

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Director for People and Corporate  
Director for Place

to

**Cabinet**

on

**5<sup>th</sup> November 2013**

Report prepared by:  
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## **The Need for a Southend Skills Strategy**

**Executive Councillors: Councillor James Courtenay and Councillor John Lamb**

### ***A Part 1 Public Agenda Item***

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#### **1. Purpose of Report**

1.1 The purpose of the report is to provide an update on the delivery of skills, education and training in Southend for young people and adults. The report details the strength of the current position and proposes significant actions to further improve the development of opportunities for local residents. This report has been considered by all Scrutiny Committees and Members' views have been reflected in the report, now presented for consideration by Cabinet.

1.2 Members are asked to note that this report has been considered by all three Scrutiny Committees.

#### **2. Recommendation**

##### **2.1 Members' views are sought on the following proposals:**

- **A new borough-wide skills strategy is developed linking education provision at all levels with the business requirements of today and the future. The strategy should complement the South East Local Enterprise Partnership Skills Strategy (SELEP) and Whole Essex Community Budgets (WECB) to maximise the opportunities they present and ensure consistent messaging. It should also exploit the freedoms and flexibilities on offer through the Southend City Deal. Strategy will include feedback and monitoring**
- **Work awareness/employment opportunity knowledge in primary schools is further developed to stimulate awareness of the local economy, the jobs available and the skills required at a younger age to help inform student choices.**
- **A network of employers is developed to deliver information about skills opportunities to primary schools in Southend. To help raise awareness**

of different employment opportunities available in the labour market, not just locally but also wider area. To continue to raise the aspiration of primary school children and parents/carers of children in Southend schools

- **Secondary school students benefit from wider careers development advice as teachers engage with work awareness / knowledge of employment opportunities in order that alternative routes into further and higher education such as employment are presented and that key future opportunities, such as the Anglia Ruskin MedTech Campus, are prepared for. Regardless of the secondary school, all are able to access the opportunity to engage with employers.**
- **Southend-on-Sea Borough Council continues to work with WECEB and lobbies to change funding methodology.**
- **Sector Skills Councils take a more proactive role in sharing information with providers and employers to address the gap in communication and assist with the profiling of future skills needs / areas of predicted economic growth.**
- **There is increased awareness of higher apprenticeship opportunities as an alternative route to university.**
- **Southend-on-Sea Borough Council reintroduces the 14-19 strategic partnership group, with clear terms of reference focused on the development of a curriculum which meets the needs of local employers, growth sectors and young people. Membership of 14-19 strategic partnership group will include representatives from Business, Sector Skills Councils, Further/Higher education, Secondary schools, Work Based Learning providers and Local Authority representatives.**
- **Southend-on-Sea Borough Council works with Essex County Council to investigate the possibility of setting up a Studio School linked with London Southend Airport to increase the employment opportunities for young people in Southend and Thames Gateway area. The Studio School would not solely focus aviation engineering but would also include the wider skills associated within the aviation sector.**

### **3. Background**

- 3.1 The importance of formal and informal education and training has long been recognised in Southend. Historically challenged with low skill attainment levels linked to low levels of aspiration and limited local high skilled job opportunities Southend has seen significant investment and action over the past 7 years to stimulate improvements in skills at all levels. 2005/6 saw the opening of the multi-million pound town centre education campus bringing South Essex College and the University of Essex to the heart of the town making further and higher education in Southend accessible and raising the profile of the opportunities available for local learners. In 2010 Southend Adult Community College opened the BEST Centre on its Ambleside Drive site creating a

purpose built facility for adult learners to return to a learning environment. 2013 will see the completion of The Forum, the UK's first combined municipal and academic library together with teaching space and public use areas innovatively funded by Southend Borough Council, the University of Essex and South Essex College. The investment in this infrastructure reflects a serious commitment to education.

3.2 Strategically different elements of skills attainment is reflected in a number of strategies across the borough council as well as the individual strategies of the different education institutions, providers and funders. Recently skills have also become a core issue for Local Enterprise Partnerships (LEPs) across the country and SELEP is now developing its strategy to encapsulate the challenges and opportunities faced across the area in order to best position the LEP for appropriate funding and support. The Whole Essex Community Budgets (WECB) pilot proposes that all skills based funding is channelled through one source, with an Employer Skills Board suggested, to enable local allocation of funding to meet local skills needs. This will enable funding to be appropriate to the training being delivered; for example more could be allocated for engineering provision to reflect the needs of the course while also encouraging greater provision across Essex and less allocated to courses which do not have such employer demand.

3.3 The Heseltine Review in 2012 considered how spending Departments and other relevant public sector bodies interact with the private sector, and to assess their capacity deliver pro-growth policies. The review made 89 recommendations which aim to:

- Inject stability into the economy
- Create the conditions for growth
- Maximise the performance of the UK

At the heart of Lord Heseltine's proposals are measures to unleash the potential of local economies and leaders. It recognises the role of LEPs in doing this and thus, in the case of Essex, connects the review with SELEP and the WECB.

3.4 In 2010 the Southend Together Partnership received a paper providing an update on skills development for young people and adults in Southend following the conclusion of the Southend Lifelong Learning Strategy 2007-2010. It reflected performance against national indicators and the Local Area Agreement reported on by the Children and Learning and Enterprise and Innovation teams under the Comprehensive Area Agreement which concluded in 2010 with the change of Government. It is now timely for a new overarching skills strategy for Southend to be developed.

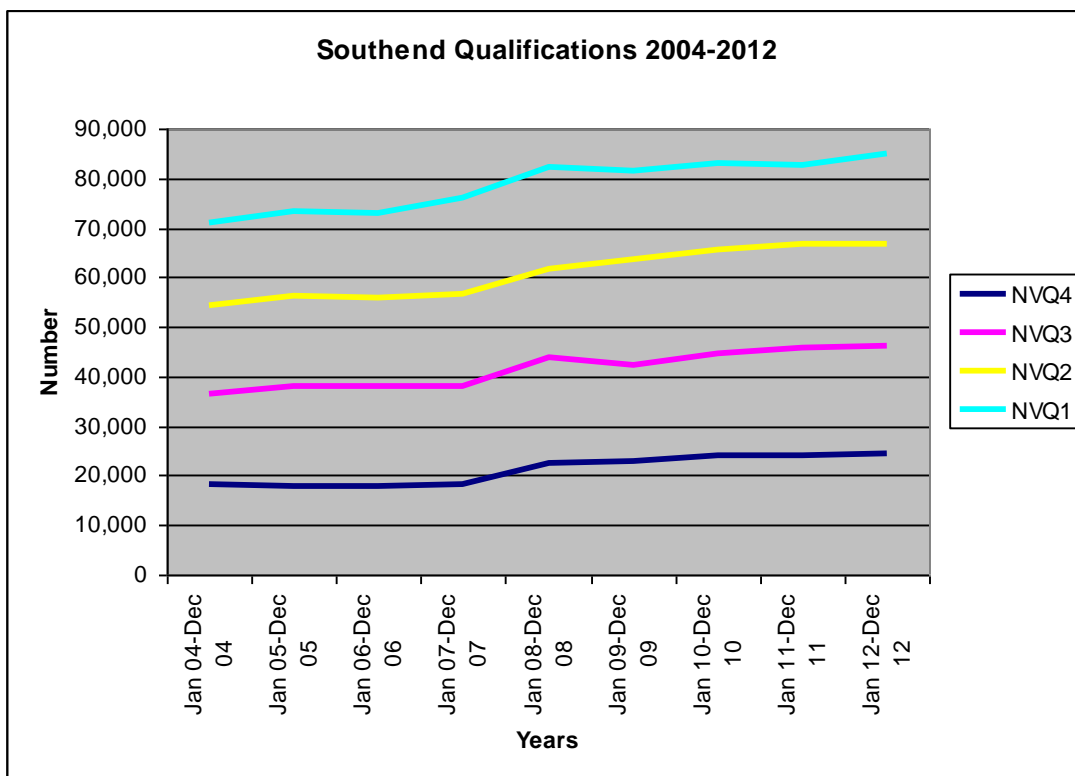
#### **4. Other Options –**

There are no other options available

#### **5. Reasons for Recommendations**

##### **5.1 Current Position**

5.1.1 Looking purely at qualifications achieved in Southend by the working age population (taken from the ONS Annual Population Survey) Southend has seen an increase in skills attainment at every level year on year. This is with the exception of level 3 in 2009 however education providers do not feel that this is consistent with their outputs and could be an anomaly. Overall this suggests that the investment in education provision and profile that it carries across the board in Southend is having a positive effect.



**NVQ 4 equivalent and above:** e.g. HND, Degree and Higher Degree level qualifications or equivalent

**NVQ 3 equivalent:** e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher

**NVQ 2 equivalent:** e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2

**NVQ 1 equivalent:** e.g. 5 GCSEs at grades D-G, foundation GNVQ, NVQ 1

**No qualifications:** No formal qualifications held

5.1.2 Within Southend we have a low level of NEETs compared to the national average, currently at 5.8% compared to national figure of 6.5%. Many of these become NEET at the age of 17, like in many other areas, having completed one year post 16 education. At this point re-engagement with education can be challenging as motivation to continue decreases as employment becomes more of a focus, however employers require skilled and appropriately qualified staff. Nationally the possible causes for early drop out or 1 year courses could be the Information Advice and Guidance the young people receive is either too late or is influenced by post 16 providers to get learners on to courses to

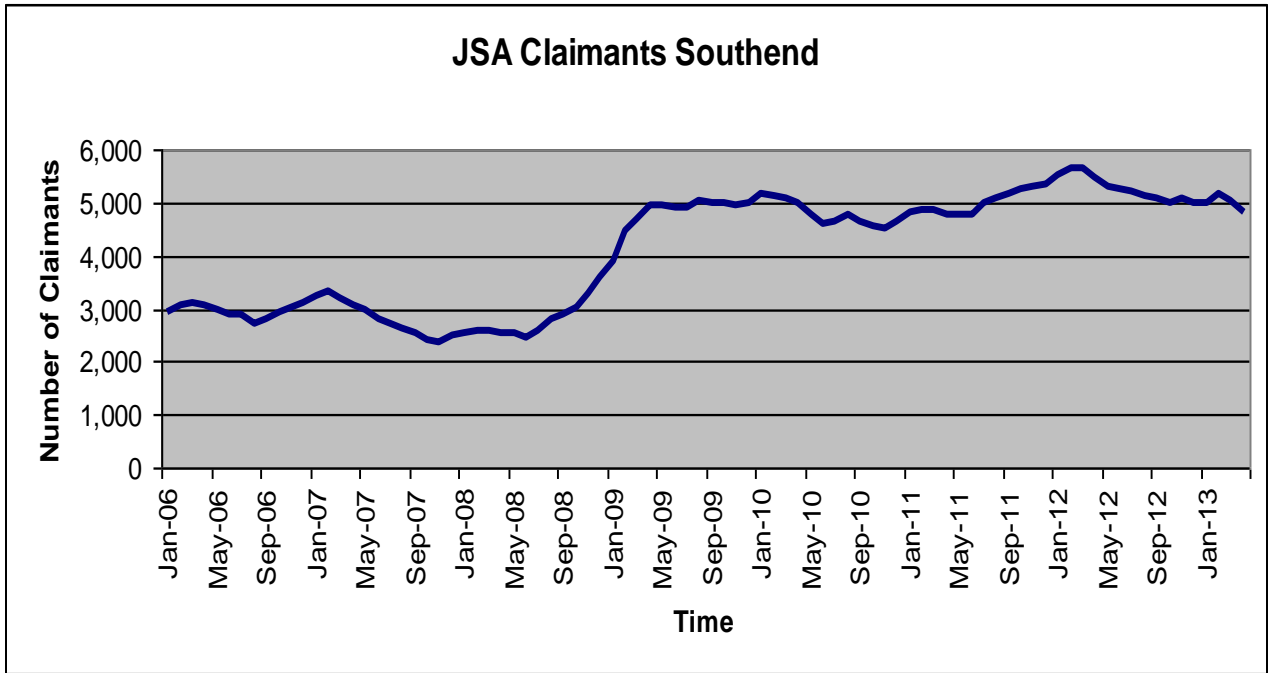
match funding allocations. An example of this can be seen in the number of young people doing business administration and customer service courses. However in Southend the IYSS Connexions service supports young people in education, employment and training to increase the opportunity for young people to access advice.

5.1.3 In comparing Southend's skills attainment in 2012 residents in Southend had fewer qualifications than both the British and eastern region averages.

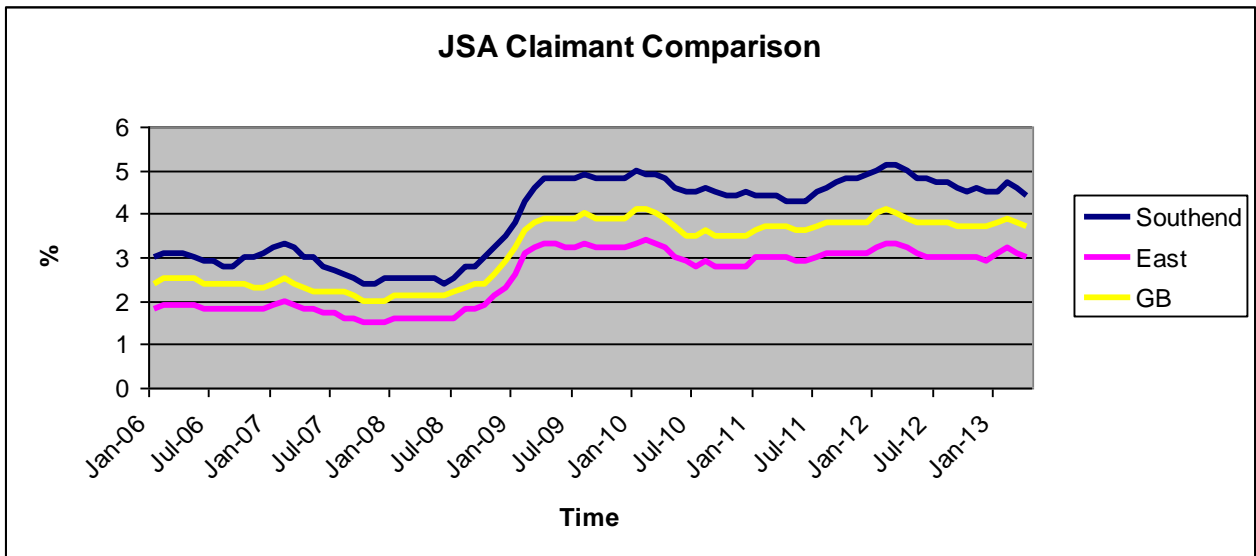
	<b>Southend %</b>	<b>East %</b>	<b>Great Britain %</b>
NVQ 4 and above	23.9	32.9	34.4
NVQ 3 and above	44.8	53.7	55.1
NVQ 2 and above	64.7	72	71.8
NVQ 1 and above	82.5	85.5	84.0
No qualifications	10.7	8.5	9.7

Consequently while attainment is improving it is not improving swiftly enough to be competitive on a regional or national basis. This poses a particular challenge with regards to employment and attracting employers to Southend. While some skill sets are in abundance, such as telephony/customer contact centre skills, which the likes of RBS report to be excellent in Southend, it can act as a deterrent to others. The average level of pay for those who work in Southend (£479 per week) is below that of those who live in Southend (£532 per week). This reflects the fact that many higher qualified residents commute out of the town for work to areas where their skills can be applied and attract higher salaries.

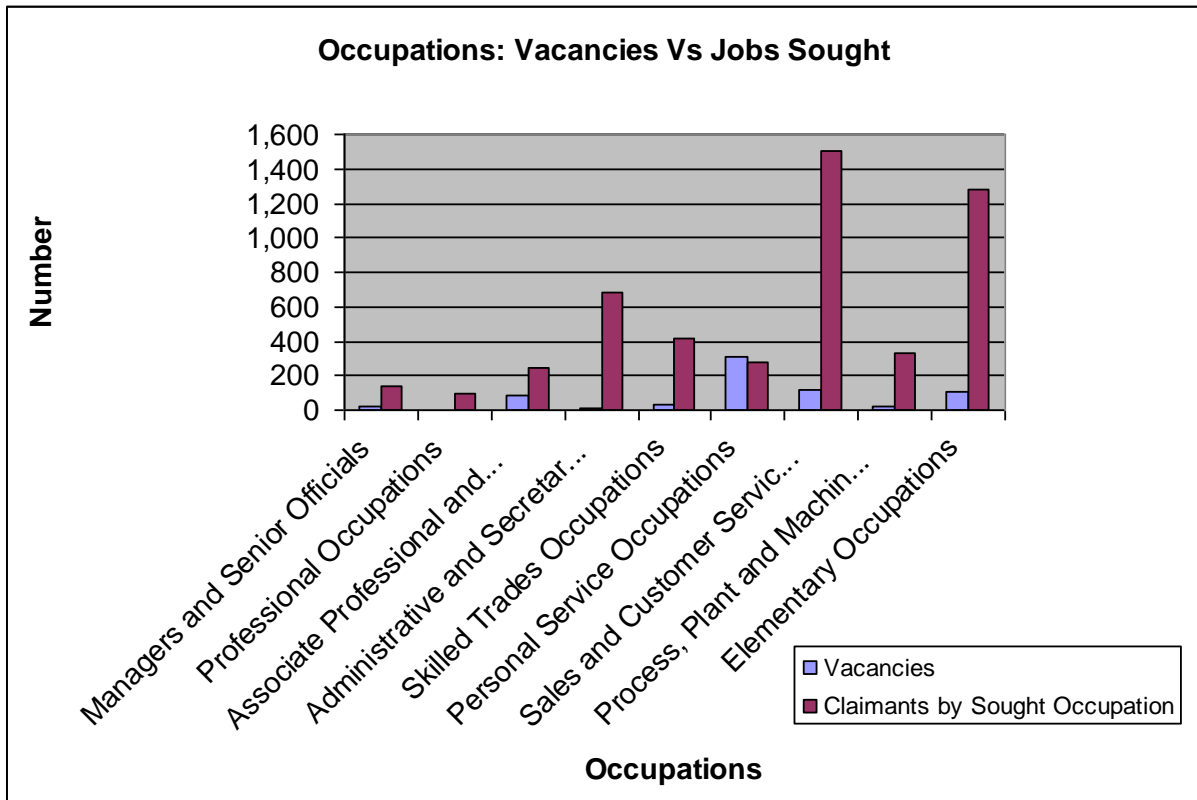
5.1.4 Holding the relevant qualifications and skills can increase employability. Therefore, residents not being appropriately skilled can contribute to low income employment and higher levels of unemployment as the skills held, or aspirations of those seeking work, do not match the requirements of local businesses. The JSA claimant count is used as a proxy for unemployment and shows an unemployment figure of c3,000 prior to the recession which increases to a peak of 5,651 in March 2012. It should be noted that JSA claimants can be undertaking training while also claiming JSA thus reflecting the need for the training available to meet business needs not only to grow the local economy but to ensure that the population is skilled to undertake the jobs available.



5.1.5 The level of JSA claimants in Southend has consistently been above the Eastern and GB averages, even before the 2008 economic crisis. However, at times during that period the gap has widened to create an even greater divide.



5.1.6 Figures from November 2012 show the mismatch between jobs available and the jobs sought by JSA claimants. There is excessive demand for Process, Plant and Machine Operative roles and Elementary Occupations and the only occupation where supply exceeds demand is Personal Service occupations. These figures also serve to show the level of skill and aspiration as there is very little demand for the high skill, high paid jobs in management and professional occupations but also very little supply suggesting that businesses requiring a highly skilled workforce do not tend to locate in Southend and consequently create employment in these roles as the borough does not have an appropriate skills base. It also shows that high skilled Southend residents are successfully gaining and retaining employment outside the borough.



5.1.7 National apprenticeship starts from 2011/12 show Retail and Commercial Enterprise to be the second most popular sector in which to undertake an apprenticeship. The Sales and Customer Service data on the above graph most closely corresponds with these apprenticeships, and while they do not directly correlate it can be used as a proxy and suggest that too many apprentices are being trained in this area as there is already more demand than supply for jobs. There is a lack of strong connection in many sectors between qualification, labour market entry and career progression.

5.1.8 Apprenticeships in Southend have continued to increase over the last 5 years. The current areas of growth are hairdressing, customer service and business administration which do not reflect vacancies in the job market. This is also reflected in national statistics with business administration, retail and health and public services being the most popular apprenticeships. Conversely there is a decline in engineering and manufacturing. However, through working with employers awareness of apprenticeship frameworks in areas which require Science, Technology, Engineering and Maths (STEM) skills are increasing. Forthcoming opportunities such as the MedTech Campus will continue to reinforce this message. Apprenticeships should not be seen as the answer to NEET as employers are now focussing on Advanced apprenticeships (level 3) and Higher apprenticeship (level 4+). The Government are currently seeking an increase in the development of Higher Apprenticeship opportunities and the proportion of starts in Advanced and Higher Apprenticeship levels have increased from 32% to 50% this current year and there are plans to develop these frameworks further.

5.1.9 Although Local Authorities can help to stimulate growth in apprenticeships the growth in this area of education can only come from employers and providers

meeting the needs of these employers by providing appropriate qualification frameworks which support growth areas.

- 5.1.10 Feedback from employers from the 2012 Southend Business Survey and the 2013 TGSE Skills Summit identify a number of skills gaps which have a consequential impact on their businesses. Many of these relate to basic 'employability skills' such as communication, appropriate attitude, and numeracy, literacy and IT skills. Nationally businesses are providing the same feedback. Conversely, however, only 23% of businesses in the survey confirmed they have a training budget and 30% a training plan suggesting that nearly a third of businesses expect to recruit staff with all the appropriate skills and training so there is a demand for staff with certain skill sets but limited plans to invest in them further.
- 5.1.11 Only 13% of businesses surveyed had experienced recruitment difficulties in the preceding 12 months; however 26% hadn't recruited at all during this time. The primary skill sets employers had experienced problems recruiting were sales and customer service and unskilled trades. When this is compared with the graph above showing the disconnect between supply and demand it suggests that those who are seeking sales and customer service roles are not appropriately skilled to undertake them as there is a huge demand for roles in this area but employers report problems in recruiting to them.

## 5.2. Future Scenario

- 5.2.1 It is evident that better connectivity between education provision and business demand is required if we are to ensure that businesses are able to grow and maximise the employment opportunities for residents through up-skilling and appropriate qualifications. Dialogue across the town is therefore vital to understand where there are development opportunities, where businesses are growing and changing, how national and local strategy is affecting provision and where there are opportunities to be exploited.
- 5.2.2 The Economic Development Strategy for Southend identifies six key sectors for the borough based on existing strengths and future growth potential. Going forward three of these in particular should be considered with regards to up-skilling and qualifications due to the breadth and profile of jobs which could be created in addition to the significant private sector investment potential which serves to future-proof the jobs as far as is possible.
- 5.2.3 **Medical Technologies** – in partnership with Anglia Ruskin University (ARU) and Harlow and Chelmsford Councils Southend is a founding member of the Anglia Ruskin MedTech Campus which seeks to become a national, and eventually international, hub for near-market medical technology solutions. The Campus is already delivering a business services network providing support to innovators and entrepreneurs in the sector and, over the next few years, will also see physical sites at each of these locations which will be able to accommodate Med Tech businesses and their supply chain in fit for purpose, co-located premises to optimise the synergies of a cluster.
- 5.2.4 Southend already enjoys a strength in this sector with some 1000 people employed at Olympus Keymed as well as a number of smaller medical



technology businesses spread across the borough. The Southend element of the MedTech Campus is planned to be located at the proposed Airport Business Park to the west of London Southend Airport. The Campus will be private sector driven and funded with medical device companies, and their supply chain, locating on the business park. Providing a workforce for these businesses will require a broad range of skill sets; from precision engineering to legal patenting services and from medical to finance. The majority of the roles created will demand high skills levels and continuing professional development. There will also be space for innovators and entrepreneurs to develop new business ideas requiring enterprise, business start-up and business planning skills to be taught now in order to make the most of the opportunity when it comes to fruition. Timescale – 5-10 years.

- 5.2.5 **Aviation** – Since Stobart Group acquired Southend Airport in 2008 they have spent over £120m on infrastructure improvements and airport expansion. As a consequence in the first year of operation following the expansion the airport carried 800,000 passengers and is currently undergoing an extension to its terminal building in order to further increase capacity. Consequently, going forward, there will continue to be demand for a workforce able to undertake the range of jobs seen at the airport and the skills to be able to do so in line with the Stobart Group expectations.
- 5.2.6 In addition to this there will also be an on going demand for the skills and qualifications demanded by the Maintenance, Repair and Overhaul hub located in and around the airport as they also see their businesses grow with the improved facilities and profile of the airport. Some companies there have invested heavily in apprenticeships and in-house training to ensure that they have sufficient supply of talent to meet their demands. Others have struggled to recruit the knowledge and experience their businesses require locally so have had to bring in contractors from further afield. The development of the Airport Business Park will provide more space for these and other related companies to expand and grow consequently demanding a greater workforce capable of undertaking the roles created. Timescale – ongoing.
- 5.2.7 **Cultural and Creative Industries** – Southend enjoys an exciting network of creative and cultural businesses which has been recognised by the Arts Council. These vary in nature from web designers and architects to mosaic artists and entertainers. It is often these individuals and businesses which stimulate innovation and new perspectives through the creativity and outlook required by their work. The role of this sector in wealth creation and innovation was identified by Government in its report *Creative Britain: New Talents for the New Economy* 2008. Consequently through supporting, developing and enabling people's creative skills, knowledge and expertise we will not only see this sector flourish but new approaches in existing businesses opening new markets as well as new goods and services being developed.
- 5.2.8 Southend is positioning itself through the investment in events and infrastructure to expose residents and visitors to more of the culture and cultural activity of Southend. The increasing profile and expectation of this sector will develop into new opportunities for business development in creative and cultural industries.

5.2.9 **Entrepreneurship** – Southend has always enjoyed an above average business start-up rate and today nearly 90% of its businesses are under 10 employees; nearly two thirds are family owned. As the world economy continues to shift and adapt following the global economic crisis, and the way in which we live our lives changes with technology, energy and accessibility it creates opportunities for entrepreneurs to meet gaps in supply and to develop new businesses which are flexible enough to move with trends. Equipping residents to be able to develop ideas into businesses and grow a successful company requires excellent business support provision and availability of training in business skills and processes.

### 5.3 **Challenges in Bridging the Gap**

5.3.1 Southend's economy shows significant potential for growth. It is for this reason the town was selected to enter into negotiations regarding a City Deal in early 2013. In order to bridge the gap from the current skill and employment base to meet the needs of future resident and business populations there are a number of challenges which must be addressed. The 2013 TGSE Skills Summit identified a number of these recognising the obstacles from employer and education provider perspectives.

5.3.2 **Aspirations** – While many Southend residents are successfully securing appropriate employment and/or are entering into a range of training courses, aspiration levels among some are lower than the potential they offer. . Some of Southend's Lower Super Output Areas (LSOA – these are areas of 1,000-3,000 population which are used to improve the reporting of small area statistics. There are 32,482 LSOAs in England ) are among the most deprived in the country and see multi-generational worklessness which can mean few positive role models and little motivation to aspire beyond immediate circumstances. The Streets Ahead initiative in Southend is helping to address this. As opportunities for employment are reduced with few vacancies, fewer high skilled jobs and a perception that Southend has little to offer this can translate into low motivation to excel. Opening the University of Essex campus in Southend has enabled access to higher education so residents no longer need to leave the borough to go to university. Consequently they are more likely to seek employment locally as they are still based here. The introduction of the University means that further education is now more accessible and its town centre presence raises aspirations by exposing everyone to the opportunities it could offer.

5.3.3 **Employability** – Feedback from employers via a number of different forums tells us that some young people in particular do not have the basic skills to secure and retain a job; such as punctuality, communication, team work and ability to follow instructions. Such skills do not tend to feature as part of a curriculum lesson at school but are gained through work experience and/or school enterprise awareness sessions and projects so are dependent on a proactive students and good links between schools and local businesses. From September 2013 careers guidance from Year 8 will be mandatory in all schools. In order for this guidance to make a positive difference to the employability skills of young people in Southend, schools must have good links with industry and access to labour market information. The 60 Minute Mentor programme set up through the Southend Business Partnership has, over the last year, offered free

CV/Interview/Careers sessions to 15-19 year old with a local business leader. Feedback from these sessions has highlighted the benefits of such events so the initiative is being continually adapted in order to increase participation.

- 5.3.4 **Employer – education communication:** both employers and education providers report some obstacles regarding communication between the establishments. Employers have identified challenges in communicating with education providers regarding skills required from the local workforce and therefore the influence this should have on the courses run. Educators would like to see increased connectivity between schools/colleges and businesses to provide work experience, interview practice and insight into what it means to work there. They also recognise the pressure of employers' limited understanding of how the education system works – how long it can take to put on a new course, how they are funded and what responsibility an employer may need to take. Both parties have asks and offers of each other and are willing to work together, but further work is required on developing the key relationships.
- 5.3.5 **Perceptions:** – the traditional GCSE – A-level – University route is still considered by many as the only way into long term sustainable employment. Vocational skills, and the routes into gaining such skills, are often thought of as an option only for those who are less able. However apprenticeships are becoming increasingly popular after several decades of limited profile and are being seen as a route into employment; though still many perceive them as only being in the 'trades' rather than the 270 apprenticeship frameworks now available at level 3, or the higher apprenticeship available which can take learners to degree level.
- 5.3.6 **Careers advice:** – Careers advice / Information Advice and Guidance (IAG – this service can be purchased by schools in Southend and across the Thames Gateway South Essex from IYSS Connexions Southend. It helps young people to make informed decisions about post 16 education, employment and training opportunities to meet the individual's needs and aspirations). The majority of schools in Southend have purchased Southend Connexions to deliver their independent advice and guidance. However, three schools do not currently purchase the service so IAG cannot be monitored or compared. There is an opportunity for careers advice or employment opportunities to be reflected in the primary school curriculum. This will make young people aware of the opportunities available in the labour market and help them to make more informed choices about qualifications and progression routes.
- 5.3.7 From September 2013 careers guidance is mandatory from year 8 and for post 16 learners. Schools and colleges need to provide independent advice and guidance for the most vulnerable learners indicated by the school. To support schools to give this advice there needs to be closer links with employers and sector skills councils identifying opportunities and career progression; not only locally but also from a national perspective. As an example of where such relationships could be maximised; vacancies for railway engineering apprenticeships have increased over the last 3 years from 500 to 2000. In this area few learners are aware of this growth sector and have chosen qualifications in subjects which would complement the opportunities available. At the TGSE Skills Summit there was a clear indication from some that there is a need for local employment awareness and exposure to business practices at

primary school age to begin to make children aware of the opportunities which exist locally and to consequently inspire and shape their learning and attainment.

5.3.8 **Education Funding:** - Pre 16 compulsory education funding is based on the number of learners in a school and in addition to this schools will receive a pupil premium for the number of students on free school meals as well as additional funding based on the area where the school is located.

5.3.9 Post 16 is funded on the number of learners and qualifications delivered. Schools are therefore encouraged to increase their sixth forms numbers and thereby increasing their funding. Consequently the system incentivises providers to offer courses which learners want in order that the provider gains maximum funding for learner numbers. As a result provision is demand led by the learner and not by employers. An example can be seen with the rise of schools and colleges offering hair and beauty although this doesn't correspond with vacancies available. Raising the Participation Age encourages this behaviour as the duty is on the learner to find appropriate education and training post 16. Providers will also put on courses which are low cost to deliver but will receive the same amount of funding as more costly courses and this has seen the rise of customer service programmes and business administration.

5.3.10 **A skills strategy for Southend:** – while each education establishment and training provider will have their own strategy for skills delivery in Southend, employers and understanding of their individual business needs and perhaps those of the sector, and the local authority an overarching view of different groups, mechanisms and opportunities Southend is lacking a shared skills strategy which unites all the stakeholders in a joint vision and understanding of the current position, future opportunities and how those might be maximised for the benefit of the individual, the business and the town.

## 6. Corporate Implications -

### 6.1 Contribution to Council's Vision & Corporate Priorities

The recommendations contribute to the Council Vision and Corporate Priorities support to improve the quality of life, prosperity and life chances for people in the borough.

### 6.2 Financial Implications

Encourage the prosperity of Southend and its residents. Possible costs are likely to be incurred delivering support in primary and secondary schools in addition to Southend Connexions Service. These need to be finalised following the review.

Contribution to Essex Employment and Skills Board £100,000

Marketing and raising awareness of higher apprenticeship. Investigate the feasibility of Studio School in Southend. Need to be finalised following the review.

### 6.3 Legal Implications

There are currently no legal implications. If a Studio School was approved following the review and consultation regarding the development of Studio Schools there could be legal implications. However, these would need to be confirmed through the investigation process.

- 6.4 **People Implications**  
Improve the outcomes and narrow the gap for vulnerable children and adults. Training staff to provide information advice and guidance for both primary and secondary schools. Following the investigation and consultation regarding the development of Studio Schools. If the proposal was approved, opening a Studio School would impact on staff from other institutions.
- 6.5 **Property Implications**  
Following the investigation and consultation regarding the development of Studio Schools. If the proposal was approved, the opening of a Studio School would require the development current education property or change of use.
- 6.6 **Consultation**  
Feedback from employers from the 2012 Southend Business Survey and the 2013 TGSE Skills Summit identify a number of skills gaps which have a consequential impact on their businesses. Consultation and feasibility study on the development of Studio school in Southend .
- 6.7 **Equalities and Diversity Implications**  
Not applicable
- 6.8 **Risk assessment**  
To be completed should the recommendations be approved
- 6.9 **Value for Money**  
If recommendations approved would improve outcomes for learners and prosperity of Southend residents. Maximise funding to support young people and thereby reducing the cost of inactivity of an unskilled workforce.
- 6.10 **Community Safety Implications**  
Not applicable

## 7. **Background Papers**



Alignment of Outcomes and Recommendations FINAL report June 2013.pdf



TGSEP Skills Summit Report June 2013.pdf



Guide-to-Whole-Place-Community-Budgets.pdf



Essex Local Skills Reform Proposals DRAFT.pdf



FINAL Southend  
LEA.PDF

## 8. **Appendices** None