

The Alliance



What a waste!

Low skill adults in Britain's older industrial areas

A report by the Alliance

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Foreword



Britain's older industrial areas have far too many men and women with low skills. After years of job loss from major employers, poor qualifications and low skills have all too often become embedded in communities. We now risk perpetuating the problem from generation to generation.

The economy has changed. Many traditional jobs have gone and the direction of travel is towards to a knowledge-based economy, requiring a flexible and adaptable workforce. The least skilled and least qualified are however almost invariably the least able to respond to the changes. They find themselves at the margins of society with few if any of the formal qualifications needed in the modern workplace.

These are the people that initiatives usually miss. Governments talk about tackling basic skills, but these men and women are the most difficult to reach and engage. Even at the end of an unprecedented period of national economic growth, hundreds of thousands of men and women in Britain's older industrial areas failed to re-engage in the labour market. Now, in the current economic downturn, their prospects look even bleaker and they are even more vulnerable.

This report maps the extent of the skills problem in England, Scotland and Wales. It also exposes how far older industrial areas fallen adrift of the rest of the UK.

Government policy puts a great deal of emphasis on the higher-end of the skills spectrum. It also tries to engage employers and the private sector in this vital policy area. This is to be applauded. But the needs of men and women with little immediate prospect of contributing to the knowledge-based economy must not be forgotten.

This report argues for:

- A focus on hard-to-reach adults with low skills
- Clearer access to appropriate and sustained funding
- A recognition of the value of 'pre-engagement' work
- Intensive outreach work
- Local delivery and local solutions
- More targeted resources on the worst-hit areas
- The creation of more jobs in the less prosperous areas of Britain

The Alliance, and the local authorities it represents, is convinced that this is the way forward. We share ministers' aspiration to create a modern, skills-based economy. We also want to work with the government to create the basis for a sustainable recovery from the present economic downturn. But we know that in our areas this future will not be delivered unless we can equip the most disadvantaged in our communities with the skills and qualifications that they need.

We therefore challenge ministers, and their officials, to work with us on this key agenda for the future.

A handwritten signature in black ink that reads "John Devon". The signature is written in a cursive style with a large initial 'J'.

Cllr John Devon
National Chair, The Alliance
Leader, Wansbeck DC



1. The issue

The long-standing issue of low skills needs to be addressed.

In older industrial areas this is a symptom of the struggle to recover from the loss of major employers, such as coalmining, steel, textiles and engineering. It is a problem that can be found in many parts of England, Scotland and Wales, and one that impacts on individuals, their families and the economy as a whole.

Employers now require a workforce with different skills and they need workers who are able to adapt to change. In this new economy there are fewer opportunities for men and women with no formal qualifications. At times, governments and their agencies seem to aspire to a world where a university degree is virtually the norm. Yet there are still six million 'unskilled' workers in Britain. And the employers' organisation, the CBI, argues that there is a mismatch between the skills of the unemployed and the job vacancies available.

Older industrial areas are disproportionately affected by this problem. Their industries once relied on vast numbers of predominantly manual workers. Too often their old skills are redundant. Too often a younger generation has missed out on opportunities for on-the-job training. Too often a shortfall in skills and qualifications has excluded men and women from the new jobs being created.

Cost to the individual

The men and women with low or no skills often suffer from linked problems of worklessness, poverty, poor health and inadequate housing.

Low skills can affect the life chances of the whole family. Parents are less able to support their children with reading and writing, and those who the education system failed can pass on their negative views on schooling to their children.

Increasing skills can increase social mobility. However, a common characteristic of older industrial areas can be that individuals have low aspirations and expectations for themselves and their families. This is passed on from generation to generation, compounding the problem.

Even in times of prosperity men and women with low skills or no formal qualifications struggle to get work. Now in a time of recession, they have to compete with individuals who are newly out-of-work and have the skills and experience that employers seek.

Cost to industry

Low skills have a negative effect on the economy.

Having large numbers of low-skilled workers is a barrier to local economic development. Employers in high value-added industries, that require high skills, generally look elsewhere. Few employers these days are keen to train from scratch. They want to be able to hire skilled and experienced people from the local area, and they certainly don't want to have to confront shortfalls in basic literacy, numeracy or computing.

Low-skill workers also tend to be less productive. For example, it has been estimated that high staff turnover and poor performance by men and women with low or no skills costs British industry £10 billion a year. If Britain truly aspires to being a world-leading economy, it needs to ensure that as many as possible of its citizens are able to contribute to the wealth of the nation.

Reaching the hard-to-reach

Many streams of government funding are aimed at the men and women with lower skills who are already in work. These initiatives fail to reach those who are socially excluded. Meanwhile addressing shortfalls in basic skill remains the poor cousin, with patchwork funding and piecemeal delivery.

One of the key issues is engagement. Though many individuals have the desire to improve their skills, their previous experience of education often deters them from engaging with learning. This is the type of learner who is hardest to reach.

Professionals who work with adult learners agree that 'pre-engagement' work is essential. This usually involves intensive, one-to-one mentoring. Men and women who would be reluctant to cross a school or college threshold can be persuaded back into education through more informal channels. Once an individual is engaged with the learning process, there is then a need for on-going support.

This type of initiative fits well with the government's aspiration to move the 'economically inactive' away from welfare and back into work. However, it never seems to get the priority it deserves.

Case Studies


Rugeley, Staffordshire: Get Your Brain in Gear

Rugeley, in Cannock Chase district in Staffordshire, is a former coalmining community that over the last twenty years has lost not only the local colliery, Lea Hall, but also many of its other major employers. The population has decreased and there is little work in the town and no Further Education college or higher education provision. For those without access to transport, it is difficult to access educational opportunities.

The Coal Industry Social Welfare Organisation (CISWO) and the Workers Education Association (WEA) jointly applied for funding and were able to establish an IT suite for the Lea Hall Miners Welfare Social Club in Rugeley, with a purpose built high quality crèche and new meeting rooms within the club. 'First step' provision and literacy, language and numeracy development are a well-established part of the services offered at the club.

Literacy and numeracy programmes, offering accredited and unaccredited pathways, are marketed under banners such as 'Get Your Brain in Gear' and 'The Pound in Your Pocket'. This emphasises the practical application of literacy and numeracy and has proved very effective in attracting learners. All learners at the centre have the opportunity to prepare and take the national Skills for Life qualification online.

Strong links with other educational bodies and community organisations, together with a clear understanding of learning needs and aspirations of the local residents, have ensured that provision at the centre has remained popular and relevant.



2. Mapping the problem

Low skill levels are not evenly spread throughout the UK. Some areas are much worse off than others.

The best practical guide to local skills levels is the level of qualifications. 'Skills' and 'qualifications' are not the same - some people can have skills that are not backed up by formal qualifications - but 'skills' themselves are not easily or systematically recorded. And anyway, what employers often look for these days are formal qualifications.

Formal qualifications are usually categorised by National Vocational Qualification (NVQ) level. NVQs allow a comparison across Britain, including in Scotland where a different system of certification applies:

NVQ 4 Degree, higher degree, HND or equivalent

NVQ 3 2 or more A levels, advanced GNVQ, 2 or more higher or advanced higher national qualification (Scotland) or equivalent, plus some trade apprenticeships

NVQ 2 5 or more GCSEs at A-C, intermediate GNVQ, intermediate 2 national qualification (Scotland) or equivalent, plus remaining trade apprenticeships

NVQ 1 Fewer than 5 GCSEs at A-C, foundation GNVQ, intermediate 1 national qualification (Scotland) or equivalent

The final category in the NVQ classification is no formal qualifications. This means exactly what it says - no formal qualifications at all - and is the best available guide to the size of the 'low or no skill group'.

No formal qualifications

Figure 1 (page 7) shows the share of adults of working age (16-64 for men, 16-59 for women) with no formal qualifications in each GB region. The proportion varies from less than 10 per cent in the South East and South West to 17 per cent in the West Midlands. All the regions of the North and Midlands, plus Scotland and Wales, have an above-average share of adults with no formal qualifications. At the regional scale, there is a clear divide between these more industrial regions and the more prosperous half of England south of a line from the Severn to The Wash.

Case Studies

Blaenau Gwent, South Wales: Adult Key Skills Project

The Adult Key Skills Project is a European Social Fund (ESF) funded outreach project within Blaenau Gwent council's adult education provision. The first phase of the project was funded from October 2004 until June 2008. The project aims to deliver key and basic skills in the community to adults who are currently under-represented in post-16 education: people in low skilled employment, fathers, ex-offenders; the unemployed, lone parents, and the disabled. The project works with those unable or unwilling to join mainstream classes. To do this, the project works in partnership with other council departments and with partners in the private and voluntary sector.

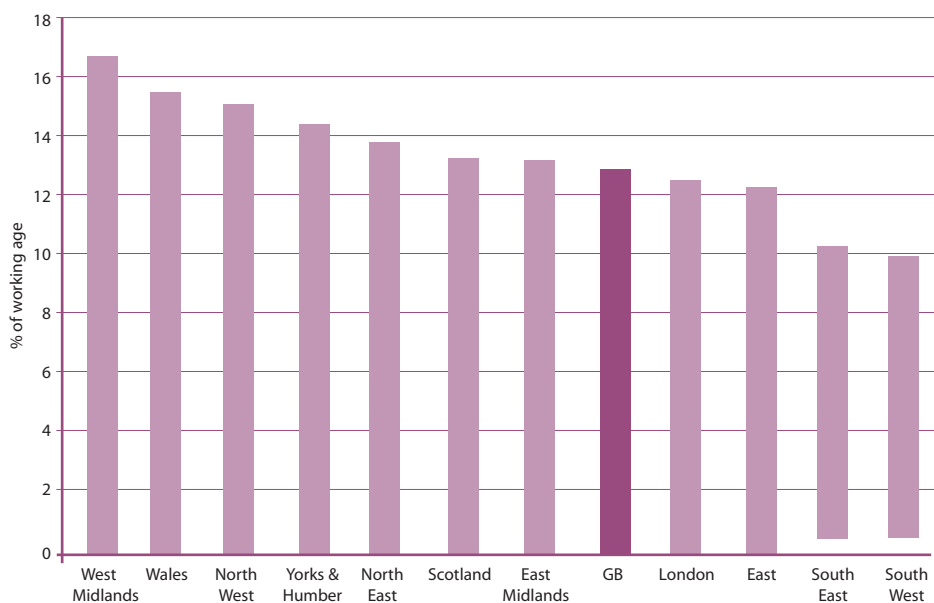
The project offer workshops, short and longer courses in literacy, numeracy, basic IT, and contextualized basic skills in a wide range of outreach situations. There is no pressure on learners to gain accreditation but it can be offered where appropriate. Two of the most effective developments are the provision for learners with disabilities, in small classes with specialist resources, and the one-to-one programme of introduction to basic skills to widen participation in learning amongst reluctant learners.

The project aims to deliver basic skills learning experiences in the community to adults who are unable or unwilling to join mainstream classes. To date over 800 learners have been beneficiaries of the project. The project is proud of the fact that all of the learners voluntarily take a difficult step to admit their need and return to learning with various levels of achievement.

This is a familiar pattern, reflected in a wide range of other economic and social indicators. It both feeds through into, and partly reflects, differences in 'economic activity rates' - that is, the share of adults of working age who engage with the labour market, either by being in work or looking for work. Figure 2 shows that Yorkshire, the West Midlands, the North West, North East and Wales all have below average economic activity rates. London is the odd one out here - it has the lowest activity rate of all - but this reflects factors specific to the London, not least its huge student numbers.

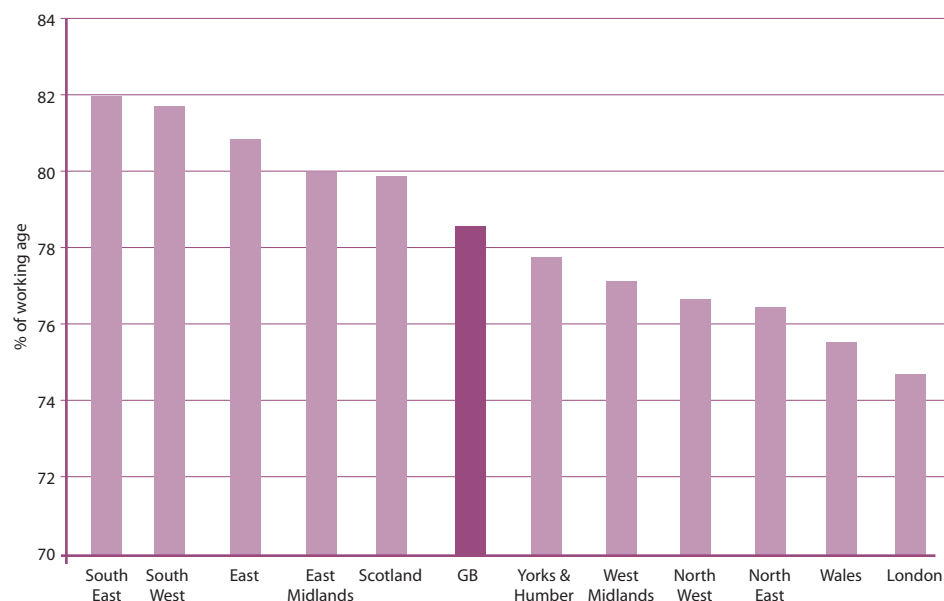
At the sub-regional and local scale the differences between areas are much more pronounced. In particular, the low skills in many older industrial areas begin to shine through.

Figure 1: Adults with no formal qualifications, by region 2007



Source: Labour Force Survey

Figure 2: Economic activity rates, by region 2007



Source: Labour Force Survey

Figure 3 looks at the share of working age adults with no formal qualifications. It compares a number of local authorities in traditional industrial areas with the national average and with a number of 'non-industrial' local authorities. The disparities are clear: the share with no formal qualifications in older industrial areas is typically 50 per cent higher than the national average, and more than double the level in some other parts of the country.

To underline this point, Table 1 (page 9) shows the Alliance member authorities with the high share of working age adults with no formal qualifications. Knowsley (in Merseyside) comes top of this list, closely followed by Newcastle under Lyme (in Staffordshire). Four Welsh Valley authorities - Merthyr Tydfil, Caerphilly, Blaenau Gwent and Torfaen - also come into the top ten as do two authorities in Scotland - East Ayrshire and Clackmannanshire. In all the local authorities on this list the share of adults with no formal qualifications is above the national average.

Lower level skills

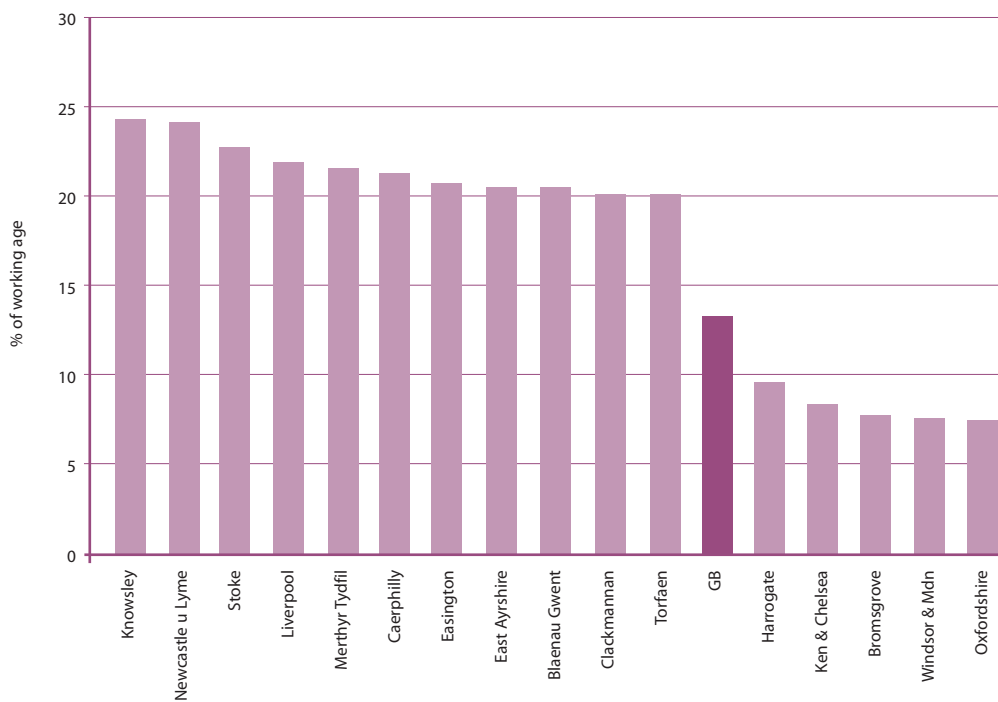
The pattern is basically the same looking at wider measures of low skills. Figure 4 (page 10) compares a

selection of local authorities in older industrial Britain with the national average and with a number of 'non-industrial' areas in terms of the share qualified at only NVQ level 2 or below. Once more, older industrial areas emerge as having a distinctly less well-qualified workforce.

Table 2 (page 9) underlines this point. This shows Alliance member authorities with a higher share of adults qualified at only NVQ level 2 or below. Corby - a former steel town in Northamptonshire - comes out worst with 70 per cent only qualified to this level. Again, all the authorities on the list have a higher proportion of low-skill adults than the national average.

Corby illustrates the point that low skills need not always be an insurmountable obstacle to economic regeneration - its economy has largely bounced back from the steel job losses of the 1980s, aided by its proximity to the prosperous South East of England. But on the whole the areas with the biggest problems with regard to people with low or no qualifications also have, not surprisingly, a range of problems associated with poverty, deprivation and worklessness.

Figure 3: Adults with no formal qualifications, 2007: selected local authorities



Source: Labour Force Survey

Table 1: Adults with no formal qualifications, 2007: Alliance local authorities worse than GB Average

	% of adults of working age
Newcastle-under-Lyme	24
Knowsley	24
Stoke	23
Merthyr Tydfil	22
Caerphilly	22
Easington	21
East Ayrshire	21
Blaenau Gwent	21
Clackmannanshire	20
Torfaen	20
Corby	18
North Lanarkshire	18
Rotherham	18
Neath Port Talbot	18
St Helens	18
Carmarthenshire	17
Barnsley	17
Wigan	17
Gateshead	17
Powys	17
Rhondda Cynon Taff	17
Mansfield	17
Wakefield	16
Doncaster	16
Redcar & Cleveland	16
Salford	16
Bridgend	16
Wansbeck	16
Dumfries & Galloway	16
Staffordshire	15
North Warwickshire	15
Sedgefield	15
Bolsover	15
Midlothian	15
Sheffield	14
Durham County	14
Cannock Chase	14
Newark & Sherwood	14
Staffordshire Moorlands	14
Gedling	14
Barrow-in-Furness	14
GB	13

Source: Labour Force Survey

Table 2: Adults with qualifications at or below NVQ Level 2, 2007: Alliance local authorities worse than GB Average

	% of adults of working age
Corby	70
Merthyr Tydfil	70
Knowsley	68
Stoke	67
Blaenau Gwent	67
Doncaster	66
Bolsover	66
Wakefield	65
Mansfield	65
Caerphilly	64
Torfaen	64
Easington	64
Rotherham	63
North Lincolnshire	63
Wansbeck	63
Wigan	62
Rhondda Cynon Taff	62
Barrow-in-Furness	62
Newcastle-under-Lyme	62
St Helens	61
Barnsley	61
Cannock Chase	61
North East Derbyshire	61
Ashfield	60
Sunderland	60
Neath Port Talbot	60
Gateshead	60
Sedgefield	59
Wear Valley	59
Salford	59
Blyth Valley	59
Bridgend	58
Allerdale	58
Powys	58
South Tyneside	58
Midlothian	57
Redcar & Cleveland	57
Staffordshire	57
Sheffield	56
Durham County	56
Copeland	56
East Ayrshire	56
Carmarthenshire	56
Chesterfield	56
Derwentside	55
GB	54

Source: Labour Force Survey

Case Studies

Doncaster, South Yorkshire: Ways 2 Work

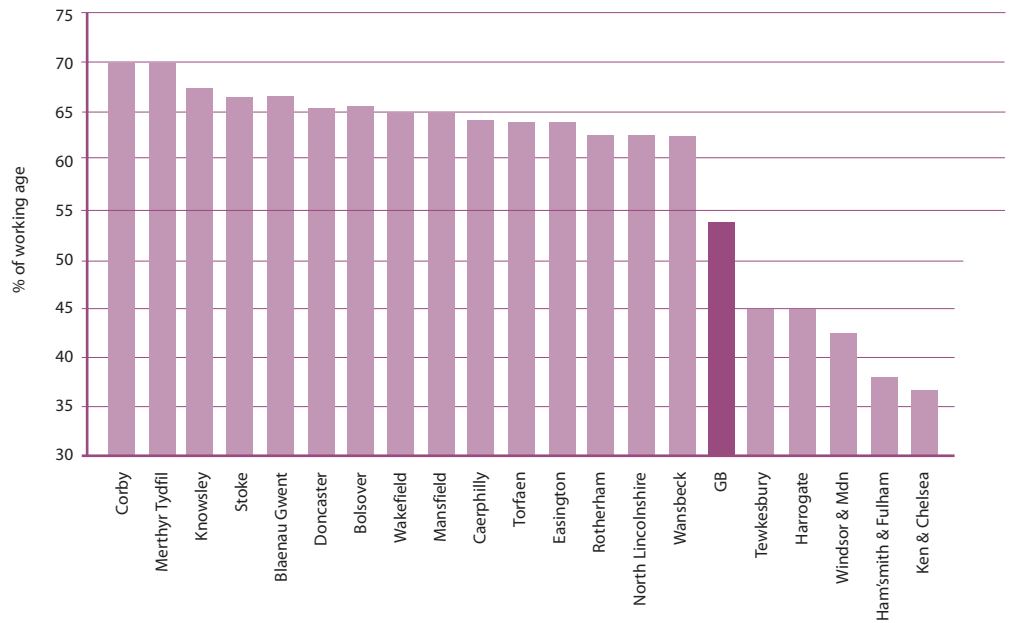
Doncaster's New Deal for Communities (NDC) area suffers from low educational attainment and high unemployment. To help address these problems, the NDC partnership, Doncaster Central NDC, set up the Ways 2 Work project.

Ways 2 Work is a community-led, not-for-profit job brokerage scheme that aims to provide information, advice and support to local people on employment, education and training. It provides these services to NDC area residents of working age, whether they are in employment or not. The project provides a bespoke service, which is based on an assessment of a client's individual needs.

The Ways 2 Work organisation delivers the scheme, and is overseen by a steering group of four residents, the NDC theme lead officer and the project's director. Local people are employed by the project wherever possible.

The project opened in October 2002, and over 2,375 people had registered with the scheme by January 2008. Of these, 1,120 accessed 1,905 employment-related training courses and more than 1,020 found jobs. An evaluation of the project in 2005 found that the project's commitment to building a trusting relationship with its clients, and developing their confidence, is central to its success.

Figure 4: Adults with qualifications at or below NVQ level 2, 2007: selected local authorities



Source: Labour Force Survey



3. The policy context

The complexity of funding sources tends to hinder effective long-term work at the local level.

Much discussion about the skills agenda in the UK has been influenced by the Leitch Report, published in November 2006. Its emphasis is firmly on creating a workforce that can fuel the knowledge-led economy, concentrated in the service sector and high-value industry. The Leitch Report has been highly influential in shifting the agenda away from adults with no or low skills towards encouraging the up-skilling of the existing workforce. Sponsored by the Department for Work and Pensions, it has in practice set the policy framework for the whole of the UK.

In England, there has been a plethora of government policy documents following up the Leitch Report, addressing all aspects from basic skills to higher education.

In Scotland, there has been a steady stream of similar publications as part of the Scottish Government's *Smarter Scotland* plans, including *Skills for Scotland: A Lifelong Skills Strategy*.

In Wales, policies were set out in documents such as the *Skills and Employment Action Plan for Wales 2005*. Taking the lead from Leitch, the plan has been developed through policy documents such as *Skills that Work for Wales*.

The Leitch Report sets four ambitious targets for 2020:

- To achieve 90 per cent functional adult literacy and numeracy - an increase from 85 per cent literacy and 79 per cent numeracy in 2005:
- To achieve above 90 per cent of adults qualified to at least NVQ Level 2 - an increase from 69 per cent in 2005
- To shift the balance of intermediate skills from NVQ Level 2 to 3 and boost the number of Level 3 attainments to 1.9 million and apprenticeships to 500,000 per year
- To exceed 40 per cent of adults qualified to NVQ Level 4 and above - an increase from 29 per cent in 2005.

Case Studies

Pontypool, South Wales: Big Tick

A business in Pontypool, in Torfaen borough in South Wales, has picked up a Business in the Community 'Big Tick' award for its work to improve staff basic skills in areas including English, maths, and computers. The Big Tick is awarded to companies who demonstrate excellence in the way that they organise and integrate their responsible business practices and who can show a positive impact both on society and on the business.

Wiltan Ltd manufactures components for the transformer industry and was among the first wave of businesses to sign the ground-breaking Basic Skills Employer Pledge, part of the Welsh Assembly Government's all-age National Basic Skills Strategy.

Wiltan say the Pledge has helped a large proportion of the workforce and greatly improved recruitment, retention and productivity. Signing the Pledge has led to Wiltan joining forces with Torfaen council to launch the 'Step-Up' project. The scheme includes courses in spreadsheets and IT to encourage staff to learn new skills, along with courses in 'supporting your child in IT' and 'manage your budget'.

Wiltan have gained benefits from encouraging their staff to improve their skills. They have given staff the opportunity to learn during work-time and hope that they pass that enthusiasm on to their friends and family who may be future employees. The children and family of the staff hear positive things about learning, which will hopefully encourage them to continue to learn.

Wiltan has made huge strides in improving employee skills and confidence since signing the Basic Skills Employer Pledge. The company is a good example of how investment in skills can have a major positive impact on business success.

Skills 'pledge'

The main emphasis of the Leitch Report is on the role business and employers can play in skills development and how the government can work with business to improve skills. The report encourages businesses to sign up to a public pledge to train their staff, ensuring they have the skills needed to compete in the global workplace. By making the Skills Pledge, employers commit to support all their employees to develop basic literacy and numeracy skills and work towards full Level 2 qualification equivalent to five GCSEs A* to C.

With this in mind, the Government is aiming to improve the literacy and numeracy skills of 2.25 million adults by 2010. However, this initiative, along with other government-supported programmes such as the Sector Skills Councils and the Train to Gain initiative, are primarily focused on improving the qualifications of those who are already in employment. Whilst these initiatives enhance the life chances of those already in work and as such are welcome, they do nothing for individuals outside the workforce.

Scotland

To deliver skills policy, the Scottish Government has undertaken significant institutional changes, creating Skills Development Scotland and bringing together partner organisations to deliver comprehensive information, advice and guidance for careers and learning as well as support for skills development: Careers Scotland, the Scottish University for Industry, key skills elements from Scottish Enterprise and key skills elements from Highlands and Islands Enterprise are all involved in the reform.

In Scotland, there has always been a particularly explicit pivotal role for colleges, and the Scottish Government is currently reviewing their formula-based funding to ensure that the investment follows what is relevant for the modern economy.

Wales

The Welsh Assembly Government has embraced the key elements of the Leitch Report. With regard to adults, the skills policy for Wales is driven by worrying statistics: according to the Welsh Assembly Government, around 440,000 working-age adults in Wales struggle with basic literacy and nearly a million have problems with basic numeracy.

An array of actions are being undertaken promoting the *Basic Skills Employer Pledge*, *Careers Ladders*, *Adult Community Learning*, *Want to Work pilots*, the *Skills Concordat* and the *Words Talk, Numbers Count* strategy.

Funding

Though the Westminster government has made a massive investment in education, most of the funding is directed at mainstream provision in schools and higher education. Unlike schools and colleges, there is no single mainstream provider of resources for basic skills. Funding for basic skills and

lifelong learning comes from a bewildering number of sources. Many different organisations have a role in providing funds and delivering educational services.

Organisations such as the HEFCE, the Learning and Skills Council, the Department of Innovation, Universities and Skills (DIUS) and Department of Work and Pensions (DWP) have key central roles. There are, however, many other organisations involved. These include Sure Start, the Lottery and a plethora of private sector organisations that have available funding. In England and Wales, the National Institute for Adult Continuing Education (NIACE) and the Alliance for Lifelong Learning also have a role.

There is therefore a complex structure and a patchwork of funding sources that the practical delivery of adult skills provision has to navigate. Two main sources of funding are the European Social Fund and, in England, the Working Neighbourhoods Fund.

European Social Fund

The European Social Fund (ESF) provides over £2 billion for the UK in the period 2007-2013. Its 'Priority 1' resources are focused on helping people who are unemployed or have become inactive in the labour market. In particular, it focuses on people who are most likely to face disadvantage or discrimination.

However, only public sector, private sector or legally constituted Third Sector organisations can apply for ESF funding. The only way the community and voluntary sector can access funding is via ESF community grants, which are capped at £12k. This is a relatively small amount for community groups wanting to organise their own courses, yet it is precisely these groups that often have the most success connecting with the men and women who are furthest removed from the workplace and formal skills training.

Working Neighbourhoods Fund

In England, the £1.5 billion Working Neighbourhoods Fund (WNF) has replaced the Neighbourhood Renewal Fund and is intended to support councils and communities in tackling worklessness and

developing more concentrated, community-led approaches to getting people in the most deprived areas back into work.

WNF supports the work that the Department for Work and Pensions is doing to redefine Britain's welfare state, to give people skills through transferring resources from welfare to education. As part of the new plans, financial incentives will be awarded to local areas that successfully turn around long-term unemployment. A £50 million package is available for this, which will be used to fund community facilities or local projects, such as sending job advisors into libraries, community centres and schools.

However, there is evidence that not all local authorities are using WNF for the purposes for which it was intended. The fund is not ring-fenced, and it is inevitable that some councils with stretched budgets find it necessary to divert WNF funds elsewhere. Also in the present economic downturn there are pressures to use the funds to help keep people in work rather than target the men and women who are already out of work.

A target missed?

There is clear evidence that the governments in Westminster, Edinburgh and Cardiff are all committed in their different ways to the Leitch report and its aspirations.

However, much of the focus is on NVQ Level 2 and above, to try to meet the challenges of globalisation and the need to keep up with technological and knowledge-based developments. The 'no skill' and 'low skill' end of the spectrum is, by comparison, less prioritised, especially by the important players in the private sector business world.



4. Moving forward

Addressing the skills agenda is a massive task. There is great deal to be done with employers, trade unions, schools, colleges, universities, training providers and individuals themselves, to break down the barriers to opportunity and give everyone in disadvantaged areas the chance to make the most of their potential.

This section of the report sets out the policies and actions that, in the view of the Alliance, now need to be pursued if there is to be real progress in getting to grips with the needs of low-skill adults.

Adult basic skills

The big numbers of adults without NVQ Level 2 qualifications are in the middle and later part of their working lives - the over 35s and, most especially, the over 50s. The government's focus on raising the skills of workers has led to a concentration on funding skills at Level 2 and 3 for the under 25s. This leaves less funding for other forms of learning, and for older groups.

Current government policies encourage providers to seek out 'quick wins' that guarantee funding. This disadvantages many adults with lower-level skills who often need time to develop motivation and confidence before they can commit to a formal training course. At present, the education and training system is not addressing the needs of these socially disadvantaged adults.

- ***There is a need for a renewed focus on hard-to-reach, low-skill adults***

Funding

National investment in education and training is now enormous. However, one of the main problems is the multiplicity of funding regimes.

With so many funding streams through the various government departments, it can be difficult to identify those that can be obtained specifically for low-skill adults. There is a need for better information, advice and guidance services, and improved communication about funding opportunities.

The short-term nature of much funding can make it very difficult to plan from one year to the next and is

Case Studies

Fife, Scotland: Kingdom Homes

Kingdom Homes is a well-established provider of residential care services in Fife with seven homes and around 300 staff. Like all providers of residential care, Kingdom Homes is required to fulfil the requirements of the Care Commission and are regularly inspected. Care, business and administrative systems have to be demonstrably thorough.

Adult Basic Education (ABE) Service in Fife initiated the *Fife Partnership for Essential Workplace Skills/Workplace Literacies Project*. Kingdom Homes has taken the opportunity through the project to up-skill its workforce on IT/Communications and report writing.

Residential care work is often the bottom rung on the employment ladder and, despite it being essential work that is greatly valued, there are few opportunities for low-skilled staff to progress. This is particularly true where the stigma attached to literacy learning is a barrier to personal development.

The project has resulted in improved staff loyalty, opportunities for staff progression in work; improved staff confidence and willingness to take on new responsibilities as well as an overall improvement in the quality of care. The project demonstrates that, if learning opportunities for adults with low skills is embedded in the organisational culture, individual employees and companies can develop a 'win-win' situation.

often unhelpful for local community organisations. These small community and voluntary organisations in disadvantaged areas need access to funding more easily and the bureaucratic burden on them should be reduced. Too much effort is spent chasing funding and not enough on service delivery.

The result is that most initiatives dealing with low adult skills are based on short-term projects and programmes and they struggle to provide long-term lasting results. There is a need for long-term funding for successful local projects to be rolled out across England, Scotland and Wales.

- ***Clearer access to sustained funding is needed for effective delivery***

'Pre-engagement'

Not enough is done to provide the first opportunities that are most likely to appeal to men and women with low self-confidence and to help them take the first steps back into learning and the labour market. Partly, this is because public policy has concentrated on providing formal education and training which leads directly to qualifications. This has led to a mismatch between the provision that is available and what is actually needed to engage people in the first place.

Many men and women feel they have nothing to gain from improving their skills because, in some areas, there are deep-seated cultural attitudes, often with specific historical roots, that lead them to discount the benefits of learning. One of the causes can be the benefit system, or more specifically fear of losing benefit, which can act as powerful disincentive to engaging in learning.

Personal development, community learning and other 'first step' adult learning and further education provision is vital to make progress with harder-to-reach individuals.

- ***There needs to be more recognition that 'first steps' initiatives are important***

Outreach

Many adults with low skills will not return to formal education in the classrooms of colleges and schools.

To increase skills levels in the most disadvantaged communities it is often necessary to invest in mentors, to work with people who need to be encouraged and pointed towards ways out of the various poverty traps that low wages and the benefits system combine to create. Fortnightly trips to the job centre to sign on (in the case of the claimant unemployed) or infrequent work-focussed interviews (in the case of incapacity claimants and lone parents) are never likely to be enough to make a difference. Having someone who devotes a couple of hours a week, for a sustained period, to a specific individual will in contrast often help that person take the next step.

Voluntary work can be a way of helping people on their first step back into paid employment. It develops community bonds, it helps deliver services, and it can help people to take on more responsibility, grow in confidence and self-esteem.

- ***To make an impact, intensive outreach work is vital***

Local delivery

If the capacity to address low-skill adults is to be effectively built, more needs to be done in the local community where they live.

This can involve support for people to move back into work via local community enterprises. These can allow men and women to enter employment where they learn new skills and at the same time make a contribution to their own community. These projects are often good at moving individuals forward at their own pace and providing a springboard for further training and long-term employment.

More generally, training for low-skill adults needs to be made available in suitable local settings, and training agencies need to take an active, community-based approach to engaging people. Provision should be delivered where people live, for example through their local community centre. Community centres can deliver learning that engages local people's interests, and recognises where people are starting from.

- ***'One size does not fit all' and local solutions often work best***

Regional and local inequalities

The statistics reveal that there are major differences at the regional and local levels in the proportion of adults with low skills or no formal qualifications. What's more, the geography of low skills shows strong similarities to the geography of deprivation.

Against this backdrop, population-driven funding formulas make little sense. In the context of funding for adult basic training, what matters is not the total number of people living in the areas but *the number with low or no skills*

The older industrial areas of Britain, that all too often still struggle with major problem of poor skills levels, need to be given priority in the allocation of resources. Funding and effort has to be concentrated on the communities with the biggest problems; otherwise they will always be left behind.

- ***It is important to target resources to address inequalities***

Job opportunities

There can be no doubt that the UK has a problem in providing the right skills for a quickly changing modern economy. Academic qualifications can address only part of this problem. New apprenticeships and high quality, vocational training can also make an important contribution. Tackling worklessness by 'supply-side' initiatives of this kind has an important role.

Yet there is still a need to address the basic issue of jobs. In many of Britain's older industrial areas, despite many years of growth and low (though currently rising) levels of claimant unemployment there is still immense worklessness, often hidden on other benefits. Ultimately, this is because in these older industrial parts of Britain there are still far fewer job opportunities than in, for example, much of the south of England.

There is a school of thought that suggests people should therefore leave the older industrial areas and move to the South East. But this would be a recipe for still further division and inequality, and the abandonment of whole communities.

The way forward is to build a strong economy across *the whole of Britain* and, where necessary target resources to make sure there are job opportunities in every region. The current recession makes this even more important. Being in work is one of the most important ways of learning new skills. And training on its own, without enough jobs for newly trained men and women, is a recipe for continuing worklessness.

- ***Creating more jobs is still a key part of the jigsaw***



Who we are

The Alliance

The Alliance was formed in June 2007 to represent local authorities in the traditional industrial areas of England, Scotland and Wales.

The Alliance brings together two existing local authority associations - Coalfield Communities Campaign (CCC) and SteelAction - together with local authorities from textile and other industrial areas. It builds on ten years' successful collaboration under the banner of the Alliance for Regional Aid and, in the case of CCC in particular, a track record of successful lobbying extending back to the 1980s.

The aims of the Alliance are: to articulate the needs of Britain's traditional industrial areas; to attract resources for regeneration; to press for balanced growth within and between regions; and to provide a framework for information sharing between member authorities.



Contact details:

Alliance National Secretariat
9 Regent Street
Barnsley
S70 2EG

T: 01226 200768

F: 01226 296532

E: natsec@ccc-alliance.org.uk