

# **Evaluation of the SEEDA Basic Skills Programme**

*Final Report*

*January 2004*

## ***The Mackinnon Partnership***

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# 1. Introduction

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- 1.1 This is The Mackinnon Partnership's final report evaluating the South East England Development Agency's (SEEDA) first basic skills strategy. Through interviews with SEEDA, key partners across the region and an analysis of eight SEEDA-funded basic skills projects, this report details SEEDA's impact on the region on both a strategic and operational level and makes recommendations to take forward the basic skills agenda for the next three years.

## Background

- 1.2 In 1998, the Government appointed Sir Claus Moser to chair the Working Group, comprised of experts from adult further education, industry, national and local government and asked them to investigate the scale of basic skills needs in the UK and devise a national strategy to improve adult basic skills and attract potential learners into study schemes. A year later, the Moser Report<sup>1</sup> produced staggering findings to underpin the Basic Skills Agency's message that poor basic skills were unacceptably low:

*"It is a startling fact that something like one adult in five in this country is not functionally literate and far more people have problems with numeracy. This is a shocking situation...it is one of the reasons for relatively low productivity in our economy, and it cramps the lives of millions of people."*

The Moser Report

- 1.3 SEEDA, with a remit to enhance quality of life, as measured by economic prosperity and social inclusion (meaning employment for all), was extremely concerned about the impact low levels of basic skills was having in the South East. Economically, the cost to the region was likely to be enormous: at the 1997 Literary Taskforce Conference, David Blunkett MP reported that illiteracy costs the national economy around £10billion a year.
- 1.4 Problems in terms of inclusion were equally alarming: research by the Institute of Employment Studies found that the overwhelming majority of jobs required at least some proficiency in basic skills. Moreover, 98% of employment opportunities are closed to those with lower than entry level basic skills, and 50% of jobs would be unavailable for people who only had entry level basic skills.

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<sup>1</sup> A Fresh Start, March 1999.

- 1.5 As new technology and ever-increasing demands for higher product and service standards continue apace, these figures are unlikely to improve without intervention. Currently, one million people in the South East have poor basic skills and already, some 300,000 people in the South East are restricted to seeking employment in the ever-decreasing pool of low-skilled jobs.
- 1.6 In 1999, with these concerns in mind, SEEDA formed a partnership to develop a basic skills strategy for the South East, working with representatives from the Basic Skills Agency, Heart of England Training and Enterprise Council, Government Office for the South East (GOSE), North East Surrey College of Technology (NESCOT), trade unions, the Employment Service and the Department for Education and Employment.
- 1.7 In preparing its strategy, SEEDA identified an alarming gap in basic skills provision. Alongside concern among employers, who stated that employees have insufficient levels of numeracy and literacy skills, the National Skills Taskforce reported that at the end of the 1990s, only 0.5% of adults receiving basic skills training were in workplace programmes.
- 1.8 Thereafter, SEEDA set out its three year strategy<sup>2</sup> to tackle low basic skills in the South East, which focused very much on workplace capacity building and provision. The strategy describes SEEDA's "first steps" in addressing basic skills in the region and aims to ensure a co-ordinated, focused plan of action to be delivered through:
- a marketing campaign to encourage more employers and employees to become involved in basic skills;
  - workplace learning, by setting up a 'flagship' project in each county to tackle low skills in the workforce;
  - needs analysis, by researching what basic skills training is required and in what format;
  - community needs, by researching current basic skills provision in the South East and information on where the need is greatest;
  - consultation, by building partnerships across the region and with other Regional Developments Agencies (RDAs);
  - links with other SEEDA divisions and delivery mechanisms to take forward the basic skills agenda.

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<sup>2</sup> SEEDA's initial strategy was due to last three years, (2000-01 to 2002-03), but has now been extended to a fourth year (2003-04) in order to help SEEDA achieve its strategic objectives and secure the long-term future of individual projects.

## Methodology

- 1.9 As the end of the strategy drew near, SEEDA appointed The Mackinnon Partnership to undertake an evaluation of their basic skills strategy with a remit to identify how SEEDA had addressed basic skills in the South East and to make recommendations for both the ongoing strategy and the projects supported by the programme.
- 1.10 After consultation on the scope of the evaluation, SEEDA's project steering group asked The Mackinnon Partnership not to analyse the marketing campaign, nor the process of how the strategy was drawn up in the light of research, community and needs analysis and wider consultation, but to focus on the following areas:
- **Impact of the strategy:** working in partnership, influence on partner strategies and replication of practice.
  - **Projects:** process of selection, impact on employers and beneficiaries.
  - **Sustainability:** issues of need, funding and delivery for individual projects and the basic skills strategy for the South East.
- 1.11 With these objectives in mind, research was undertaken in two main tranches, the details of which are described in Table 1 below. In consultation with the project steering group, we selected case studies in order to reflect a range of criteria, including the type of partnership and lead organisation involved, the geographical and sectoral focus, the type of beneficiaries and whether or not the project was generally thought to have been successful.

## This report

- 1.12 This report begins with an analysis of the scale of need of basic skills training in the South East and goes on to describe the strategic and operational impacts of SEEDA's basic skills strategy. It ends with conclusions and recommendations on how SEEDA should carry forward its work to address basic skills in the region.
- 1.13 Detailed findings and analysis from our eight project case studies are given in Appendix A to this report.

**Table 1 Evaluation methodology**

Stage	Focus	Methodology
<p><b>Stage 1:</b></p> <p><b>Interviews with key stakeholders and partners across the region</b></p>	<ul style="list-style-type: none"> <li>• Six Learning &amp; Skills Councils (LSCs) across the South East (Berkshire, Hampshire &amp; Isle of Wight, Kent &amp; Medway, Milton Keynes, Oxfordshire &amp; Buckinghamshire, Surrey and Sussex).</li> <li>• Adult Basic Skills Strategy Unit</li> <li>• Basic Skills Agency</li> <li>• Federation of Small Businesses</li> <li>• Government Office for the South East (GOSE)</li> <li>• Jobcentre Plus</li> <li>• NHS University</li> <li>• SEEDA</li> <li>• Southern &amp; Eastern Region Trades Union Congress (SERTUC)</li> <li>• Trades Union Congress (TUC)</li> <li>• Workplace Basic Skills Network</li> </ul>	<ul style="list-style-type: none"> <li>• Face to face interviews, focus groups and telephone interviews with directors and senior managers responsible for strategy and managers responsible for operational areas of activity</li> </ul>
<p><b>Stage 2:</b></p> <p><b>Project case studies</b></p>	<ul style="list-style-type: none"> <li>• Basic Skills in the South East Public Services</li> <li>• Berkshire Basics for Business</li> <li>• Context Basingstoke</li> <li>• Essential Skills Delivery to Rural Businesses (SW Hants)</li> <li>• Essential Skills for Buckinghamshire</li> <li>• Kent &amp; Medway Professional Development Centres</li> <li>• Learning for All (Isle of Wight)</li> <li>• Oxfordshire Skills for Health</li> </ul>	<ul style="list-style-type: none"> <li>• Face to face interviews, focus groups and telephone interviews with project managers and project partners</li> <li>• Face to face/telephone interviews with employers and employees</li> </ul>

## 2. Supply and demand

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### Scale of need in the South East

2.1 The definition of basic skills used by SEEDA is that produced by the Basic Skills Agency (BSA):<sup>3</sup>

*"The ability to read, write and speak English and use mathematics at a level necessary to function and progress at work and in society in general."*

Basic Skills Agency

2.2 In 1996 and 1997 the BSA conducted over 8,000 interviews across England to gauge the level of basic skills needs. The results were startling: over one million people in the South East were found to have 'poor literacy' and just short of a million people reported 'poor numeracy' skills. Within these figures, there are three distinct levels of need:

- **Low:** On the borderline of functional literacy and numeracy and could attain national standards in literacy and numeracy with relatively limited coursework or assistance.
- **Lower:** Limited literacy and numeracy skills and would need directed assistance in order to reach national standards. Difficulties in coping with at least some everyday literacy and numeracy requirements.
- **Very low:** Severe literacy and numeracy problems. Need intensive assistance to reach national standards.

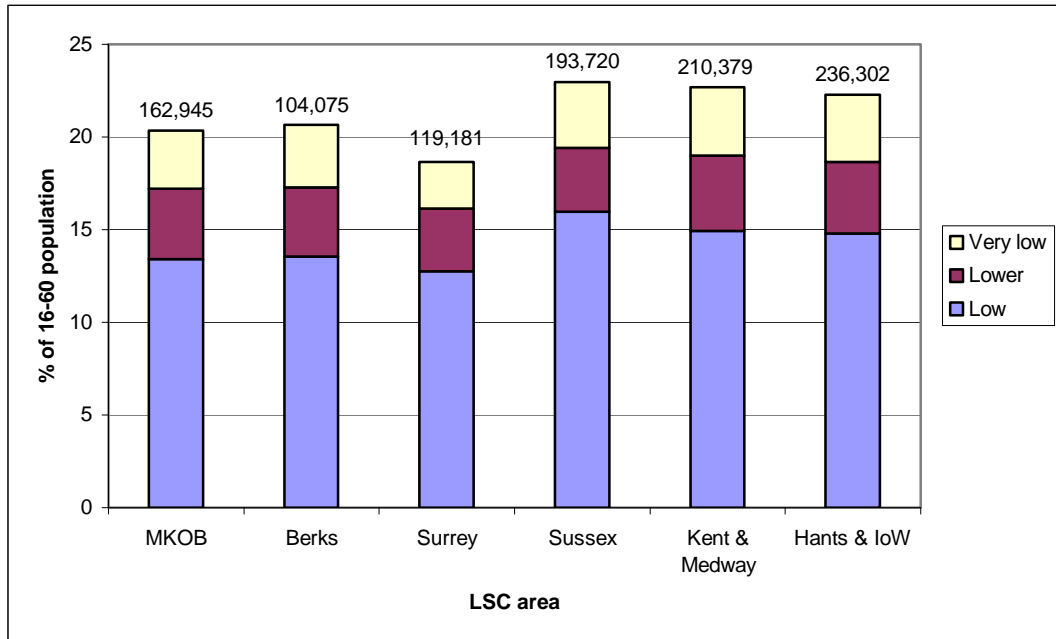
2.3 Figure 1 and Figure 2 below show the scale of basic skills need for each of the Learning and Skills Council (LSC) areas in the South East for literacy and numeracy respectively. Percentages have been calculated using a base of the 16-60 year old population and the actual number of people with basic skills needs is shown on the top of the bar in each case.

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<sup>3</sup> For consistency, we use the term 'basic skills' throughout this report rather than 'essential skills' or 'skills for life'.

2.4 On average, over a fifth (21.5%) of working age residents in the South East have poor literacy, nearly one in six of whom have ‘very low’ literacy skill levels. Figure 1 shows that proportionally, the situation is most severe in the Sussex LSC area, where 23.0% of 16-60 year olds have poor literacy skills, and least acute in Surrey. The Hampshire & Isle of Wight LSC area has the highest absolute number of working age residents with literacy skills needs (236,302).

**Figure 1 Literacy skills in the South East**

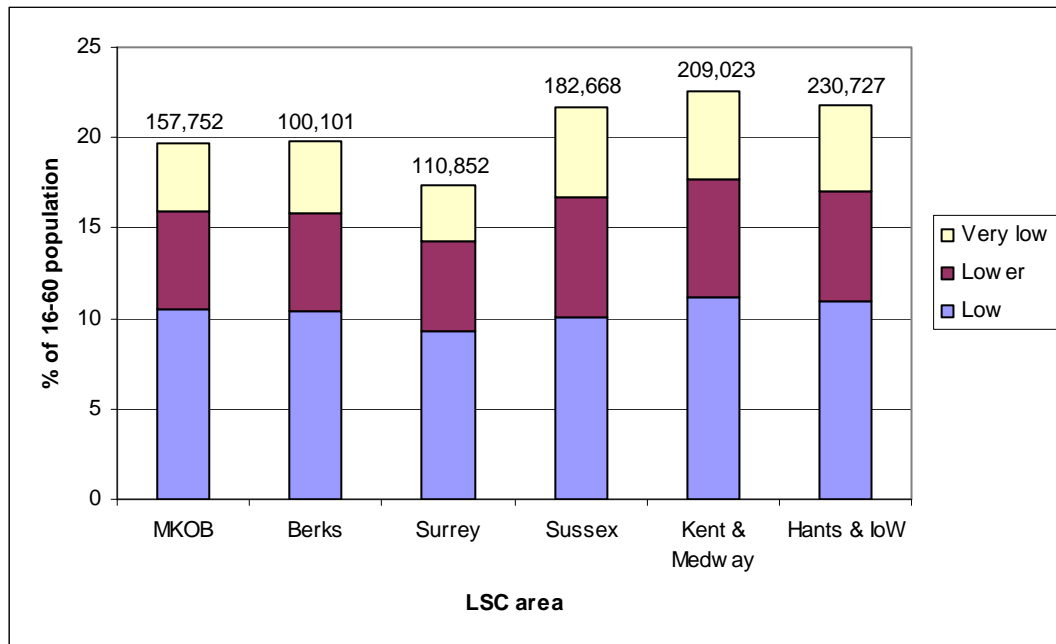


Source: Basic Skills Agency

2.5 Across the South East, more than a fifth (20.8%) of working age residents have poor numeracy skills, almost one in four of whom have ‘very low’ skills. Figure 2 shows that proportionally, numeracy skills are lowest in the Kent & Medway LSC area, where 22.5% of 16-60 year olds have poor numerical ability. The Hampshire & Isle of Wight LSC area has the highest absolute number of working age residents with numeracy skills needs (230,727).



**Figure 2 Numeracy skills in the South East**



Source: Basic Skills Agency

- 2.6 While the proportion of residents with poor literacy and numeracy needs is fairly even across the broad LSC areas, there are sharp differences in skill levels at local authority and ward level. At unitary/district authority level, literacy needs go from a low of 16.8% in Hart (Hampshire & Isle of Wight LSC area) to a high of 28.5% in Christchurch (Hampshire & Isle of Wight LSC area). Similarly, figures for those with poor numeracy skills go from a low of 14.8% in Hart to a high of 27.3% in Slough.
- 2.7 The variation in need, however, is most pronounced at the smaller ward level geography. As an illustration of these differences, Table 2 below shows the ten wards with the highest overall basic skills in the South East and compares them to the ten wards in the region with the lowest need for basic skills provision.

**Table 2 Basic skills needs in the South East: Examples by ward**

LSC	Authority	Ward	Poor Literacy	Poor Numeracy
MKOB	Milton Keynes	Eaton	45.8	53.6
Kent & Medway	Ashford	Stanhope	43.8	51.3
MKOB	Oxford	Blackbird Leys	38.0	44.4
Kent & Medway	Shepway	Folkestone East	37.9	44.1
Hants & IoW	Havant	Warren Park	37.6	43.9
Kent & Medway	Ashford	Ashford Twelve Acres	36.0	42.0
Hants & IoW	Basingstoke & Deane	Daneshill	35.2	40.9
Sussex	Swale	Sheerness West	34.7	40.3
Sussex	Crawley	Bewbush	34.7	39.9
Sussex	Hastings	Hollington	34.5	39.6
 <span style="font-size: 2em; color: green;">↑</span> <span style="font-size: 2em; color: green;">Most need</span> <span style="font-size: 2em; color: red;">Least need</span> <span style="font-size: 2em; color: red;">↓</span> 				
MKOB	Vale Of White Horse	St.Helen Without	13.3	11.7
Berkshire	West Berkshire	Chieveley	13.3	11.6
Hants & IoW	Hart	Cron dall	13.2	11.6
MKOB	Chiltern	Chalfont Common	13.2	11.6
Surrey	Epsom And Ewell	Stamford	13.0	11.6
Berkshire	Wokingham	Barkham	13.0	11.5
MKOB	Windsor & Maidenhead	Eton North And South	13.3	10.3
MKOB	Aylesbury Vale	Luffield Abbey	12.1	10.5
Hants & IoW	Rushmoor	Queens	11.4	10.7
MKOB	Oxford	Central	3.6	4.1

Source: Basic Skills Agency

- 2.8 The table shows that there are severe hotspots of need across the region, where need is more than double average figures for the South East. The data also shows that generally, areas with low levels of literacy skills also have low levels of numeracy skills.
- 2.9 In addition, these wards also score poorly on a number of other measures: the Index of Multiple Deprivation ranks these wards among the top ten percent most deprived areas in the country on almost every score (income, employment, health, education, skills and training, housing and access to services). The need to tackle basic skills, as one of the critical factors in underpinning economic and social inclusion, is therefore vital to these areas (and others like them) if the lives of residents are to be improved.
- 2.10 With the issues of tackling workplace provision, building capacity and partnership working and tackling multi-deprived areas in mind, we now examine the supply side of the equation. Given the basic skills need, how did SEEDA select, shape and appraise bids to run basic skills flagship projects under the programme?

## **Selecting projects**

- 2.11 SEEDA aimed to establish a ‘flagship’ project in every county across the South East to act as beacons for basic skills in the region. In fact, all projects funded under SEEDA’s basic skills strategy are labelled ‘flagship’ projects, as they mark new territory for SEEDA and are, in the main, innovative pilots that have helped to confirm SEEDA’s commitment to its strategy and to raise the profile of basic skills in the region. While stakeholders throughout the region have worked on basic skills for a number of years, SEEDA’s intervention in the market place denotes a substantial hike in resources allocated to basic skills and a consequent increase in the attention afforded basic skills regionally.
- 2.12 In inviting bids from a broad range of key stakeholders under a broadly defined heading of basic skills (from developing capacity to actually delivering basic skills training in SMEs), SEEDA obtained a wide variety of project proposals, with differing approaches, foci and target beneficiaries.
- 2.13 The basic skills team then applied a rigorous appraisal process to each bid, evaluating proposed projects according to eight key criteria:
- description and rationale;
  - strategic fit;
  - outputs;
  - funding requirements;
  - value for money;
  - risk assessment;
  - monitoring and evaluation;
  - forward strategy.
- 2.14 Although this appraisal system is a standard process applied to virtually all SEEDA’s major investments across a wide variety of projects (and not tailored specifically to proposed projects under the basic skills strategy), it gave SEEDA’s basic skills team a useful mechanism through which to assess bids thoroughly on all pertinent measures and to ensure that projects selected addressed the issues identified in the basic skills strategy and also yielded a significant volume and high quality of outputs.
- 2.15 In particular, larger projects were required to provide a detailed evidential basis supporting the rationale of the project, ensuring that more sizeable investments were targeted at projects that could show a real need existed and could be met.

- 2.16 In employing a standard appraisal system, SEEDA is also able to assess how individual projects align with its other strategies and wider corporate objectives. Proposals which do not impact positively on any other learning and skills or economic and social inclusion agendas, for example, were less likely to be funded than those that could demonstrate support for SEEDA's core strategic aims and thus enable all of the Agency's work to contribute to a well-defined framework of objectives. Bids were also marked in a more positive light if they contributed to SEEDA's sustainable development framework and therefore helped to ensure that if a project was funded, then it would not negatively impact on other projects or Agency aims.
- 2.17 While the basic skills strategy did not formally include specific objectives to fund projects to help or target particular beneficiaries (such as coastal towns, multi-deprived areas, black and ethnic minority groups or rural communities), the basic skills team was clearly aware of all these issues and likely hotspots of need and consequently recommended projects for funding that contributed to or addressed all key points. The additional appraisal and ratification of larger projects by SEEDA's board also ensured that investments were aligned along over-arching strategic objectives.
- 2.18 There are, however, two key areas that could be improved in the project selection and appraisal process. The first is to improve the level of detail and planning associated with the 'Forward Strategy' element of the system. While SEEDA originally intended to complete its project set-up and strategic intervention in the period covered by this basic skills strategy, it has not been possible to achieve these aims within the original timeframe. SEEDA has, however, made significant inroads into pump-priming basic skills provision and building capacity and delivery mechanisms – but there must be more attention focused on the sustainability of these impacts, and this should start at the initial appraisal of a project bid. In a set of appraisal forms running to around 25 pages, however, there are only three short questions concerning an exit strategy. Typically, answers given run to no more than a paragraph combined and have little evidential basis.
- 2.19 Imprinting the importance of sustainability and forward strategies on the consciousness of funders, deliverers and beneficiaries alike is critical if a lasting impact is to be made. A study for the Joseph Rowntree Foundation<sup>4</sup> on creating sustainable regeneration found that:

*"The chance of short-life programme achievements surviving seems in part to depend on an effective 'exit strategy' being planned and built into all activities from the very start."*

Joseph Rowntree Foundation

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<sup>4</sup> Creating Sustainable Neighbourhood and Estate Regeneration, The Joseph Rowntree Foundation, 1995.

- 2.20 Our analysis of projects funded under SEEDA's basic skills strategy (in Section 4 of this report) shows that the key danger to failing to achieve a lasting impact – a real strategic intervention – on basic skills in the South East is a lack of forward strategy on projects.
- 2.21 The project selection process should therefore include far more detailed forward planning. Sustainability post-SEEDA funding should be a key criterion against which to judge projects and future funding bodies and strategies should be identified from the start. If no clear strategy exists (as may happen with more experimental pilot projects), SEEDA should be prepared to fund projects past the first phase of its basic skills strategy. Once accepted for funding, projects should then prepare an action plan on how to arrive at a sustainable future and work with SEEDA and other stakeholders in the region to implement it.
- 2.22 The second key area concerns the monitoring and evaluation of projects. While it is important to monitor the outputs of a project against targets for funding and value for money purposes, it is equally important to take into account 'softer' measures and the distance travelled with beneficiaries. In taking on basic skills, SEEDA has confronted an issue that touches many people and communities who potentially face a number of complex and inter-related problems. Moving a beneficiary on just a small step may require substantial investment and resources and while the outcome is recorded as 'one tick in one box', the change for that particular beneficiary can be considerable.
- 2.23 Similarly, working to promote basic skills in the workplace may achieve a number of impacts that are not measurable by conventional, numerical data outputs: an SME might experience a change in training culture and staff development, attitude to basic skills or develop a more supportive environment towards its workforce. It is therefore necessary to establish a baseline measure in these areas and to revisit findings later on in the life of the project.
- 2.24 These criteria – forward strategies and evaluation – should be more fully included in appraisal systems across SEEDA, as well as for the basic skills project selection process. They are also two recurring themes in our evaluation of the basic skills strategy and are discussed more fully in the Recommendations section of this report.
- 2.25 So, having selected a wide range of projects to be funded under the basic skills strategy, we now turn to examining their impact across the South East.

### 3. Impact in the region

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- 3.1 In evaluating SEEDA's basic skills strategy, we undertook in-depth face-to-face interviews with a large number of key 'stakeholders' across the region. In addition to interviews with SEEDA's basic skills team itself, these included key directors within SEEDA, basic skills strategic and operational staff at each of the six LSCs covering the South East, the Basic Skills Agency, the Adult Basic Skills Strategy Unit, the Government Office for the South East, the TUC, the Workplace Basic Skills Network, the Federation of Small Businesses, Jobcentre Plus and NHS University.
- 3.2 Interviews focused on the main issues surrounding basic skills in the region, workplace learning, the impact of SEEDA's strategy on basic skills in the region and its sustainability and the relationship between key stakeholders.

#### Overview

- 3.3 In broad terms, SEEDA has done what it set out to achieve in its first basic skills strategy: it has greatly raised the profile of basic skills and established a partnership approach to addressing basic skills involving key stakeholders in the region. In terms of outputs, it has trained some 12,000 people and advised around 600 businesses and spent a substantial amount of money (particularly in comparison to others RDAs), which has also helped to raise awareness of basic skills.
- 3.4 In 2002-03, SEEDA spent some £4-5m on basic skills – half the resources allocated to its learning and skills division – which “staggered” stakeholders in the region and other RDAs alike. In bringing such resources to the table, SEEDA has managed to establish a broad partnership of key players across the South East, including LSCs, Government Office, the BSA and Learning Partnerships.
- 3.5 In particular, communication with LSCs has been greatly enhanced. Each LSC area now has a SEEDA-funded basic skills coordinator and sub-regional objectives are more closely aligned with those for the South East as SEEDA's regional basic skills strategy forms the basis of each local LSC basic skills strategy.
- 3.6 SEEDA has targeted basic skills in the workplace after identifying an “alarming market failure” in provision. All stakeholders throughout the region agreed that the workplace represented a gap in basic skills provision and that SEEDA was right to target this area, particularly given that the Agency comes from an economic growth perspective and has a primary focus on the workforce.
- 3.7 Below we identify specific areas of success and highlight key issues at a regional level.

## **Working in partnership**

- 3.8 SEEDA is viewed as being “ahead of the game” in comparison to the way other RDAs have approached basic skills: it spends more money, has developed partnership working among key stakeholders and set up projects throughout the region to address a real gap in provision (the workplace). In blazing a trail, however, it has inevitably encountered new and difficult obstacles and there are lessons to be drawn in each case.
- 3.9 Firstly, SEEDA’s success is based on the fact that it can grab the bull by the horns and get things done: in the words of one stakeholder, “SEEDA rolled up its sleeves and got its hands dirty – they [the Basic Skills team] put their money where its mouth was and showed they could make a difference”. But as there was no recognised path or best practice to follow, there were some concerns that SEEDA “stepped on the toes of some partners” in getting things up and running. In particular, some stakeholders felt that the basic skills coordinators recruited to each LSC area were “imposed” rather than taken on through consultation. Consequently, the added value of the coordinators has perhaps been lessened as LSCs have not worked as closely with coordinators as might have been the case in some areas.
- 3.10 There are also some stakeholders or partners that have not been brought into SEEDA’s partnership to tackle basic skills. While SEEDA’s basic skills strategy makes several references to SRB partnerships, no real engagement with such groups has been made. While many SRB partnerships have managed projects that have touched on basic skills in the South East over the last three years, the wide range of focus and the large number of partnerships has made it very difficult for SEEDA’s basic skills team to target particular groups to work with and support. As SRB comes to an end and Area Investment Frameworks (AIF) take shape across much of the region, SEEDA should ensure that basic skills is on the agenda when the scope of each AIF is agreed.
- 3.11 SEEDA has, however, been successful in bringing key partners together and in starting to align strategies and actions. Now that the LSCs have bedded down, the Skills For Life White Paper has set the Government’s agenda and the FRESA begins to take shape, regional partnership working on basic skills has become more focused, particularly as there is now more concentration on the larger stakeholders working together – the LSCs, GOSE, Jobcentre Plus and SEEDA. The formation of the South East Region Skills for Life Strategic Group provides more opportunities to work together more strategically and, crucially, address the issue of sustainable and flexible funding which underpins the success or otherwise of the basic skills strategy. (We expand these points are expanded in the Recommendations section of this report.)

- 3.12 However, while communications between LSCs and SEEDA has been improved, some LSCs feel that the relationship regarding basic skills is only really working on an operational level and that there is insufficient dialogue at director level. SEEDA now needs to instigate communication between key partners at senior director level to address the long-term future of basic skills provision and how it is funded.

### **Workplace learning**

- 3.13 Interviewees felt that SEEDA is right to focus on basic skills provision in the workplace, as there was a clear gap in the market that was not being addressed. Several key issues, however, remain. Firstly, there is a stigma attached to 'basic skills' and this becomes more acute in trying to address a need in the workplace, where employees often feel uncomfortable in admitting to problems concerning literacy and numeracy to their employers and fellow workers. A re-branding to 'essential (business) skills' appears to have reaped rewards for some projects.
- 3.14 There are also difficulties in engaging employers in training, particularly on a basic skills agenda, where there seems to be a reluctance to admit to literacy and numeracy problems among the workforce. On a large scale, employers have not yet been convinced of the benefits in tackling basic skills and there exists a need to sell work based learning to companies and include basic skills on the agenda.
- 3.15 Most stakeholders had concerns, however, that there is still a shortage of basic skills tutors in the region and that this needs to be addressed strategically across the South East. Some interviewees reported problems with organisations generating demand without also delivering supply due to a lack of capacity. In Berkshire, SEEDA's strategy has given the county a focus through its flagship project and there is now an agreement that no demand for basic skills training will be pursued outside the flagship project. Centralising basic skills provision in one project would allow a more coordinated approach to local employers and would reduce duplication of effort and help to ensure that demand is met.
- 3.16 However, stakeholders across the region felt that basic skills could not be sold to employers alone, but had to be wrapped up in a broader training package and embedded in the companies themselves. Several interviewees felt that workplace basic skills has to be integrated into HR management, induction assessments and training, health and safety training and communication and team building skills. While this approach may well yield more success in engaging employers, it would require a more coordinated approach: several interviewees felt that Business Link would be best placed to contact employers and sell training needs analysis to a company.



- 3.17 While it is currently not part of the regional strategic partnership, SEEDA should explore the potential of engaging Business Link on basic skills, which could be well placed to identify basic skills needs within companies and refer them to the most appropriate point of contact. This, however, raises another problem of capacity: there needs to be a higher number of business advisers and HR managers skilled in identifying and addressing basic skills needs in the workplace.

## **Replication**

- 3.18 Some stakeholders in the region have been working to tackle basic skills for a number of years (certainly before SEEDA announced its basic skills strategy) and consequently had strategies and projects already in place to address the issue. SEEDA's entry into the basic skills market has managed to influence policy on basic skills at sub-regional level through the LSCs, who have used SEEDA's strategy as a platform to underpin their own work on basic skills. The Agency has also ensured that a significant gap in the market – the workplace – has been put on the basic skills agenda.
- 3.19 In working collaboratively with stakeholders across the region SEEDA has managed to propagate its own basic skills agenda and draw more players into the arena that have, in turn, begun to work in partnership on basic skills. A good example is seen in the work of SERTUC, who now have a “very good relationship” with SEEDA. Being involved strategically with SEEDA has given SERTUC “real credibility, particularly with the LSCs” and is, in SERTUC's opinion, in stark comparison to work in other regions of the UK. This relationship has given SERTUC “extra legitimacy”, particularly with employers, most noticeably with a number of NHS trusts in the South East to whom they have been able to bring their substantial knowledge of basic skills needs to low paid workers.
- 3.20 There are several more examples of new organisations becoming part of a wider network of those working to address basic skills needs in the south East. The majority of these have resulted through flagship projects and are described in the next section of this report. Similarly, the dissemination of best practice was judged by flagship project managers, SERTUC and the Basic Skills Agency to have been a key strength at a project level and this is also discussed in the following section.

## **Information**

- 3.21 The vast majority of stakeholders expressed concern that there is insufficient information on the scale of basic skills needs in the region, the range of projects in the region that address basic skills in whole or in part, and the range of funders that are making resources available to address basic skills in the South East.

- 3.22 Most stakeholders reported that they still used data collected for the Moser report and updated data by the Basic Skills Agency when trying to establish the scale of need in local areas. These sources, however, were now felt to be “inadequate and out of date” and, in particular, did not help providers take into account the high number of people with poor English skills who have moved into the region in recent years. Solent Skills Quest (who manage the Essential Skills For Rural Businesses project) also pointed out that are hotspots in the South East (including the New Forest area) where there are large numbers of workers from the continent with poor English language skills who require ESOL support, but who as new residents, are not eligible to go on College courses for three years.
- 3.23 Interviewees felt that new, local area data was needed and that this should be collected through the LSCs and that new research into basic skills needs across England would provide a more accurate and up to date picture. Regional stakeholders should certainly consider collaboratively funding new research to identify the current scale of need in the South East.

### **Sustainability**

- 3.24 Stakeholders in the South East praise SEEDA’s work on basic skills. All stakeholders, however, expressed concerns regarding the future financial viability of projects in the South East without continuing support from SEEDA.
- 3.25 SEEDA is viewed by regional partners as a development organisation, set up to pump prime innovation in the region. SEEDA’s basic skills strategy reflects this as projects were designed to be financially supported for three years before successful flagships could be taken on by mainstream funders. However, partners felt that SEEDA’s aim of making project managers responsible for sustainability was not adequately explained and, as a strategic intervention to influence mainstream funding, this has not yet worked as hoped.
- 3.26 SEEDA has recognised that more time is needed in order to achieve its mainstreaming objectives and has consequently shifted back its target date for these ambitions to be realised to 2006-07. While SEEDA hoped to establish best practice among successful flagships and hence pass the funding baton on to mainstream organisations, SEEDA’s first basic skills strategy has focused very much on operational elements – setting up partnerships and projects, raising awareness of basic skills needs in the workplace among partners and businesses, and learning lessons and disseminating best practice across the region. It must now use this platform and operational expertise to persuade national Government of its case and influence the National Skills Strategy in order to address the sustainability of basic skills provision in the South East. We explore this core point further in the Recommendations section of this report.

- 3.27 If SEEDA is to support some projects for a further three years, however, it should be aware of current tensions that exist. Several stakeholders expressed concerns that while SEEDA is funding mainstream activities, LSCs have more difficulties in meeting local targets, as they cannot 'double claim' on outputs – a beneficiary of basics skills training through a flagship project that is co-funded by both SEEDA and an LSC cannot be claimed as an output by both organisations. This effectively reduces the pool of potential beneficiaries for LSCs and may create problems in reaching targets. In addition, some LSCs have expressed concern that SEEDA have "parachuted in" on an agenda which belongs to the Councils, and while they recognise the additionality that SEEDA has brought to the basic skills agenda (particularly in targeting and supporting projects in the workplace), this has created some tensions across the region.
- 3.28 Having proved to all partners that SEEDA can identify and support successful projects, there is now a need to engage on a strategic level with LSCs and other major funders to ensure coordination of approach to basic skills and the continued life of successful projects.

## **Conclusions**

- 3.29 SEEDA has undoubtedly helped to raise the profile of basic skills by engaging with a wide range of organisations and supporting generally first-class projects in a flexible way to allow innovation that otherwise may well not have happened. SEEDA has shown it is good at identifying good practice at an operational level – but the Agency now needs to ensure that good practice begins to influence mainstream strategy and funding.

## 4. Impact of projects

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- 4.1 The greatest success of SEEDA's basic skills strategy lies in the flagship projects funded throughout the region. This evaluation has examined eight case study projects in detail and this section describes the main issues arising from our research. A full analysis of each individual case study project is included in Appendix A to this report.

### Overview

- 4.2 SEEDA's flagship projects have trained over 12,000 people and reached some 600 businesses. While this only represents just over one percent of the total number of people in the South East identified as having basic skills needs, the projects have, in the main, started from nothing and, as pilots, have made innovative impacts far beyond their total number of outputs.
- 4.3 SEEDA funding has brought a high-level of additionality to basic skills provision in the South East: most projects reported that without funding, as well as support and expertise from SEEDA's basic skills team, they would not have been in existence. The high level of flexibility within contractual arrangements (while ensuring targets and outputs are met) and a lack of bureaucracy has enabled SEEDA to bridge the gap between what the LSC can support through its rather rigid funding formula and what projects need to set up, manage and engage employers on basic skills. This in turn has raised the commitment of several LSCs, FE colleges and other providers to basic skills.
- 4.4 SEEDA has supported a wide range of projects that have enabled many lessons to be learnt and good practice established in a number of areas. Projects range from basic skills tutor capacity-building Professional Development Centres (PDC) across Kent and Medway, to small community-based provision on the Isle of Wight, to an award-winning project providing basic skills training to large firms in Basingstoke.
- 4.5 The Agency has also ensured that all areas of the South East have been engaged in the pilot stage of the basic skills strategy. While there were expressions of interest from nearly all sub-regions and counties, there was no initial interest in Buckinghamshire to develop a flagship project. Consequently, SEEDA approached the Adult Education Service directly and this has ensured coverage in all areas of the South East.

## **Impact**

- 4.6 A major impact was made in the South East in the process of setting up the flagship projects. SEEDA's bidding process made it clear that only partnership approaches would be considered for funding. Consequently, a wide range of organisations are now working together to tackle basic skills who would not have done so otherwise. Berkshire Basics for Business, for example, has a partnership involving the local LSC, local authorities, Business Links and chamber of commerce, the Federation of Small Businesses and other private sector partners.
- 4.7 This insistence on partnership working has cascaded down into the projects themselves: SEEDA-funded PDCs in Kent & Medway, for example, invite new organisations into the fold and encourage them to work together on projects. Small community groups representing disabled, blind, homeless and dyslexic people, for example, have now been given the opportunity to access funds and resources (and hence tackle basic skills) they would otherwise not have had because they have "achieved critical mass by working in partnership".
- 4.8 All case studies researched in this evaluation achieved a high quality of provision with its target audience. All beneficiaries interviewed during our research were highly complimentary about the standard, method of delivery and relevance of the training and support they received. Businesses who had been engaged in projects reported increases in staff skill levels as well as improved morale, ambition and confidence due to a more open, supportive culture of learning that had usually been established in companies due to their participation in basic skills training.
- 4.9 Employees also thought highly of their training, praising the acquisition of new skills through well-structured training as well as the boost to their confidence and aspirations. A typical example of how a SEEDA flagship project has helped a business and its employees is described in Box 1 below.

**Box 1: Helping businesses with Essential Skills in Buckinghamshire**

One SME had training delivered at a time of significant restructuring, which led to more opportunities for promotion and development for the workforce. However, up until the restructuring there had not been a culture of learning within the organisation.

Following engagement with the project, the company identified the training needs of employees who were then asked if they were interested in the training. Initially some employees were reluctant, whilst some thought they were too old or that there may be some stigma attached. There was also some resentment about covering for people on training courses. However, this changed as more people went on the course. The Managing Director made a big deal of the training and presented certificates in front of the whole company. This got other employees curious and more asked to be put forward for training. Approximately 45% of the 75 staff have now been involved in the training.

As a result there is now a much better learning culture in the organisation and there are no problems covering people on training. Individuals feel more able to apply for new positions – for example they had the confidence to complete application forms. The company is also getting better quality work. Letters to customers are better and reports are being presented in a clearer way – for example including graphs. The company has not made any specific measurements on the impact, but all the employees who took part in the first batch of training are still with the company. This countered any concerns within management that if they trained people they may lose them.

- 4.10 In addressing basic skills in the workplace, projects have, in the main, reached ‘new’ learners and companies (individuals who had not previously undertaken training and companies who had fostered no real culture of learning). Essential Skills For Rural Businesses, which operates in the New Forest area, described SEEDA’s input as “the Heineken effect”, reaching the parts that other funders and projects cannot reach. The project targeted traditionally ‘non-learning’ sectors (including care homes, garden centres, nurseries and hotels) and has enabled Brockenhurst College to not only reach new learners, but to encourage and progress individuals to subsequent learning opportunities.
- 4.11 These knock-on impacts of basic skills training were also demonstrated in the Basic Skills For The South East Public Services project, which found that a high proportion of beneficiaries, who reported no desire to undertake further training *before* beginning their course, progressed to other learning opportunities. Three quarters of beneficiaries on the ‘Essential Skills’ course were planning further training, as were 85% of those taking the ‘Getting Started’ course. These are notable achievements considering that virtually no-one filling in the pre-course questionnaire indicated any wish for further study.
- 4.12 Similarly, the Learning For All project on the Isle of Wight, operating in a priority development area for SEEDA that has a low educational base, managed to draw in beneficiaries who were not current or recent learners into NVQ training by designing a curriculum that met not only the needs of the awarding body, but those of employers and learners too. The standard of provision was typically described by beneficiaries as “absolutely brilliant”.

- 4.13 SEEDA has also managed to influence a key employer in the South East by deliberately targeting the NHS and the health sector in setting up basic skills projects. Oxfordshire Skills for Health operates through a partnership of trusts and has used the NHS's aim to establish a culture of learning throughout the organisation to embed basic skills training. Beneficiaries reported raised skill and confidence levels and trusts have experienced an improved level of staff retention. The project has also influenced the NHS supply chain by helping sub-contractors who employ staff with poor English language skills access basic skills training.
- 4.14 This demonstrates that targeting the NHS has great potential. The health service is highly receptive to the idea of tackling basic skills and, through its training and HR budgets and NHS University, has the resources to take on a successful model once it has been established. Delivering basic skills in the NHS is also likely to reach a high number of people in need of basic skills training, as directly and through sub-contracting, it employs many low-skilled and semi-skilled workers – a recognised occupational hotspot in terms of basic skills need.

### **Key issues**

- 4.15 There are several main issues highlighted by projects. Firstly, there is a problem with 'class sizes'. Most projects agreed that the key source of long-term funding for basic skills provision should be through the LSC, but there is a central problem in the inflexibility of their funding formula. FE colleges and other providers cannot deliver training when class sizes fall below a certain level and this minimum is too high to get groups from smaller employers (probably at all, and certainly reliably).
- 4.16 The Context Basingstoke project found that the problem does not just concern SMEs and that there are also problems in releasing staff for training. Our case study shows that it is difficult to get large enough groups of employees together even in large firms, because they watch their costs very closely. The workers involved are usually key to a process so cannot easily be released and if a large group – say 10 – was off at once, there is a real risk that management will simply say: "if we can spare that many for training, we're over--staffed". That is a big hurdle to overcome.
- 4.17 Bridging the gap in numbers to provide basic skills to small numbers of beneficiaries relies on SEEDA's subsidy and most projects are extremely concerned about how they can continue at current operating levels with continued financial support. The question of expanding pilot projects to meet the demand that exists is not even being considered in the vast majority of cases – a withdrawal of SEEDA funding would spell the end for most projects, at least in their present form.

- 4.18 Secondly, there is the more general point about project sustainability and future funding. Some projects have not identified future funding streams in advance and, as the LSC route is cut off due to economically unviable class sizes, projects are turning to other short-term solutions (such as ESF or LID) in a bid to prolong their life and postpone the difficulties in establishing a long-term future.
- 4.19 The third major issue is in dealing with the private sector. While projects have made good inroads into engaging employers, selling the basic skills agenda without SEEDA's subsidy would prove extremely difficult. Indeed, it is only because of the flexibility of SEEDA funding – allowing money to be used for marketing and selling – that learning opportunities have been created. Ensuring such flexibility in future (mainstream) funding is a key strategic objective for SEEDA.
- 4.20 Projects have found that the best way to engage companies is to contact them through leaflets and cold-calls on a generic business needs basis. Once companies have expressed some interest, training needs analysis is introduced and if a company bites, “basic skills is brought in by stealth” (see Box 2 below). This is a resource-intensive approach and one that could not be funded under present circumstances without SEEDA resources.
- 4.21 It is therefore clear that generally, companies are *initially* fairly cold to the idea of recognising and addressing basic skills needs and do not understand the economic benefits of addressing the issue. Once firms and their staff become involved, however, they report positively on the impacts of the training. Given the right approach therefore, projects can unlock substantial interest in basic skills training.
- 4.22 The Context Basingstoke project – managed by Basingstoke College of Technology (BCOT) – has also adopted a ‘stealth’ approach and has achieved significant market penetration. Indeed, the project reported they “had its hand bitten off”, such was the demand generated, and the only limit on provision is the limit on what the College can provide.



**Box 2: Engaging employers with Essential Skills For Rural Businesses**

The Essential Skills For Rural Businesses project is managed by Solent Skills Quest, the local education business partnership, and is piloting an approach to small firms which builds on their initial interest in free training to meet statutory needs, and develops it into a broader interest in training. All the training, from the initial free courses onwards, includes basic skills (which this project calls “essential skills”) ‘by stealth’. This project builds on a brief and successful trial period at the end of 2002-03.

The targeted employers in the New Forest are typically care homes, growers, garden centres, nurseries, golf clubs, and hotels, which make up a substantial part of the rural economy (the rural economy is given general priority in SEEDA’s Economic Strategy, though this area falls outside its target 119 wards).

Solent Skills Quest starts with what is essentially a telesales call to employers, a ‘cold call’, offering them free training to meet legislative requirements such as first aid or food hygiene regulations. If that initial call creates interest, one of Solent Skills Quest’s business development managers visits and starts to explore further what the business needs of the company are, seeking to turn those business needs into short courses. Typical business needs result from food hygiene or manual handling regulations.

When Solent Skills Quest delivers the resulting training, the team invariably includes some basic skills training, ‘by stealth’ – ie it is woven into the main training in ways which meet learners’ needs without them having to acknowledge that they are learning ‘basic skills’.

- 4.23 Context Basingstoke has effectively created a borough-wide “entitlement” to basic skills training thanks to SEEDA’s subsidy to close the gap between viable and realistic class sizes, the LSC’s commitment to pay for unlimited demand for basic skills (a strategic intervention which should not be underestimated) and a geographically compact catchment area (Basingstoke and Deane). The College’s success in winning commitment from employers demonstrates that the right model can unlock a huge amount of demand, but is important to be clear that this type of work requires skills and an approach which are a long way from the norm for college staff. BCOT has worked hard, at SEEDA’s instigation and because it is proud of what it has achieved, to tell others what it has done and how they can make a similar model work. To date, no other college has done so and that is very telling.
- 4.24 There is no lack of goodwill in Colleges to basic skills, but there are real barriers holding them back from taking large-scale and effective initiatives in workplace basic skills. BCOT has shown how it can be done in the sense of testing and proving a model which successfully wins employer and employee commitment – but it does not address the longer-term funding issues. Unless that is done, it is most unlikely that Colleges will attempt to address other problems (such as picking the right staff and training them for an unusual role) which they can solve on their own if they have the will to do so.

- 4.25 But finding staff who are skilled in building relationships with the private sector, and in identifying basic skills need and selling training to suit, is difficult for projects – and takes time. BCOT believes that whilst it can develop staff and skills in time, it does not think this can be achieved in time to take over the project as early as April 2004, when SEEDA’s current project funding ends. The partners judge that another two years would give them enough time to make an effective handover. This implies that there is a skills development deficit and SEEDA must take this into account when helping projects plan for the future.
- 4.26 One other significant factor in the success of the project appears to have been the effective partnership which the College has created, encouraging active participation by businesses in the development of the project through a steering group. We would recommend the model as good practice.
- 4.27 Our analysis of flagship projects also raised another key question: namely, whether employers would pay for the basic skills training they currently get free through the SEEDA subsidy. The Context Basingstoke project was very doubtful that large or national companies would pay, but thought it might be possible to persuade family-run firms to contribute to the development of their employees. Neither assertion, however, has been tested through the project.
- 4.28 Similarly, no-one involved in the Berkshire Basics For Business project felt that any employers had been sufficiently interested in the training to pay for it and no-one believed that employers had been so convinced of the benefits of basic skills training that they would start providing it in house once the project ended.
- 4.29 Hopes expressed by the Essential Skills For Rural Businesses project manager in the original appraisal were that “by building an infrastructure of basic skills expertise SMEs will begin to take responsibility for their own employee development in this area”. Skills Quest (who manage the project) tells employers that they need five learners to make a viable course and that they must pay £20 each for every place under five which goes untaken. The employers accept that. The project has not tested whether employers would pay full commercial costs of training, but partners take the view that whilst employers might well pay token amounts such as this £20, they will not pay full prices.
- 4.30 SEEDA and individual projects must explore whether these doubts are true, or whether companies could indeed be persuaded to pay.

- 4.31 Although there is plenty of praise from beneficiaries across all flagships, the long-term impacts of the outputs from these projects are unclear. While some had evaluated their schemes by asking beneficiaries to rate the quality, relevance and accessibility of provision, for example, no project had made an attempt to measure the *distance travelled* by a company or an individual learner, whether beneficiaries were new to learning, or whether involvement in basic skills training had made any difference to business performance indicators (such as staff turnover rates, a reduction in recruitment costs, improved productivity, turnover or profitability). These impacts over the longer-term need to be established if SEEDA is to help partners encourage businesses to pay for basic skills training.
- 4.32 Some projects also raised important issues related to their own operating environment. Capacity to deliver basic skills training (particularly in the workplace) was highlighted by several project managers. Recent changes to the qualification requirements for basic skills tutors were felt to be “a hammer to crack a nut” and would risk further limiting the number of tutors available. In addition to this point, the PDCs across Kent and Medway felt that career prospects of basic skills tutors are generally poor as provision is often piecemeal and rates of pay are typically not high.
- 4.33 Projects also expressed concerns that some types of businesses will not be engaged by colleges due to college working practices and the real difficulty they have in working with employers on their terms: few staff will work split shifts, for example, doing an hour each morning and afternoon, or wary of the practical implications of lugging equipment (eg several laptops) from a remote car park to the training room and back. Many staff also prefer the more collegial atmosphere of working in college, and find employer-based working too lonely. These are problems which can be solved if there is a will to do so – but for that the funding problem needs to be solved.
- 4.34 In addition, some project managers reported having to ‘repair’ damage done through other basic skills providers, who have tried to engage employers, but have not always provided a good quality service or failed to deliver what they promised. Significant marketing and relationship building efforts have been needed to overcome the barriers created in these cases, adding to the need for skilled staff to build relationships with local companies.

## Conclusions

- 4.35 Clearly SEEDA has supported highly innovative (in terms of partnership approach, delivery method and target beneficiaries), highly successful projects through its basic skills strategy. On an operational level, projects have shown, that given support and flexibility, they can generate demand for basic skills training in the workplace and provide a high standard of service that is well thought of by employers and employees alike and which may (on a purely anecdotal evidential basis) help businesses to affect positive change on the bottom line.

- 4.36 But there is a real danger that, as a *long-term strategic intervention*, SEEDA's basic skills strategy will fail if the sustainable future of projects is not addressed.**
- 4.37 Without SEEDA's support, projects would not achieve the success they have recorded to date – indeed, most projects would not even be in existence. The subsidy allows the flagships to have a high standard of project management, undertake marketing and selling and provide basic skills training to very small groups of people, all of which are crucial to the success of projects and all of which would not be possible without SEEDA.
- 4.38 If SEEDA's funding is withdrawn from flagships, then, in the present circumstances, projects cannot continue and will cease to exist.**
- 4.39 SEEDA now needs to use its operational expertise to develop strategic dialogue with stakeholders at senior director level to address the fundamental problems of long-term funding and employer engagement.
- 4.40 The next section of this report summarises the overall impact of SEEDA's basic skills strategy before we end with our recommendations.

## 5. Conclusions

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- 5.1 At the time SEEDA prepared its basic skills strategy, the operational environment for basic skills (and learning and skills more widely) was in a period of great transition. Consequently, SEEDA, recognising the importance of addressing basic skills to underpin its economic and social inclusion aims and objectives, felt it vital to “get the ball rolling”. While many partners across the region have been working to address basic skills needs for some time (starting before SEEDA’s strategy), it is fair to say that there the basic skills ball now has much more momentum and, in revisiting the objectives set out in the basic skills strategy, that SEEDA has hit almost all its targets.
- 5.2 In terms of its workplace learning objectives (which is the primary focus of the strategy and hence this evaluation) SEEDA has:
- supported projects from employers that delivers basic skills training in their workplace for their employees;
  - identified and supported schemes previously developed by Training & Enterprise Councils (TECs);
  - supported schemes that penetrate supply chain networks (most notably with sub-contractors to the NHS);
  - supported schemes that enable the basic skills practitioners to be increased and developed (particularly through PDCs across Kent and Medway);
  - engaged with the regional and national partners to share best practice.
- 5.3 In particular, SEEDA’s basic skills team is recognised as the key driver in engaging partners across the South East in basic skills and in sharing best practice with stakeholders:

*"SEEDA is one of the best RDAs at disseminating its practice and information in a strategic sense – not just posting up bulletins on a website – and has done very well to pull in partners from such a range of organisations to work together to tackle basic skills. The Association of South East Colleges (AOSEC) has been a strong link in helping SEEDA to bring partners together and to share best practice."*

The Basic Skills Agency

- 5.4 One stakeholder, however, pointed out that while best practice on operational management and delivery had been disseminated to good effect, there now needed to be a shift in discussion from “what works in a particular situation, to focusing on the implications and the building of capacity and provision across the region for the long-term”. This is necessary if SEEDA is now to engage strategic partners at a senior level and influence funding streams.
- 5.5 As the previous section has summarised (and Appendix A shows in detail) the biggest success of SEEDA’s basics skills strategy lies in the flagship projects. Collectively they have shown, through real innovation, that the right model and approach can unlock demand for basic skills training and enable providers to help those in need, including those who are hard to reach in traditionally non-learning sectors, SMEs and low-paid occupations.
- 5.6 This success has arisen largely at the instigation of SEEDA. Without the platform of the basic skills strategy (which raises the profile of basic skills and gives the workplace focus), the support and expertise in establishing and developing partnerships to lead projects and, of course, the funding subsidy given to flagships, most projects would not have come into being. The added-value in SEEDA’s investments is therefore substantial.
- 5.7 As the end of the first strategy draws near, SEEDA must now use its good name in basic skills and the region, the close working relationship with regional partners and its significant project base and knowledge to turn operational expertise into strategic influence.
- 5.8 Essentially, this means addressing one central point: funding. While SEEDA has pump-primed basic skills in the region, it needs to consider whether it can and should fund delivery into the long-term. In the absence of clear alternatives, SEEDA could extend funding for projects in the short-term but, as a *development* organisation by definition, should it do so without a clean exit strategy?
- 5.9 Projects reported that SEEDA’s funding subsidy adds most value in three key areas: the ability to set up and manage projects; the ability to bridge LSC restrictions in paying for training in small class sizes, and the ability to channel resources into marketing and engaging companies. Table 3 below shows where funding might be picked up by partners now that successful pilot projects are in place, but several issues remain.

**Table 3 The funding gap**

Provision	Funder
<ul style="list-style-type: none"> <li>• Contact with employers</li> <li>• Face to face meetings</li> </ul>	Basic Skills Brokers?
<ul style="list-style-type: none"> <li>• Training Needs Analysis</li> <li>• Organisational Needs Analysis</li> </ul>	Needs analysis is Business Link's domain – but basic skills is not picked up at present
<ul style="list-style-type: none"> <li>• Lesson plan</li> <li>• Delivery</li> <li>• Evaluation</li> </ul>	LSC – but some obstacles (such as requirement for classes of eight) cannot be overcome at all under present funding formulas

5.10 SEEDA must now use its knowledge and influence to address these points. The following section of this report gives our recommendations as to how these objectives might be achieved.

## 6. Recommendations

6.1 This section details our recommendations to SEEDA in developing ‘Phase Two’ of its basic skills strategy. We have grouped our comments under two headings: first, on the immediate task of addressing projects’ individual futures as funding ends, and second, looking beyond the first strategy to consider the task of tackling basic skills in the South East in the future.

### Carrying Forward ‘Phase One’

6.2 The first task is to see through SEEDA’s commitment to existing projects. While it is clear that a need remains to address basic skills in the region, we do not assume that all projects should continue. Instead:

⇒ we recommend (1) SEEDA should review forward options for every one of its projects, as follows, and ensure that appropriate action is taken for each.

Option	Review of rationale	Action required for the future
1	<u>Project no longer needed</u> : eg because it has done its job (it should be noted, however, that even capital projects may need some continuing maintenance)	None
2	<u>The wider need remains, but is better dealt with by a mainstream organisation</u> , eg Council, College – typically drawing on practice developed through SEEDA’s basic skills strategy, but <u>not</u> requiring the project to continue.	Identify alternative provider(s) and funder(s). This is most likely to involve getting them to spend existing budgets differently, rather than find additional funding. There may be value in continuing the project to explore further new approaches.
3	<u>The wider need remains, but no mainstream funder is going to pick it up at least for a while – so there is value in continuing the project if at all possible.</u>	Seek alternative funding, perhaps for a modified or slimmed-down project if full-funding is not available.

6.3 We expect most projects will fall under Option 3: certainly those projects detailed in this report have made a clear case of their need for continuation, although the Basic Skills for the South East Public Services project has already been discontinued. In some cases (for example the Context Basingstoke and Learning For All flagships), projects are facing a dead end and need to secure funding to move forward or, in the worst cases, to avoid dying.



- 6.4 To assist in the review of each project, we have included a project self audit checklist pro forma in Appendix B to this report. Each project manager should be contacted and asked to provide details on current thinking, plans and progress and the financial viability of each project should be assessed.

### Developing 'Phase Two'

- 6.5 SEEDA has recognised that it is not possible to step back from the front line and is now "looking to mainstream by 2006-07". The first step on this journey should be to develop a detailed agenda for the next three years, enabling SEEDA to arrive at its mainstreaming objectives:

⇒ we recommend (2) SEEDA develop a detailed action plan with key milestones, laying out the answers to three key questions:

- who does SEEDA want to influence?
- what does SEEDA want them to do?
- what is the timeframe?

- 6.6 While SEEDA has established a very effective working partnership across the South East on an operational level, it now needs to engage key partners – as well as national government – on a strategic level. The first target is the LSCs. Stakeholders concur that the vast majority of basic skills provision should clearly be picked up by the main body responsible for skills development in England. SEEDA has done its job in allocating resources to pump-prime basic skills, it must now make the case that LSCs – set up for recurrent funding – pick up basic skills provision developed in the flagship projects.

- 6.7 In doing so, SEEDA must influence the national LSC and persuade them of the need for flexibility on the issue of class sizes. If basic skills is to be treated with the importance it deserves (the economic impact of low levels of basic skills has been described in this report), and those with poor basic skills are to be moved from the margins of economic and social exclusion, then it must be recognised that one size does not fit all. SEEDA should be helped on this front by the announcement of a new regional management structure for the LSC. The appointment of Regional Directors responsible for performance across the region provides an opportunity to engage the LSC along common boundaries and to help SEEDA influence the National Skills Strategy and emphasise basic skills:

*"The delivery of the Skills Strategy will in part depend on the ability of all key delivery agencies to work in partnership at a regional level. The new arrangements at the LSC to put in place a regional management structure will help the key partners to work even more closely together."*

Charles Clarke, Education and Skills Secretary of State

6.8 SEEDA needs to use the weight of its board – which is highly committed to basic skills – in order to make the case for changes to the funding formula to the LSC and government. But doing so will require a robust empirical basis upon which to claim that basic skills is a pivotal factor in growing the regional economy.

6.9 Of the projects analysed in this evaluation, further research into Context Basingstoke could provide SEEDA with the ammunition it needs to win the argument.

⇒ we recommend (3) SEEDA enable BCOT to carry out a detailed project evaluation, covering the following impacts:

- qualitative measurements on the culture of learning and attitudes to training and basic skills within participating companies;
- quantitative measures of business performance, including staff turnover (and financial savings resulting from any consequent reduction in recruitment costs), skills and qualifications gained through training, staff progression and promotion, productivity, efficiency, business turnover and profitability and the extent to which changes on these measures are attributable to improvements in basic skills.
- qualitative measurements on employee attitudes to training and changes to skills, confidence and ambition;

6.10 To its regret, the College has been unable to assess this impact in any detail, but if SEEDA backed the College for a further stage, the project expects to be able to get employer agreement to such measurement. It is vitally important, however, that any evaluation takes into account the distance travelled and it is therefore essential that data on beneficiaries is collected at both the beginning and end (or after some significant period of time) of participation.

- 6.11 What makes this project potentially so important is that the large number of people it has helped now represent significant market penetration, and that enables SEEDA and the College to go much further in testing the longer term impact of the project. The true impact of this initiative will not be revealed by short-term measures and such questions are beyond the scope of our present study, but asking them would give SEEDA a much better sense of the strategic potential. The answers would provide a much better base for arguing for change (for example in LSC funding methodology) which will enable a step change to be made in workplace basic skills provision. Such an evaluation should also test if employers are willing to pay for basic skills training – this is a key factor in working out exactly how to fund basic skills training in the workplace and how much it might cost.
- 6.12 As well as working more closely with the LSC to ensure workplace basic skills is picked up, SEEDA also needs to look internally. Although the Agency’s strategy hoped to include SRB programmes in its partnership to tackle basic skills, the complexity, range and number of regeneration partnerships did not enable any notable success to be made in aligning strategic action and resources with SRB.
- 6.13 With AIFs, SEEDA has an opportunity to explore where gaps are in the South East on a number of fronts, facilitating more regional strategy and allowing the potential for basic skills projects to be taken up by local deliverers of the Frameworks.
- 6.14 Similarly, given its commitment to basic skills, SEEDA must ensure that the FRESA addresses basic skills. There is concern among stakeholders that basic skills “is hardly mentioned in the Regional Economic Strategy and the FRESA”. This must be changed as the FRESA unfolds – there is a great opportunity to tackle basic skills in partnership at a strategic, regional level that should help to remove duplication and get the most from available resources.
- ⇒ we recommend (4) SEEDA ensures that the potential to address basic skills through AIFs is explored and that basic skills be picked up through a subgroup of the FRESA, forming a ‘regional skills partnership’ that should be the key driver in influencing national government policy.
- 6.15 This process has now started in the recent formation of the new South East Region Skills for Life Strategic Group, which is comprised of LSCs, SEEDA, GOSE and Jobcentre Plus, which aims “to bring greater coherence to the planning and funding arrangements” for basic skills. The Strategy Group has established a framework for an action plan, which critically includes remits to ensure flexible funding, flexible tuition and increased engagement with employers. If it is to achieve its overarching purpose of implementing skills for life in the region and help SEEDA in securing the long-term sustainability of workplace basic skills provision, the Group must pay particular attention to these three objectives.

- 6.16 We have already stated that SEEDA, with its economic remit, should maintain its focus on the workplace, but there is also concern from stakeholders that the social inclusion agenda is being squeezed out of basic skills provision. One partner felt that “social inclusion statements had been stripped out of the SEERA Workplace Skills Committee Report” and SEEDA must make certain that its own departments work collaboratively to ensure those trying to enter the labour market and participate more fully in life (economically and socially) are not missed. There is currently no real strategy or operational delivery to link basic skills with an inclusion agenda. SEEDA has an entire division responsible for economic and social inclusion and this agenda needs to be recognised if SEEDA is to develop a coherent strategy to address basic skills across the South East.
- 6.17 There are also three further organisations that can help SEEDA realise its ambitions of raising literacy and numeracy levels in the South East. The emergence of Sector Skills Councils (SSCs) marks the government’s ambition to put the demands of employers on centre stage. They will be responsible for harnessing the support and participation of SMEs – historically apathetic to training and poorly served by current provision - and for tailoring skills training to meet individual need.
- 6.18 It is well documented that employers across virtually all sectors bemoan the lack of basic reading, writing, team-working and communication skills in the workforce. SSCs therefore provide SEEDA with an opportunity to engage a vast range of firms in basic skills by embedding it into the training and development work of the Councils. This also achieves a key issue identified by the flagship projects – that of tailoring basic skills training (making it relevant to business needs) to individual companies and industries and combining basic skills with other training to offer a more attractive package. With a typical budget of around £5m, an SSC will also have the financial muscle to make a lasting impact.
- ⇒ we recommend (5) SEEDA works with the Sector Skills Development Agency (SSDA) and individual SSCs in order to piggyback basic skills training into SMEs through the work of individual Councils.
- 6.19 SEEDA should also engage strategically with learndirect, which targets “those over 16 years of age who work in companies and who wish to improve their workplace skills, those who are seeking work and wish to improve their employability and those who feel excluded from the world of education”. Basic skills is a core area of work and there is clear potential for SEEDA to work with what is the largest publicly-funded online learning service in the UK to expand learning opportunities for those in the South East.
- ⇒ we recommend (6) SEEDA explores how its basic skills and wired region projects can work in partnership with learndirect to address basic skills provision.

- 6.20 The third organisation is of course Jobcentre Plus. With the emergence of the South East Region Skills for Life Strategic Group, SEEDA now has a direct mechanism through which to persuade a key partner of the need to take up the funding of some elements of basic skills elements. Although SEEDA is primarily interested in the workforce, initiatives such as Jobcentre Plus' Rapid Response Service (which aims to provide support for employees facing redundancy), provide an opportunity for SEEDA and Jobcentre to work together in addressing and funding basic skills provision in the workplace.
- 6.21 Assuming a funding mechanism is found to deliver basic skills in the long-term, there remains the question of how best to engage employers. Stakeholders and project partners alike have expressed concern that there is a lack of coordination across the region on the way learning and training opportunities are sold to businesses. Our evaluation of the Berkshire Basics for Business project reported that an agreement was brokered across the county that no demand for basic skills training will be pursued outside the flagship project, but this level of strategic coordination was unusual. Some stakeholders have expressed the opinion that a regional skills strategy group (whose remit includes basic skills) should engage the range of brokers and providers in the region and "coordinate selling to companies". Marketing, leafleting and cold calling have been shown to be expensive but vital ingredients in delivering basic skills in the workplace. There needs to be a coherent approach to these activities in the future if SEEDA is to help achieve the maximum impact from available resources.
- ⇒ we recommend (7) SEEDA engage with partners – including Business Link – to discuss the coordination and removal of duplication in selling basic skills to businesses in order to maximise the return on available collective resources.

### **Final thought**

- 6.22 Implementing the recommendations laid out in this report will help SEEDA achieve its two main objectives: establishing provision to tackle basic skills in the workplace, and securing mainstream funding for that provision. These recommendations require much thought, action and perseverance– the scale of high level strategic change that needs to be brought about is substantial – but the potential long-term strategic impact on raising basic skill levels in the region is considerable.