

THE FRAMEWORK FOR REGIONAL EMPLOYMENT AND SKILLS ACTION

A REGIONAL TEMPLATE

February 2002



“The TUC welcomes this guidance. It recognises that effective and inclusive partnerships at regional, as well as national level, are crucial to improving our competitiveness. I believe that this process can lead to both a higher skilled workforce, and to better quality jobs, meeting the needs of both employers and employees.”

John Monks, General Secretary, TUC

“The new regional arrangements for skills and employment will have to be responsive to the needs and particular characteristics of communities and neighbourhoods. Councils provide the authentic voice for the aspirations of local people, and they have a key role to play in making regional frameworks responsive and effective.”

Brian Briscoe, Chief Executive, Local Government Association

“The FRESAs could make a real difference. At present there are many overlapping initiatives and strategies on skills which confuse employers and individuals alike. FRESAs can add value by ensuring there is a coherent strategy designed to meet the needs of employers and employees and improve regional competitiveness.”

John Cridland, Deputy Director General, CBI

“This framework is a vital tool in ensuring a seamless service for people to gain the skills they need for the jobs that are available, for employers to find the right people for the jobs they have on offer, and for the general upskilling of the region.”

Lord Terry Thomas, Chair of Chairs, Regional Development Agencies

“I am delighted to be able to endorse the introduction of this framework which will help the Employment Service satisfy the demands of employers and provide those seeking work with the necessary skills to take advantage of the jobs available in the labour market.”

Clare Dodgson, Chief Operating Officer, Employment Service

“The Learning and Skills Council (LSC) strongly supports the emphasis on the flexibility available within each region to agree the Framework for Regional Employment and Skills Action (FRESA) process to suit local needs. We are fully committed to engagement in all aspects of the FRESA implementation. We see it as an opportunity to harness strengths of all local partners in delivering an agreed action plan to address regional and local skills needs. We now look forward to the ongoing discussions both nationally and locally as the FRESA is implemented.”

Bryan Sanderson, Chairman, Learning and Skills Council

FOREWORD

Because employment and skills are such key drivers of prosperity and competitiveness, we believe it is important for national, regional and local partners to work together to ensure that employers and individuals alike get the help they need.

Accordingly, in July 2001 we asked the Regional Development Agencies to lead on the Frameworks for Regional Employment and Skills Action (FRESAs) and for each region to produce their first Framework by October 2002. An Inter-Agency Working Group (IAWG) was established to produce guidance for this purpose and we are delighted to be able to endorse the work of the group in designing this template for the Frameworks.

To ensure that individuals, businesses, communities and regions succeed in a fast moving world we must make effective links between the skills and employability of the individual, the enterprise of communities and regions, innovation in business and the UK's science base.

Our aim is to enhance the range of services that already exist by bringing together the work going on in different government agencies, businesses, the TUC, CBI and others in each region. The wealth of local and sectoral knowledge and expertise will be pooled and good practice shared between all the partners.

Skills and employment are at the heart of regional economic development. Each region has already produced a Regional Economic Strategy that takes account of both national and local priorities. It is important that the Frameworks are developed within this context, and that they both underpin and assist in the review of these strategies.

This will mean a more efficient and co-ordinated service for employers and individuals alike. There will be less overlapping of services, which means less precious resources wasted and less frustration for those delivering the services. We look forward to hearing how this more "joined up" approach will have a positive impact on all our customers.



Alistair Darling
*Secretary of State
Work and Pensions*



Patricia Hewitt
*Secretary of State
Trade and Industry*



Estelle Morris
*Secretary of State
Education and Skills*

INTRODUCTION

The Inter Agency Working Group (membership in Annex B) hopes you will find this template helpful in putting together your regional framework.

The FRESA is the way in which key regional partners led by the RDA will develop and deliver an agreed plan to address the skills and employment needs of employers and individuals within the region.

Awareness of diversity and commitment to building equal opportunities for all need to be central within the FRESA to improve the prosperity and prospects of businesses and individuals within the region.

The Inter-Agency Working Group in developing this guidance was aware that local knowledge and experience best inform decisions that have a local impact. We have endeavoured not to be too prescriptive but to outline core areas of work around which you can build. The core will ensure that there is a consistency across all of the regions, but the regional framework is yours.

We wish you all the best in taking this work forward.



Martin Havenhand

Chair
Inter Agency Working Group

This Guidance has the Formal Endorsement of:

**Confederation of British Industry
Employment Service**

English Regional Development Agencies

Learning and Skills Council

Local Government Association

Trades Union Congress

John Cridland, Deputy Director General

Clare Dodgson, Chief Operating Officer

Lord Terry Thomas, Chair of RDA Chairs

Bryan Sanderson, Chair

Brian Briscoe, Chief Executive

John Monks, General Secretary

AIMS

- 1 The FRESA will provide a single plan based on coherent, valid and accessible labour market and skills information and intelligence. It will give focus to what needs to happen in the region to maintain and grow a healthy labour market, in which:
 - (a) a wide range of quality job opportunities exists;
 - (b) every individual has the opportunity and skills to find and progress in employment;
 - (c) employers are able to recruit the people they need with the skills they require (including basic skills); and
 - (d) the workforce develops in order to improve productivity and enhance the employability of individuals.
- 2 These actions will take place within the national policy framework for promoting a healthier and more flexible labour market across the country as a whole.

PRINCIPLES

- 3 It should be emphasised that the FRESA is as much a process as a product. The production of an Action Plan is the output of the FRESA; it is the joint elements of analysis, consultation, communication and action planning which are at the heart of the process.
- 4 The framework will focus on individuals and employers and will:
 - (a) sit squarely in the context of the Regional Economic Strategy;
 - (b) build on and take the place of the Skills Action Plan;
 - (c) have a consistent national format and be flexible enough to meet regional and local needs;
 - (d) emphasise outcomes, actions and impact;
 - (e) define the distinctive contribution of all partners, and show how they will work together to deliver the regional framework;
 - (f) influence national policy as well as regional and local actions; and
 - (g) cover short, medium and longer term.

OBJECTIVES

- 5 The framework should cover 5 key areas to ensure the delivery of the regional Tier 2 targets for employment, skills and business:
 - (a) **Customer focus.** To ensure a coherent service is provided to key stakeholders (individuals and employers);
 - (b) **Healthy labour market.** To develop agreement about what constitutes a healthy labour market;
 - (c) **Information/intelligence.** To provide a focus for the collection and use of labour market information and intelligence;
 - (d) **Immediate response.** To provide strategic support for dealing both with emergencies such as large scale redundancies and with employment opportunities such as inward investment; and
 - (e) **Skills.** To identify and develop the skills needed for the regional economy.

DEVELOPING YOUR REGIONAL FRAMEWORK

- 6 Each region will need a **Regional Employment and Skills Forum** to oversee the production, implementation, monitoring and updating of the FRESA plan. It is proposed that the core membership in each region should consist of a representative from:
 - (a) the RDA;
 - (b) the LLSCs in the region;
 - (c) the Employment Service (Jobcentre Plus from 1 April 2002);
 - (d) the Local Authorities in the region;
 - (e) the Government Office (representing the three Government Departments);
 - (f) the TUC; and
 - (g) the CBI or another employer body.
- 7 The forum should ensure that representation reflects:
 - (a) the range and diversity of organisations within the region;
 - (b) the specific needs of the region and its employment sectors; and
 - (c) demand and supply side perspectives.
- 8 Annex A **The FRESA Template** sets out a step-by step guide to developing your Framework. It should be recognised that the FRESA requires a complete review and agreement on data collection, management, classification and analysis among partners and all those involved in the collection and analysis of data. It will also require a review and harmonisation of planning timetables.
- 9 Given the variations in sub-regional economic structure and labour markets, the FRESA must reflect sub-regional needs and priorities.
- 10 A number of ongoing developments will need to be taken into account in the production of the first FRESA plan in October 2002.

These include:

- (a) publication of the Cabinet Office's Performance and Innovation Unit (PIU) Workforce Development report;
- (b) introduction of Sector Skills Councils and the Sector Skills Development Agency;
- (c) publication of the Partnership Agreement on Skills and Economic Intelligence;
- (d) production of the strategic plans of the Learning and Skills Councils and the corporate and business plans of other partner organisations; and
- (e) review of Regional Economic Strategies.

CONCLUSION

- 11 For further information, contact may be made to the key person in each Regional Development Agency (RDA) or the London Development Agency (LDA) as listed on the back cover. Written comments on the content about this FRESA template should be sent to:

Gill Caves *Head of the RDA National Coordination Unit*

3 Priestley Wharf, Holt St, Aston Science Park, Birmingham B7 4BN

- 12 The IAWG will meet again in June 2002 to review progress in producing the FRESAs and to consider any comments received.

ANNEX A

THE FRESA TEMPLATE

Each region will already have in place many of the key aspects of the FRESA, which will simply draw them together and ensure integration and complementarity. Moreover, each region will want to adapt the FRESA to its own needs and circumstances. This template therefore offers a basic 'checklist', both to inform discussions and to ensure a core of consistency between regions.

The FRESA is split between:

- **Labour Market Analysis:** Part 1 provides baseline data and analysis. The information under each heading will need to be updated at agreed intervals.
- **Action Plan:** Part 2 sets priorities and describes how the partners intend to address them, including through agreed protocols. The plan will need to be monitored, evaluated and updated on a regular basis.

EXAMPLES OF GOOD PRACTICE

Each region will want to consider case studies to illustrate examples of best practice or protocols that have successfully been adopted.

PART ONE

LABOUR MARKET ANALYSIS

The Forum needs to develop a shared analysis of its regional and local labour markets, gathering in one place all the data it needs in order to agree priorities for action. Each partner will bring a different set of data to the table, and will highlight different aspects of the data available. The Forum will need to decide an appropriate geographical unit of analysis, with sub-regional level being the minimum. It will also need to decide whether it has all the necessary information available, or whether it needs to commission new data.

1 DATA COLLECTION

As a minimum, the FRESA should include data on:

<p>SUPPLY</p> <p>People Demographics</p> <ul style="list-style-type: none"> • Age groups • Gender • Ethnicity • Single-parent households • Disability <p>Labour market statistics</p> <ul style="list-style-type: none"> • Activity • Inactivity • Employment • Unemployment <p>Skills</p> <ul style="list-style-type: none"> • Basic Skills • Work-related skills <p>Qualifications</p> <ul style="list-style-type: none"> • Qualification levels • National Learning Targets 	<p>DEMAND</p> <p>Employment Key sectors and employers</p> <ul style="list-style-type: none"> • New and emerging sectors • Sectors in decline <p>Employer size</p> <p>Jobs</p> <ul style="list-style-type: none"> • Skill levels/knowledge intensity • Flexible work patterns <p>Wages</p> <ul style="list-style-type: none"> • by industry (SIC) • by occupation (SOC) <p>Replacement demand</p> <p>Recruitment difficulties</p>	
<p>Provision of Education & Training</p> <p>Providers</p> <ul style="list-style-type: none"> • HE • FE • Private sector <p>Courses/Provision</p> <ul style="list-style-type: none"> • Subjects • Costs • Funding 	<p>Demand for Education & Training</p> <p>People</p> <ul style="list-style-type: none"> • Skills gaps <p>Employers</p> <ul style="list-style-type: none"> • Skills shortages 	
<p>PRODUCTIVITY</p> <p>Output per hour</p>	<p>Output per job</p>	<p>Output per head</p>

2 INFRASTRUCTURE

What opportunities and barriers exist to meet the employment and skills needs?

- transport
- housing
- land and property
- the learning and training infrastructure
- the ICT infrastructure

3 ANALYSIS

What are the current strengths and weaknesses in the region?

- Is there an over-dependence on a particular sector?
- Are there sectors that are expanding, contracting or changing particularly quickly?
- Is there a good range of jobs to suit different skills levels and different personal circumstances?
- Do people have the right skills for the jobs on offer?
- Is there access to appropriate training?
- Are there areas of high unemployment? What are the particular barriers in those areas?
- Are there special funding opportunities?
- What are the main productivity issues?
- What are the wage levels and distributions?
- What is being done to tackle diversity issues?
- What are the main employer and employee needs?
- Do employers and individuals have access to high quality, impartial information, advice and guidance?

4 SCENARIO PLANNING

What is happening or predicted to happen that may have particular relevance to the region?

- In the global economy
- In key sectors
- In key technologies
- In terms of demographics
- In terms of skills supply and demand

PART TWO

ACTION PLAN

5 SETTING AND ACHIEVING PRIORITY OBJECTIVES

Drawing on the labour market analysis, what are your short-, medium- and long-term objectives for improving the health of the region's labour market(s)?

You will need to do a check against:

- UK policies, equal opportunities, social inclusion.
- European policies
- Core partner targets
- What are the most critical and achievable actions for achieving those objectives?

6 OUTCOMES

What will be the outcomes from the FRESA?

How will these be measured?

How will they be monitored?

How will they be evaluated?

7 ROLES, RESPONSIBILITIES AND RESOURCES

What does each of the core partners bring to the table in respect of the agreed priorities?

- Expertise
- Resources
- Access to customers

- Existing programmes
- Flexible funding, including European funds (eg ESF)

Are there overlaps that need addressing?

Are there gaps that need filling?

How will partnerships be developed and engaged?

What will each core partner do in order to implement the action plan?

8 CONSULTATION AND COMMUNICATION

How will the Forum ensure co-ordinated consultation with other key bodies, and dissemination of information to all stakeholders?

In particular, how will it ensure that the Action Plan genuinely responds to the needs of both employers and individuals?

What are the key cross-boundary issues?

How will partners work together where collaboration across boundaries is needed?

9 INTELLIGENCE: GATHERING, SHARING, ANALYSING, ACTING

What actions will be needed in order to implement the Partnership Agreement on Skills & Economic Intelligence, which provides a framework for key bodies to gather and share intelligence?

How will the Forum ensure that the analysis in Part One is updated?

How will the Forum identify and act upon:

- Global economic and technological change
- Sectoral change
- Company change
- Demographic change
- Skills gaps/shortages

10 RESPONSE TO REDUNDANCIES

How will the Forum – working in particular through the Employment Service Regional Manager - deal with potential and actual large-scale redundancies (i.e. those that have a significant impact on a community)?

- Intelligence sharing between partners
- Setting up a Task Force
- Liaison with the employer
- Liaison with the press
- Impact analysis
- Support/funding for redundant workers
- Support/funding for others in the community

11 ATTRACTING INVESTMENT

How will the Forum, working with other partners, attract and promote inward and indigenous investment into the region?

- promoting the strengths of the region
- preparing the region for the needs of the investors
- addressing the problems which may deter investment
- follow-up and aftercare arrangements

12 ENGAGING EMPLOYERS AND INDIVIDUALS

How will the Forum engage with employers and individuals?

- meeting the needs of employers (and in particular SMEs) and individuals
- allowing employers and individuals to contribute as far as possible to regional priority objectives
- reflecting the local employer mix

ANNEX B

MEMBERSHIP OF THE INTER-AGENCY WORKING GROUP

Chair Martin Havenhand Chief Executive, Yorkshire Forward	English RDAs
Secretariat Paul Hogg Secretariat Manager, Yorkshire Forward	English RDAs
Maniza Ntekim Policy Advisor, Learning & Skills Group	Confederation of British Industry
Patrick Taylor-Martin Senior Policy Manager, Skills for Employment Division	Department for Education & Skills
Elaine Hendry Team Leader, Labour Market Policy Division National & Regional Labour Market Team	Department for Work & Pensions
Pat Jackson Director, Strategy & Competitiveness Unit	Department of Trade & Industry
Sue Otter Head of Skills	East Midlands Development Agency
Fred Foster Head of Business Development Unit	Employment Service
David Saunders Regional Director	Government Office for the South East
Rebecca Rhodes Group Programme Manager Skills and Workforce Development - Sector Strategies	Learning & Skills Council
Neil Fletcher Head of Education, Culture & Tourism	Local Government Association
Maxine Jones Head of Skills and Employment	London Development Agency
Mick Connolly Regional Secretary, Southern & Eastern TUC	Trades Union Congress
Paul Spencer Head of Learning & Skills	Yorkshire Forward



RDA CONTACTS FOR THE FRAMEWORKS IN EACH REGION

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Further copies of the guidance may be obtained from
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Email: GillCaves@Advantagewm.co.uk or download from the above RDA websites