

## New Start March 2010



Constant upheaval is undermining efforts to equip Britain's workforce with the necessary skills. We need stability, says **Andrew Finney**

The most important driver of economic success is a highly skilled workforce. It is people's skills, knowledge and attitudes that enable them to participate, to progress through the labour market and to secure sustainable employment. Higher skills enable people to take on more complex jobs and produce higher value-added products and services. The businesses that offer these jobs are able to better withstand economic turbulence and to compete effectively in an increasingly competitive global market.

However, the UK's record in equipping people with these skills is patchy. The landscape of skills services and providers, initiatives and changing funding regimes is confusing and alienating to employers and learners. Understandably, many employers have little confidence in the skills system. A clearer, more transparent system is needed. The constant round of policy reorganisations and organisational changes need to give way to stability.

This is something we are acutely aware of in the southeast. The region is a key driver of the UK economy and one of the world's highest performing economies.

The region's combination of skilled labour, access to international markets and excellent quality of life makes it well placed for highly skilled people to live and work, helping to grow successful businesses. Within the region, eight areas (Basingstoke, Brighton and Hove, Gatwick, Milton Keynes and Aylesbury Vale, central Oxfordshire, Reading, Thames Gateway Kent, and the Partnership for Urban South Hampshire) have been identified as key catalysts for growth. Between them, these 'Diamonds' are expected to contribute 45% of the region's GVA growth by 2016.

We won't be able to deliver on this ambitious target without a well-formulated approach to delivering highly skilled workforces. With this in mind the Diamonds recently commissioned a piece of research to guide the formulation of a new skills strategy. The report, produced by Step Ahead Research, looked in detail at skills in each of the Diamond areas. The research found that some success had been achieved: 47,500 people across the Diamond areas had started Train to Gain learning programmes during 2008/09, and 16,476 had started apprenticeships.

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However, it also uncovered three primary challenges across the areas. First, they need to better respond to international competition, supporting the high value sectors of tomorrow. Second, there needs to be a dramatic rise in aspirations, with residents sufficiently motivated to significantly improve productivity. And third, businesses across the Diamonds need to be better supported to recruit people with the right level of technical skills.

Using this research we have been able to develop a strategy with a set of binding pledges which each of the Diamonds will work to fulfill. Not least of these is our drive to make the skills system far simpler for learners and businesses to negotiate. Our promise is that by 2014 the Diamonds' businesses will have a clear understanding of a streamlined skills system that is responsive to their needs and which provides clear learning pathways that enable learners to progress seamlessly and from one level to the next throughout their working lives.

We will only be able to keep this promise, however, if national policymakers recognise our concerns and set the

context accordingly. There has to be an end to the constant shifting of goalposts when it comes to skills programmes. For instance, it's ludicrous that the government is set to drastically cut the budget for Train to Gain – a scheme that has proved a roaring success and is in high demand from employers. This kind of success needs to be embedded in the system, not sacrificed on the altar of new initiative. The latest round of reorganisation must be the last for some time.

The South East Diamonds have shown a commitment to developing the highly skilled workforce needed to drive economic success. We only ask that national policymakers give us the tools we need to get on with the job, leaving in place a stable system and supporting the programmes that have been proven to work.

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