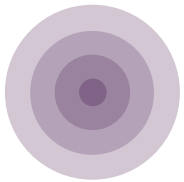




northwest  
development agency



## The Northwest's Framework for Regional Employment and Skills Action (FRESA)

February 2004

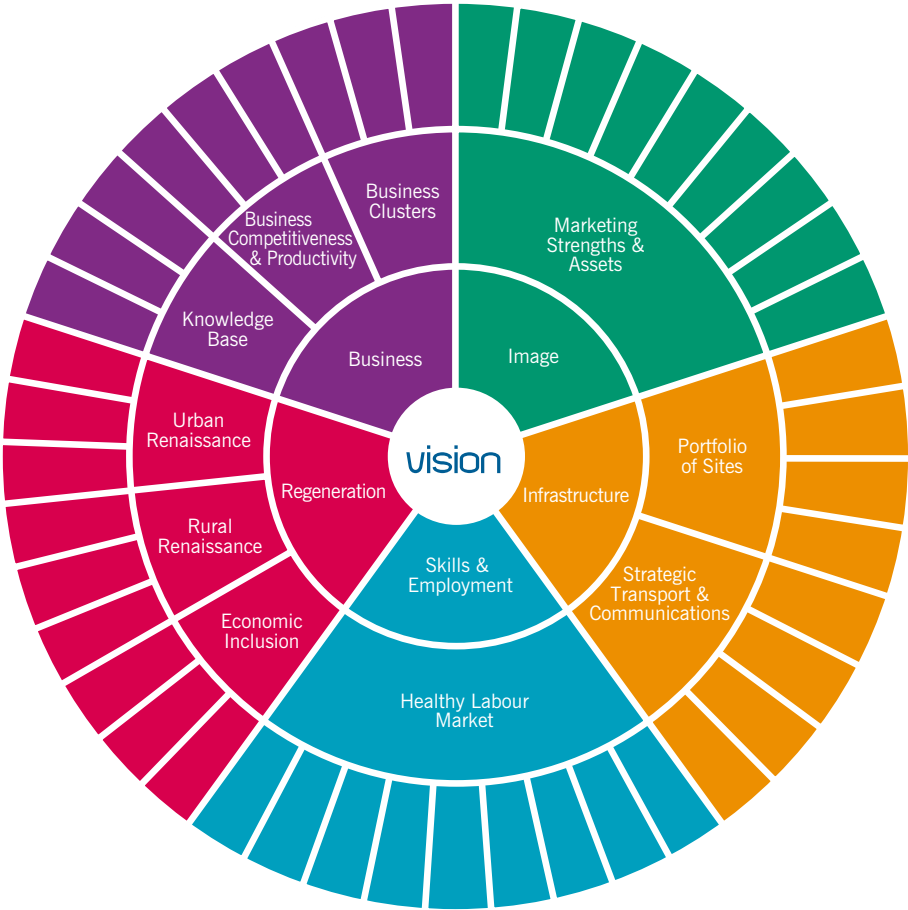
# PRODUCTIVITY THROUGH EMPLOYABILITY

# Regional Economic Strategy

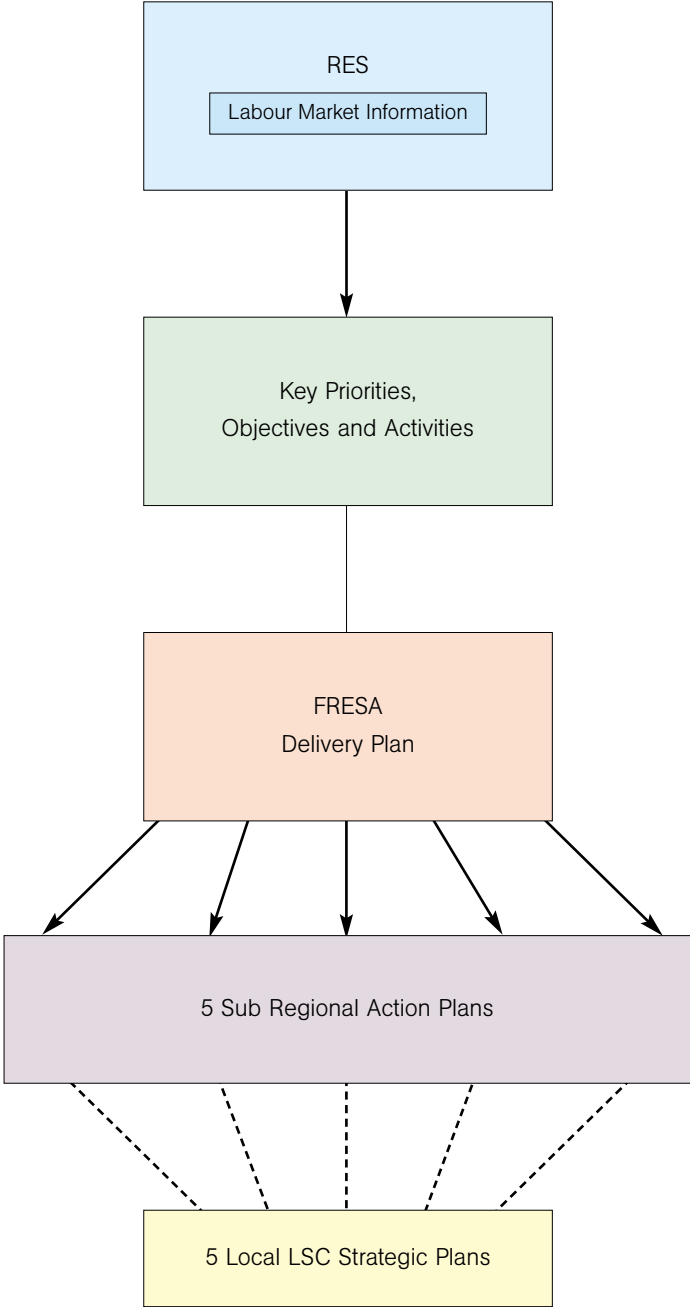
The Regional Economic Strategy has a clear vision for the future of the region.

“To transform England’s Northwest through sustainable economic development.”

Five priorities of Business Development, Image, Infrastructure, Regeneration and Skills and Employment have been identified.



# Links Between Regional Economic Strategy (RES) and FRESA



Note: The full FRESA document can be accessed through the NWDA website at [www.nwda.co.uk](http://www.nwda.co.uk), and copies of the sub regional delivery plans referred to can be obtained from the NWDA Skills Policy Team.

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- Strengthen regional and sub-regional dialogue and communication mechanisms.
  - Identify and replicate effective practices.
  - Influence the infrastructure, particularly the new Sector Skills Councils, in order to improve the quality of learning opportunities.

## Priorities for Regional Action

Within the key issues identified are three that are currently of sufficient importance to warrant a specific leadership role to be taken at regional level. These issues are:

- The **under-performance at Key Stage 3 and Key Stage 4** of the region's education system is linked to the subsequent under-achievement across the skills spectrum and to the long tail of unqualified adults with poor literacy and numeracy skills. Success in tackling this under-achievement will impact on the region's supply of skills and entrepreneurial spirit.
- The issue of **alienation from the workforce and learning** is significant as a sub-regional spatial issue and also in terms of its impact on key groups and thus social cohesion across the region. As a priority therefore we will seek to secure real equality of opportunity for learning, enabling individuals, including those in disadvantaged communities, to maximise their potential.
- The need to **involve employers** effectively across a range of employment, education and training issues working closely with the emerging Sector Skills Councils. We will therefore seek to respond to business needs and build the capacity of the future workforce, not least by encouraging the involvement of employers and working to ensure that supply arrangements are responsive to the needs that employers identify.

# FRESA and the Regional Economic Strategy, Regional Skills Partnership and the National Skills Strategy

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The purpose of the FRESA is to promote a healthy labour market in which employers are able to meet their employment and skills needs and individuals can meet their aspirations for work and personal development.

The Regional Economic Strategy identifies five key priorities for the Northwest, one of which is the skills and employment priority to:

## **‘Develop and maintain a healthy labour market’**

The key activities, modified from the Regional Economic Strategy for the purposes of the Framework for Regional Employment and Skills Action ( FRESA ) are:

- 1) Encourage the public and private sector to employ people from disadvantaged communities and groups, through positive action programmes and other measures, and promote the benefits to employers of equality and diversity in the workforce
- 2) Develop intermediate labour market initiatives
- 3) Enable individuals to compete for job opportunities by equipping them with appropriate skills, developing employability initiatives, encouraging equality of opportunity for learning and addressing barriers to work
- 4) Ensure that the Framework for Regional Employment and Skills Action (FRESA) activities deliver the Regional Economic Strategy (RES) priorities, and that work is carried out at a regional level which provides guidance, direction, strategic overview and a region-wide focus on:
  - Appropriate leadership from major partners to tackle key issues.
  - Effective replication of good practice.
  - Strengthening dialogue and communication mechanisms, both across the region and with the five sub-regions.
  - Establishing and maintaining robust and effective partnership working arrangements such as the North West Learning & Skills Forum.
  - Promotional and marketing activities.
  - Data, intelligence and planning.
  - Influencing national policy developments.
- 5) Take action to address the following key regional priorities:
  - Under-performance at Key Stage 3.
  - Alienation from the workforce and learning.
  - Involving employers effectively in employment/skills issues.

- Increasing individual demand for, and participation in, learning
- Adult Basic Skills.
- ICT/E-learning.
- High impact skills, including customer service.
- Management capability.
- Attracting and retaining graduates.

6) Secure more effective integration between business support services and skills development activities in the region, notably through the Alliance for Skills and Productivity.

Each of these key activities, modified from the Regional Economic Strategy, has been carried into and developed in this FRESA. The separate sub-regional delivery plans developed will be implemented to address the skills/employment issues identified in both this FRESA document and in the Regional Economic Strategy, but at the sub-regional level.

The key regional partners who were originally members of the FRESA forum will make up the Northwest Regional Skills Partnership. This Skills Partnership will ensure that all of the issues identified in the National Skills Strategy are addressed within this region. In addition, the Regional Skills Partnership will monitor the implementation of the sub-regional delivery plans referred to above to address the key skills/employment issues of the region outlined here in the FRESA.

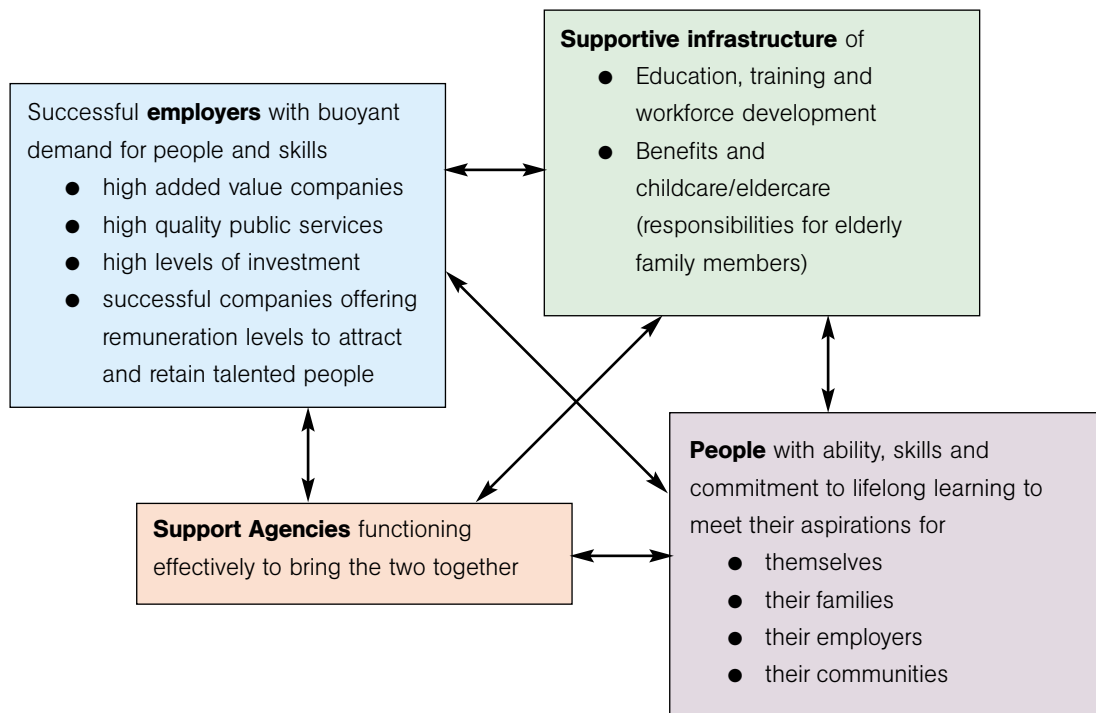
The main purpose of the FRESA is to develop a healthy labour market for the region, within which:

- **Employers** will be able to recruit and retain people who have relevant vocational skills, positive attitudes to employment and a commitment to continuing their personal development. This will help to develop a productive workforce with a commitment to lifelong learning.
- **Individuals** will have access to impartial, informed advice on careers options and a range of quality education and training provision which balances individual and employer needs. They will also benefit from strong education-business links and access support to find the right job or career.

These outcomes will best be achieved where the region's labour market partners are working effectively together. The Framework will help partners to:

- Share understanding of skills, trends and developments.
- Identify the scope for interventions.
- Understand each partner organisation's role and priorities.
- Promote co-ordinated plans and actions.
- React to emerging or unexpected events in an agreed and consistent way.

From the analysis of the data and discussion with regional partners, we have identified a group of key labour market issues facing the North West. These issues have been widely discussed and agreed. They represent the priority issues facing the region's labour market. Any failure to address them will constrain the growth of the region's economy and impede the development of a fairer and more inclusive society. Conversely, tackling these issues in a coherent and committed way will help us to achieve our objectives for England's Northwest and its people.



## Regional Strengths and Weaknesses

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### Strengths

- Performance at Key Stage 2
- Reasonable mix of enterprises by sector and size
- Private sector R&D investment
- Competitive earning levels
- Air transport infrastructure
- Strength of HE base in the North West region
- Adoption of e-learning through Learndirect

### Weaknesses

- Urban performance at Key Stage 2
  - % adults with no qualifications
  - % adults with poor literacy and numeracy
  - % working age with NVQ4+
  - Teacher supply in maths and science subjects
  - Inconsistency in quality of post-16 vocational training provision
  - HE participation rates
  - Reluctance of individuals to undertake learning
  - Limited information, advice and guidance provision for adults
  - Low activity rates, especially in some sub-regions and for ethnic minorities and disabled persons
  - Barriers formed by multiple disadvantages, e.g. for black disabled people
  - Choices of learning and work restricted by stereotypical and traditional notions of gender
  - Underdeveloped middle management skills, including people management
  - New business survival rates
  - Adoption of e-commerce
  - Labour mobility reflecting actual or perceived transport constraints
  - Poor housing stock & over/under-heated housing markets
  - Under exploitation of ESF to support regional priorities
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## Regional Opportunities and Threats

Opportunities	Threats
<ul style="list-style-type: none"><li>● There are numerous opportunities existing within the Northwest region which have major positive implications for the region's labour market, including the development of designated strategic regional sites</li></ul>	<ul style="list-style-type: none"><li>● Decline of traditional manufacturing sectors, including textiles and sheet metal working</li><li>● Persistent skills gap may deter investment</li><li>● Forecast decline in full-time and male employment</li><li>● Economic and social consequences of labour market disengagement for some groups</li><li>● Geographical mismatch of jobs and jobseekers</li><li>● Drain of talent to more prosperous regions including, but not exclusively, graduate talent</li><li>● Ageing existing workforce</li><li>● Current and projected decline in teaching and take-up of science, maths and technology</li><li>● Poor image of science and engineering</li></ul>

## Key Issues which will be addressed by the members of the NW Regional Skills Partnership.

The key issues that emerge from the SWOT analysis are:

- The **demographic issue**, which suggests that the North West will have an ageing population over the next two decades. Possible consequences of this include changing occupational and employment patterns to meet the needs of an older population and a potential labour shortage in parts of the region. An ageing workforce will also challenge individual employers and sectors to plan effectively to meet future staff replenishment needs.
- **Productivity**, which is low even by UK standards. Many factors contribute to this, including the nature of businesses in the region, levels of capital investment and workforce attitudes, skills and deployment.
- The importance of **engaging employers** or their representatives in matching labour market supply and demand. We need to secure practical and measurable commitments from key businesses and public sector organisations to workforce development and attitudes including management capacity. We want to support the development of the new Sector Skills Councils and build effective links between these organisations and the region's key economic priorities.
- Focusing particular attention on ensuring the **development of high impact skills** such as planning and partnership working involved in successfully implementing regeneration projects within the region, which will be a major priority.
- **Developing and improving** the level of e-learning/Information and Communications Technology (ICT) skills in the Northwest. This will be of vital importance to the overall development of the

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regional economy and provides a major opportunity to increase the uptake of learning at all levels across the region, through a strategy of widening participation through flexible e-learning.

- The **nature of labour markets is local** for most people. Observation and the average travel to work times for the region suggest, as a generalisation, that there is a regional labour market at higher levels, a sub-regional labour market at around NVQ level 3 and very local labour markets at NVQ level 2 and below. In other words, the lower the level of qualification an individual possesses, the shorter the distance they will travel to their place of work. This contributes to the situation in the region where there are job opportunities in close proximity to, but not accessed by, communities with above average levels of unemployment.
- The clear **decline** in the relative achievements of the region's school children **between Key Stages 2 and 4**. At Key Stage 2 the performance of our young people compares well with all English regions (direct comparisons are not possible with other parts of the United Kingdom). This suggests that our young people are no less able than their counterparts in other regions. By Key Stage 4 a notable gap has opened up between the North West and more successful regions. The gap is widest in, but not confined to, our conurbations. Retaining post-16 young people in the most rural areas also presents a challenge.
- High levels of **basic skills deficiencies** amongst the adult workforce. This constrains productivity for existing employees, discourages firms from recruiting and weakens the demand for lifelong learning. The combined impact is to inhibit the ability of employers to train individuals to levels achieved by the best of our competitors.
- An identifiable **skills** gap compared with more successful regions. This is linked to a disinclination to engage in learning which appears at Key Stage 3 and is firmly entrenched amongst too many adults once they have completed initial training on entry to the labour market.
- The need to **develop and improve high level skills** (at level 5 and above) is a key priority for the region. With labour market research and forecasts demonstrating a growing demand for individuals possessing high level skills to meet the needs of employers, it is essential that the region focuses on addressing this issue to fuel an increasingly knowledge-based economy.
- Scope to improve **employability** and, particularly, management and customer service skills. The employer skills survey has identified employer concerns in these areas, including deficiencies in organisational strategic thinking and in supervisory skills. Research undertaken by the regional Trades Union Congress confirms a shortfall in people management skills, particularly at middle management levels.
- The aim to **improve customer service skills** is important to all occupational sectors within the region but is of paramount importance to the tourism industry.
- **Inclusiveness issues** reflected in working age activity rates. Activity rates are a good indicator of people's perceptions of whether it is worth their while to seek a job.
- The need for **inter-Agency co-operation** when dealing with labour market hot-spots which include both employment growth nodes and labour market or major redundancy situations.

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## Principles for Tackling Key Issues

These are generic issues for the region as a whole. They are not all of equal importance in each of the five sub regions; the ranking and the intensity of the issues vary at this and more local levels. This means that sub-regional mechanisms are needed which can take the regional framework and identify priorities for local action.

The region's key partners have identified a number of principles to inform action and to tackle the issues identified. These principles are that:

- Actions linked to this FRESA must be driven by and support the priorities for development set out in the Regional Economic Strategy, including the development of business clusters but not to the exclusion of other sectors.
- Employers and trade associations, either directly or through their agents (the emerging Sector Skills Councils), have the major role in articulating current and future demand for jobs and skills.
- Supply side institutions (i.e. educational and training providers and funding bodies) should seek to align this demand with individual aspirations.
- Issues should be tackled promptly when and where they occur. They should not be elevated to a sub-regional or regional level if they are best addressed locally.
- Policies and action should be evidence based.
- Actions need to be sustainable in the widest economic, social and environmental sense.
- Equality of opportunity should be a core feature of every initiative or programme. There is evidence to show that discrimination in employment on the grounds of age is on the increase and these issues clearly need to be addressed.
- We should seek win-win outcomes which enable partners to meet their organisational objectives whilst contributing simultaneously to the wider regional agenda.

## Role of Key Partners

The vitally important guidance, direction and co-ordination provided by key partners at a regional level is to focus on the following:

- Provide the context for the skills and employment framework through the Regional Economic Strategy.
- Establish a robust current and future evidence base on which decisions are taken, under the leadership of the Regional Intelligence Unit (RIU).
- Agree the priorities at regional level for action, with particular emphasis on the employer dimension.
- Establish the fit between the FRESA and existing sub-regional plans.
- Confirm the scope for adaptation and focus at the sub-regional level.
- Work towards the more effective use of public and private resource to address identified skills issues.

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