

Valleys Taskforce

Wales TUC position paper for September 2016 meeting

Industrial Strategy for Fair Work & Prosperity

1. The Wales TUC 'Better Jobs, Closer to Home' campaign identified the link between concerns about the prospects of decent work, economic deprivation (particularly in the Valleys) and support for Brexit. Our polling showed that negative views about immigration were not as pronounced as in other parts of the UK and rated far lower in self-identified concerns.
2. This is not at all to downplay the significance of the activities of racists who used the referendum and are using Brexit as a vehicle for their hate. There is a need for a focus on anti-racism, community cohesion and tackling hate crimes.
3. However real delivery on decent work for the 'left behind' areas remains absolutely fundamental for the social and economic future of Wales.
4. There is an urgent need for the development a written industrial strategy for Wales with specific, measurable fair work and social justice outcomes. Central to this must be the prioritisation of resources to focus on areas of entrenched economic and social disadvantage in order to support social solidarity across Wales' economy and society.
5. Encouraging economic growth in terms of overall Wales GDP/GVA measures is important but will not be sufficient to tackle poverty in a meaningful way. This is particularly the case if it is simply assumed that increasing prosperity in the economic centres/cities of a region will automatically reduce poverty in the deprived areas.
6. Planned, strategic Government intervention is required to address what is a fundamental market failure in areas like the Valleys. Merely encouraging the existing market to develop more quickly along the existing lines, will just serve to reinforce the existing economic unfairness.

7. Maintaining large communities in disadvantage and poverty will always damage overall Welsh economic performance. Unless areas like the Valleys are helped to prosper, Wales as a whole will not succeed – and what is more Wales will not deserve to succeed.
8. Investment in skills and infrastructure are absolutely central to spreading prosperity. However these must be firmly set in a wider context of planned, co-ordinated, strategic interventions with measurable outcomes for people in the communities which are most affected by low wages, precarious work, unemployment and wider social disadvantage. The last drop of better jobs value must be squeezed from every investment and every programme. Nothing should be seen as an activity in isolation.
9. Support for a strong and stable manufacturing sector is essential to securing quality jobs in Wales within a more sustainable and productive sector. This should be recognised as a unique priority as the benefits of manufacturing reach across many of the social aims pursued by the Welsh government.
10. There are limited economic levers at the disposal of Welsh government therefore we need to maintain as much as possible within our public control, for example by avoiding hiving off valleys rail maintenance as a private concession or outsourcing public services.
11. It is welcome news that the Transport for Wales headquarters will be located in the valleys. Other similar moves will be required to address the jobs and perception shortfall of the area and the Welsh government must use all of its influence to ensure that Welsh operations seriously seek a Valleys location. There was a significant missed opportunity when the publicly funded BBC Wales decided to move its HQ from Llandaff even further into Cardiff. That must not be allowed to be repeated.
12. There is a pressing need to ‘increase the ask’ on companies which seek Welsh government assistance by way of either grant funding or other project support.

This is equally as true of companies which make their profit from trading in Wales.

13. There can be no reason why we should not put conditions on industrial support related to the employment of disadvantaged workers, training and other social benefits.
14. More novel or innovative methods should be actively explored such as, for example, the potential for placing a community social justice charge on large employers which can be rebated if the business employs local disadvantaged workers and sources suppliers locally or placing a requirement for these companies to publicly disclose their social justice outcomes.

Procurement

15. Getting the best social value from Welsh public spending has long been a Wales TUC policy priority. The community benefits approach and the use of Procurement Advice Notes to tackle blacklisting are examples, as is the reservation of contracts for employment hubs in deprived areas.
16. It is now approaching the first year anniversary of when the Welsh government agreed to pursue the two proposed pilot projects to deliver employment and training hubs in the Valleys through reserving government contracts and co-ordinating all relevant labour market interventions.
17. The difficulty in delivering on this commitment – even for two discreet pilot projects – exposes the problems posed for whole government delivery by departmental barriers and competing day to day priorities for officials. It demonstrates the need for a dedicated senior executive lead tasked to achieve specific targets and able to co-ordinate cross departmental teams. (see para 30).
18. Every cloud has a silver lining and the very black cloud of Brexit does open the potential for increasing the social use of procurement. It is important to recognise and act on the new flexibility that Welsh

government now has to ensure public procurement policy is directed towards fair work and social justice outcomes.

19. As well as delivering employment and training in areas of high deprivation, procurement policy can achieve decent work goals by including the protection of worker's rights, the enforcement of collectively bargained terms & conditions and the extension of trade union recognition. There is also more flexibility around focussing and directing spend to support aims such as tackling economic & social disadvantage without raising issues around state aid.
20. There should be a substantive review of all the aspects of procurement policy in the light of these radically changed circumstances and the pivotal role effective procurement can play in supporting the Welsh economy through a difficult period.

Skills and Employability policy

21. A proactive and well-resourced skills and employability policy will be central to any effective strategy aimed at delivering better jobs closer to home.
22. Too often provision is focussed on filling minimum course participation requirements rather than addressing the individual needs of the learner. The disadvantaged worker can be passed from one programme to another often with lengthy waits between engagements and often with no continuity of support.
23. An effective skills and employability policy should not take the form of a series of programmes or courses but should be a single all age intervention which provides seamless bespoke support for individuals and provides clear routes of progression.
24. It is as important for success that in-work progression is delivered as part of the skills and employability policy. Too many workers miss out on personal development, career progression and therefore the chance of achieving better jobs for themselves. Lack of progression from entry

level employment also creates a further barrier to unemployed people and new labour market entrants.

25. There is a need for full integration of the work programme into this approach. It would be preferable for the work programme to be devolved but, should this not be immediately achievable, it is vital for the Welsh government to be able to act as the work programme 'commissioning agent' for Wales in order to ensure that a single seamless approach is delivered.

EU structural funds

26. Wales has benefitted hugely from European Union Structural Funds. While we have previously expressed some concerns about the unfocused geographic impact and outcomes of some projects; there are major infrastructure developments and exceptionally positive training programmes which rely on these European funds. It is essential that the existing project commitments are guaranteed and the current round of structural funds is completed.
27. For the period of the current programme, Wales must be compensated from UK funds for every penny of EU funds which is lost to us by Brexit. In the longer term, when the inherent Barnett underfunding of Wales is dealt with in the context of a fair financial settlement, the replacement of structural funds must be an additional element not incorporated into what Wales was already owed before Brexit.
28. While many EU supported projects are of major significance it must be emphasised that the delivery of Valleys Metro project is of unique and vital importance for Wales' most deprived area. It is an economic game changer and central to the development of the Valleys as a vibrant centre in its own right. The Metro must be prioritised, protected, fully funded and fully integrated into the Wales national response to Brexit.

Delivery structures

29. A whole government approach should be supported by structures which are clear, simple and focused on the delivery of all Wales policy outcomes.
30. The implementation of an industrial strategy (particularly in relation to the valleys taskforce) should overcome government departmental silos with a dedicated civil service lead and the ability to deliver outcomes from a cross departmental team. This requires senior executive leadership which commands authority across government and which is tasked with the priority of delivering measurable outcomes against the strategy. It is important that this is not identified as a single department priority and if necessary a fixed term secondment from outside the civil service should be considered.
31. For a small country, Wales has a mind-numbing plethora of bodies which impact upon economic development. This includes city regions, enterprise zones, learning & skills partnerships, sector groups, advisory forums, advisory boards, task groups, task & finish groups, task & never finish groups, partnership boards, local business forums, ambition boards, employment & skills boards. Unfortunately, the list is not exhaustive. The adage that form follows function was never more disregarded than in the field of Welsh economic committee-dom.
32. The existing ad hoc structure is inadequate and is not fit for purpose – particularly in the context of the challenges we face from Brexit and the structural chronic problems faced by the Valleys. Lack of role clarity, overlapping remits, local empire building and mysterious membership appointment processes all mitigate against the delivery of any kind of strategy. It would soon undermine the delivery of tangible, measurable fair work and social justice outcomes in an all Wales industrial policy or a new programme for the Valleys.
33. There is a pressing need to stream-line all Wales and regional structures with clear governance, remits and an unrelenting focus on delivery of specific outcomes. This is particularly true for the Valleys taskforce if its priorities are to have real impact.

