

6. RECOMMENDATIONS

In section 5, we have drawn out the conclusions of the review and highlighted the key issues facing the South West. However, in developing these recommendations, it is important to acknowledge that a number of the issues raised by this review have already been recognised in a range of recent government policy documents, not least of which is the National Skills Strategy. As a result, a range of measures is being planned which will begin to address some of these issues and put in place the framework to support more effective action.

Further to this, the recently published proposal to Government for the establishment of the SWESA has identified a number of priority actions, which we have acknowledged in Section 5 (see Annex 8). Taken as a whole, the findings of this review support the approach and priority actions identified within the SWESA proposal. Our recommendations have therefore been limited to issues which we believe will enhance and not repeat current FRESA or planned SWESA actions.

Recommendations for action are presented under three headings:

- Raising employer demand for skills;
- Aligning skills demand and supply;
- Joint planning and co-ordination, including improving intelligence (LMI).

Section references to supporting evidence in the main report appear in brackets at the end of each recommendation where appropriate.

6.1 Raising employer demand for skills

6.1.1 Enhance the business brokerage model (section 4.1.2)

This review strongly supports the SWESA proposals to place greater emphasis on the role of business brokerage within the region. However, the programme of capacity building, which has already commenced with Business Link staff needs, includes knowledge and understanding of the processes of skills formation and acquisition, together with the operation of the skills market. It will also be necessary to forge links between Business Link advisers and providers to ensure effective signposting of provision, recognising that existing relationships are not currently well developed.

The model should also recognise the important role played by trade union learning representatives in driving the demand for skills, particularly at lower levels, and selling the benefits of learning to senior and middle management. SWESA partners

will need to consider how the role of trade union learning representatives can be built into the proposed model.

6.1.2 Focus on under-performing sectors (section 3.2.2)

A targeted effort is needed to raise the demand for skills and learning within sectors with lower relative productivity and with low participation in learning. The analysis of the projected impact of replacement demand and employment growth also begins to identify the sectors, occupations and sub-regions where specific action is needed. The review therefore recommends that the SWESA partners agree criteria for prioritising action on under-performing sectors.

6.1.3 Support enhanced links between HE institutions and business (section 3.3.2)

There is scope to improve the links between HE institutions and businesses in the region along the lines of the Knowledge Transfer Partnership model. SWESA partners should map the extent and nature of best practice with a view to expanding this activity and raising the demand for skills through improved innovation and R & D capacity within the region.

6.2 Aligning skills demand and supply

6.2.1 Improving information, advice and guidance

The SWESA will need to give urgent attention to how best to support and enhance IAG service provision within the region in light of recent funding cuts.

6.2.2 Up-skilling the unemployed and economically inactive (section 3.2.2)

Despite the high employment rate and relatively low unemployment, there remains a significant potential source of labour in the region's unemployed and inactive. Yet this population is largely unskilled or has poor skills. Given the excess of demand over supply for lower level skilled jobs in the region, raising the skills levels and employability skills of this group should be a key priority. Recent proposals for the reform of New Deal indicate that there will be a greater degree of local flexibility in delivery. The efforts of Jobcentre Plus as the lead agency need to be better integrated with the work of the LSCs, as indicated in the National Employment Panel Report, *Welfare to Workforce Development*¹, to ensure that effective action is taken with this group.

¹ *ibid*

6.2.3 Improve participation in craft and intermediate skills training (sections 3.5.5. and 3.3.3)

The new apprenticeship programme provides an opportunity to improve participation in craft and intermediate skills training. The lessons learned from the review of the Modern Apprenticeships in the region must be taken on board, with a strong need for better marketing and alignment with the efforts of SSCs.

6.2.4 Provide support for non-formal learning and other innovative approaches to workforce development (section 3.6)

The recognition and support for non-formal learning by strategic agencies is poor. The skills development agencies in the region should provide support for non-formal learning initiatives, and consider how best practice in larger firms may be transferred and benefit smaller firms. One area which is receiving particular attention is mentoring and coaching, not only for managers but for other staff. A programme of coaching and mentoring support, perhaps aligned to the region's management and leadership initiatives, may help to boost productivity and the demand for skills.

6.2.5 Develop a greater understanding of labour migration and mobility issues

Inward migration of labour is a significant issue for the South West and one that needs to be understood more fully in terms of the impact on the skills agenda. Similarly, improving labour mobility is important if the diversity of regional performance is to be addressed. Both of these issues will be critical in maintaining a flexible labour market and meeting future skill needs and should be the subject of further research to underpin SWESA activity.

6.3 Joint planning and co-ordination, including improving intelligence

6.3.1 Streamline and improve the coherence of labour market intelligence (section 4.3.2)

SWESA partners should continue to support the development of a regional data source through the South West ID and to monitor its use and effectiveness. This needs to be accompanied by better publicity of the data available through SLIM, which may go some way to satisfying the calls for 'independence' of the LMI.

This review has produced a sectoral and occupation analysis of current and projected skills demand in the region. The SWESA Core partners should develop mechanisms to consolidate and share LMI and ensure that it is effectively co-ordinated across the agencies. This should be accompanied by a knowledge management process, which needs to be embedded with the joint planning arrangements and which ensures that there is regular agreement on the interpretation of data and its implications for policy. This shared interpretation will be

crucial to gaining shared ownership of the problems and solutions and will provide greater clarity for providers and employers and instil greater trust in the data.

There also needs to be effective co-ordination of the intelligence emanating from the SSDA and the SSCs within the region to ensure that this is available to support the planning of provision. SSDA and SSC information should also seek to include the activities of private sector employers, including funding and the nature of skills developed, and be matched against intelligence emerging from the StAR processes within the sub-regions.

6.3.2 Improve capacity and capability of the workforce of the skills development agencies (section 4.3.2)

The review concluded that there was a significant problem with the lack of institutional capacity to analyse data, which in turn impedes an evidence-based approach to planning. This review recommends that SWESA partners give urgent attention to developing a programme of capacity building and resources for staff responsible for using and applying LMI within strategic agencies and provider bodies.

6.3.3 Improving relevance and time horizons of data (section 4.3.1)

In conjunction with the LSCs, SSCs, Jobcentre Plus, IAG partners and providers, SWESA partners should pilot the development of a local intelligence network (possibly virtual) which can begin to share knowledge of employer needs in local areas. The SWESA partners should give further consideration to the development of a 'forecasting model' which can provide data to support the three-year planning horizons of skills agencies and providers.

6.3.4 Co-ordination of the region's research resources (section 4.3.3)

It is proposed that the South West Employment and Skills Research Forum continue to play a role in supporting the new SWESA. The SWESA funding partners should consider how the regional research priorities identified by the Research Forum on behalf of the SWESA, will be resourced to ensure a continued, high quality evidence base for regional policy-making.