



**All Party Parliamentary Group on Local Growth,  
Local Enterprise Partnerships & Enterprise Zones –  
Inquiry into Local Growth and the Skills System**

**Memorandum of evidence from CEDOS and ADEPT**

**March 2013**

**The Chief Economic Development Officers Society (CEDOS)** represents Heads of Economic Development in upper tier local authorities throughout England. Membership includes county, city and unitary Councils in non-metropolitan areas. The Society carries out research, develops and disseminates best practice, and publishes reports on key issues for economic development policy and practice. Through its collective expertise, it seeks to play its full part in helping to inform and shape national and regional policies and initiatives.

**The Association of Directors of Environment, Economy, Planning & Transport (ADEPT)** represents local authority Strategic Directors who manage some of the most pressing issues facing the UK today. The expertise of ADEPT members and their vision is fundamental in the handling of issues that affect all our lives. Operating at the strategic tier of local government they are responsible for crucial transport, waste management, environment, planning, energy and economic development issues. ADEPT membership is drawn from all four corners of the United Kingdom.

## **ALL PARTY PARLIAMENTARY GROUP ON LOCAL GROWTH, LOCAL ENTERPRISE PARTNERSHIPS & ENTERPRISE ZONES - INQUIRY INTO LOCAL GROWTH AND THE SKILLS SYSTEM**

### **MEMORANDUM OF EVIDENCE FROM THE CHIEF ECONOMIC DEVELOPMENT OFFICERS SOCIETY (CEDOS) & THE ASSOCIATION OF DIRECTORS OF ENVIRONMENT, ECONOMY, PLANNING & TRANSPORT (ADEPT)**

#### **Summary of evidence**

- An effective skills system is an essential foundation for driving growth to meet the needs of existing businesses and attract new investment. It should not be centrally prescribed but must relate directly to the requirements of local areas.
- Local authorities and LEPs across the country are already taking action to do what they can to align local skills provision with employer needs.
- Local partners have a crucial role in working to ensure provision is much more aligned and responsive to employers' needs. A devolved approach is required and for this the role of LEPs and of democratically accountable local authorities will be particularly important.
- Local partners should attempt to forecast future trends in employment and skills to help plan future provision but must recognise the limitations of this and the importance of having flexible, responsive systems to meet the needs of rapid change and fluctuating local circumstances.
- The current skills system is too centralised, complex and bureaucratic leading many employers to become disengaged and failing to maximise the use of the opportunities available.
- In setting the strategic direction, central government should ensure local areas have the freedoms and flexibilities to meet the distinctive needs of their businesses and economies.
- There is little connectivity between 'top-down' back to work initiatives and skills provision. There is a need for closer alignment with local partnerships being able to determine what best suits the needs and opportunities of their areas.
- There is a mixed picture of how well skills providers are adapting to the new local growth landscape. A more coordinated local approach is needed with providers guided by clear evidence based strategies.
- It is important to ensure that local provision is not destabilised and undermined as a result of external providers being contracted to deliver large amounts of training and exposing local areas to the risks associated with subsequent change or withdrawal.

- LEPs are well placed to take a key strategic role in supporting employer engagement in the skills system and reducing skills gaps and must be resourced for this.
- The higher education sector has a vital role particularly in the development of higher level skills, research and knowledge exchange/transfer, enterprise development and business support.
- All providers of publicly funded activities, including back to work programmes, should be required produce an annual plan with targets and outcomes for endorsement by local partners and supply them with performance data.
- Key requirements to make skills provision more responsive to the local economy are simplification and harmonisation of funding streams and putting in place a devolved approach with more flexibility and funding decisions made at local level.
- In moving towards a more responsive and employability-focused skills system, a phased approach with appropriate lead-in times will be required to avoid destabilising current providers and result in gaps in local provision.

## **Introduction**

1. This Memorandum of evidence is submitted jointly by the Chief Economic Development Officers Society (CEDOS) and the Association of Directors of Environment, Economy, Planning and Transportation (ADEPT). Our evidence has been framed in the light of consulting with our members across the country. It addresses the key lines of the Inquiry and includes selected practical examples in Annex A.

### **How important is an effective skills system for driving growth? Are there examples of tangible growth outcomes on the ground that could result from improvements in skills policy, governance and funding?**

2. An effective skills system is essential for driving growth both to meet the needs of existing businesses and to attract new investment and business start-ups. Employers need to have the confidence that their local areas can supply the skilled workforce to meet their growth requirements. Without this, they will either be unwilling to take on new orders, hindering the capacity of the local economy, or will go elsewhere, including overseas, for additional staff. Equally, for an area to attract new investment and job growth, it must be able to demonstrate it has a broad enough pool of available talent with the right level of skills and expertise. To be effective, the skills system should not follow a centrally prescribed one-size-fits-all approach but must relate directly to the requirements of local businesses and local employment priorities.

**What are LEPs, local authorities, the new City Deals and local business institutions around the country already doing to align local skills provision more effectively with employers' needs?**

3. Local authorities and LEPs across the country are already taking action to align local skills provision with employer needs. Examples from our members include identifying the needs of local employers and their views on whether the current provision is meeting their requirements through engaging directly with local businesses and carrying out regular business surveys; developing evidenced-based skills strategies and action plans; developing employer-led Employment & Skills Boards; and working with major training providers to inform and encourage them to respond to business needs.

**What leadership or coordination role should local partners play in the future to align local skills provision more effectively with employers' needs?**

4. Local partners have a crucial role to play through LEPs and local Employment and Skills Boards in working directly with local businesses to understand and articulate what skills are needed and working with providers to ensure training is much more aligned and responsive to employers' needs. As in other areas of economic development, a devolved approach is required with leadership and coordination being provided by local partners. The role of LEPs and democratically accountable local authorities will be particularly important.

**How far should local partners seek to forecast future trends and establish 'pipelines' to align skills provision towards them? Are there examples of where this has been successful or unsuccessful?**

5. It is important for local partners to attempt to forecast future trends in employment and skills growth and to have effective pipelines to share information and work with providers to plan for meeting likely future needs. Forecasts should relate to the specific characteristics of local areas, with local knowledge from employers and other sources being an essential component, whilst at the same time taking into account national and international trends. It is important to recognise that predicting future trends is notoriously difficult. This underlines the importance of having flexible, responsive local systems and delivery to meet the needs of a rapidly changing world and fluctuating local circumstances.

**What can local partners do to drive improvement in the basic skills employers require?**

6. There is a range of things local partners can do and are doing including:

- undertaking detailed and employer focused research and intelligence and disseminating this to schools and further/higher education to help plan their curricula;
- working with schools and colleges to ensure basic employability skills are embedded in the wider curriculum offer and are included in the package of

personalised skills development support to help unemployed people back into work;

- strengthening links between schools, colleges and local businesses and seeking to engage young people in work experience and employability initiatives;
- with the significant changes taking place in the funding of adult learning from April 2013, ensuring employers understand what funding is available and what training they will need to fund themselves;
- supporting businesses to help them understand their skills development needs and to source the provision to them, recognising that as well as SMEs, some larger companies can also benefit from support;
- carrying out local area marketing campaigns to promote skills development as part of economic growth strategies.

**What should be the balance of control between local authorities and partnerships, skills providers, employers and central Government, and how could this balance be achieved?**

7. There should to be a more employer-focused approach at all levels with better alignment of the skills system with employers needs across the full spectrum of businesses in terms of size and type. The current skills system is too centralised, complex and bureaucratic to achieve this, which is leading many employers to become disengaged, resulting in a failure to maximise the use of the opportunities that are available.

8. Central Government has a clear role to play in setting the overall national policy guidance and strategic direction. In doing so it must ensure that national policy parameters provide the freedoms and flexibilities for local areas to meet the distinctive needs of their businesses and economies. Local authorities and business-led LEPs are best placed to identify and articulate local priorities reflecting the needs of their businesses and local residents, working with chambers of commerce and other employer groups. Skills providers need to be engaged in the process and develop solutions appropriate to the needs of local business and local economies. Local authorities should manage the co-ordination of delivery partners and provide the support and facilitation infrastructure e.g. providing the accountable body function, as well as the alignment with schools.

**How should skills provision be better coordinated with 'back to work' initiatives and programmes to address barriers to employment, and what role can local partners play?**

9. At present, there is little or no connectivity between back to work and skills provision. A key issue is the top down approach of back to work initiatives with contracts let at national, regional and pan-regional level. Local partners are not involved in the design stage and often not aware of them until tenders are issued. There are also issues around reporting on the impact of back to work programmes in local areas and despite the existence of good informal

arrangements in many areas, the inability of the Department for Works & Pensions and Jobcentre Plus to share data.

10. Back to work initiatives focus on getting individuals off unemployment benefit rather than on them securing the skills to enable them to access sustainable employment. There needs to be closer alignment with skills provision and sufficient incentive for individuals to access learning and skills e.g. by allowing people to complete qualifications which give access to longer term job opportunities rather than take up temporary low skilled jobs, which simply perpetuates the revolving door of low skills.

11. Early results for the Work Programme are not encouraging. Indeed the House of Commons Public Accounts Committee has criticised its performance so far as being extremely poor. In our view the programme needs rethinking and should be linked to skills training for the unemployed and related to local labour market opportunities. There can be no one-size-fits-all solution and local partnerships should be able to determine what best suits the needs and opportunities of their areas. They are better able to work with businesses to develop effective routes into work. Local authorities and LEPs have excellent track records in delivering employment related provision e.g. Future Jobs Fund, Working Neighbourhoods Fund programmes, apprenticeships, Flexible Support Fund. They are well placed to coordinate and deliver effective back to work programmes linked to locally needed skills provision.

## **Skills provision**

### **How well are skills providers adapting to the new local growth landscape, and what more could or should they be doing to align provision with need?**

12. Reports from our members indicate a mixed picture as the following views we have received indicate:

- “providers are aware of the need to align provision to better meet the needs of employers but struggle to turn that into reality”;
- “the majority of large training providers are engaging with the LEP agenda but without a clear evidence based strategy providers lack the direction to plan their provision according the needs of the economy - this work will be completed for by spring 2013 and allow providers to better align with local strategy”;
- “providers mainly recruit numbers to fill places to attract funding and more emphasis through management of performance could be attributed to meeting employers’ needs”;
- “skills providers are responding to areas of demand but are often ‘fishing in the same pond’ both in terms of learners and employers”;

- “they are generally managing very significant cutbacks in funding whilst trying to stay responsive to local growth opportunities – the best providers are seeking to achieve/deliver growth in partnership”;
- “skills providers are not adapting or responding to the growth landscape; it is questionable if they can respond to employer demands”.

13. There is real concern about competition between providers leading to over or under supply and producing overlaps and gaps in provision. Skills training is predominantly dependent on public funding, which must be used as efficiently as possible. A more coordinated local approach is needed with providers guided by clear evidence-based strategies.

**Are there differences in approach or performance between private and public skills providers and their alignment with the job market? What improvements could be made?**

14. Whilst the obvious difference between public and private sector providers is the profit element within the skills provision equation, it is now less relevant to talk in terms of public versus private, with many FE colleges operating as competitively as any private sector business. It is more about the need to ensure that local provision is not destabilised and undermined by external providers being contracted to deliver large amounts of training, with local areas being exposed to the risk of external providers subsequently switching areas, withdrawing or changing their offers to the detriment of local skills provision.

15. External private sector providers may have no prior knowledge of the local labour markets in which they are delivering support or having effective relationships with local employers. By contrast public skills providers tend to have more established relationships with employers and a better understanding of local economies and groups facing long-term unemployment and worklessness. As a result they are better able to align skills provision with the job markets in the local areas they serve.

16. Improvements should include:

- a more local evidence based approach to the design, commissioning, delivery and evaluation of employment and skills support programmes by both public and private providers;
- consultation with local employers on their skills needs and testing the market to see if there is existing provision in order to avoid duplication and optimise the use of existing resources for skills support;
- incentivising skills providers to deliver programmes that meet the needs of local employers;
- better use and sharing of local labour market intelligence on skills gaps and shortages together with employer engagement initiatives to help both public and private providers to better understand the needs of employers and the barriers they face in recruiting and retaining a skilled workforce;



- partnership working between public and private sector providers and voluntary and community sector organisations to ensure skills support is better aligned and more responsive to employer needs and addressing barriers to local labour markets.

### **How can LEPs and others support the role of employer training in reducing skills gaps?**

17. As public-private sector economic partnerships, LEPs are well placed to take a key strategic role in supporting and encouraging employer engagement in the skills provision system and reducing skills gaps. They can articulate the employer voice and influence and challenge training providers; identify priorities for the allocation of EU funding; and support employers in bids for EU and government funding to address skills gaps. With moves in the direction of skills funding being provided direct to employers, for example with the Employer Ownership of Skills pilot, LEPs could support businesses and help in working with training providers to develop appropriate skills products and solutions. To undertake these roles, LEPs must be resourced to develop an in depth understanding of local employer needs across the full spectrum of businesses in their local areas, working closely with local business organisations and carrying out regular surveys of local businesses.

### **What is, or should be, the role of the higher education sector in working with employers, local growth partners and skills providers at other levels?**

18. The higher education sector has a vital role particularly in the development of higher level skills; research and knowledge exchange/transfer; enterprise development and business support including providing advice for example on entering new markets or developing new products and ideas; facilitating and generating spin-out and start-up businesses, hosting incubation space and assisting in collaboration and the development of new ideas.

### **How might skills providers be held to account at a more local level?**

19. To ensure the skills system supports local growth more effectively providers should be required to produce an annual plan with evidence based and market led objectives, targets and outcomes. These should be shared with and endorsed by local partners through LEPs/local skills partnerships and local authorities. They could then be written into providers' contracts and form the basis of local performance reporting.

20. Skills providers could be more readily held to account at a local level if the provision is commissioned specifically to meet local needs. In any event, whether it is commissioned locally, regionally or nationally, all providers of publicly funded activities, including back to work programmes, should be required to supply local authorities and LEPs/local skills partnerships with details of their course programmes, student numbers, engagement with local employers, forward plans and performance data on qualifications achieved, individuals moved into work, as well as destination data for leavers of all ages.



## Taking it forward

### **What barriers – policy-related, political, funding-based or otherwise – do organisations driving local growth encounter when seeking to make skills provision more responsive to the local economy, and how can these be reduced or removed?**

21. Key barriers reported from our member authorities are:

- an overcomplicated skills funding system with funding from a wide variety of sources together with the remoteness of the decision making and commissioning processes;
- the current system of national pipeline funding to skills providers, via the Higher Education Funding Council for England, the Skills Funding Agency or the Education Funding Agency does not allow local partnerships to influence the skills delivery system to ensure it matches local economic needs;
- for back to work contracts, a national commissioning system with very large contract delivery areas, often served by 'absentee' direct contractors and more local second tier contractors, is leading to low rates of return for providers which can result in a very poor quality end product with few resources e.g. adviser time, specific training, equipment to support jobseekers;
- the adverse impact of funding cuts (see Annex A for an example from Torbay);
- the level of funding available is insufficient to cover promotion to and support for businesses as well as provision for skills; the Employer Ownership of Skills pilot is too complex for many employers to take the lead on;
- too many 'silos' at both national and local level; within central government, the separation of responsibility for schools and skills provision between DfE and BIS lacks an effective joined up strategy;
- at the local level, whilst schools and colleges do work closely with employers and have developed good employer/education links and activities, this can be sporadic and not always coordinated.

22. Actions to remove or reduce these barriers could include:

- simplifying and harmonising funding streams, which would reduce significantly the local resources taken up in accessing, managing and complying with funding requirements, especially with projects involving multiple funding streams, each with separate requirements;
- a devolved approach is needed with more flexibility and funding decisions made at local level. LEPs/local authorities should be resourced and

allocated funding to commission and manage provision to ensure it meets local economic and business needs, fills identified skills gaps and supports local economic growth;

- funding needs to also cover promotion to and support for local businesses to influence and access training provision. Employers will require significant support as they become increasingly involved in the skills provision agenda and resources for this needs to be made available to local partners. LEPs/local authorities should be able to support employers to access the Employer Ownership of Skills pilot and work with training providers to develop appropriate skills products and solutions to meet employers' needs;
- to overcome current 'silos', LEPs as private – public sector partnerships with representation from local skills providers and with local authorities acting as accountable bodies and providing alignment with schools, can provide local leadership and a key link with central government. Within central government the strategies of DfE and BIS need to be aligned;
- some form of incentive could be offered to encourage the development of closer links between schools/colleges and local employers on a more comprehensive and coherent basis.

### **What are the potential pitfalls of trying to move towards a more responsive and employability-focused skills system and how could these be mitigated?**

23. Potential pitfalls of moving towards a more responsive and employability-focused system and views on how they can be mitigated are:

- it could become too focused on individuals gaining the skills and confidence to be job ready and join the labour market at an entry level rather than supporting individuals to progress within the workforce and respond to skills shortages;
- a potential lack of focus on core academic skills, notably literacy and numeracy, which needs to be mitigated by ensuring a focus on these across all skills provision;
- it could risk the loss of more specialist technical STEM (science, technology, engineering, and mathematics) provision if resources are moved towards more generic provision;
- gearing providers up to develop provision which meets the demands of a new system will be a time-consuming and costly process. Wholesale change that is introduced too quickly must be avoided. It could destabilise current providers and result in gaps in local provision. A phased approach with appropriate lead-in times will be required;
- employers will require significant support as they start to become increasingly involved in the skills provision agenda. Resources to acquire

intelligence on local skills needs and to provide support to employers should be available to LEPs.

## **ANNEX A: EXAMPLES FROM LOCAL AREAS**

To illustrate the evidence we have put forward, we set out below some specific examples from our member areas related to the main themes of the Inquiry

### **How important is an effective skills system for driving growth? Are there examples of tangible growth outcomes on the ground that could result from improvements in skills policy, governance and funding?**

Examples of the failings of the current system include:

- **Dorset**, where in key sectors like manufacturing and engineering there has been an under supply of skilled recruits for decades and a significant pressure of retiring staff creating more demand for new workforce entrants;
- **Tees Valley**, where there are examples of large offshore oil and gas firms unable to source their labour requirements from the UK and having to resort to 'poaching' staff from other firms, employing foreign workers or turning down contracts, resulting in a loss of economic impact to the local area.

For these and other areas, it is fundamental that the output of skills provision aligns with local employment priorities and this needs to be driven by policy, governance and funding.

### **What are LEPs, local authorities, the new City Deals and local business institutions around the country already doing to align local skills provision more effectively with employers' needs?**

Examples provided by our members include:

- **Central Bedfordshire** - where the Council is working closely with businesses, providers, individuals and key stakeholders and has led the development of an evidenced-based all Age Skills Strategy focused on meeting the present and future skills needs of employers and the wider economy.
- **Devon/Heart of South West LEP** – where the County Council has developed a Skills Action Plan to support the development of the skills of the existing and future workforce in Devon. This plan pulls together all strands of activity delivered by the council that have an impact on skills.

Across the Heart of the South West LEP footprint, there are 5 Employment & Skills Boards (ESBs) covering different parts of the geography. These ESBs work together with the local authorities and the LEP to support the emerging LEP skills strategy and to identify the common priority areas where activity can be delivered. An example of how this works in practice is the submission of a recent bid to the Skills Funding Agency for a local response fund to be

delivered on a LEP footprint, developing the skills plan for the LEP area and piloting activity. The ESB partnership is considered to be best placed to deliver and support activity such as this as there are no vested interests as there would be with a training provider delivering.

All of the ESBs have developed networks of employer contacts. More than 70 private and 20 public sector employers sit on the ESBs, with a combined business database in excess of 12,000, plus an extensive reach to SMEs through the business groups, e.g. the Federation of Small Businesses, which represents 14,000 SMEs. This enables the ESBs to use their employer voice to influence the delivery of relevant training and skills development activity within their local areas.

- **Dorset** – where a Dorset Employment & Skills Board has been established, the Dorset LEP has commissioned new local economic assessments and a skills audit to empirically identify the skills gaps and volumes across its geography and sectors. This is being contextualised through consultation with employers, local authorities and education providers to identify the key barriers to skills development. This work is being summarised into a skills strategy for the LEP area and part of this will be to identify coordination and responsibilities of all interested parties moving forward.
- **Marches LEP** - has established a Marches Skills Board which has commissioned the development of a Marches Skills Plan to align local skills provision with employer's needs. The Board is made up primarily of representatives from the business community, the training provider and FE college communities, and local authorities from Shropshire, Telford and Wrekin and Herefordshire.

A review of all the evidence in the public domain relating to skills issues was undertaken to identify current and future skills requirements and challenges that would be faced in addressing these requirements. A range of partners including employers and other representatives from the communities involved on the Board were consulted about the findings to validate the needs. As a result of this, priorities for action were identified and a plan developed to identify collective action needed to provide appropriate provision to respond to employers' current and future skills needs.

- **Tees Valley** – where the Tees valley Unlimited LEP (TVU): establishes the detailed needs of local employers and their views on whether the current provision is meeting their requirements through ongoing business engagement activities, focus groups and an annual business survey; works with major training providers to inform and encourage them to respond to those needs. TVU is developing a Sector Skills Action Plan which draws directly on views of employers to more accurately establish the skills needs and timescales across each of the priority sectors. This will provide the evidence to support approaches to address skills gaps, challenges and opportunities for change.
- **Torbay** – where the Torbay Development Agency engages directly with over 200 businesses and gets their views on skills issues in the area. Since 2009 it

has actively developed a private-sector led Employment and Skills Board to articulate the employment and skills need of the Torbay and South Devon area; has produced a Work and Skills Plan for Torbay and is currently developing an Employers Ownership of Skills application for the hi-tech sector working closely with businesses operating within this sector in order to develop training support to better meet local need.

- **Wiltshire** – where a private sector led Employment & Skills Board was established in 2010 and is developing a Wiltshire Employment & Skills Strategy. Examples of what Wiltshire Council and partners are already doing to align local skills provision more effectively with employers' needs include:
  - *Wiltshire apprenticeship campaign* to help Wiltshire businesses understand the benefits of apprenticeships to their companies; it is currently ahead of target with 773 apprenticeship starts since July 2012;
  - *Wiltshire Skills 4 Success* – an employability & informal skills development programme funded and managed by Wiltshire Council to address employers concerns regarding young people's lack of preparedness for the world of work and to address attitudinal and cultural barriers that influence employer's perception of young people.
- **Worcestershire** - where an Employment and Skills Board is in place and is delivering on its employment and skills strategy.

**How far should local partners seek to forecast future trends and establish 'pipelines' to align skills provision towards them? Are there examples of where this has been successful or unsuccessful?**

Examples provided by our members include:

**Dorset** – provides an example of the importance of this where there are clear skills demands that can be accurately forecast, with the Navitus Bay Wind Farm that will require new skilled engineers who also possess roped access and maritime training. The LEP is working with the developers and local companies to define the skills needs and local colleges are planning provision to meet that need in the coming years. On a broader perspective the Dorset LEP is undertaking to be part of the EU Panorama programme to identify changing labour demands as part of the Local Economic Assessments.

**Tees Valley** - underlining the point that accurately predicting future employment movements and business creation is a notoriously difficult art and one in which a great deal of caution should be exercised, the Tees Valley Unlimited LEP demonstrates examples where predictions have been successful and those that have been less so - both of which illustrate the need for a better understanding of the lifecycles of new sectors.

In the early 2000s the trend nationally was for substantial growth in contact centres taking on large numbers of employees and the North East was seen as a key destination for such operations. In Tees Valley, partners worked together to set up 'pipelines' of suitable potential employees to fill the predicted significant numbers of vacancies and developed very successful training programmes in the

area, which large numbers of people took part in. However, despite positive recent growth amongst contact centres in Tees Valley, such as Everything Everywhere and Npower, there have been a number of recent redundancies e.g. as a result of the closure of the DirectLine operation in Stockton, and the industry has not taken off in the way that was once anticipated.

On the other hand, there has been success in developing the workforce to meet the needs of recently opened distribution centres based at Teesport for national companies such as Asda and Tesco. Successful training and vacancy filling pipelines have been developed for industries such as the motor industry supply chain which supports a number of manufacturers including Nissan in Sunderland.

Similarly, in response to the closure of Corus in 2010, Tees Valley partners worked with business representatives to create a programme to relocate the displaced apprentices from both Corus and their supply chain into other businesses so that they could continue with their apprenticeships. The Tees Valley Apprenticeship Programme successfully placed over 300 part qualified apprentices into over 150 companies, mostly SMEs. This very successful programme enabled the young people to complete their qualifications and secure employment and ensure that essential skills were not lost in an industry where business leaders knew that they would be needed for the future.

### **What can local partners do to drive improvement in the basic skills employers require?**

Examples provided by our members include:

**Dorset** – There are a number of things the Local Enterprise Partnership and the Employment & Skills Board have done/are doing:

- identified key skills needs for those already in work as part of the European Social Fund Tier 2 commissioning round by the Skills Funding Agency;
- working with local skills providers to create business innovation centres to help young people interact with employers and better understand and develop the skills they need to succeed in the working world;
- creating information advice and guidance resources for schools and young people to guide them on the attributes and skills they will need, defined by sector;
- engaging head teachers with the LEP agenda to try and engage as many young people in work experience and employability initiatives as possible.

**Tees Valley** - provides the example of Darlington's *Foundation for Jobs* programme which the LEP are now learning from, with a view to extending the activity across the area. Launched by Darlington Partnership in January 2012, with representatives from Darlington Council, local businesses, schools, colleges and Teesside University, the *Foundation for Jobs* has so far created over 100 apprenticeships, 100 work experience placements and almost 1,000 young people having meaningful contact with industry. The local newspaper, the



Northern Echo, has committed to run a year-long campaign showcasing young people who are eager to work and examples of companies who are putting forward opportunities. Already, many companies, public sector groups, schools and colleges are supporting the *Foundation for Jobs*, which aims to create apprenticeships and internships for the under-25s.

For the unemployed there are now 'Pace and Purpose' courses running at local colleges in Tees Valley and these are currently receiving high numbers of referrals from Jobcentre Plus. These are short courses to ensure that every new jobseeker has the key essential skills to get back into work quickly. Using colleges and learning providers to run work related courses has helped many more unemployed people receive the vital skills which employers need and also encouraged them to look at additional training to improve their opportunities.

### **Wiltshire:**

*'Have a Go' Skills Taster Events & Apprenticeship Week Activities* - The Wiltshire Apprenticeship Week 2013 will be held during 11th – 15th March. Wiltshire Council is running two major 'Have a Go' Events during that week. It aims to build on success of the 2012 week when around 1,000 of Wiltshire's young people (from year 9/10/11 students up to 24 year olds) participated in the events brought together by a range of training providers and local employers. During these events 5,150 'Have a Go' skills activities were undertaken. The 2013 events will aim to engage 1,500 young people with a target of 6,000 'Have a Go' skills activities. The events will also include two skills competitions so Wiltshire's young people can compete to be the best at a specific skill. Apprenticeship surgeries will provide support around CV writing, interview techniques, registering/applying on AV etc. and 'speed dating' sessions will run aimed at introducing potential apprentices to employers with actual apprenticeship vacancies. Both the apprenticeship surgeries and speed dating sessions are aimed at 16-18 year old NEETs.

*Action for Wiltshire Flexible Support Fund* - Personal development mentoring, job coaching support and assistance to overcome personal and employment barriers for up to 150 JSA and ESA customers aged 18 years + who are not currently supported through other initiatives. This £335,000 project, funded by Jobcentre Plus and Wiltshire Council is well underway with 158 referrals, of which 146 (to 31 Dec 2012) have received ongoing mentoring, 99 have accessed/are accessing tailored support and there are currently 27 businesses participating in this project by providing work experience opportunities. To date, 16 project customers have secured an actual employment outcome. Whilst delivery is well underway, given the project is not due to complete until December 2013 many further employment outcomes are anticipated (a target of 90 in total).

### **How well are skills providers adapting to the new local growth landscape, and what more could or should they be doing to align provision with need?**

**Dorset** - the majority of large training providers are engaging with the LEP agenda, primarily through the Providers Forum of the Employment and Skills Board. Whilst this provides the platform for discussion, without a clear evidence

based strategy providers lack the direction to plan their provision according to the needs of the economy as identified by the LEP. This work will be completed by spring 2013 and allow providers to better align with local strategy.

**What is, or should be, the role of the higher education sector in working with employers, local growth partners and skills providers at other levels?**

In the **Tees Valley**, Teesside University provides an example of a higher education institution being business focused and having major elements of its operation employer-facing. The university's specialist research centres have provided local businesses with excellent knowledge transfer partnerships, business support, consultancy and advice on entering new markets and developing new products. The research centres include the Teesside Manufacturing Centre, the Institute for Digital Innovation and the Clean Environment Management Centre, all based at the University's campus in Middlesbrough.

In addition, all local universities, including Teesside and Durham, offer flexible incentives to encourage employers to take on graduates, either directly from the universities or within 3 years of graduation. Although these start as short term placements usually to take on specific pieces of work, in many cases this has led to longer term employment, giving the companies the potential to use higher level skills to support growth. For the graduates, the scheme provides vital work related experience, which can support access to other jobs and a longer term career.

**What barriers – policy-related, political, funding-based or otherwise – do organisations driving local growth encounter when seeking to make skills provision more responsive to the local economy, and how can these be reduced or removed?**

An example of the impact of funding cuts is provided by **Torbay**, where the local South Devon College, which consistently supports over 3,500 full or part funded adult learners, 500 higher education learners as well as its core provision for 16-18 year olds, adult community learning and commercial work, is facing a £1 million reduction in funding for adult work. Whilst this is partly offset by the opportunity to encourage take up of Level 3 learning for local residents aged over 24 through a loan allocation of £500,000, the ability to meet recurrent, existing local need is diminished by between 10-20%. The Torbay Development Agency has not seen an equivalent improvement in the private or public sector ability/willingness to pay higher fees to increase skills levels. It reports that the higher education experience has already shown the impact on participation of replacing grant income with radically higher fees.