

Building an integrated skills strategy

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Understanding the local context

What is the current position?

- supply of skills
- demand for skills
- role of labour market intermediaries in matching demand and supply

Where do we want to be? and when?

- understanding local trends / projections
- are they moving in the right direction?

The broader context

- what are national and regional priorities?
- how will a local skills strategy link to other strategies? (economic, spatial, etc)

What are the priorities? How are they balanced?

- Retaining skilled labour
- Attracting skilled labour
- Focusing on new labour market entrants
- Developing the existing workforce
- Integrating the workless into employment
- Sustaining employment through skills development
- Understanding employers' demand for skills and current recruitment and retention issues
- Developing employers' demand for skills
- Helping education and training providers meet the needs of individuals, employers and the local economy

How do we get to where we want to be?

- *Supply-side interventions* to remedy deficiencies in the labour force
 - *but* not just about skills and employability
 - need to consider other issues / barriers too
- *Demand-side measures*
 - supporting local firms
 - inward investment
- *Integrating supply-side and demand-side measures* is likely to be most effective - employers control access to jobs and have influence over utilisation of skills
 - sector-specific skills development
 - influencing recruitment practices
 - ongoing workforce development

Who needs to be involved?

- Public sector:
 - local government
 - development agencies
 - employment service
- Employers / employer organisations
- Educational institutions
- Training providers
- Voluntary and community sector
- Trade unions
- **Partnership working and 'signposting'** to combat problems posed by a lack of integration and co-ordination of initiatives, which can lead to a situation of complexity, fragmentation and competition
- Governance arrangements
- Roles and responsibilities of different partners

What is it feasible?

- *Timescale:*
 - short-term
 - medium-term
 - long-term
- *Funding streams:*
 - how much resource?
 - over what period?
 - what are the constraints on where/how to spend?
 - scope for pooling / realignment
- *Degree of local flexibility* – to adapt to local circumstances / meet local needs as opposed to regional and national priorities
- Organisational targets *versus* broader strategic targets

Case Study:

South and East Lincolnshire (1)

Local Context

- Rural area in eastern England
- Reliance on ‘traditional’ industries
- Underperforming economically in comparison with East Midlands region – widening local-regional productivity gap
- Relatively low unemployment
- Ageing population
- Loss of skills as young people and more highly qualified pursue careers elsewhere
- Low demand for skills – limited opportunities for progression
- Low wage area
- Migrant labour

LOW SKILL EQUILIBRIUM

- few skill shortages and predominantly low skilled workforce → no incentive to participate in education / training / development and raise aspirations

“We grow cabbages, we just need people to pick them”.

Case Study: South and East Lincolnshire (2)

No Qualifications

NVQ Level 4 & 5



Case Study:

South and East Lincolnshire (3)

Economic and Skills Strategy Priorities

- *Cluster and Sector Skills Development*
- *Young People and Graduate Retention*
- *Skills for Enterprise and Innovation*
- *Skills are only one part of a broader package of issues* – other issues include transport, accessibility, etc
- Sustaining competitiveness in established industries
- Encouraging innovation
- Business-to-business collaboration and clustering
- Upgrading supply of skills – migrants and local population
- Greater FE & HE participation
- Attraction and start-up of businesses employing at higher skill levels
- Enterprise education in schools, colleges and universities

Case Study:

South and East Lincolnshire (4)

Learning and Skills Delivery

Issue

- *Delivery of training needs to balance*

1. Generalist / Specialist nature of training
2. Frequency of provision
3. Accessibility of provision

- *Delivery models*

- A. Frequent, general, easily accessible
- B. Specialist, less frequent, less accessible

Funding and costs

- Funding regime is based on 'volumes and outputs'
- Higher costs of delivery in rural than in urban areas

Strategy

- Promotion of *collaborative* working – attempting to foster co-operation between deliverers to realign services to meet local needs

Case Study:

South and East Lincolnshire (5)

Horticulture and food processing

Context

- Highly productive
- Increased mechanisation
- Historically pronounced seasonal variations in labour demand – but less so now
- Hard-to-fill vacancies – shortfall in local labour and jobs often considered unattractive by local people
- Longstanding reliance on migrant labour
- Increase in migrants – especially ‘A8 migrants’ – and growing evidence of unemployment amongst local population

Strategy

- Local university – specialising in food technology – as a driver of skills development
- Promotion of skills passports
- English language training for migrants
- Networking amongst businesses
- *Economic risk* – will migrants leave?
- Need to build ‘adaptive capacity’