

# **World Class Workforce in the Knowledge Economy**

**Ramada Plaza Hotel, Gatwick**

**28 November 2001**

**Conference Report**

## **Contents**

Page 3	Introduction
Page 5	European Comparisons Discussion Group
Page 7	Economic Success Discussion Group
Page 9	Learning and Skills Discussion Group
Page 11	Alan Johnson MP, Minister of State for Employment Relations and the Regions
Page 12	Allan Willett, Chairman, SEEDA
Page 13	John Monks, General Secretary, TUC
Page 14	The Workforce Development Group
Page 15	Conference Attendance List

## Introduction

On the 28<sup>th</sup> November 2001, SEEDA and the South and Eastern TUC (SERTUC) held a joint conference to discuss how the social partners in the region can work together in building a World Class Workforce in the South East.

SEEDA's Regional Economic Strategy identifies the creation of a World Class Workforce as one of its main aims for the economic prosperity for the South East. Within this chapter of the RES there are a number of strategic priorities, namely:

- Open up a new regional partnership between employers and trade unions and other workforce representatives (the social partners) on the future of the region;
- Promote innovation, job enrichment and growth through a culture of participation and inclusiveness;
- Ensure that the workforce is fully part of the Learning Region; and
- Establish intelligent early warning systems to anticipate change.

In addressing these objectives, SEEDA and SERTUC have jointly established a forum for social dialogue as the first step in this process.

This forum, the Workforce Development Group (WDG) has brought together senior employers and trade union officials to exchange ideas about best practice and how to promote it in the region. The WDG meets to discuss matters of joint economic interest in respect of the region's workforce and disseminate good practice on ways of enhancing employee participation and inclusiveness.

The purpose of the conference was to encourage a wider debate on workforce development issues within the South East. The region's future prosperity relies on its workforce and the conference provided a unique opportunity to explore and develop themes such as economic sustainability, competitiveness with other European Union regions, learning and skills initiatives, diversity and partnership.

Minister of State for the Regions and Employment Relations Alan Johnson was the keynote speaker. TUC General Secretary John Monks, SEEDA Chairman Allan Willett and Richie Furlong, Personnel Director of Birds Eye Walls also addressed the conference. SEEDA Board member Barry Camfield, who is the Assistant General Secretary of the Transport and General Workers Union, as well as the chair of the Workforce Development Group, chaired the conference.

Following the plenary session there was a question and answer session with all of the main speakers.

In the afternoon, delegates to the conference took part in discussion groups on how we can achieve a world-class workforce and secure the future of the South East as a World Class region. There were three discussion groups, which looked at what we can learn from Europe, what is the key to regional economic success, and what can we do about learning and skills shortages.

The audience of approximately 130 people included trade unionists and employers from both the public and private sector, representatives from the Learning and Skills Councils, SEEDA and Government departments.

This report summarises the main points from the discussion groups as well as the contributions from the plenary speakers.

## **Economic Comparisons Discussion Group**

### **What are the key ingredients for a sustainable and successful regional economy?**

Bill Greenaway, Regional Director of ACAS, chaired the Economic Success group. Richard Lynch, National Officer, Unifi and David Seall, Regional Director, EEF South were the panellist speakers.

The group was asked to define what are the key ingredients for a sustainable and successful regional economy? They looked at the issues surrounding transport, infrastructure, competitiveness, skills shortages and working in partnerships, with the following points being made.

#### **Transport**

The South East has location advantages, e.g. proximity to Europe, ports, etc, but suffers from bad traffic congestion and a poor rail service. Many parts of the region (e.g. Hastings) do not have good transport links and, for example, there is no cross-region motorway. This means that many relatively low-paid workers have to spend a significant element of their income on private transport to get to work.

The UK has the most expensive public transport system in Europe due to lack of subsidy and government investment. More is now being invested but the solution may be greater regional control, which would allow improved integration between different modes of transport.

Alternative ways of working may be another solution.

There are also issues surrounding employment conditions within the transport sector. It is becoming increasingly difficult to attract workers into jobs such as lorry driving due to low pay rates, lack of employer commitment to training and practices/attitudes, which may discriminate against women.

#### **Infrastructure**

Affordable housing is a concern along with difficulties presented by the planning system. Planning decisions are made from a local rather than a global perspective and delays in such decisions can cause business to be lost from the region.

Increasing emphasis needs to be placed on the region's virtual infrastructure, i.e. IT networks.

## **Competitiveness/productivity**

There is a need to break through the “dependency culture” which prevents the workforce from feeling able to contribute to making their businesses more competitive/ productive. More investment is required in training the workforce to do this and the business benefits of a diverse workforce need to be fully appreciated.

There are lessons to be learned from the role of manufacturing in the US economy where the manufacturing sector has been built through making new products rather than just continuing to make the same products with fewer people. A greater investment in Research and Development is needed in the UK.

The short-termism culture in business can get in the way of long-term competitiveness/productivity. In the UK, we need to learn to work smarter rather than just doing the same thing with fewer workers.

## **Skills shortages**

There is still a barrier between skills providers and their customers. Providers need to become more flexible in how they offer their products to meet customers’ needs. Also the perception of vocational training as “second class” needs to be addressed.

## **Partnership working**

The majority of employers in the region have not yet taken on board partnership as seen, for example, at Birds Eye Walls’. Trade union views are still being ignored by many businesses.

## **What could SEEDA do?**

- Whilst SEEDA does not have a direct role to play in transport/infrastructure in the region, it can act as a powerful advocate to government in putting forward views of trade unions, business support organisations and other regional players.
- SEEDA has started to raise the profile of manufacturing and related service sectors within the region and needs to continue to do this.
- SEEDA can support learning projects such as those initiated by the trade unions and support small businesses in encouraging training.
- Can SEEDA become a champion for constructive employee relations in the workplace including equalities issues?

## **European Comparisons Discussion Group**

### **What can we in the South East learn from European Union regions?**

Geoff Glover, HR Manager of Ford Southampton, chaired this discussion group. The panellists were Cllr Ken Bodfish OBE, SEEDA Board member and Eddie McDermott, Regional Secretary, TGWU.

The group was asked to look at the European social model, to see what other EU countries do better than the SE, and how can we improve our situation. The following points were made in discussion.

The aim of SEEDA's Regional Economic Strategy is for the South East to become a World Class Region, hoping to become one of the top 10 regions in Europe. Currently the South East stands at number 22.

Within the UK, the South East's economy out-performs most other regions. But how does it compare economically with other European regions?

A recent European survey placed the UK 6 out of 18 European countries in terms of our cost of living, yet 17 out of 18 in terms of wages. The UK is seen as the poor country of a social Europe – we work the longest hours, our productivity levels are lower, and we do not have the same employment rights as our EU partners.

We look to Europe because of its legislative employment policies in collective bargaining, family friendly policies etc. There is a social element built in to the working environment in Europe, a social model that complements working life.

However there is a misconception that Europe is the panacea to our problems in the UK. We can be self-deprecating in UK, although we have high standards on training, learning, partnership, and flexibility. Particular reference was made to the UK's high standards in the service sector.

### **Strengths that we can learn from European policy**

- The European social model
- Investment in welfare state
- A higher level of taxation to fund public sector
- Greater free movement of workers
- Improved infrastructure
- Better family friendly policies
- Work/life balance

## **Problems that we face in the UK**

- Lack of investment in infrastructure
- Lack of research & development, especially in manufacturing
- Severe lack of skills shortages
- Underplayed role of public sector
- Need more flexibility with working practices, improved family friendly policies.

## **Social dialogue in the region**

Social dialogue should be developed at national, regional and sub regional levels and central government has a part to play in this in terms of setting the agenda and leading by example.

## **What could SEEDA do?**

- Challenge government policy on public investment
- Improve infrastructure in the region by being a powerful advocate to government
- Address the skills deficit in the SE
- Encourage companies to provide family friendly policies
- Carry out research to look at best practices in Europe e.g. on pay, infrastructure, transport
- Promote Social Dialogue between employers and trade unions in the region

## **Learning and Skills Discussion Group**

### **What can the social partners do to address the most acute skill shortages in the South East?**

John Parsonage, Director of SEEDA's learning & Skills, chaired this discussion group. The panelists were Denise Bruss, HR Manager, HSBC and Barry Francis, Learning and Skills Co-ordinator, SERTUC.

This group was asked to think about the skills shortages dilemma facing the South East. And which developments in learning and skills should SEEDA lead on? The following observations were made.

There must be better links between schools, colleges and industry. A key component is in providing better careers advice and better preparation of school leavers for the world of work. There should also be a more positive promotion of vocational training for relevant group of school leavers.

There should be a greater acceptance and understanding by industry of NVQs and other levels of qualifications, as there seemed to be a lack of knowledge in what training opportunities are available to the workforce.

On a regional level, there should be better relationships developed between learning and skills councils and local industry.

Three main areas of concern are: the vocational route, skills training and engaging employers. In the time limited time available, the group discussed how to engage employers in the issues of training and skills development. The following points were then made:

- Small and medium employers have financial disincentive to train employees and then enable them to develop in the organization because of cost
- Small employers have to be shown that there is a benefit to them in training staff. What is in it for the business owners?
- Employers don't know how to engage with the training process
- Providers must be more responsive to needs of industry
- Free banking for new businesses undertaking a training course. The result is that those businesses come back for further training.
- There should be better communication on all sides

### **What could SEEDA do?**

- Better advice and guidance is required for employers, mapping their needs and helping them through the maze of provisions.
- Persuade small business groups to work together, adopting the idea of a group-training adviser funded by Government funds to identify and arrange for their training needs to be met.
- Public sector workplace learning group. Partnership between unions and employers is a model that might be followed elsewhere.
- Press for all Government funded contractors should contain a compulsory training clause.
- Encourage open learning within companies – internet/intranet – that could be introduced in small companies.
- Groups/providers working together to support small business sector.
- Encourage large companies, such as HSBC and Ford, into offering spare training capacity to local small employers.

## **Alan Johnson MP, Minister of State for Employment Relations and Regions**

Alan Johnson said he was very pleased to address the conference and to see that SEEDA and SERTUC have set up a Social Dialogue Forum to promote good practice and exchange ideas to help build a world class workforce, by creating opportunities for people and business.

It was essential that Government, trade unions, RDAs and employers work together to build a world-class workforce. The regional agenda is of great importance to the Government, and the key to regional success is economic prosperity. Government has given a real vote of confidence to the RDAs and their capacity to deliver, by the increasing their resources with the Single Regeneration Budget.

The primary responsibility for the RDAs has been transferred to the DTI, to establish a virtuous circle in which factors such as training and education, regeneration and infrastructure both create an environment in which business can grow and flourish, and in turn is nurtured by the prosperity it brings.

Mr Johnson spoke of the achievements of Government with regards to the Employment Relations Act, and set out the aims of their second term, which will include manifesto commitments to: helping parents balance work and family life; increasing maternity pay; extending maternity leave; and introducing paid paternity and adoptive leave.

He also spoke of the Government's commitments to:

- Fostering partnership in the workplace and increasing the Partnership at Work Fund to instill better partnership in the workplace;
- Value diversity and acknowledge the positive benefits that differences can bring to the workplace;
- Help companies and their workforces anticipate, understand and respond to changes in markets and technology
- Encourage increased investment in R&D and greater development of skills;
- Establish a skills strategy which strengthens links between learning and jobs;
- Improve vocational learning and promote lifelong learning for all;
- Improve levels of adult literacy and numeric skills;
- Introduce the EU Employment Framework and Information & Consultation Directives

In conclusion, Mr Johnson said that business needs to make long-term investments in skills if the UK is to achieve a highly skilled, high value added economy. Government needs to work with RDAs, trade unions, employers and others in a spirit of partnership to build high-performance workplaces.

## **Allan Willett CMG DL, Chairman, SEEDA**

Allan Willett was delighted that SEEDA was holding this event with SERTUC and with the impressive cast of speakers from government, the TUC and business. He believed it was a result of the uniqueness of this venture. It was a first for SEEDA, getting business and employer representatives together at a regional level and he believed very strongly that there was a clear role for regional discussions.

The push to open up new regional partnerships, such as this, lay at the heart of SEEDA's policy on workforce development. This event was about tackling those key challenges and agreeing on the way ahead. He set out the challenges for the South East

For 2001 the South East's GDP was estimated at more than Scotland, Wales and Northern Ireland combined. The SE will continue to have the fastest growing regional economy, in effect, an economic juggernaut.

However, the SE also had some of the most serious problems in the UK in terms of numbers of the unemployed, people on income support, basic literacy skills and numeric, and acute skills shortages.

SEEDA needs all the pieces of the jigsaw in place if it is to retain and grow its competitiveness advantage. It cannot tackle issues in isolation for instance when addressing skill needs – training is not enough. Affordable housing and an effective transport system – road, rail, bus, must all be in place.

In the Regional Economic Strategy, SEEDA highlighted these issues, which they cannot tackle alone. SEEDA's strength lies in its ability to involve a range of players to help it put those pieces in place.

The SE cannot afford to be complacent. The region's economy must continue to grow. However, skill and labour shortages, along with an increased level of redundancies lie ahead. SEEDA's evidence has shown that where employers and employees work together, there can be outstanding results.

The SE must continue to develop and create realistic opportunities for companies who may be tempted to relocate elsewhere. If this happens the whole nation will suffer in the areas of enterprise, innovation and development know-how, which international companies bring with them.

The simple message is that the UK must invest in success and invest in its people to guarantee the success of our region.

## **John Monks, General Secretary, TUC**

John Monks said the TUC had been an advocate of regional development agencies for many years and a consistent supporter of them since their introduction. RDAs were uniquely placed to work with local and regional employers and trade unions to improve competitiveness, productivity, and help develop new jobs for the future.

Alan Willett and the staff at SEEDA, as well as the SEEDA Board, were congratulated for the far sightedness and support they had demonstrated in the establishment of the Workforce Development Group and its programme of work.

SEEDA's invitation to senior trade unionists and key employers in the region to address issues of mutual concern was a unique opportunity. It was the first initiative of its kind amongst the other Regional Development Agencies in the UK and the TUC would look closely at how it progresses.

If we had learned anything from the most successful regions of the European Union, it was that partnership involving all levels of government, employers and trade unions, was the foundation on which economic prosperity and security is built.

The TUC was convinced that workplace partnership produced positive results for companies and their employees. The evidence was there to see and there was no doubt that a combination of recognised unions and progressive personnel practices produced the most effective model of employee relations.

The TUC had been a consistent advocate and supporter of life long learning, to further the improvement of skills and the commitment of employees and employers to the life long learning agenda.

The South East was a region which had enjoyed a high level of prosperity by UK standards. However, there were also parts of the region, and people, who had not experienced that prosperity. Mr Monks acknowledged that SEEDA was working hard to change that.

Government, SEEDA, business and trade unions who worked together can achieve economic sustainability and improve regional competitiveness.

He was convinced that the process of achieving these goals is underpinned by the kind of social dialogue represented by this event today and the work of the SEEDA Workforce Development Group.

He congratulated SEEDA on its work to date and wished every success for the future.

## **Workforce Development Group**

Following discussions between SEEDA and SERTUC on how to deliver the Regional Economic Strategy on the World Class Workforce, funding was provided to establish a joint forum, the Workforce Development Group. The aim of the group is to develop SEEDA's strategic priorities set out in the introduction.

Senior managers and trade union officers were invited to be members of the Group. They were selected from the various sectors which make up the regional economy. The WDG discusses matters of joint economic interest in respect of the region's workforce and disseminate good practice on ways of enhancing employee participation and inclusiveness.

Barry Camfield, SEEDA Board member and Assistant General Secretary of the Transport and General Workers Union, is the chair of the Workforce Development Group.

### **Members of the Workforce Development Group are:**

- Richard Ascough, Legal Officer, GMB
- Denise Bruss, Human Resources Director, HSBC
- Barry Camfield, Board Member, SEEDA
- Geoff Glover, Human Resources Manager, Ford
- Lee Glover, Employee Relations Director, St Regis Paper Company
- Bill Greenaway, Director, ACAS, London Eastern & Southern England
- Richard Lynch, National Negotiating Officer, UNIFI
- Roger Maskell Regional Secretary, Amalgamated Engineering & Electrical Union
- Eddie McDermott, Regional Secretary, Transport & General Workers' Union
- Helen Mead, Head of Personnel Services, SEEDA.
- Danny Millgate, Branch Secretary, Graphical Paper & Media Union
- Mark O'Connell, Human Resources Director, Skandia Group
- John Parsonage, Director of Learning & Skills, SEEDA
- David Seall, Chief Executive, Engineering Employers' Association, South
- Cathy Wilcher, Human Resources Director, BAA Gatwick
- Phil Wood, Regional Secretary, UNISON

The work of the WDG is supported by:

- Ron Edwards, project leader, WDG
- Jane Galloway, project worker, SERTUC, seconded to SEEDA

## Attendance List

<b>Name</b>	<b>Position</b>	<b>Organisation</b>
Mr Jon Appleton	Committee Member	MKO&B LSC
Ms Christine Armitage	Marketing Manager	TUC Partnership Inst
Mr Graham Arnold	Senior Steward	GIST
Ms Pat Badu	Research Officer	PCS
Mr John Bailey		British Airways
Mr Gerald Baker	Business Development	LSC Kent Medway
Mr Richard Beresford	Manager	Enterprise Centre Oxfordi
Ms Emily Boase	Area Secretary	Prospect
Cllr Ken Bodfish OBE	Leader of Council	Brighton Hove Council
Mr Nigel Bourne	Regional Director	CBI
Mr Graham Briggs	National Organiser - ICT	AEEU
Ms Maggie Bristow		Aviance
Ms Denise Bruss	HR Personal Banking	HSBC Bank Plc
Mr Mike Budd	Regional Officer	AEEU
Mr John Bunn	Branch Secretary	GPMU
Ms Maureen Byrne	Regional Organiser	TGWU
Mr Barry Camfield	Asst. General Secretary	TGWU
Ms Debbie Catt	Head of Marketing and PR	SEEDA
Mr Mark Chiverton	Regional Convenor	UNISON
Mr Paul Clark	Member of Parliament	Gillingham
Mr Andrew Clement	Supply Chain Advisor	Supply Office SE
Mr Doug Collins	National Officer	AEEU
Mr Mick Connolly	Regional Secretary	SERTUC
Mr Iain Coole	Member	TGWU
Ms Elena Crasta	Administrative Assistant	TUC Learning Services
Mr Frank Crompton	TUC Course Co-ordinator	West Kent College
Ms Shirley Davies	Organiser	PCS
Mr Robert Douglas	Chairman	Surrey LSC
Mr Tommy Douras	Member	TGWU
Ms Lisa Dubow	Organiser	PCS
Mr Anthony Dunnett	Chief Executive	SEEDA
Mr Ron Edwards	Project Leader	WDG
Mr Bill Ferguson	Chief Executive	Professional Develop
Mr Ronald Fisher	Council	MSF
Mr Steve Foster	UNISON Branch Officer	UNISON
Mr Bernard Foulkes	Councillor	Waverley Council
Mr Les Ford	Specialist Tutor	TGWU
Mr Roy Ford	Member	Kent County Council
Mr Nicholas Fox	Managing Director	Individual Learning Co
Mr Barry Francis	Co-ordinator	TUC Learning Services
Mr Peter Fryer	Asst. Branch Secretary	UNISON Southern
Mr Richie Furlong	Personnel Director	Birds Eye Wall's
Ms Jane Galloway	Project Officer	WDG

Mr Peter Gaskin BSc		Team Discovery Ltd
Mr Geoff Glover	HR Manager	Ford Southampton
Mr Lee Glover	HR Manager	St. Regis Paper Co.
Mr Nigel Godfrey	Branch Secretary	TGWU
Mr Bill Greenaway	Director	ACAS South East
Mr Norman Hambleton	Development Advisor	Supply Office SE
Mr Mick Harris	Vice Chairman	TGWU
Mr Colin Harris	Chairman	Surrey Lifelong Learning
Mr Steve Hart	Senior Industrial Organiser	TGWU
Mr Laurie Heselden	Campaigns & Policy Officer	SERTUC
Mr Mike Hicks	General Officer	GPMU
Ms Julie Hickson	Programme Co-ordinator	Scottish Power
Mr Eric Humphrey	Industrial Organiser	TGWU
Mr Jay Hunt	Planning Manager	SEEDA
Mr Ed Hurd	Assistant Director	ACAS
Mr Oliver Jackson	Senior Industrial Officer	TGWU
Ms Margaret Jenness	Planning Officer	Southampton Institute
Mr Alan Johnson MP	Minister of State	Kingston
Mr Dawn Jones	Advisor	Investors in People
Ms Janet Keene	Member	PCS
Ms Rose Keeping	Industrial Organiser	TGWU
Mr Shaun Kinsella		Nu Farm Ltd
Ms Ruth Lambe	Senior Adviser	ACAS
Mr Colin Lumbar	Member	TGWU
Mr Michael Lunn	Manager	Nu Farm Ltd
Mr Richard Lynch	Negotiations Officer	UNIFI
Mr Hafeez Majeed	Student Representative	Institute of Management
Mr Chris Martin	Member	ACAS
Mr Eddie McDermott	Regional Secretary	TGWU
Ms Rose McDonald	Chair	BECTU
Ms Mary McNally	Member South East	UNISON
Ms Helen Mead	Head of Personnel	SEEDA
Mr Stephen Mills	Tourism Co-ordinator	SEEDA
Mr Alex Money	Skills Intelligence Exec	MOB LSC
Mr John Monks	General Secretary	TUC
Ms Sally Morawetz	Project Worker	TUC Learning Services
Mr Roger Mumby-Croft	Director	Enterprise Centre
Mr Michael Murdoch	National Secretary	AEEU
Mr Nick Myles	HR Manager	Varian Medical Systems
Mr Bruce Nairn	Research Officer	Brighton Hove Council
Ms Anne-Marie Nelson	Chair	Individual Learning Co
Ms Amanda Oates	Member	PCS
Mr Mark O'Connell	HR Manager	Skandia Group
Ms Kit Oliver	Board Member	SEEDA
Ms Viv Ottaway	Customer Services	Surrey LSC
Mr John Park	Research Officer	AEEU

Ms Jackie Parry	Partnership Manager	GOSE
Mr John Parsonage	Learning and Skills	SEEDA
Ms Mary Pearson	Convenor	UNISON
Mr Paul Peery		Servisair
Sir Michael Perry CBE	Chairman	Centrica Plc
Mr Martin Porritt	TUC Tutor	Sussex Downs College
Mr Syd Rapson	Member of Parliament	Portsmouth North
Mr Brian Reeves	Development Initiatives	Kent Medway LSC
Ms Linda Richards	Asst. Branch Secretary	UNISON
Ms Madeline Richards	Regional Organiser	TGWU
Mr Ephraidge Rinomhota	Director	Skills Insight
Mr Allan Roberts	Regional Committee	UNISON Southern
Ms Brenda Roper	Member	ACAS
Mr Robert Ruxton	Workforce Development	LSC London South
Mr Brian Rye	Regional Official	UCATT
Mr Lionel Sampson	Divisional Representative	CWU
Mr Tom Savage	Chairman	TGWU
Mr Mike Sargent	Learner Representative	Connex
Mr David Seall	Director	EEF South
Mr Bill Scott	Quality Manager	Berkshire LSC
Ms Nicola Scott	Member	Surrey LSC
Ms Toni Shawley	Chair	Bus Ed Policy Unit
Ms Linda Sheppard	Committee Member	UNISON
Mr Gary Smith	Organiser	GMB
Mr Nigel Smith	Research Manager	Berkshire LSC
Mr Chris Sprules	Member	LSC
Mr Phil Spry	Project Worker	TUC Learning Services
Ms Fiona Stokes	Business Research	Brighton Hove Council
Mr Andrew Straker	Regional Secretary	CWU
Mr David Tarren	Member	GPMU
Mr Jon Tennison	Development Worker	TUC Learning Services
Ms Sue Tibbles	Lay Member	UNISON Southern
Ms Emily Tiberghien	Workforce Development	Sussex LSC
Mr Mike Tucker	National Executive	UNISON
Ms Hannah Wallace	Support Officer	SEEDA
Mr Brian Walter	Regional Committee	UNISON
Mr Bernie Watts		Aviance
Ms Julie Weekes	TU Course Co-ordinator	East Berkshire College
Ms Sarah Welfare	Research Officer	AEEU
Mr Philip Wescott	Manager	Clear Case Resourcing
Mr Ian White	Managing Director	Learning & Business Ltd
Mr Shaun Whittaker	Chief Executive	Thames Valley Part.
Mr Allan Willett	Chairman	SEEDA
Mr John Worth	Director	Worth Media