

**SOUTH EAST ENGLAND COUNCILS  
EXECUTIVE COMMITTEE MEETING**



Date: 25 September 2014

Subject: Skills for economic success: A business perspective on South East needs

Report of: Heather Bolton, SEEC Director

**Recommendations:**

SEEC Executive members are asked to:

- i) Highlight local examples of skills gaps, how they are affecting economic growth in the South East and how local authorities could help resolve the problem
- ii) Contribute to emerging recommendations from the London Chamber of Commerce on how to improve the supply of construction skills in the South East and London.

**1. Introduction**

- 1.1 SEEC members are keen to ensure that local skills provision matches employer needs. This is important to support economic growth, reduce youth unemployment and help South East residents move from welfare into work.
- 1.2 Construction is an area of interest as shortage of skills is one of the factors preventing builders from developing sites where planning permission has already been granted. This results in delays in delivering homes and other approved construction projects.
- 1.3 London shares South East concerns about construction skills, so the London Chamber of Commerce and Industry (LCCI) is currently researching shortages in both areas. Their work will assess skills needs and gaps by comparing the pipeline of building projects for the next four years, construction industry labour forecasting data and information from the Skills Funding Agency on current construction skills provision.
- 1.4 Today's guest speakers from LCCI, Kat Hanna and Silviya Barrett, will welcome views from SEEC members on the way forward as they explain the project, outline findings to date and possible solutions.

**2. Implications for the South East**

- 2.1 The LCCI work is timely as SEEC members have identified construction skills as a barrier to housing development and have called on the London Mayor to work with South East authorities and other partners to address the problem.
- 2.2 The research could also provide useful data to underpin members' case for devolution of skills funding to local authorities as a way of ensuring a better match between skills and local needs.
- 2.3 LCCI's research area does not match SEEC's geography. LCCI are covering London, Bedfordshire, Berkshire, Buckinghamshire, East and West Sussex, Essex, Hertfordshire, Kent, Oxfordshire and Surrey. From the SEEC perspective, Hampshire is missing.
- 2.4 LCCI will be making recommendations on how to improve construction skills and will welcome member views on how local authorities can contribute to this. One possible suggestion under discussion is whether local authorities could use section 106 income to invest in skills as a way of ensuring the construction sector has the capacity to deliver homes and infrastructure.
- 2.5 Previous SEEC work has focused on the following areas that could form the basis of today's discussion with the LCCI:
  - What role do LCCI see for local authorities in improving the supply of skills?
  - Does the report support devolution of skills funding to local level?

- What are LCCI proposals for funding skills?
- How quickly could improved construction skills be in place?
- Skills are only one factor in bringing forward building projects – what else can be done to encourage speedy development of sites already granted planning permission?
- London plans to deliver 49,000 homes a year for the next decade will be a drain on construction skills and may push up salaries. How do we ensure there are enough skilled workers for the South East too?
- What input has already been received from partners across the South East?
- What can South East local authorities provide to help shape the final report?
- What are the next steps for the report and what are the main outcomes LCCI wants to achieve?