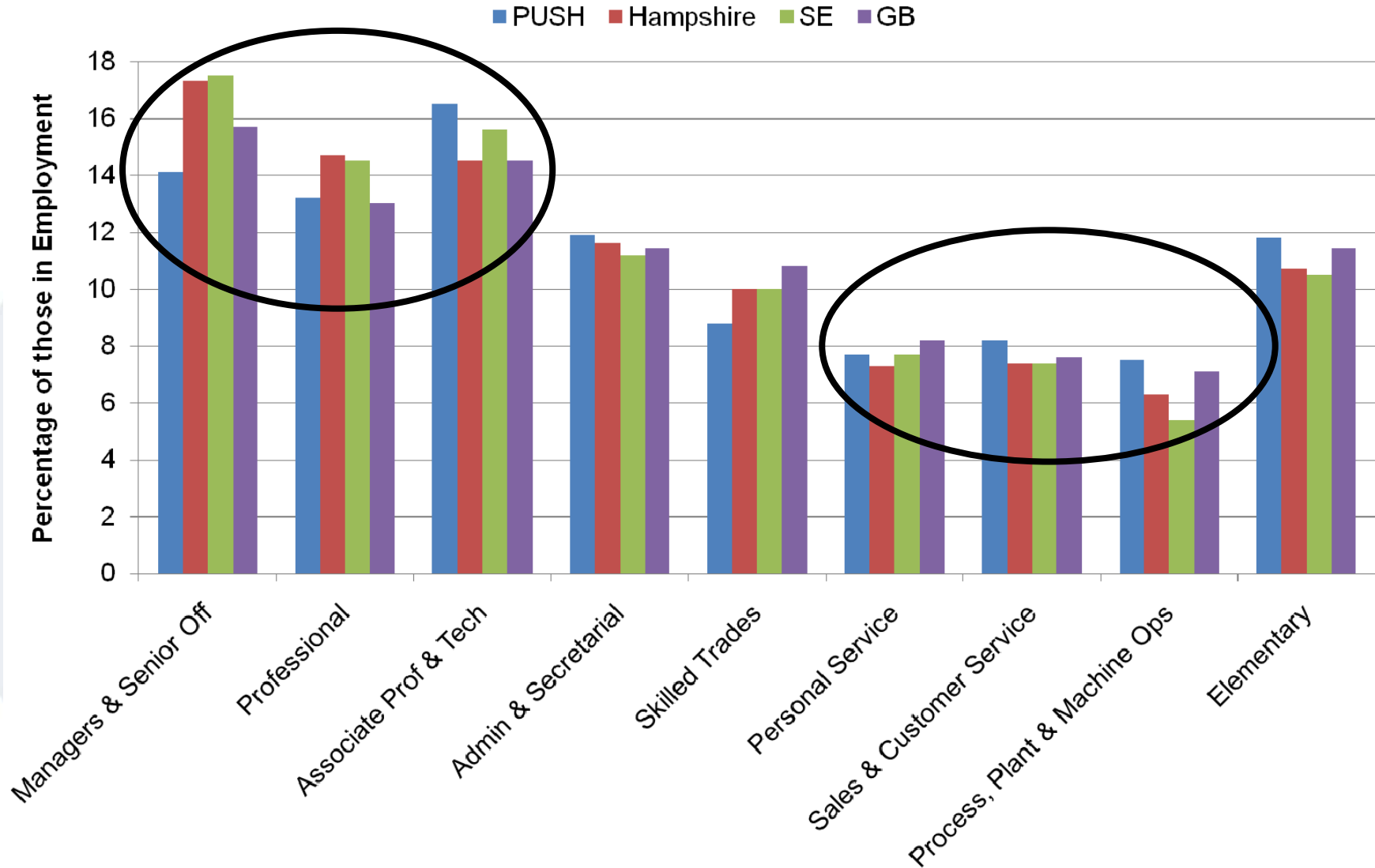
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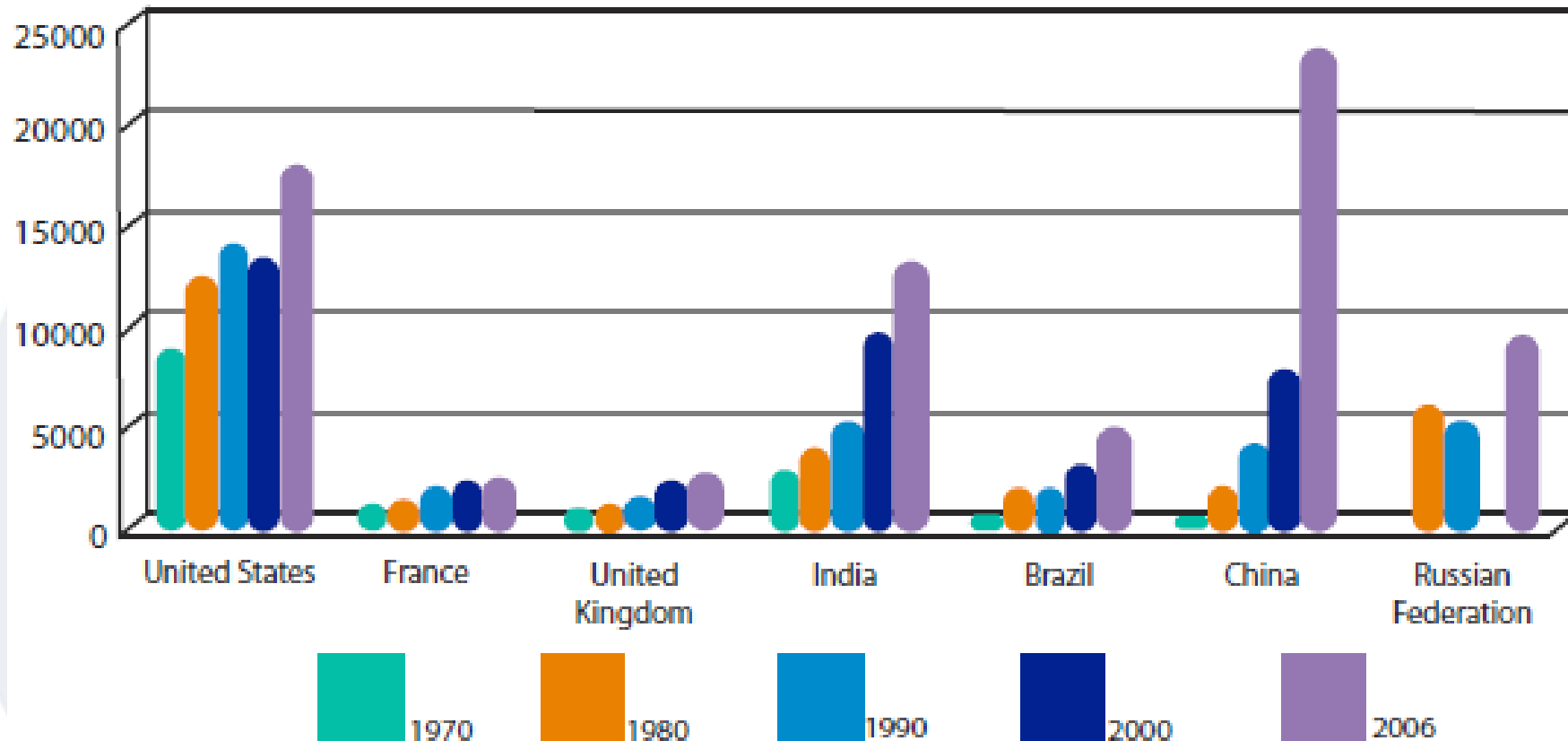
Skills deficit in higher skill levels



Occupational mix reflects skill mix



Tertiary Education Numbers



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ESB VISION

- Raise Skills Levels
- Improve Employment outcomes
- Meet the needs of employers
- Contribute to the long term growth aspirations of the economy
- Prioritise future investment in skills and employment.

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Refreshment Break

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Panel Question & Answer session

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