



Dear Oona,

RE: SOUTH EAST SKILLS PRIORITIES STATEMENT 2011/12

Further to your email on 19th August 2010, please find below a series of comments submitted in response to the consultation on the South East Skills Priorities Statement (SPS), on behalf of the South East Diamonds for Investment & Growth (SEDfIG) Partnership.

Skills Needs

The high-level south-east summary set out in the statement closely matches the findings of much of our own recent work on skills and employability issues across the Diamonds. Our *Skills and Employability Strategy & Action Plan*, launched in February this year, highlighted the fact that, across the differing economies of the Diamond areas, the provision of level 3 skills, particularly in STEM areas, was a consistent issue. The need to enhance provision of leadership and management training, and to engage employers directly in supplying this to their staff, was also identified through this piece of work as a Diamonds-wide priority. As such, we welcome the identification of these as areas for focus within the SPS.

We also welcome the focus given to priority growth sectors within the document. SEDfIG Research on *Building the Knowledge Economy*, published in March this year, considered the growth potential of these priority sectors across the Diamonds. Independent forecasts, supplied by CLES Consulting, suggested that the Diamond areas have the potential to supply an additional 66,000 jobs in Knowledge Business Industries within the priority sectors in the period to 2016. This growth is dependent upon a number of supportive interventions, including the need to increase supply of level 3 and STEM skills along the lines set out in the SPS. This research also highlighted the following skills issues across priority sectors within the region:

ICT and Creative / Digital / New Media skills – despite the economic conditions there were still shortages of particular specialist technical skills including hardware programming and CAD.

Advanced Engineering – new entrants perceptions of employment within the sector compounded by perceptions of economic uncertainty (especially with some key employers), giving rise to shortages in specialist engineering skills.

Generic / High Level Skills - general problems with attraction and long-term retention of graduates due to issues of housing affordability and lack of career opportunities in partic

General Comments

Aside from these findings arising from our own research, we would wish to make the following general comments:

Levels of worklessness:

The SPS quite rightly identifies that the south-east has significant concentrations of worklessness, particularly in coastal and urban areas. The focus on driving up supply of level 3 skills needs to be balanced against the need to encourage re-engagement with the labour market by continuing to provide significant provision at basic and entry levels. Across the south-east as a whole, there are 958,000 economically inactive people of working age – compared with only 354,000 in the north-east¹ - so the extent and volume of this challenge cannot be underestimated. As the SPS notes at 4.8, economic demand for domestic entry-level and more basic skills is likely to escalate as limits on numbers of workers from outside the EEA are extended – particularly in sectors such as food operations and hospitality.

The international challenge:

Comparisons made within the document are against UK and national averages and trends. Whilst this is understandable given the nature of the data, we are keen to stress that the south-east is competing with international challengers, rather than other regions of the UK. As such, some illustrations of skills trends, supply and demand in competitor international regions would be of value in illustrating the nature of the skills challenge in the south-east.

Local Enterprise Partnerships (LEPs):

Following the introduction to the document, LEPs are not mentioned further until the concluding paragraphs. LEPs are likely to play a key role in defining skills need and shaping delivery across the functional economies of the south-east. As such, greater reference should be made, particularly in Sections 2 and 4. In addition, Sector Skills Councils are also not mentioned until the final paragraphs – again, stronger consideration and recognition should be given to their role.

¹ Labour Force Survey, March to May 2010.

Using the SPS

Comments were also invited on the way in which the SPS could be used to help local authorities and partners align skills provision with the needs of economic development.

We feel that the level of information and detail in the SPS, and the supporting evidence base, will be of use to practitioners. The evidence can support funding proposals and policy formulation, and inform future partnership working with the private sector. However, we suggest the following changes would make the document more accessible and offer greater utility:

Simplification:


A major theme running through the business consultation we have undertaken for our own skills research was the need to simplify the skills system to enhance engagement opportunities. The SPS could be further simplified so that the three core objectives set out in the Executive Summary clearly structure the remainder of the document (as is already the case in Section 4). The core objectives could also be made sharper, with explanation then given as to how the document will unpack these priorities. The Executive Summary should also include a clear sense of purpose, setting out what the SPS is for and what it seeks to achieve.

Sub-Regions:

Given the emergence of LEPs, it would be useful to provide sub-regional summaries of evidence and key challenges, reflecting the emerging geography of LEPs. This would offer the greatest potential for the SPS to support the future development of skills and employment aspects of the work of LEPs. The appendices, summarising data and issues for upper-tier authorities, do begin to do this, but further extrapolation would allow the evidence to be used directly by LEPs, once decisions on form and function have been taken by government.

Thank you for considering our comments. Should you wish to discuss any aspect of this response further, please do get in touch.

Yours sincerely,



Matthew Smith
Project Director
South East Diamonds for Investment & Growth

Tel: 0118 937 3336

Email: matthew.smith@reading.gov.uk