4. STRATEGIC OVERVIEW OF KEY STRATEGIES AND STRUCTURES IN THE SOUTH WEST

Summary

Coherence of strategies and plans

A wide range of agencies and organisations contribute to the skills market in the South West. An analysis of the over 150 strategy documents and plans shows that there is a good level of coherence between the strategies and plans and a focus on shared policy levers within the region. However, the lack of precision and depth of content of plans prevents a detailed assessment of how the targets and funding drive the delivery of these broad objectives at the level of delivery. Nevertheless, evidence from stakeholders suggests that coherence at the local level is lacking and that the sheer volume of strategies, plans and accompanying targets and funding systems provides a barrier to effective joint working and the development of shared responses to the skills market.

Planning process

Stakeholder interviews indicate that there is a strongly held perception that the statutory skills development agencies' approach to planning for skills is rigid and process driven. The poor quality of the plans makes them ineffectual as tools in directing provision. The result is that they are often ignored by providers. There is no joint planning process to ensure greater coherence of actions between agencies at regional and local level.

Providers are caught in trap of needing to be seen to respond to strategic priorities to obtain funding whilst at the same time meeting the needs of local employers and individuals, which may be at odds with the targets. For providers, there is a very real tension between being plan-led and demand-led. The challenge for planners is to make their plans a true reflection of employer and individual demand.

Raising demand for skills

A step change and commitment will be needed to operate a demand-pull strategy to raise the demand for skills by employers, particularly at the higher skills levels. This requires the skills agenda to be linked with innovation, business development and enterprise in an effort to drive up demand. Key to this will be effective business brokerage services being led by Business Link and the LSCs to both link the agendas and to ensure a more streamlined approach to employers.

Better Intelligence

Better mechanisms are needed for managing the knowledge and intelligence that exists. More detailed sub-regional/local, sectoral and thematic intelligence is required, pointing to the need for more effective collaboration between SSCs, LSCs and the RDA to agree appropriate sources, share interpretations, validate analysis and disseminate intelligence to others. This may be best done by an independent body which should also co-ordinate and rationalise the production of LMI across the region and needs to be accompanied by raising the capacity and capability of those involved in creating and using LMI.

In developing this section, we have studied the content of over 150 strategies, plans and policy documents which relate to the operation of the skills market in the region (see Annex 5). We have also drawn on the views of the senior-level policy-makers, planners, managers and practitioners from the key stakeholder organisations in the region (gathered through in-depth telephone interviews during February and March 2004).

Through this analysis, we have sought to address the following questions:

- What are the key organisational structures and strategies in place to identify and respond to skills needs?
- What are the key processes used to identify and respond to skills needs?
- What is the relationship between data/research and the strategies, structures and processes involved in identifying and responding to skills needs?
- What steps need to be taken to improve coherence and joint planning to both drive and respond to the skills agenda?

In a sense, the findings of this analysis could be applied to any region and are unlikely to be unique to the South West. It has already been recognised by Government that the partnerships for delivering change regionally and locally need to be strengthened, and action is already planned to take forward this agenda.

4.1 Outline of key agencies: their remit and roles

The Government's skills agenda is delivered regionally and locally by a number of skills development agencies. These agencies work in partnership to facilitate the implementation of national skills policies within the region on behalf of the Government.

The National Skills Strategy states that the key regional partner agencies are the RDAs, the local LSCs, the Small Business Service (SBS), Jobcentre Plus, and the Skills for Business Network. These agencies, whose existence and skills remit are statutory, are the key funding bodies for skills development in the region as they draw their core budgets for skills development activities directly from one or more Central Government Departments. The list should therefore also include the Higher Education Funding Council for England (HEFCE)[1] as a key funding body for skills development.

Some of these funding bodies' budgets are distributed to other public agencies to deliver skills development activities. These agencies, whose existence and skills remit are also statutory, may receive core Government funding for administration, but they draw on the budgets of the key funding bodies to carry out their post-16 skills

[1] LSDA, *Learning from the Future, Scenarios for Post-16 Learning*, LSDA, 2003.

development work. These are the Sector Skills Councils (SSCs), Connexions, Business Links (BLs), and Local Education Authorities.

These statutory public sector organisations are the region's skills development agencies regionally and locally. The Regional Government Office (GOSW) co-ordinates and influences these agencies on behalf of Central Government in the South West to ensure skills policies are implemented correctly. The Regional Assembly (RA) also has a co-ordination role in skills development on behalf of local government. As such, these two statutory bodies can be included among the skills development agencies.

These skills development agencies work in partnership through the Regional Employment Forum and the FRESA with a number of non-statutory organisations who represent those with a role or interest in skills development in the region. These organisations are the Confederation of British Industry (CBI), Federation of Small Businesses (FSB), Trades Union Congress (TUC), South West Forum, Higher Education Regional Development Agency South West (HERDA-SW) and the Association of Colleges (AOC).

Each of the statutory skills development agencies has their own remit. Some remits extend well beyond the skills agenda, such as the RDA, GOSW, RA, SBS, and BLs. Others have skills as a predominant element mixed with other issues such as social support and welfare; for example Jobcentre Plus, and Connexions. And then there are those agencies for which skills (and education) are the main focus of their remit such as the LSCs, SSCs, LEAs, UfI and HEFCE.

All of these agencies articulate their remits relating to skills in a variety of different ways using a mix of terminology and formats. Despite these differences, these various remits relevant to skills do have common themes running through them and in one way or another they fall under one or more headings of the policy levers identified earlier in section 2.3, and can be regarded as the common skill themes. To aid comparison, these themes are presented here as the 'Skills Remit' of the regional and local skills development agencies.

Skills Remit

- Respond to employers' skills needs;
- Encourage and support investment in skills;
- Re-engage non-learners;
- Reform the supply side;
- Integration and joint planning.

All of the skills development agencies have various roles to perform in delivering the region's skills remit, but, again, with each articulating their roles in slightly different ways. Most roles, regardless of how they are described by an agency, will fall under one or more of these regional skills roles described below:

Regional Skills Roles

- Funding;
- Strategic planning;
- Co-ordinating;
- Facilitating;
- Influencing.

The advantage of considering the remits and roles of the various skills development agencies in these terms is to allow cross-comparisons to be made of the relationships between the agencies and the remits and roles required in the region to respond to the policy drivers identified in section 2.3 (a more detailed non-generic description of each skills development agency's remit and role is given in Annex 6).

The remits and roles are shared by all the agencies either directly or indirectly and a matrix can be used to graphically represent those relationships (Fig 52).

Figure 1: *Skills Development Agency Remit and Roles Matrix*

Agency	Regional Skills Remits					Regional Skills Roles				
D = Direct I = Indirect	Responding to employers' skills needs	Encourage and support investment in skills	Re-engaging non-learners	Reforming the supply side	Integration and joint planning	Funding learning	Strategic planning	Co-ordinating	Facilitating	Influencing
RDA	D	D	I	I	D	D	D	D	D	D
LLSCs	D	D	D	D	D	D	D	D	D	D
SBS/BL	D	D	I	I	D	I	D	D	D	D
JC+	D	D	D	D	D	D	D	D	D	D
SSDA/SSCs	D	D	I	I	D	I	D	D	D	D
Connexions	D	D	D	I	D	I	D	D	D	D
HEFCE	D	D	D	D	D	D	D	D	D	D
RA	I	D	I	I	D	I	D	D	D	D
GOSW	I	D	I	I	D	I	D	D	D	D
LEAs	I	D	D	I	D	I	D	D	D	D

The table above shows that the RDA, LSCs, SBS/BLs, JC+, SSDA/SSCs, Connexions, and HEFCE all have a direct remit to respond to employers' skills needs, whereas the RA, GOSW, and LEAs all support this remit indirectly. Take, for example, the RA: it does not have the remit to respond to employers' skills needs; however, it does work with and support those agencies that do have this remit and the resources.

All the skills development agencies have a direct remit to encourage and support individuals and employers to invest in skills, and a direct remit to integrate and join up the planning of skills development.

Five agencies have a direct remit to engage non-learners, whilst the other five support this remit indirectly. Business Link, for instance will encourage employers to undertake training, which may result in engaging some employees who are non-learners in learning. However, they do not deal directly with non-learners in the same way that Connexions and Jobcentre Plus do.

The LSCs, Jobcentre Plus and HEFCE are the only agencies to have the direct remit of reforming the supply side. The other agencies support this remit indirectly, but, again, do not deal with actual providers themselves.

In terms of skills development, all the agencies share the direct roles of strategic planning, co-ordinating, facilitating, and influencing skills development in one way or another. However, only four agencies, the RDA, LSCs, Jobcentre Plus, and HEFCE, have the direct role of funding learning. The other agencies support the funding of learning indirectly. For example, Business Link and Connexions may encourage people into learning, but it is the funding agencies' role to fund it.

This analysis suggests that, whilst all the skills development agencies share some direct remits and roles, only half these statutory agencies have the direct remit to re-engage non-learners, and a third have the direct remit to reform the supply side.

The other issue the analysis highlights is that the core funding for skills development is the direct role of only four agencies. Already there have been actions to combine some budgets of the RDA and LSCs to tackle some regional issues, and there are suggestions in the National Skills Strategy and from the National Employment Panel that some LSC and Jobcentre Plus budgets could be bought together through joint planning. The LSDA[2] suggests that, in the future, with the borders between FE and HE blurring, funding for FE and HE could be brought under one roof.

A key issue for the region in co-ordinating its efforts on the skills agenda is how to ensure that these funding streams (with different targets, MI system, audits requirements) work together to achieve maximum impact. What scope is there to combine efforts and streamline bureaucracy?

[2] ibid.

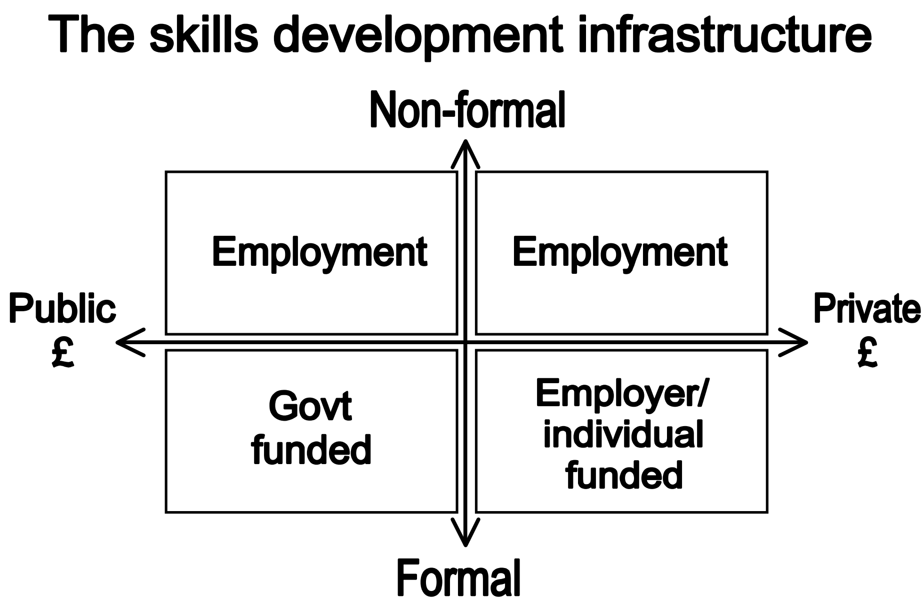
Providers have so far been omitted from the discussion. This is because they occupy a different position within the skills market place.

Here, we discuss the role of providers as well as employers and individuals in the context of the market structure. We will then return to the functions of the skills development agencies in the skills market.

4.1.1 The Structure and Function of the South West Skills Market

In section 3, we describe the skills matrix used for the analysis of the skills market in the South West. Another way of looking at that matrix is to consider the skills development infrastructure.

Figure 2: *The skills development infrastructure*



Source: G James, *Strategic Options Report* 2004

All of these elements are important and, in public policy terms, the activities of the quadrant, ‘Govt funded’, needs to be co-ordinated with the other quadrants of the market.

We also need to look at the roles and functions of the players in the market. In the case of the ‘Govt funded’ quadrant, there are four main elements that make up the structure of the skills market: investment, development, distribution, and consumption. To this extent it is analogous to other service sector markets.

- *Investment:* In the skills market, the Government wishes to increase the prosperity of the nation, and invests in skills as a way to achieve this. It creates policy and invests taxes in a number of skills development agencies that understand and specialise in the Skills market. Projections will be made in terms of return on investment to be achieved in the form of learning and qualifications.

- *Development:* To facilitate the achievement of Government policy, the skills development agencies use LMI and work with skills sector representatives and interest groups to identify current and future market needs for skills. They then develop the specification and range of learning, education and training that is needed to meet these market needs; but do not physically provide learning, education and training themselves. This is outsourced.
- *Distribution:* The skills development agencies outsource to a range of learning, education and training providers to distribute their skills offering to the market. Through the use of targeted funding, the skills development agencies may specify the market segments the providers are to operate in and will probably have a say in how the provision is delivered in terms of processes and standards to ensure quality and qualification targets are reached. Working within the specification and range required, providers decide exactly how and in what form the learning, education or training is to be presented and delivered to the end consumers. The providers may, however, also provide their own or other offerings at the same time, which they consider might better meet current market demand.
- *Consumption:* Providers seek to attract and keep new and existing consumers of learning, education and training services. These consumers are employers and individuals. Providers may compete with each other for the same consumers, and the consumers may use a range of providers.

Using this view of the structure within the skills market, we can see that the market position and function of learning, education and training providers is very different from the skills development agencies.

Providers act in the market as intermediate distributors on behalf of the main skills development agencies, who themselves act as policy facilitators on behalf of Government, as shown in Fig. 54. below.

Figure 3: *Position and Function of Actors in the Skills Market*

Market Actor	Government	Agencies	Providers	Employers Individuals
Market Position	Investor	Developers	Distributors	Consumers
Market Function	Policy	Facilitation	Intermediary	Demand

Obviously the model is simplistic in order to illustrate a point and does not cater for all actors in the market; an example being the TUC, which could be said to act as a skills development agent and provider. Nevertheless, the model helps us to understand some of the dynamics and functions within the market at the regional level.

Of most interest here are the relationships between the skills development agencies, the providers, and employers and individual learners. The development agencies are essentially one step removed from the end consumer as they out-source delivery of learning, education and training to providers.

4.1.2 Raising the demand for skills – a new approach to the structure and function of the skills market

The skills market within the UK has been characterised by a supply-push strategy. Here, developers build relationships with distributors who then take on the task of creating demand for the product with consumers. So LSCs build the relationships with providers through the funding system so that they deliver the learning, education and training offering to employers and individuals. Providers are then responsible for creating the demand for this offering in the market.

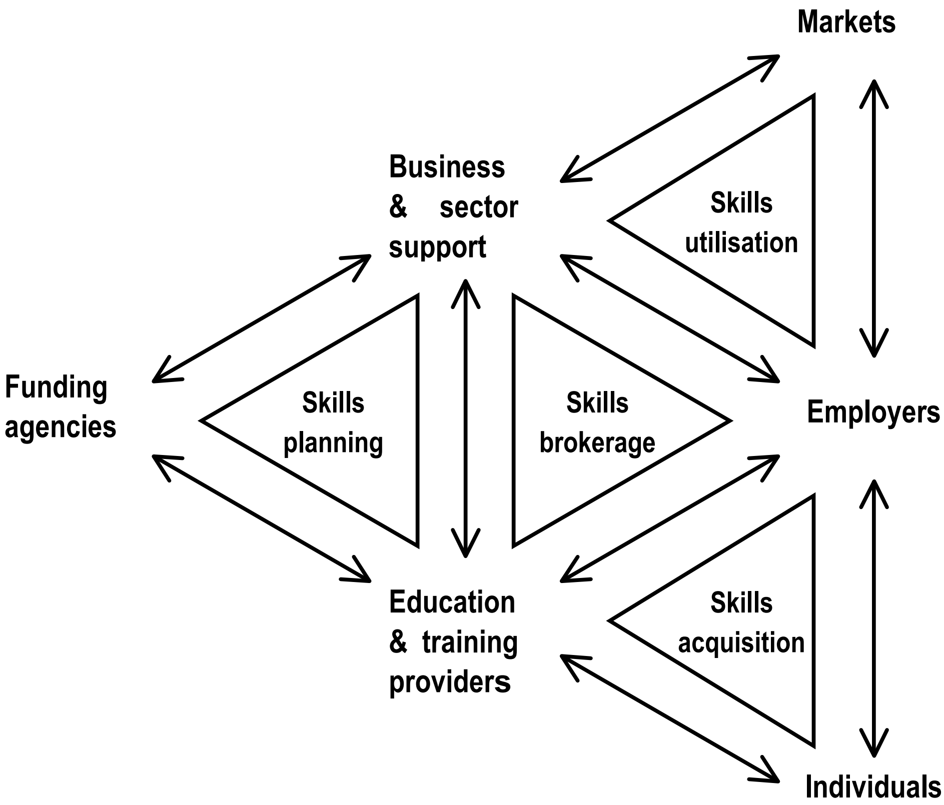
However, there has been a growing realisation that if the goal of increasing productivity is to be met, then this supply-push strategy will not yield results. As employers generate the demand for skills, the National Skills Strategy has proposed a shift to a more demand-pull strategy where emphasis is placed on building the demand for skills through a focus on innovation, the business development needs of the employer and enterprise as a first step to increasing the demand for learning.

This requires a significant step change in the operation of the skills market and the role played by the various agencies and organisations in that market. The approach needs to one of growing the demand for skills, either by awakening latent demand or by creating new demand. Only then will the demand for higher-level skills be raised and, with it, the region's productivity and prosperity.

In its proposals for the establishment of the SWESA[3], partners in the region have gone some way to recognise this new emphasis on raising the demand for skills. In the diagram below, Gareth James, author of the *Strategic Options Report*, sets out the relationship between the different elements of the demand for skills.

[3]– The South West Enterprise and Skills Alliance: *Proposal to Government Final Draft Proposal from the South West Regional Employment Forum*, May 2004.

Figure 4



Source: G James, *The South West Enterprise and Skills Alliance: Proposal to Government Final Draft Proposal from the South West Regional Employment Forum* (May 2004)

It identifies the need for demand-side action in the following areas:

- *Raising levels of skills utilisation* – encouraging and facilitating enterprise and innovation processes to enable employers to grow and move into higher product and service markets;
- *Raising the demand for skills acquisition* – to meet these higher-level skills requirements and fulfil replacement demand needs;
- *Raising the demand for skills acquisition* - by individuals to meet the skill needs of employers.

Central to this is the implementation of a skills brokerage system based on a new relationship between employers, business support services and education and training providers.

Crucial to these efforts will be reforming the supply side so that it is more responsive to the needs of employers and individuals, together with better integration and co-ordination of the efforts of strategic agencies and joint planning.

In the remainder of this section, we take stock of the current situation with regard to the co-ordination and focus of strategies and plans, the use of intelligence in driving the planning, the quality of partnerships and relationships with employers. This provides an assessment of the issues that may need to be addressed in shifting the emphasis of skills market to one which drives up the demand for skills.

4.2. The relationship between regional and local strategies

Our review has identified over 150 strategies and plans operating regionally and locally to influence the market for skills. Where strategies of national organisations are implemented at the sub-regional level, only the regional/local delivery plans (if available) were considered as these represent national strategy implementation within the region. Where there are a number of local plans for one agency, the common elements across the whole region have been interpreted. (The Skills for Business Network regional delivery plan covering SSCs' activity in the region is still under development and it has therefore not been possible to include it in the analysis).

4.2.1 Review of plans and strategies

The analysis examined the relationship between these regional and local strategies with a view to assessing the degree of strategic coherence, gaps and overlaps. In doing so, we adopted the following approach[4]:

- *What is the intervention* - *what* main policy levers (Regional Skills Remit) are used and *how* it will be done through key priorities and actions?

- *What population or group is targeted* - *who* is the primary client group the key priorities and actions are targeted at?

- *Outcomes mean* - *why* the key priorities and actions are taken regarding the main regional policy drivers?

The analysis which follows shows the linkages between local and regional strategies under the common themed policy levers that collectively the skills development agencies can use to deliver on the regional skills policy drivers.

Referring to Table A below, we can see that different key priorities and actions of the key strategies and plans link together under the themed policy levers.

- Respond to employers' skills needs;
- Encourage and support investment in skills;

[4] The Cabinet Office Policy Review Division offers guidance in 'The Magenta Book' by suggesting that these three key points are addressed when carrying out a review of policy. Cabinet Office, The Magenta Book: Guidance Notes for Policy Evaluation and Analysis, 2003.

- Re-engage non-learners;
- Reform the supply side;
- Integration and joint planning.

Tables B to F look at the contribution of the different agencies strategies and plans to these policy levers. These tables can be found in Annex 7.

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
Regional Economic Strategy	• Respond to employers' skills needs • Encourage investment in skills	Improve skills and learning in the workplace	Managers Employers Employees lacking skills for life	• Reduce skills gaps • Raise the demand
2003-2004	• Reform supply side • Integration/joint planning	Deliver coherent skills development framework focused on needs of industry (FRESA)	All learners Employers	• Raise productivity • Reduce skills gaps • Raise skills levels • Raise the demand • Improve quality
	• Encourage investment in skills	Raise individuals' aspirations and skills for work	Under-represented groups The workforce Adults School leavers	• Raise skills levels
	• Reform supply side • Integration/joint planning	Ensure there is equality of access to work, training and business services	Disadvantaged groups Excluded groups Under-represented groups Job seekers Older people	• Raise productivity • Reduce skills gaps • Raise skills levels • Raise the demand • Improve quality
FRESA	• Encourage investment in skills	Develop employers' commitment to skills development	Employers (SMEs)	• Raise the demand
2002 –	• Reform supply side • Integration/joint planning	Co-ordinate workforce development	Employers	• Improve quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Respond to employers' skills needs • Encourage investment in skills	Promote management skills	Managers and SMEs	• Raise productivity
	• Reform supply side • Integration/joint planning	Integrate sector skills activities in the region	Employers by sector	• Improve quality
	• Encourage investment in skills • Re-engage non-learners	Stimulate individuals' commitment to learning	Individuals (not specified)	• Raise the demand
	• Re-engage non-learners • Reform supply side • Integration/joint planning	Raise the standard of skills for life	Adults	• Reduce skills gaps • Raise skills levels
	• Respond to employers' skills needs	Develop generic skills for employment	All learners	• Reduce skills gaps
	• Reform supply side • Integration/joint planning	Provide coherent skills development infrastructure	Employers	• Improve quality
	• Reform supply side • Integration/joint planning	Maximise access to jobs and skills development	Excluded groups	• Improve quality
	• Respond to employers' skills needs • Encourage investment in skills	Encourage effective recruitment practices	Employers Disadvantaged groups	• Reduce skills gaps • Raise the demand
	• Respond to employers' skills needs	Stimulate and support investment	New and top 50 existing employers	• Raise productivity • Raise the demand

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Encourage investment in skills • Integration/joint planning			
	• Respond to employers' skills needs • Encourage investment in skills • Re-engage non-learners	Respond to labour market emergencies	All employees	• Raise skills levels • Raise the demand •
SW Innovation Strategy	• Integration/joint planning	With HE/FE and BL partners develop links with private and public sector organisations that promote benefits of innovation	Employers	• Raise productivity • Raise the demand
2001 -	• Integration/joint planning	With education partners, develop programmes that encourage the innovative approach within all stages of education	School children	• Raise productivity
	• Respond to employers' skills needs • Encourage investment in skills • Integration/joint planning	Develop with BLs Innovation Relay Centre and other partners an approach that encourages SMEs to be innovative	SMEs	• Raise productivity • Raise the demand
	• Reform supply side • Integration/joint planning	Encourage HE/FE to develop expertise in innovation methods and their implementation	Not specified	• Raise productivity • Improving quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Respond to employers' skills needs • Encourage investment in skills • Integration/joint planning	Encourage take up of the teaching company scheme	Employers Graduates	• Raise productivity • Reduce skills gaps • Raise the demand
	• Respond to employers' skills needs • Encourage investment in skills	Encourage HE/FE to develop entrepreneurial skills in their students	Students	• Raise productivity • Reduce skills gaps
Regional Strategy for Enterprise	• Respond to employers' skills needs • Encourage investment in skills	Promote enterprise at all stages of learning	School children Young people Employers	• Raise productivity • Reduce skills gaps • Raise the demand
2004 -	• Encourage investment in skills • Re-engaging non-learners	Encourage and support the belief that starting a business is a viable career option	Not specific (People)	• Raise productivity • Raising the demand
	• Encourage investment in skills • Re-engaging non-learners • Integration/joint planning	Promote opportunities for enterprise to the wider community	Women Ethnic Groups Disadvantaged groups Long-term unemployed Over 50s Rurally isolated	• Raise productivity • Raising the demand
	• Encourage investment in skills • Re-engaging non-learners	Promote and encourage enterprise and new businesses to be created in HE/FE	Graduates Employers	• Raise productivity • Raising the demand • Improving quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Reform supply side • Integration/joint planning			
	• Respond to employers' skills needs • Encourage investment in skills • Reform supply side • Integration/joint planning	Allow businesses to use knowledge, resources and expertise within HE/FE	Students Employers	• Raise productivity • Reduce skills gaps • Raising the demand
	• Encourage investment in skills • Re-engaging non-learners • Integration/joint planning	Encourage and support the promotion of enterprise and new business creation	Disadvantaged groups	• Raise productivity • Raising the demand
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Improve the number of, quality of and access to enterprise and business support services	Under represented groups Disadvantaged communities	• Raise productivity • Raising the demand • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills	Provide access to business start-up and wider support services in rural and urban areas and communities	Business people with access problems	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Re-engaging non-learners			• Improving quality
Jobcentre Plus South West Region Business Plan (Regional implementation of National JC+ strategy)	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Help people into work through Job Broking, advisor services, screening and referring for Skills for life or Employability Training	Unemployed people Disadvantaged groups	• Reduce skills gaps • Raise skills levels • Raising the demand
2003-2004	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Integration/joint planning	Help employers fill vacancies through Job Broking, sectoral approaches, monitoring, networking, and links with employers	Employers	• Reduce skills gaps • Raising the demand • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Integration/joint planning	Deliver National Employer Engagement Strategy to become recruitment partner of choice	Employers	• Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
LLSC Annual Plans: Local Priority Themes Common Across Region (Local implementation of National LSC strategies)		**Priority Focus:** **Raise the participation of young people** (common themes across all 6 local LSCs)		
2004 - 2005	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Increase participation of 16-18 year olds in structured learning by: funding and promoting FE, WBL & 6^{th} Forms; skills for life, level 2 & 3 initiatives; EMA, E2E, IAG, EDIMS, 14-19 Pathfinder, Increased Flexibility Programme, EBL, Family Learning, and Return to Learn initiatives	Pre-16 year olds 16-18 year olds 19-22 year olds NEET groups Disaffected groups Employers	• Reduce skills gaps • Raise skills levels • Raising the demand
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Increase participation of 16-18 year olds in structured learning by: funding and promoting MAs and MA Brokering	NEET groups 16-22 year olds Employers	• Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-	Increase participation of 18-30 year olds in HE by developing Foundation Degrees and Aim Higher	18-30 year olds	• Raise productivity • Reduce skills gaps • Raise skills levels • Improving quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	learners • Reform supply side • Integration/joint planning			
		Priority Focus: **Raise the level of skills** (common themes across all 6 local LSCs)		
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Improve Skills for life	All over 16 year olds	• Reduce skills gaps • Raise skills levels
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Improve attainment of Level 2 and 3	All over 16 year olds	• Raise productivity • Reduce skills gaps • Raise skills levels
	• Respond to employers' skills needs • Encourage investment in skills	Engage with employers to raise demand for skills and WfD	Employers	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand

TABLE A

Strategy	**What: Policy Levers**	**How: Key Priorities and Actions**	**Who: Primary Client Group**	**Why: Main Regional Policy Drivers**
	• Reform supply side • Integration/joint planning			
		Priority Focus: **Improve local learning infrastructure** (common themes across all 6 local LSCs)		
	• Reform supply side • Integration/joint planning	Address cost, quality and flexibility issues through Strategic Area Reviews	All over 16 year olds Employers	• Improving quality
	• Reform supply side • Integration/joint planning	Increase capacity and attractiveness of learning provision	All over 16 year olds Employers	• Raising the demand • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Reform supply side • Integration/joint planning	Improve collaboration in planning and delivery of learning policy	All over 16 year olds Employers	• Raising the demand • Improving quality
HEFCE National Strategic Plan (No specific SW or local plan)	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Widen participation and fair access	All with the potential to benefit from HE	• Raising the demand • Improving quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
2003-2008	• Reform supply side • Integration/joint planning	Enhance excellence in learning and teaching	All HE students	• Reduce skills gaps • Raise skills levels • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Reform supply side • Integration/joint planning •	Enhance excellence in research	Graduates and academic staff	• Raise productivity • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Enhance the contribution of HE to the economy and society	Employers	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality
Business Links' Delivery Plans: Local Priority Themes Common Across Region (Local implementation of National SBS strategies)		**Priority Focus: Improving management capabilities and skills in SMEs** (common themes across all 6 local BLs)		
2004-2005	• Respond to employers' skills needs	Increase employer engagement in WfD through	Employers	• Raise productivity • Reduce skills gaps

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Encourage investment in skills • Reform supply side • Integration/joint planning	Skills brokerage service		• Raise skills levels • Raising the demand • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Increase leadership and management skills	Employers	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand
	• Respond to employers' skills needs • Encourage investment in skills • Reform supply side • Integration/joint planning	Promote and deliver IiP	Employers	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Promote and deliver Small Firms Initiative	Employers	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Improve Skills for life in SME workforce	Employees	• Reduce skills gaps • Raise skills levels • Raising the demand
	• Respond to employers' skills needs • Encourage investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Promote and deliver MAs	Employers Employees	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality
Connexions Delivery Plans: Local Priority Themes Common Across Region (Local implementation of National Connexions strategies)		**Priority Focus: Raise aspirations, participation and achievement levels of all young people** (common themes across all 6 local Connexions)		
2003-2006	• Respond to employers' skills needs • Investment in skills • Re-engaging non-	Provide all young people outside learning, or otherwise at risk of underachieving, with the support they need to fulfil	13-19 year olds NEETs	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand

TABLE A

Strategy	What: Policy Levers	How: Key Priorities and Actions	Who: Primary Client Group	Why: Main Regional Policy Drivers
	learners • Reform supply side • Integration/joint planning	their potential.		• Improving quality
	• Respond to employers' skills needs • Investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Provide an integrated support service for young people and their carers to assist young people to engage effectively in learning and employment.	13-19 year olds	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality
	• Respond to employers' skills needs • Investment in skills • Re-engaging non-learners • Reform supply side • Integration/joint planning	Influence and improve learning provision and other services for all young people.	13-19 year olds	• Raise productivity • Reduce skills gaps • Raise skills levels • Raising the demand • Improving quality

Table B (Annex 7) shows how the strategies respond to the policy lever of *responding to employers' skills needs.*

The strategies and plans that contribute to this are the:

- RES
- FRESA
- SW Innovation Strategy
- Regional Strategy for Enterprise
- JC+ SW Business Plan
- SW LLSCs' Annual Plans
- HEFCE National Strategic Plan
- SW BLs' Delivery Plans
- SW Connexions' Delivery Plans

Table C (Annex 7) shows how the strategies contribute to the policy level *encouraging and supporting individuals and employers to invest in skills.* The strategies and plans that contribute to this are the:

- RES
- FRESA
- SWIS
- RSfE
- JC+ SW Business Plan
- SW LLSCs' Annual Plans
- HEFCE National Strategic Plan
- SW BLs' Delivery Plans
- SW Connexions' Delivery Plans.

Table D (Annex 7) shows how the strategies contribute to the policy lever *re-engaging non-learners.* The strategies and plans that contribute to this are the:

- FRESA
- RSfE
- JC+ SW Business Plan
- SW LLSCs' Annual Plans
- HEFCE National Strategic Plan

- SW BLs' Delivery Plans
- SW Connexions' Delivery Plans

Table E (Annex 7) shows how the strategies contribute to the policy lever *reforming the supply side.* The strategies and plans that contribute to this are the:

- RES
- FRESA
- SWIS
- RSfE
- JC+ SW Business Plan
- SW LLSCs' Annual Plans
- HEFCE National Strategic Plan
- SW BLs' Delivery Plans
- SW Connexions' Delivery Plans

Table F (Annex 7) shows how the policy levers contribute to the policy lever *integrating and joint planning of skills development.* The strategies and plans that contribute to this are the:

- RES
- FRESA
- SWIS
- RSfE
- JC+ SW Business Plan
- SW LLSCs' Annual Plans
- HEFCE National Strategic Plan
- SW BLs' Delivery Plans
- SW Connexions' Delivery Plans.

So, with the exception of re-engaging non-learners, all the key strategies and plans relating to skills development in the South West link together under the five policy levers of the Skills Remit to deliver on the policy drivers.

The Regional Economic Strategy and the South West Innovation Strategy do not explicitly carry any key priorities or actions on re-engaging non-learners. There may well be secondary effects that result in non-learners being re-engaged, but this is not the same as purposefully using the themed policy lever of re-engagement to fulfil an end.

4.2.2 Strategic coherence

The review of the key strategies has highlighted a number of issues. Overall, this analysis concludes that at the strategic level, there is good coherence between the plans and a focus on shared policy levers. The key national strategies of Government and the LSC seem well integrated into regional and local strategies and plans. Regionally, there is some mismatch between agencies' plans and strategies, but this is mainly an issue of currency, i.e. some need up dating (LSC local Strategies coming to the end of their three-year period seem out of date), whilst others are still in development (Jobcentre Plus regional employer engagement plans, Skills for Business Network regional delivery plan for SSCs). This has made it somewhat difficult to assess the current situation with any degree of precision.

What is more difficult to assess is how the targets and funding drive the delivery of these broad objectives at the level of delivery and therefore the extent of the gaps and overlaps. The strategies and plans are short on detail. In section 2.3, we describe some of the issues surrounding the national targets and the barriers that these place on joint working at the regional and local level where different targets may be in conflict. Much of this evidence has emerged from interviews with stakeholders as opposed to analysis of the strategies and plans.

The content of many strategies is often perceived to be weak and lacking in detail; a similar point highlighted in the Regional Assembly analysis of regional strategies[5]. The past LSC strategies and plans, in particular, have been seen as little more than PR vehicles rather than useful tools aiding decision-making. However, with the new local LSC annual plans and the recent new National LSC Corporate Plan, this criticism may have less validity as these documents represent an improvement in terms of clarity, content and consistency. It is important, therefore, that partners are better informed of their existence.

4.2.2.1 Targets

There are some differences in the periods covered by some strategies and plans within the region, with the Regional Economic Strategy running to 2012 and LSC targets running to 2010. This was again highlighted in the Regional Assembly's review of regional strategies, but there is little evidence of any negative impact.

The various targets of the key agencies are an issue widely perceived as causing tension. However, there are efforts currently being made to harmonise targets where possible or where direct tension is apparent, and this is addressed in the National Skills Strategy, and by the National Employment Panel (see section 2.2.4).

Overall, it is widely considered that policies and strategies are coming together now to address the skills issues at a regional level and there are relatively few complaints among the key agencies in terms of strategic direction.

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[5] SW Regional Assembly, *Towards an Integrated Regional Strategy for the South West: An Analysis of Existing Regional Strategies*, 2003.

4.2.2.2 Local level tensions

It is at the local level, however, where most tensions are still perceived to exist. For instance, local LSC targets, which are born out of national need, sometimes fail to match local needs. The RDA's priority sectors also raise concern locally sometimes as being not relevant to a local labour market or economy.

Why is this perception held? In some cases, it is because local organisations are misinterpreting the roles of these targets and strategies. The RDA points out that regional priority sectors that are economically important are there because they are regionally important in economic terms. This does not mean to say that other sectors are not important, do not contribute significantly to local employment, and indeed have their own skills problems to address. Likewise, the local LSCs' targets are there to help direct and martial resources and contribute to the national targets. However, these targets, if anything, are meant to be guiding, and discretion can be applied to very localised needs.

Nevertheless, some stakeholders have come to regard the key agencies' strategies and targets as imposing, especially the LSCs' and the RDA's. Whilst this may not resonate with those close to these agencies, there appears to have been a culture of agencies perhaps being overly ritualistic about their targets. This in turn has caused resentment among some stakeholders and providers.

4.2.2.3 Who is in the driving seat?

Despite the range of strategies and agencies in place within the regions to address skills issues, the local LSCs are seen as the lead agency by most organisations, certainly providers. This is primarily a function of their position as funders of provision. It is therefore their plans and strategies which take precedence. Overall, the strategic function of the RDA is less well understood amongst the various organisations. There is less understanding still of the role of GOSW and why it, too, has a team dedicated to skills issues.

The Regional Assembly's select committee on skills asked 'who owns the skills agenda in the region?'[6], and suggested the need for clarity regarding ownership of it. But still the LSC, RDA and GOSW all claim to be leading on skills in the region and the boundaries between the agencies is often confused. This lack of clarity is confusing for providers and employers alike.

4.2.2.4 Knowledge of the FRESA and related strategies

Most interviewees were aware of the FRESA, which is meant to co-ordinate all the agencies on skills issues and provide a coherent response. However, some working in the skills sector, including from the key agencies and providers, were either not aware of it or lacked familiarity. For example, one FE Principal had it on their desk, has skimmed through it, but had yet to give it any more time as they did not see how it related directly to them.

[6] SW Regional Assembly, *Who Owns the Skills and Learning Agenda?,* 2003.

These comments should not be seen as a complete disregard for the main skills-related strategies and agencies in the region; indeed, there is a willingness to link in with these priorities where possible. However, agencies are often restricted in their actions by a lack of flexibility brought about by corporate constraints such as other national or local strategic aims. Each type of organisation and agency is focused in slightly different directions. The FRESA and REF/RSP is meant to provide greater coherence to this at a regional level, but organisations, particularly providers, reported that their need to focus on their own day-to-day priorities made it difficult to engage to any serious extent with the regional skills agenda.

Thus, most stakeholders in the various organisations regarded their own organisations' strategies as taking precedence. The fit of their own priorities with those of the LSC, RDA and other key strategies was not important unless benefits were to be accrued in terms of securing funding.

4.2.2.5 Strategy overload

There is a widely held perception that there are too many strategies and initiatives that have similar aims. This causes confusion in the market place and makes it difficult to keep up to date with developments.

One cause of frustration is that there is no single source of reference which illustrates how strategies link together and why they are in place. There is a call from many that the new RSP needs to create a clear vision and highlight a limited number of actions as priorities. The hope is that this will build on existing initiatives rather than create new ones, which may increase the confusion.

The issue of confusion seems to impact most when someone is new to a post or is transferred to a different role. There is a steep learning curve for those working in skills development agencies and a strong argument in favour of guidance and training to improve understanding. Everyone in a new post will go through this phase with varying degrees of success, but, as one stakeholder suggested; it might be useful to develop a guide to regional skills policy for speeding up the process. It would help everyone if the skills development agencies personnel could be up-to-speed quicker and therefore more productive.

There is also a perception that the histories of past strategies that are quickly superseded or fail to deliver create scepticism and a lack of buy-in from partner organisations. Some become redundant through completion or are re-branded. People are made aware when strategies and plans are launched, but there is seldom as much awareness-raising when they end, or understanding of their impact. Consequently, people do not know which are current and which are long gone. What may be useful, rather like the LSC's internal policy briefing notes, is a chronology of skills policies and strategies in the region.

4.2.3 Role of strategic agencies

Many stakeholders see the LSCs as being the principal strategic structure for reacting to skills issues, primarily because they are the key funding agent. The RDA and the SSCs were also seen as strategic agencies. However, many stakeholders expressed the view that they would wish to see the role of the RDA strengthened in terms of leading not just on regional strategic issues but on an operational and funding level as well. It is believed that this will provide much needed coherence.

Whilst the LSCs are regarded as working well in many aspects of their wide remit, especially regarding youth learning and training, there was a strong perception that LSCs' work with adult training and meeting employer skills needs is going less well.

At the same time, these criticisms were often made in the context of an overwhelming desire among stakeholders to make improvements. Many of the issues raised reflected not simply the relationship with the LSC, but also how Jobcentre Plus, providers and others worked together.

For instance, whilst Business Links, Connexions and Jobcentre Plus are considered as major players in delivering actions in response to skills issues, they are not regarded, by many stakeholders, as having a strategic role. It was acknowledged by one senior LSC manager that in the early days of the LSC, the Business Links were seen mainly as another provider and relationships developed on those grounds. This is now acknowledged as a missed opportunity and Business Links are now seen more as a strategic partner by the LSC and relationships are improving in terms of joint efforts to deliver strategic skills aims.

4.3 Planning and the use of Labour Market Intelligence (LMI)

This section draws on information from the telephone interviews with key players in the skills market in the South West. From this, key issues emerge regarding planning and the use of LMI in the regions.

4.3.1 Planning

4.3.1.1 Lack of joint planning

Stakeholder interviews indicate that there is a strongly held perception that the statutory skills development agencies' approach to planning for skills is rigid and process driven. Whilst planning processes broadly operate to similar timetables, there is no agreed process for joint planning across agencies either at regional or sub-regional level. Sector skills agreements produced by the SSCs have also yet to be integrated into the planning processes of the region.

A range of LMI sources is used to inform and conceptualise agencies' understanding of skills priorities. However, in reality, the approach to planning is driven more by the agencies' targets and national policy than by regional and local market needs, with

LMI used to justify these targets rather than drive decisions. This begs the important question: to what extent are plans, and therefore provision, demand-led if indeed they are driven by such targets?

4.3.1.2 Provider planning

Providers' approach to planning, on the other hand, appears more often to be driven by local market needs, but can be constrained by funding streams that relate to national targets and priorities. The approach appears to apply a more holistic and reactive process to identifying and reacting to skills issues.

Whilst providers do follow a logical process of cause and effect to meet the planning requirements of the funding bodies, they also work with local networks and informal channels to assess and react to skills issues in their local market. Where funding is not available but demand from employers is strong, providers will often plan for provision at full cost. Indeed, in some areas providers work with groups of employers that have come together because they feel their needs are not being addressed by the statutory skills development agencies.

Those providers interviewed valued their status as independent of the statutory agencies and declared little obligation to follow their policies or targets, in particular those of the LSC. The LSC and other agencies are regarded in planning terms as gateways to funding, but there seems to be little regard for whether the agencies actually achieve their targets or not. Indeed, in interviews, some providers admitted that they are often 'creative' when it comes to showing the LSC what it wants to see, but then following their own path and providing what they believe needs to be delivered. This emanates from the experience and belief that targets come and go, as do agencies, whilst educational institutions have been there a long time and will be there long after the agencies and their targets have changed.

However, providers are now required to follow the LSC's three-year planning process. Yet as many providers conduct other business activities, there is still an internal strategic process over and above this in many institutions, of which the plans for the LSC are only part. It is rather difficult to obtain a clear picture of the planning processes used by providers, but the sequence seems to run from the management firstly deciding what it is they want to do as an organisation and have the expertise to deliver. Information and intelligence on market needs is used to guide; but then experience, desire to do 'what they know' and 'hunch' are applied to a decision to commit resources. Then they will see how they can fit what the funding agencies require around this.

Clearly there are differences in the approaches and direction of planning between the development and the distribution elements of the market structure. But this is not uncommon in a supply chain where providers are delivering for more than one type of client group.

A major issue for the future will be the quality of the plans, the process for gaining coherence and joint planning, and ensuring that the planning process reflects the demand-led nature of the plans, if they are to be effective. Key to this will be what intelligence is available to support effective planning and how it is used.

4.3.2 Use of LMI

The current range of LMI available in the region is extensive. Planners were clear that LMI was helpful in confirming what they already know to be the case but it is less clear that LMI is really underpinning decision-making about provision. The LMI that is available is considered to be a good guide and helps present a case for action by setting the context.

4.3.2.1 LMI Gaps

However, in term of developing precision in planning, there appears to be a gap in two respects:

- Firstly, the data is either area-based, sector-based or occupation-based, but planners need information on occupations in sectors at the area level relevant to their markets which are often very local. Current LMI is often highly unreliable at the local or very local level.
- Secondly, the data is either based on the near past (historic), or the long-term future (notoriously unreliable). But most planning is aimed at the near to medium future for which reliable data is not available.

Currently, data tells us either what *was* needed or what *might* be needed, but not what *is* needed. The gap and challenge is to provide agencies and providers with better information that will help them plan for and understand what occupational skills will be required, in what sectors, in which areas, over the period of a three-year planning cycle.

But will this ever be achievable without a step change in employer involvement? One possibility is that with the number of agency representatives now communicating with employers and the increase in training needs assessments being carried out by the agencies, there may be scope to co-ordinate all this intelligence to create a more live and rich source of information for planners to draw upon. SSCs are seen as important agencies in terms of improving access to intelligence.

4.3.2.2 Use of LMI by strategic agencies

Within strategies and policies, the larger agencies, such as the RDA and LSC, are seen to use LMI that is one step removed from reality. This is primarily because they are addressing macro issues using data that is often based on the recent past. Meanwhile, the closer an organisation, such as interest groups and providers, is to working with employers, the more detailed and live the LMI seems to be. This creates a gap between LMI used to create regional and local strategy and LMI used to meet local market need.

In general, whilst the LMI emanating from regional and sub-regional agencies such as the RDA and the local LSCs is sourced, much of it is considered, even by those within the LSC, to be too general and out-of-date to be of use to those organisations acting on a local, sectoral or themed basis. Instead, they turn to sources that are more relevant to their area of interest or locality, such as chambers of commerce, local employer groups, sector-based organisations, trade bodies, and direct contacts with employers.

This results in many organisations meeting their information requirements in a variety of different ways and using sources of variable quality and reliability. This can lead to the disparate generation and use of LMI, which does not help with coherence and joint planning across the region. This contributes to the widely-held view that there is too much information produced for planners to keep up to date with.

Often, what may seem like good research from within the research community is of little practical value in helping to make decisions at a strategic or operational level. For instance, some workforce development mangers in LSCs found they could not use their own Needs Analysis reports as the basis for planning provision. There is a definite call for rationalisation of research and data production across the region.

There is a perception that LMI created from government agencies, especially the LSCs, is too orientated to the needs of those organisations' policy and target agendas, rather than looking at the broader skills needs of employers or individuals in equal strength. As such, the LMI produced by these organisations is regarded with a certain degree of cynicism as being unrealistic or impartial; for example, focusing on qualifications and only touching on technical short courses, yet these are often the most immediate and widely required by employers.

Other concerns relate to varying definitions and interpretations in LMI which can lead to problems in joint planning and coherence.

4.3.2.3 Improved relevance and independence of LMI

There is a call for more relevant and independent LMI focusing on skills needs and shortages that reflect the broader range and depth of employers' requirements, that is not focusing towards targets. This is not a criticism based on the notion that what is produced by the statutory agencies is unreliable or entirely inappropriate; clearly these organisations have requirements for LMI in a format suitable for their planning and decision-making processes. However, to what extent this LMI is made available in a transferable format to meet the more specific information needs of other organisations is questionable. Providers need LMI at the local level because this is where they operate.

Whilst it is acknowledged that it is not necessarily the responsibility of agencies such as the RDA and LSCs to provide the various stakeholders with their individualised LMI requirements, interviewees were unclear as to whether anyone has or should have that responsibility. However, it was suggested that it may be in the interests of the RDA and the LSCs in terms of encouraging coherence and joint planning if they were to subscribe to the creation, co-ordination and supply of LMI that would be regarded as wholly independent and covered the needs of providers at the micro level.

SLIM was seen to be a first step towards this and the bulletins, newsletters and briefs produced were well received. However, some interviewees did not fully understand what SLIM did or could provide.

4.3.3 Integrated use of LMI for joint planning

Whilst the statutory agencies such as the LSC, Connexions and Jobcentre Plus are working relatively well together in terms of integrating each others' LMI, the usefulness of this to those who work at the sectoral and local levels is less apparent for the reasons above.

When asked what needs to be done to improve coherence and joint planning and address some of the issues raised at the sectoral and local level, the following messages emerged:

- Rationalise the various organisations, groups and partnerships producing LMI to simplify the supply side and add clarity for employers and providers;
- Develop a real culture of partnership and integration and involve all players in the creation and interpretation of LMI to engender joint understanding and ownership of the problem;
- Organisations need to be open and honest, especially the LSC, in how they arrive at their interpretations of LMI that lead to policy decisions;
- Develop action research and strategic planning skills amongst staff involved in identifying and reacting to skills issues; do not just leave it to the specialists, or develop the specialists' understanding of the whole planning process and what is involved in the market place;
- Rationalise the supply of LMI by pooling resources to avoid duplication;
- Develop a more independent and impartial regional supplier of LMI that will cover all skills issues, not just those of interest to the statutory agencies.

4.4 Partnerships

4.4.1 Partnership working

Perhaps the greatest source of tension is between organisations trying to work in partnership. It is in the quality of partnership and the relationships between agencies, rather than between policies and strategies, where the greatest tensions lie.

Overall, there was a clear view amongst many stakeholders that the statutory agencies paid lip service to partnership working, fed more by a strategic need to be seen to be working in partnership than a real desire to work together. Agencies are seen as focusing on their own agendas and objectives, using partnership activities for their own benefit rather than having a genuine desire for collective action in meeting the needs of the skills market as a whole. Even some within the key agencies conceded that this was often the case.

Additional concerns surround 'turf wars' between and within public agencies with agencies seemingly vying for position. Examples were given of local LSCs failing to work together cross borders, which acts as a barrier to implementing actions to address skills shortages that are not confined within one LSC area. Other examples were given of differences in approach across the region by the same agencies, for instance, Connexions in some parts of the region seems to be more effective at partnership working than in others.

Working relationships within sub-regions between LSC and providers also appear to be highly variable. This may be down to a clash of personalities or may be due to the performance of some providers tainting relationships.

For providers working across LSC areas, having to deal with multiple LSC offices and contracts, and all the associated administration that brings, places a huge burden upon them and acts as a disincentive to cross regional working. It was also difficult for providers to get a consistent response and approach from local LSC to deal with their needs. Providers were clear that, where there is variation in behaviour and approaches to providers that are not related to specific local need, steps should be taken to ensure consistency. It is acknowledged and anticipated that the appointment of a regional LSC director should help to ease these problems.

4.4.1.1.Local Learning Partnerships

The local Learning Partnerships (LPs) were rarely mentioned by any stakeholders, either in terms of identifying skills issues or in reacting to them strategically. This was somewhat surprising considering that their role at the local level is to be the eyes and ears for the LSC within their local skills market. Perhaps this is not representative of the work of LPs, but several LSC staff did question the future role of the LPs, which are currently waiting to hear whether they will continue to be funded by the LSC. Do the LPs add an important dimension to planning the skills market or are they just an additional burden for local partners?

4.4.1.2 Other local partnerships

The relationships and roles of other local economic and strategic partnerships and local representative bodies, such as Chambers of Commerce, are perhaps of more significance when it comes to identifying and finding solutions to skills shortages in partnership at a sub-regional and local level. Certainly there are strong links with providers locally who very much see themselves as leading on skills shortages in their respective locations and markets. Indeed, there seem to be good relations and many partnership arrangements in place between local providers and employer groups which are working well but outside of the official regional partnership context.

From the point of view of those within agencies and providers, they find the ever growing number of forums, sub-groups and partnership bewildering in terms of having the time to attend meetings, keeping up to date, and reading all the documentation that accompanies these activities. Some simply do not have the staff time to attend all the meetings required of them, which for some key agencies is a very real problem because it means they can miss out on important decisions.

There is a very strong call from all for rationalisation of these activities as many are seen as duplicating existing activity and some little more than talking shops delivering very little value for the amount of time and resources devoted to them. Perhaps, again, clarity is needed as to what is happening across the region as well as a structured and co-ordinated approach to disseminating information.

4.4.2 Competition

The interviews revealed a degree of rivalry between both public and private sector providers. Private sector providers see themselves as businesses in a competitive market but feel aggrieved that the public sector funding agencies ‘interfere’ with the free market by favouring the FE sector and public providers, channelling funding towards these types of organisation and not acting in a fair manner; for instance making funding available to FE providers for over 25s but not doing the same for private providers. FE providers, on the other hand, perceive private providers as sometimes interfering and causing unnecessary duplication in the market place.

Private sector providers believe that they are being squeezed out of the market place by LSC bureaucracy and regulations. This also creates a barrier to entry into the market for new entrants, further conditioning the supply side in the market to meet LSC priorities rather than market needs.

Many employers, it was suggested, favour private provision, especially for employees over 25 because they are more flexible in how and when they can deliver training, fitting in with employer needs and the domestic commitments of individuals. In this context, the over reliance on FE provision was seen as misplaced if employers and over 25s are to be encouraged into learning and training. Whilst there has clearly been much publicity given to actions to address this, with FE institutions trying to work more closely with employers, there was little recognition among interviewees within the agencies and employer organisations that this was actually working well.

4.4.3 Relationships with employers

Employer organisations expressed the view that neither private nor public sector providers are able to deliver the skills needed to respond to skills issues in a timely manner or, indeed, to deliver the right skills. There is a perception that providers funded by the LSC are only able to meet the skills needs that meet LSC targets or support the RDA's priority sectors. This is actually not the case as many providers do offer a wide range of bespoke training to their local employers, often in quick response to emerging need. The difference is that employers often have to pay full cost. Again, perhaps there is a need to manage more carefully employers' expectations about what can be made available through publicly-funded provision and what they should expect to pay for and arrange themselves with their local providers.

4.4.3.1 Proliferation of agencies and initiatives

Employers, and in many cases providers and the public agencies, regard the proliferation of so many agencies and groups as largely unproductive and call for rationalisation within the system. Employers, especially, felt that there are simply too many organisations trying to deal with skills. This results in confusion in, and ultimately disengagement from, the market place. Again, there is a strong case for greater clarity about the roles and positions of the various agencies and partnerships in the region. Employers called for a single source of up-to-date information on agencies, their activities and providers.

Responses from those within agencies dealing with employers and those within employer organisations say employers are reluctant to engage with public agencies and groups responsible for skills issues. This is because of a history of constant changes within the public sector. Strategies and agencies come and go, actions are often short term and there is a feeling that a great deal of effort was put by employers into the TECS which were then suddenly abolished. There is therefore a lack of trust, a doubt that anything will be permanent and a fear that their efforts would once more be in vain.

4.4.3.2 SSC role

At the same time, there is a great deal of expectation surrounding the SSCs and it is hoped that they will address many of the skills shortage issues. And, despite the lack of clarity about how this will be done, SSCs are beginning to be perceived as being led by national policy agendas and being too closely associated with the RDA and LSCs to be able to deliver anything significantly different from what is already being done. Many regard the SSCs as being just another layer of bureaucracy and further confusing the market place.

4.4.3.3. Business relations

Interviewees across all types of organisation had concerns about the relative business experience of frontline staff and strategic management within the key public agencies, particularly the LSCs, Business Links and SSCs. Even respondents within these organisations had concerns that public sector staff will not understand business and employer needs unless they have had personal experience of being in business themselves. Indeed, as was pointed out, the fact that the public sector usually refer to this audience as employers instead of business people suggests they see skills in isolation as just one aspect of business that needs considering, instead of considering skills as part of a business's overall needs. Perhaps a co-ordinated approach would be helpful across agencies to dealing with employers and raising capacity within the skills agencies workforce could address some of these issues.

Above all for employers (and this point was raised many times by agencies and providers as well as representative bodies) are the problems associated with the sheer number of providers and agencies trying to offer advice and training. The market place is crowded and confusing, with some employers being contacted constantly by people from different organisations offering similar things. This gives an impression of disorganisation and duplication whilst the call for a simple one-stop point of reference on training seems to be taken up by so many agencies and providers that it just defeats the objective of aiding clarity.

Brokerage services being led by Business Links and the LSCs may help to co-ordinate some contacts with employers, but unless all agree to this approach, they may just be seen as yet another agency rep trying to catch the ear of employers. There is an action in the National Skills Strategy for the LSCs to produce a guide to local training providers. The LSCs have yet to decide whether they are going to include details on quality and performance, but it quite clearly states in the strategy that this should happen.

4.4.4 Consultation

Stakeholders felt that they and employers were being 'over-consulted' on the wide range of strategies and plans. This was widely perceived as a process exercise and whilst there may indeed be a genuine desire to consult, there is still much cynicism to be overcome. A suggestion mooted by a range of stakeholders is that the RDA should oversee and co-ordinate consultations relating to skills within the region. As most consultations target the same people, this could provide the potential to streamline the process, ensure synergy and improve the quality of stakeholder response.

Employer organisations, and those who have contact with employers, expressed frustration that employers' views are ignored if they do not match what providers wish to deliver or do not help meet targets. There is a strong perception that despite a declaration of being demand-led, the current range of strategies is perceived to be driven more by central Government policy and the internal desires of the RDA and the LSCs to achieve their targets, than the needs of employers and individuals in the skills market. Providers face significant tensions in both following the policy direction of the RDA and the LSCs, whilst at the same time meeting what is demanded from employers and individuals in their particular markets.

4.4.4.1 Managing expectations

This may simply be a case of more effective management of expectations. It is clear from the National Skills Strategy that Government sees its role as funding learning and skills development where it is going to have most economic and social impact, by raising skills levels among certain groups of the population. Government and its agencies cannot meet the training need of all employers, but strategy documents regularly make bold statements that they will meet employers' skills needs and be demand-led; only qualifying this later in the detail.

Strategies and accompanying literature need to be more explicit in their meaning and clearly define what they will and will not set out to do in terms of meeting employer need. This could help understanding and shift expectation and responsibility onto employers to recognise more clearly what the state can do and what they must do for themselves.

4.5 Key Issues and Challenges

The skills development system needs to match the requirements of the skills market. Compared to the resources and effort being given to supply-side reform, there is currently insufficient emphasis on developing the demand for skills within businesses employers, particularly the demand for higher-level skills.

A step change and commitment will be needed to operate a demand-pull strategy (section 4.1), linking innovation, business development and enterprise to drive up the demand for skills. The issue is whether the skills development agencies have the right processes, skills, attitudes and knowledge to perform this task and to ensure that the resultant demand for learning is met by the market.

Better mechanisms are needed for managing the knowledge and intelligence that exists, locally and regionally. Better collaboration and co-ordination of existing sources of information is required as is a process by which agencies collaborate to understand and interpret the data and agree what this means for policy. More detailed sub-regional/local, sectoral and thematic intelligence is required, pointing to the need for more effective collaboration between SSCs, LSCs and the RDA to agree appropriate sources, validate and disseminate intelligence to others. This may be best done by an independent body which should also co-ordinate and rationalise the production of LMI across the region.

Accompanying this is a need to improve the capacity and capability of those involved in creating and using LMI to ensure that what is produced meets user needs, and that it is interpreted correctly and consistently for precision planning.

With so many agencies, strategies and plans crowding the market and causing confusion, not only for employers and individuals, but also amongst the staff working in the skills sector, there is a need to produce a simple user guide to what is current, who is doing what, and what their roles are. This will help people decide where best to concentrate their attention.

Expectations need to be better managed and messages to consumers made more explicit to avoid unrealistic expectations. Employers need to know exactly what to expect from the public sector, and what they need to fund and organise themselves. Agencies need to say what they mean – demand-led provision is not the same as targeted provision to meet policy requirements. The need for an effective marketing strategy for the skills agenda regionally is important in overcoming confusion and lack of understanding of regional priorities.