

ISSUES FROM RFA SKILLS CONSULTATION EVENT

1. Scope

- Support for advice to cover higher level skills and employment.
- Agreed on the importance of ensuring that the medium and longer term issues were well represented and not simply the CSR/economic crisis period.
- Consultees stressed the importance of preparing for the upswing – retaining the skills base in the short/medium term eg in construction.

2. SW priorities for CSR period (Response to economic downturn)

- Need much more substantial sums are needed for business loans; £10m from RDA is inadequate.
- Support for additional resources to enhance the capacity of Jobcentre Plus.
- Moving to a wholesale change of the skills landscape in the current climate is inappropriate. Machinery of Government changes should be slowed down or abandoned. It is important that the setting up of NAS/SFA/YPLA does not divert attention and resources from the immediate and longer term priorities. The danger is that the new arrangements will create a more complicated landscape.
- Speed up capital investment in schools/colleges/'skills centres'.
- Make funding flexible to support skills not qualifications.
- Transport costs are a barrier to access to training and employment services – needed for getting training and to work particularly in rural areas.
- Learn lessons from the past ...

Help for businesses to avoid redundancies

- Leadership & Management - Expand access to funding for leadership and management skills for businesses - including owner only businesses, particularly business sole traders/ownership/self employed – to support the process of change management. Train to Gain leadership and management funding should be available for business with 2-5+ employees and the self-employed.
- Helping businesses to avoid redundancy will require greater flexibilities regionally and nationally. The agenda supports Investors in People as a vehicle for skills development and driving stronger integration between programmes.
- Business life cycle issues: 40% of business owners have owned businesses for six years or less but the focus should not only be on new staff. However, businesses are more resistant to changing practice once they have been running for a while. Priorities should be on the 'middle band' of employers; those that have moved past the 'dodgy' period are more likely to grow on having met their

immediate needs. After 18-24 months most businesses will be looking towards a 5 to 10 year payback period.

- There needs to be effective marketing to companies of all the help that is available to business.
- Help businesses to conduct audits to identify the skills they have and how to better deploy these in changing times. They will need to support organisations in matching learning and development needs to revised business strategies.
- Ensure BL has capacity to enable businesses to identify how to survive/grow in a downturn – covering investment, staff deployment and skills.
- Increase resources available for innovation and development of new products/services, especially with a sustainability theme to encourage new investment.

Help for those facing risk of redundancy

- Bearing in mind that there are comparatively few large firms in the SW and those that are are clustered in geographical areas. Other more dispersed areas would see more of an impact if support were given to small businesses losing staff.
- Where redundancies are already in the pipeline, leadership and management can prepare businesses for the future.
- The SW can learn a lesson from the very creative use of JC+ funding during the Foot & Mouth Disease period, where people were successfully released to go on training courses with wage subsidies. Reduced working hours does work as a strategy. Many short term ways of dealing with cutbacks: shorter working weeks can also build skills for the future.
- The emphasis should be retained that training is still an investment rather than a cost – even during a recession.
- Apprentices: funding too complex for SMEs. These should be handled by developing sector organisations and then passed on to a range of businesses, not burdening companies with overhead costs.
- Flexible working: don't dismiss contributions of informal learning. There is a mismatch of the business structure of the SW, labour markets and very small businesses, widely scattered, compared with centrally dominated funding models. Exploring flexible working patterns to provide greater stability between firms: eg skills/labour pooling & sharing.
- Higher level redundancies could be handled by treating self employed as 'agency' staff although the tax position would need to be looked at. Volunteering should be recognised, diversification is a useful strategy and eyes should be kept on mid to longer term goals. Some jobs are not coming back.
- Tailor existing LSC and DWP provision to support the newly unemployed and those at risk, rather than trying to reinvent 'new' things which may take too long.

- Also support individuals who have high growth potential but who are employed (not to their potential) to train for a better job whilst continuing in their current one.
- Allow funding for short bite sized pieces of learning.
- Development projects. Make use of ERDF & other public money to bring forward new and existing projects.
- Apprenticeships – there needs to be more flexibility to move between employers. Establish a holding company to employ dislodged apprenticeships and find suitable work experience to fulfil the Workbased learning elements of the apprenticeship. Use sector groups to provide apprenticeships using support of several SMEs. Enable apprentices to do block release training during slow periods and then return to work later.
- Enable all at risk of redundancy to access advice and guidance very early including a personalised service. Build on expertise of current IAG providers.
- Recognise opportunities of increased redundancies to allow for new business start ups, aided by effective support including business mentoring.
- Use support networks eg Trade Unions.

Helping those made redundant who cannot easily find another job

- Early support and assistance is needed especially for the 50+ age group – it is essential that they are not required to wait for 6 months before accessing help.
- Train to Gain – need wage incentives for employers to take on NEET.
- SW has a high level of higher skills qualified people. JC+ needs advisers prepared to support the higher level redundancies.
- Flexibility in funding for bite-sized training to be immediately available.
- Community schemes may help support the unemployed to retain their skills and keep their work experience current. Their role may be particularly valuable in relation to the longer term unemployed and those facing multiple barriers to re-entering the labour market.
- Use those who have been laid off to support peers, especially where they have transferable skills.

HELPING THOSE WHO ARE NEW ENTRANTS INTO THE LABOUR MARKET

- We need an all age guidance service where progression is addressed.
- Extend Train to Gain to 16-18 year olds.
- New entrants – wage subsidy for apprenticeships.
- Don't lose focus on employer needs for (especially) young people.

- Provide financial support to employers to assist them provide placements.

3. Medium to longer term priorities

Leadership and Management

- Develop focus on utilisation of skills – employee knowledge, the power of ICT and workplace organisation.
- More delivery of leadership and management development through networks and innovative approaches rather than just selling training. Bring in more world-class expertise and increase employer aspirations.

Enterprise skills

- There is some call for 'mid life' enterprise skills. Mentoring is useful, mainstreaming the Business Link model.
- More support is needed on to how to run a business, initially providing resourcing, then mentoring and informal learning. New businesses could look to family businesses to share experiences, where those involved have grown up in business environments.
- Peer to peer mentoring and volunteering may enable "early retirees" to deploy their skills, keep them up to date and in touch with the labour market
- At the school level, the excellent example offered by the work of Writhlington school needs to be replicated across the regions.
- Real integrated enterprise Networks linking HE, FE, Businesses, unemployed are needed.
- Differentiated support for potential entrepreneurs need to be established as part of an integrated strategy. Try and move away from one standard model of delivery.
- Need to find a way to enable cross-fertilization of creative and entrepreneurial skills development across all sectors.

Innovation and Creativity (STEM)

- Could the SW be a hot-house of innovation?
- The STEM focus needs to be maintained. There are skills shortages in some STEM occupations. Careers advisers need to be better informed about STEM career paths.
- HE needs to keep delivering. Expand/unfreeze foundation degrees and HEFCE funding for STEM subjects particularly.

- There is a need for good specialist teachers. The recession offers an opportunity for more to enter teaching as a career, particularly those with STEM skills. This may be an opportunity to encourage people to migrate back to their core studies.
- There needs to be better linkages between STEM research institutions and SW businesses.
- STEM skills – we do have them but not the jobs to support them ... eg PMS (Peninsula Medical School) had 20 applicants for every 1 job. The priority may therefore be supporting new STEM jobs in the region.

Higher Level Skills

- Higher level skills are not equivalent to degrees nor workplace/employer needs. Learning should be by doing; degrees are overrated as the only route worth exploring.
- Parity of academic/vocational esteem should be readdressed. Linking skills back into business is happening via Diplomas changes, where education is being more vocational in its approach – important to identify where this is happening. Anecdotal evidence tells us that it is now harder to get into (some) apprenticeships than into some degree courses.
- Lessons from Diplomas should be applied throughout businesses. In some large companies Apprentices link well as a progression route into senior managerial positions, who themselves then go on to do degrees. Whilst training they can be earning and building up the business service, knowing how the business environment operates and linking skills back into the core offer.
- One important area of flexibility is to recognise work based equivalents of learning programmes based on skills and attainments relevant to businesses. Train 2 Gain is welcome.
- There is an interest in higher level skills and productivity, with work still to be done. However, there is a huge swathe of higher level skills in HE that are not transferable as yet. Higher level skills need to be identified within businesses. At the moment support structures for higher level skills are not as flexible as FE funding. Skills need to be linked to productivity starting with businesses first, perhaps through released time for training / part time working. The needs analysis stage is very important as an extension of vocational type applications.
- Allow additional HE student numbers for Foundation Degrees and other vocational qualifications including CPD.
- Need to improve image of vocational training & work. Are Diplomas being hijacked by academics?
- Higher level skills too often focus on cognitive development and need to focus more on application. The QIA for these programmes needs to reflect this.

Other RFA themes

Regional transport issues should also include support for business accommodation in rural environments and move learning on to the agenda. The business improvement framework should encourage innovation. Research into higher level skills needs to be fed back into the industry; there is at present a disconnect between academia and business. Draw out innovation, science, research and its application within existing industry sectors. Use final year graduate placements. As with the housing market, some trends rebalance and find their natural level under their own steam.

Have those planning Economic Development, Transport, Housing been clear in terms of what skills they need to deliver their priorities?

Skills priorities need to be considered within the other Themes. What barriers could be addressed eg lack of planners; skills for climate change – housing/transport schemes; brown-field development for example.

Other issues

- Must measure return on investment and how qualifications impact on productivity – how should that be done? Do we know the value of what we do?
- Skills – need practical application to be demonstrated, not just cognitive skills. NVQs are a piece of paper validating what someone can already do, not about development – an issue for employers. Skills training – we design for qualifications, not skills. How do we learn from skills training and so input into the design of courses?
- **Public procurement** - Ensure Public Procurement contracts require good employment and training practice. There is scope to do a lot more and good practice exists.
- Capital projects are needed to kick-start regeneration. Any new regeneration project needs to include within it employment and skills requirements and impact.
- Don't just look at businesses in trouble – need to support success – some companies are doing well and expanding and this needs to be acknowledge. IT has the power to transform business.
- **Employability skills** are needed as well as entrepreneurship skills. 'Pitching', networking, researching the market are also useful skills. How much support is there for employability and entrepreneurship skills? There should be more explicit emphasis on mentoring/support as learning, informally helping to share ideas.
- **Green Agenda** - The region has all the ingredients to develop a hot house of innovation and development related to the Green Agenda. This needs to be capitalised upon with a priority given to knowledge based and scientific industries.

The energy infrastructure is significant, including nuclear and green/renewable energy.

This needs to be linked to the green/envirotech sectors, the development of Training Associations and the development of strong links with community regeneration and social housing e.g. Cranbrook New Town.

The Green Agenda needs to be integrated into leadership and management programmes, including an examination of the benefits to the organisation of green working.

- **Information, advice and guidance** - Independent All Age Guidance service which is driven by the economy and industry.
- Bandwidth!!!!
- Focus on older worker needs to train/develop/set up business.
- Business accommodation is as much of an issue as transport in rural areas.
- Don't reinvent wheels – tap into successful programmes (Prince's Trust, BITC)

4. **Sub regional issues**

Local Employment and Skills Boards

- There is support for LESBs but they need to be linked to the RSP vision. The RSP needs to cover employment as well so there is alignment.
- There is a wider issue about how LESBs relate to SSCs. It is proposed that the RSP organise an event to broker relationships between the two and invite relevant LESBs to the SOG.
- There needs to be greater clarity about the role of LESBs. At present there are amorphous/generic descriptors which make it difficult to articulate how an ESB works. LESBs are all constituted differently. There are no common terms of reference or remit/name eg West at Work – Plymouth E&S Board.
- Local Employment & Skills Board need to take action and influence change not just a 'talking shop'. It is not clear how LESBs will influence the flow of investment?
- How will LESBs have accurate research & intelligence supplied to them How will they future-proof? LESBs should be an important route for more qualitative local intelligence. LESBs should work with SLIM and the Regional Observatory to improve the evidence base.
- LESBs are facing difficulties in engaging employers, particularly with the recession looming. Are the public sector organisations adequately represented within the infrastructure?
- How do the relationships operate between the local and the regional structures? Is there sufficient awareness of these structures?
- Importance of links between LESBs and medium – long term economic development activities. They need to have the ability to influence funding for inward investment as well as local development.

- Representation – SMEs/self-employed need to be represented. LESBs can also be the voice of self- employed/micro-businesses – so that stereotypes/traditional views of business are not re-inforced.

Local needs

- In seeking to represent the sub regional issues, it is possible to reflect:
 - Regional differences
 - Issue-related differences
 - Population-related differences

“Ignore Borders!!”
- An operational response is needed to the recession at the local/sub-regional level.
 - get key operational players together: BL, JC+, Connexions, Las etc together at sub-region level to respond
 - should have legacy of better working
- So far much of the massive restructuring already going on affects white collar jobs. The LGA is looking at the differential impact of the credit crunch at sub regional level, where restructuring of financial institutions is hitting some sub regions harder than others (E Gloucestershire, Bristol and Dorset). New unitaries (Cornwall and Wiltshire) will also influence their local economic contexts. Some major public sector employers are streamlining and outsourcing some existing structures: the Environment Agency, Met Office, Defence and the NHS.
- The RFA does not reflect sub regional needs nor ask for sub regional examples. HE is an economic development issue for Somerset. Addressing the needs of hidden pockets of geography and rurality are even bigger issues for skills than transport and housing. At present we can't scale up local disparities to develop regional solutions. Flexibility needs to be built in to reflect local variations, relating skills variation to the RFA.
- Need to break regions down and look at skills requirements in different areas. Look at the localities and look for cross-cutting themes that are common and can be acted upon with a common solution instead of coming up with individual ones.
- LAAs have already identified the skills & employment issues & these need to be considered in the RFA
- Mapping common areas across the region & identifying solutions. Eg Rural areas in Cornwall, Devon, Somerset; and, growth areas/regeneration areas all may have similar issues.
- Identify common issues in sub-regions as well as differences, Urban/rural differences. Rather than try and represent all sub regional differences it may better to theme areas eg
 - Growth areas
 - Rural areas
 - Regeneration areas

- The South West is a vast and diverse region. There can be no one size fits all approach but a need for sub regional solutions. This needs to be well evidenced. The evidence base can be supported by the LINS/SLIM/SWO.

Aligning strategies

- Should existing models be based on competition? FE colleges are a case in point. What about a model that looks at dynamic flows rather than existing county boundaries? FE with accommodation provided could overcome travel to learn issues (if not travel to work). Cherry picking is too prescriptive to address rural service provision in the round. How to encourage a 'multi centre' model of population? It needs a very prescriptive delivery method to ensure equality of access, but is that affordable? The competitive model reflects major population clusters rather than rural settlement patterns. A lesson could be drawn from adult education which has a rural infrastructure already in place; competition falls out of that. Not everything can be run using tendering rules; rurality can't support this. However, service provision should not come down to a choice between accessibility (= having a good network) or quality.
- Move away from the Regional Economic Strategy model (too broad brush) to the Regional Spatial Strategy model. This would better articulate pressure points and sub regional disparities. In the RSS each settlement has a function which moves away from the 'legacy' county boundary based sub regional administrative model. Redefining models would better reflect the dynamics of an area.
- RFA should be remodelled according to Regional Spatial Strategy model which is not used well enough at present.
- Existing maps are not used effectively to align strategies; these need to be better integrated into the RFA much more strongly. Overlay settlements with industry analysis to understand which areas are already affected by the credit crunch and which measures to take.
- Ensure that sub-regional economic strategies and Regional Spatial Strategy are linked to the way that funding is deployed in the Region.
- Use Regional Spatial Strategy settlements overlaid by LGA structural analysis to identify priority areas & issues.
- Where do LAAs in RFA. This is not yet clear but there needs to be a link.
- Sector engagement varies considerably across the region – Plymouth has 6 priority sectors but does not include health.
- Is vol sector properly represented?
- **Developing the skills infrastructure - physical infrastructure** – S Devon College – new premises changed the education provision – better outcomes because of better physical environment. Government can impact especially on skills by investing in new colleges and schools and providing improved access to training. In many areas in the region space for training is lacking – is there room for new premises to be shared to help with this. Capital funding schemes for skills ie new ND College & proposed new build of City College Plymouth – how will these be incorporated into the RFA

- Employer message – initiative-itis and pleas for stability and structures to stay the same for a while!
- **Rurality** – big issue and equality of access to training provision and the reason why we don't have competition in FE here – produces its own problems eg where skill is important to the sub-region (eg baking – niche businesses) but not to the region.
- Still areas with difficult access to 'skills centres' where new investment is required to complement existing colleges etc + maximising use of ICT
- Need to make stronger linkages between 'adult learning', 'community learning' and 'statutory education'?