

Extract from Ekos Consulting – Evaluation of Skills North East – April 2007

Executive Summary

Introduction

This evaluation, commissioned in February 2007 by ONE North East on behalf of Skills North East (SNE), the Regional Skills Partnership (RSP) for the North East of England is intended to help stakeholders to understand the contribution made by SNE, identify and reinforce best practice and indicate opportunities for further progress in the RSP's next period of work.

Skills North East is not a direct delivery organisation; rather its brief is to act as a catalyst and supporter of partnership working. The key impact of Skills North East is likely to be in the value added to the overall policy framework and delivery of programmes that lie in the individual remit of the partners and the wider intermediaries they work with. Therefore Strategic Added Value of the Partnership was explored to capture these 'catalytic' and 'influencing' roles. Further, in assessing the impact of Skills North East it is recognised that the RSP is a loosely formed partnership arrangement – it is *not* a formal, corporate organisation or a defined intervention programme that has defined targets. The organic nature and growth in the remit of RSPs mean that activity and expectation has changed since their inception.

Context

The aim of RSPs is to strengthen regional structures for skills. Each RSP comprises a range of organisations working to determine how skills investment and activity in the region can best meet the needs of the regional economy, covering activities including adult skills, workforce development, business support and labour market services. RSPs add value by taking a planned and targeted approach to the investment of resources for skills development.

Since the introduction of RSPs in 2003, there have been a number of changes which support regional activity to design develop and deliver skills interventions. The Learning and Skills Council (LSC) has been significantly re-organised. Regional Development Agencies (RDAs) have been given additional funding and responsibility for managing Business Links at the regional level and the Skills for Business Network (SfBN) has nominated a Sector Skills Council (SSC) Chief Executive to lead regional networks. The 2005 Skills White Paper contained a range of other measures to extend the regionalisation of skills funding and the remit of local and regional agencies to devise and deliver skills provision and extended the role of RSPs.

The recent Leitch Review makes recommendations of direct relevance to SNE: strengthening the voice of employers in skills provision; encouraging commitment to attainment of higher level skills; embedding a culture of learning; and integrating employment and skills services that could include a network of employer-led Employment and Skills Boards. HM Treasury's Review of Sub-National Economic Development and Regeneration is exploring effective ways of securing better and faster economic growth and development in the English regions and areas. Policy and structures on the future employment and skills arrangements at sub-national level will therefore develop significantly over the coming months

Skills North East

SNE is a partnership of fourteen organisations established in 2004 to identify the employment and skills needs of the North East economy and ensure that they are addressed. The partnership has agreed a Vision that '*the North East will be a region where employers, individuals, communities and government collectively invest in the development of skills and businesses to contribute to the delivery of sustainable economic and social justice.*' SNE's Strategy Group is responsible for identifying and prioritising skills and employment needs and reviewing progress. The SNE Action group was initially responsible for aligning planning and funding but was subsequently disbanded. The SNE Executive's role is to support SNE Strategy, and Task Groups were established to examine existing activity and best practice and identify how improvements can be made. SNE's Management Team supports the work of the overall partnership and is based in ONE North East.

Measuring Performance

There are four aspects to the way Skills North East measures performance: *Strategic added value* - qualitative evidence that reflects the extent to which partner behaviour has changed through working within the partnership; *Targets/Outcomes* – high-level, aspirational targets that reflect the change needed in the region; *Indicators* – to provide a means of measuring success towards the achievement of overall objectives; *Outputs/outcomes* – specific measures to assess progress against actions outlined in the Skills Action Plan.

Disentangling the activities of partners and the contribution the RSP may have made to achieving objectives or outcomes is not straightforward as there is generally not a readily identifiable link between direct activities of the RSP and the outcomes. The West Midlands Regional Observatory (WMRO) Skills Team has developed a Skills Performance Index built around three tiers of indicators and RSP Managers agreed to use this West Midlands Index as a proxy for overall performance in each region. Analysis of progress against hard indicators such as these shows a number of improvements in key indicators for the North East. Across the majority of indicators used the North East is either improving faster or falling at a slower rate than the national average: the main performance areas are summarised as:

- Increase employer demand and investment in skills: progress in several key areas such as assessment of skills gaps and investment per employee.
- Raise aspiration and demand for learning: closed gap in Level 2 achievement levels 16-19, and adult participation rates declined less than nationally.
- Access to learning and employment: modest progress against economic and employment activity measures.
- Foundations for employment: progress against L2 achievement (significantly above national rate) and in reducing proportion with no qualifications.
- Intermediate and Higher Level Skills: gap at Level 3 closing but wider gap at Level 4; average points score at age 18 closing but below national average.
- Provider responsiveness: higher than national average rates of contact with employers and their involvement in curriculum development.

We also considered how the RSP has progressed qualitatively against its own aims and objectives:

- Individual partners have drawn from and supported the core resource of SNE's team to increase levels of coordination, research and communication on activities;
- Partners have worked directly in partnership on activities and have built on this work through the discussion and communication facilities offered by the RSP;
- The SNE team has provided central coordination and support to stimulate partnership wide activity and to address gaps; and
- initiatives have been carried forward as full partnership activity with partners and the SNE team contributing to this overall partnership approach.

In some areas it is less clear how partnership activity has contributed to progress made. However, it is likely that the lack of clear attribution arises to some extent from the nature of documentation available and how objectives were initially defined and reported.

Partner perspective

A wide range of organisations in membership of the RSP were consulted, including the Strategy, Executive and Task and Finish Groups. The **identity** of the RSP is felt to be clear and stakeholders generally felt that it has comprehensive membership. The RSP is considered to have made progress in encouraging and supporting partners working together although some commented that the level and range of employer engagement was less than might have been hoped for and that this weakness had affected the RSP's ability to deliver change. However, stakeholders viewed the people involved across the RSP as highly committed and that a challenge remains to continue harnessing this commitment. No fundamental issues were raised about the current **role** of the RSP, with concerns being focused mainly on process or on the balance between partner and RSP responsibility. The remit and objectives of the RSP were broadly appropriate and the platform provided by the RSP for collaborative working and sharing was considered useful, also reflecting a sense that the complexity of the skills agenda and developments taking place requires a good deal of coordination.

There was seen to be some limitation to scope of the RSP to be really effective in translating intention into action and recognition that the RSP needs in effect to have its **influence** vested in it by its member partners. Such direct control would only occur if funding bodies and/or central government were to cede an element of control or responsibility directly to RSPs. Several partners shared their sense that while the RSP had high value in sharing ideas and discussing and progressing potential initiatives, it was not felt to be the key decision making forum or planning authority, despite the often detailed discussion of plans. This weakness was not attributed to the RSP directly - contributors recognised that to change this both the individual partners and their sponsor government departments would have to agree.

Management approach and committee **structures** were considered to have been very strategically orientated in their focus in the early stages. Some stakeholders reflected that this had limited practical value at first, but there was recognition that this had built the evolving relationships on thinking about wider goals. The independent chair is considered an important feature including helping maintain separation for the management team. Discussion of progress against the action plan at Strategy Group was felt helpful to distil the key issues for the region and learning from the delivery of projects; however it was felt there could be deeper debate and focus on how to progress into actions. The Task and Finish groups generally encouraged contribution of wider partners in a focused and operational manner.

There is now a sense that the RSP has moved from what were initially quite directive structures with a wide ranging scope to a **less directive** approach and a focus on a smaller number of activities that will make a difference. This development was also recognised as helping to bring other working groups into the RSP's area of work and to help avoid duplication of effort. It was noted that the structure as a whole leads to a sense that it takes a long time to get things moving and that while more strategic or policy issues may not be greatly affected, a greater speed in progressing delivery activity would be beneficial.

There was considered to be an insufficient employer led dimension to the RSP's overall make up. Stronger employer side representation would be likely to improve the understanding of skills needs and to improve the efficiency and speed of action in the RSP. The process of developing the Regional Employability Framework (REF) was considered important in demonstrating how the RSP enabled the core partners to look at overall issues and opportunities, refocus and reform new approaches through the partnership. It was felt that if partners used these routes in future, for example to present and get sign off on their investments in employability, the associated visibility and communication would be likely to help ensure that employer engagement increased.

Management Arrangements

Partners commented that the objectives for the RSP had both strengths and weaknesses. There is a sense that RSP objectives are too broad and too big to be dealt with adequately so that while the RSP's objectives are useful for cross reference and in helping to spot and address gaps, the RSP doesn't have **additional** overarching objectives against which it is measured distinctly. Thus partners are less certain about whether activities are different to what may have taken place at agency level. The Skills Action Plan and Implementation Plan were useful when first published, a 'big plan' and a good place to start, highlighting both detailed actions and key challenges for the region. In retrospect, there was considered to be a very large range of actions in the Skills Action Plan and heavy expectation to report in detail on the Implementation Plan. These structures were now considered an additional reporting process, rather focusing purely on what needed to be achieved

While the approach recently had become less 'process' and more 'outcome' focused the need to continue to refine the approach and language of this activity and focus on additional activity over and above individual partners' existing reporting requirements is clear. It appears that the RSP was perhaps working on too many agendas and that it should now revise its focus to 2-4 priorities.

Impact

Most partners consider the RSP to have had some impact. A key added value has been that main strategic partners are working closely, are more comfortable, prepared to step back collectively and organise work areas and priorities. The emerging view was that the RSP has supported investment in long term strategic development, for example with the Regional Employability Framework. Regional marketing, co-ordination, development of joint procurement arrangements and a range of pilot activity were given as examples that the RSP has been a useful mechanism. Views consistently expressed included that the RSP has brought together the operational arms of the RDA, Jobcentre Plus and the LSC much more closely resulting in improved focus and understanding. Some weaknesses were also identified including that it appears difficult to identify the strengthened influence of employers; there has been little progress compared with potential on shared intelligence/analysis on labour market with partners needing to consider more actively what scope there was; and that equality and diversity was not as well integrated into RSP as it could be. Most stakeholders felt that there was now a need to move from mobilising interests and partnership formation into delivery. To achieve this, partners felt the RSP could identify areas of potential distinct joint working, for example in developing the role/provision of LMI as a platform in the RSP, in articulating skills needs coming from SSCs and stimulating approaches to engaging employers.

Strategic Added Value

Strategic/catalytic activity: The RSP is considered to have acted to some degree as a catalyst, with comments that some strategic thinking and planning had originated from the joint debate in the partnership. Stakeholders commented that this origination of strategy mainly still happens within individual partner organisations, with the RSP providing a (useful) forum to develop and improve ideas and options.

Coordination, alignment and partnership: While partners may not have fully defined their expectations of the RSP in the early stages, the vehicle of the RSP and the additional work provided by the RSP staff team have brought improved levels of partnership working. The RSP has also enabled individual organisations to enhance their influence internally in negotiating regional resource due to the support of others. Partners seem confident that there has been added value at a regional level, in particular for those that have a remit to deliver – described as “better information for our own investment planning”

Looking Forward

Stakeholders felt there was a need for the RSP to continue in one form or another as it is considered an important and increasingly influential ‘coalition’, able to maintain its independence and ensure that no one partner is too dominant. There is expectation that the RSP will drive forward the national agenda more powerfully through bringing increased flexibility to regional arrangements, developing scope to influence national policy and where appropriate lobbying for change. Partners mentioned the need to resolve potential tensions between priorities and objectives at national and regional levels and for the RSP to set the direction of travel and actively facilitate alternatives or enhancements to mainstream programmes or funding routes to achieve regional aims. If this expectation that the RSP would act increasingly as a regional driver is to be realised, other aspects of the RSP’s remit or activity would need to be addressed. For example, the region’s evidence base is not felt to be sufficiently robust in some areas to support/justify issues of interest to the partnership: the potential role of the RSP as a provider or broker of intelligence could be explored, for example: origination and analysis of LMI; synthesis/analysis of intelligence; strategic interpretation of emerging issues and policy development; and/or synopsis/briefing on current issues/developments.

Management Team

Added Value: There is generally a sense of good progress having been made by the management team. Reflections included the fact that the RSP is more comprehensive, formalised, structured and focused through the assistance of the management team. The consensus is that this certainly adds to what was in place previously. Stakeholders comment that management were not assuming responsibility for all tasks and were helping to place actions within the individual partner teams and that the team acted as a buffer with others in the Group, explaining progress and issues and clarifying expectations.

Future Role: Stakeholders share the view that the future role of the RSP team was increasingly important though it would need to adapt and change - partners felt the potential loss of the RSP management team could result in a significant loss of momentum. Most partners feel the region will need an RSP with a management team, in the short run at least, to address the needs, challenges and weaknesses in the current arrangements and to facilitate debate and action on key emerging policy and structural regional skills issues. The future role includes potential for the RSP team as an ‘intelligence arm’ for partners, to help build a more evidence based hub for actions.

Other RSP Arrangements

The study looked at Regional Skills Partnerships in the North West, West Midlands and South East for comparison of structure and approach that could help SNE to develop its management structure for the next phase of development.

Structure: West Midlands and North West have ‘independent’ Chairs, an important feature highlighted by partners, whilst the South East is chaired by an Executive Director of the RDA. The South East RSP has a membership of 38 representatives, whereas the other two each have about half that number of members, much closer to SNE’s membership of 14 partners. The formal structure of the South East RSP includes a local dimension not reflected in the others or in the North East: at a local level, the work of the RSPA is taken forward by six (County-based) Local Skills for Productivity Alliances (LSPAs) which has an emphasis on supporting the needs of local business. Neither of the other two Regional Skills Partnerships uses sub-regional groups. However, in setting its skills priorities, each RSP acknowledges that priorities will vary from sub-region to sub-region.

Priority-setting: The Regional Skills Partnerships’ priorities are clear, increasingly aligned with their Regional Economic Strategies and the priorities are influencing partners’ planning and actions. Each of the RSPs uses their Statements of

Priorities to be explicit about the need for a shift from a supply-driven to a demand-led approach. The North West statement of priorities is clear in specifying that it should lead to actions that can be quantified and evaluated in terms of their impact. It could be anticipated that Regional Skills Partnerships would seek to use their delivery plans to ensure commitment and engagement of partners. However, the three delivery or action plans considered do not overtly demonstrate this. West Midlands RSP uses a work plan featuring 3 drivers for success: training support around needs of employers; employability skills; and accessible data. South East and North West RSPs use more complex, but more comprehensive, delivery plans, closer in format to that being used by SNE.

Challenges

The following priority areas were discussed in terms of key challenges for the RSP.

- Employability and sustaining work: demands in this area are for partners not only to bring less economically active people into the work force, but to sustain that employment once achieved and ensure that people continue to acquire skills to meet future needs.
- HE and higher level skills: HE Institutions are expected to play a stronger role and there will need to be greater engagement of employers in identifying higher level skills needs and developing appropriate responses. There is felt to be considerable work for the RSP: to identify and fill gaps in HE related LMI in the region and to develop strong sectoral approaches to inform providers about what employers need.
- SSCs are expected to play an enhanced role as a result of the Leitch review. There is expectation that partners will give high weighting to the evidence presented by SSCs and that SSCs will embed their role of representing their sectors.
- Increasing employer engagement and demand: the extent of employer engagement has been less than hoped for - a key challenge for the RSP will be to understand successful approaches to engaging and sustaining the commitment of employers.
- Sub-regional/Local focus: At policy level a range of initiatives including the development of City Regions and the proposed local employment and skills boards will increase the focus below the regional level. The RSP will be expected to contribute to the development of suitable new arrangements and could be affected significantly by the results in terms of its own role
- Managing Partnership Activity: The RSP should raise its expectations of the more mature partnership to achieve faster/more streamlined progress in translating intention to action. This will involve designing 'internal' structures to the RSP that allow for an action orientation and also taking account of how RSP structures link to the need for partners to maintain communication within their own organisations. The RSP needs to be able to identify and focus on key added value objectives and differentiate between showing collective partner responsibility for actions in the SAP and discrete, additional overarching objectives/actions for the RSP itself. The RSP needs to review the approach taken to defining objectives and allocating actions/tasks to partners and task and finish groups. The RSP needs to build on recent experience of the REF development to encourage alignment and integration of partners' plans and identification of how partners can play to collective strengths.

Action Plan

The Action Plan is based on four key areas: re-articulation of vision; refreshing or re-setting strategic priorities; reviewing governance arrangements and planning for delivery.

Re-articulate vision: The RSP Strategy group should take a lead in re-articulating the regional vision for employment and skills so that new arrangements and initiatives can be clearly contextualised. The RSP Strategy group should also start to consider the shape of a new Regional Economic Strategy that takes full account of the new policy imperatives, with a tighter focus on skills issues as a key driver for the economy.

Refresh strategic priorities: The RSP Strategy group should reassess the strategic priorities that will deliver the necessary changes to achieve the North East's economic and social goals. The RSP should establish which partners are responsible for each of these priorities, either individually or through joint working. There should be specific objectives that are owned by the partnership as a whole and that are additional to those owned by individual partners.

Review governance arrangements: The RSP Strategy group should consider the structure that will be required to drive strategic direction and link to implementation and action. The group should review the nature of partner membership that will be required to achieve the new objectives. This should include the requirements for, and benefits expected

from partners who are employers, Skills for Business network members, providers in FE and HE and local and sub-regional agencies.

Plan for delivery: The RSP should: consider how partners wish to use the RSP as a vehicle to pilot new interventions and delivery arrangements and how this would be managed; consider and specify the nature of LMI and evidence needs required; and consider what documents and reporting arrangements are most effective to plan for delivery of actions.

Next Steps

The following key elements are considered necessary to prepare for the next stage in development of the regional skills partnership:

- As a *full* partnership, *know* strengths and what should be kept of current practice;
- As a *full* partnership, *agree* that while the current way of working has achieved much, partners *understand* that it is not what is wanted or needed for the future;
- As a *mature* partnership, *enable* the RSP to become engaged in direction of funding, providing the Partnership vehicle with traction over some direct levers or resources; and
- As a *facilitator* for the region, *prepare* and *present* the transition to any new arrangement as a symbolic step change with high profile, for example to engage employers and reinvigorate the partnership.