

8: A skilled workforce

CLES believes skills provision should be provided through localised models; framed through effective relationships between providers, businesses and individuals.

The challenge

Responsibility for developing skills and training across the country lies with the Department for Education and Department for Business, Innovation and Skills. Skills provision is implemented primarily through the Skills Funding Agency. But central government is not best placed to determine skills needs across different parts of the country as local nuances are missed – a one-size fits all approach does not work.

Top-down edicts from central government result in inefficiencies and make it harder to address local labour market issues.

Education is still predominately about exam results. This means that people tend not to have strong employability skills that are essential for work, as well as crucial generic skills that contribute to productivity and success from basic to high level roles, for example, interpersonal skills and creativity.

Careers advice for many young people is poor. Advisors vary in quality and can lack industry experience – and there is a lack of a coordinated approach between schools, further and higher education institutions and employers. Careers advice is failing to guide young people through education and into sustainable career paths at a time when it is crucial to help them understand the rapidly changing labour market and future needs of employers. The National Careers Service alone will not be effective enough and there needs to be a more structured approach in schools in particular. Schools have taken over the duty

to provide careers advice, but this will result in variable quality depending on whether it's viewed as a priority.

The UK economy is characterised by persistent pockets of skills deficiency. Skills shortages now account for a greater share of hard to fill vacancies and typically occur in higher skilled occupations.²⁹ This has severe implications for productivity within the economy. Skills gaps are often found in lower skilled staff, across a range of sectors, suggesting a need for ongoing training,

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which is not always provided by employers. Supply and demand mismatches go beyond just skills gaps and shortages, however. The UK Commission for Employment and Skills states that almost half of employers have staff with skills and qualifications beyond those required to do their job, equating to 4.3 million workers. This can result in demotivation, low job satisfaction and skill attrition.

What needs to be done?

To address these challenges, we need:

Localised provision linked to local economic circumstances

Devolving budget responsibility will enable local government to take a long-term view of skills needs. Authorities can then respond effectively to the changing jobs market and ensure residents have the skills they need. Greater use of the

²⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/344440/The_Labour_Market_Story- The_State_of_UK_Skills.pdf

skills budget will allow localities to address gaps, improve school to work transitions and develop integrated approaches. Local government and partners (including employers) need to be able to shape further education and training provision and apprenticeships, join up schools, vocational training and support and better integrate skills and training into employment programmes. There are signs that skills budgets are being devolved at a more significant scale than before. City Deals and devolution agreements in a number of cities are key drivers for this. But more needs to be done across all areas of the country where the governance structures are in place to facilitate this effectively.

CLES has undertaken work with Barnsley Metropolitan Borough Council exploring future skills provision as part of a new economic development strategy.

An approach to employability commencing at year zero

National and local government and other agencies should set out a pathway that starts at Year '0' in a person's life, through a sustained investment into early years, and provides a rounded and whole-life package of skills development and provision. However, the challenge of employability does not exist in a silo – a whole range of factors affect an individual's ability to engage with skills development and employment opportunities. These could include educational attainment, lack of employability skills, health issues, a lack of engagement with employers, providers and services, and an overall poor life trajectory. This means linking employability and skills more strongly to other policy areas such as health and family support, and in particular creating a cultural shift through engaging with

families with complex needs.

This is a long-term approach, primarily focused on young people from the early years onwards, but must be viewed as crucial to enhancing employability and skills levels across the country, and to ultimately improve social and economic outcomes.

CLES has undertaken work with Belfast City Council to develop an employability and skills strategy and action plan. This has a key emphasis upon addressing employability issues.

Employability and skills charters

Local voluntary charters would provide a framework within which businesses and others can coordinate their activities and maximise the benefits they bring to an area without adding new layers of bureaucracy. Enhancing employability and skills through charters can be kick-started when businesses and others commit to investing in the local population and their employees. It would include formal skills agreements/programmes and career pathways that businesses sign up to – and provision of and investment into training across communities – to ensure the future labour pool needed to develop the success of the local economy is in place. In particular, businesses will be encouraged to promote employability by engaging with schools, providing meaningful work experience/placement opportunities and offering training/learning opportunities to their workforce.

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By raising ambition and enabling achievement to be better recognised, employability and skills charters will motivate young people, schools, businesses and others to do more, help young people to find and succeed in work, and help businesses to appoint recruits with the skills they need.

The full Manifesto for Local Economies
can be viewed on the CLES website, [here](#).