

## **Annex A**

# **Advice on Skills Funding Agency Investment 2011/12**

## Annex A - The Skills Priority Statement - East of England: Recommendations for Skills Funding Agency

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<b>Key Sectors and Shifts in Priorities Needed</b>	
<p><b>Agricultural sector (LANTRA)</b></p> <p>An important sector Important for this region and key sector to ensure a steady flow of entrants to the workforce with relevant up to date skills. The East accounts for a quarter of all arable employment in England. Production horticulture is another important specialism in the region</p> <p>Drivers for change: economic, climate, food safety, food security, energy and fuel efficiency, labour supply, animal health/welfare and government policy</p> <ul style="list-style-type: none"> <li>• The sector is characterised by high levels of self employment, unpaid family workers and workers aged over 50</li> <li>• Migrant workers are an important part of the seasonal workforce but numbers have declined in the recession; future numbers are unclear</li> <li>• the ageing workforce will increase replacement demand due to high levels of retirement – implications for succession planning</li> </ul>	
<p><i>Current delivery pattern:</i></p> <ul style="list-style-type: none"> <li>• One quarter of delivery for both Apprenticeships and Train to Gain at Level 3</li> <li>• Very little delivery at below Level 2</li> <li>• Almost two thirds of Train to Gain beneficiaries are aged over 30 and approximately one sixth are over 50.</li> </ul>	<p><i>Recommended changes to provision:</i></p> <p>Types of skills where demand will increase:</p> <ul style="list-style-type: none"> <li>- Production roles</li> <li>- Continuous improvement</li> <li>- Technology</li> <li>- Management and leadership (including empowerment; collaboration; marketing; entrepreneurship)</li> </ul> <p>Key priorities for the East:</p> <ul style="list-style-type: none"> <li>- Improving understanding of industry skill needs</li> <li>- Developing an enhanced programme to support entrepreneurship skills</li> </ul> <ul style="list-style-type: none"> <li>• The vocational nature of many agricultural roles should make the sector well suited to Apprenticeships</li> <li>• There should be scope for a more balanced provision across levels: <ul style="list-style-type: none"> <li>○ Entry level opportunities may increase if migrant workers continue to fall</li> <li>○ Need to develop higher level (Level 3 and 4) technical skills</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <b>Business Services</b> (e-skills; Asset Skills; Skills for Security; SFEDI)</li> </ul> <p>There are over 500,000 business services jobs in the East of England. Forecasts suggest it will be the key engine of employment growth across the sector and particularly in the IT sector (and declining telecoms employment) masks more complex structural changes in the demand for staff.</p>	

<sup>1</sup> Sources of employer data: National Employer Skills Survey, 2009 and Skills Insight June 2010, Skills Funding Agency Learner and Sector Analysis – see Note 1 in the Annex E Evidence Sources

<p><i>Current delivery pattern (excluding health):</i></p> <ul style="list-style-type: none"> <li>Majority of starts through E-skills in Train to Gain; Absolute numbers could be considered low given the scale of the workforce but it is likely that other training routes are more important to the industry.</li> <li>Train to Gain is more focused on Level 2 whereas over half of Apprenticeships are at Level 3 with a handful above Level 3.</li> <li>The vast majority of Asset Skills starts are in Train to Gain, with most at Level 2 with about one in ten at Entry Level and Level 1</li> <li>Of the starts through Skills for Security, about three quarters in Train to Gain. Most starts at Level 2</li> </ul>	<p><i>Recommended changes to provision:</i></p> <ul style="list-style-type: none"> <li>For Asset Skills, Cleaning is largest sub-sector (52%) followed by housing/property (38%) – skills needs in categories of contract and client relationship management, financial and budget management, strategic and business planning, customer service skills tendering and procurement skills, legislative and regulatory knowledge employability skills related to sustainability agenda (e.g. energy management, energy efficiency and certification, energy advice and support for carbon reduction measures and sustainable use of resources).</li> <li>Technicians to support professional services in property and development sectors and technical staff to support the service sector more broadly (cleaning, marketing, travel).</li> </ul>
<p><b>Construction</b> (Construction Skills and CITB)</p> <ul style="list-style-type: none"> <li>Relevant SSCs include: Construction Skills; ECITB; Summit Skills; Asset Skills</li> <li>Much of the Train to Gain provision is supporting workforce aged 30+</li> <li>Construction Skills delivering more Train to Gain than Apprenticeships (3:1). Most training is at Level 2</li> <li>In contrast, Summit Skills delivering more Apprenticeships (4:1). The majority of these are at Level 3. The profile of learners is noticeably younger than Construction Skills</li> <li>Very little training being delivered through ECITB</li> </ul>	<p><i>Recommended priorities:</i></p> <ul style="list-style-type: none"> <li>Increasing demand for higher levels of skills for both skilled trades and at level 4 and above, including management and leadership and in evolving areas of sustainability and innovation.</li> <li>Changes in skill needs due to increased offsite construction and more mechanised pre fabricated approaches. Skills in supply-chain management, product and quality control and assembly, involving increased levels of multi skilling.</li> <li>Specialised skills to meet low energy requirements of future buildings and to support development of energy infrastructure.</li> <li>Over-arching need to develop ability to interface with other sectors and their supply chains, particularly in infrastructure projects with long lead times.</li> <li>Encourage Apprenticeships for young people</li> </ul>
<p><b>Energy</b> (Proskills and EUSkills)</p> <p>Energy &amp; water supply industries employ about 50,000 people in the region. The biggest employers are the water industry, waste management and downstream gas industries. There are smaller numbers employed in nuclear and oil &amp; gas and civil nuclear and renewables will be a growth sector to 2015 and beyond.</p> <p>Increased competition has led to greater use of contractors. Contractors are increasingly working across utilities. As a result they are looking for multi-utility and multi-trained staff</p>	

<p><b>Current delivery pattern:</b></p> <ul style="list-style-type: none"> <li>• Very few Apprenticeships being delivered through either EU skills or Cogent</li> <li>• Most apprenticeships are at Level 3</li> <li>• Train to Gain is more heavily used by the sector with over significant starts through EU skills and Cogent</li> </ul>	<p><i>Recommended changes to provision:</i></p> <ul style="list-style-type: none"> <li>• Increase in level 2 apprenticeships with modular extensions to give multi-utility and multi-trained staff</li> <li>• Strong need for upskilling for those within the sector and skilled entrants to enable transfer into the emerging renewable sub-sectors</li> <li>• Existing shortages for highly qualified engineers and skilled technicians.( level 4)</li> <li>• Identified weaknesses in design and manufacturing capabilities</li> <li>• Need for project managers with qualifications in engineering</li> </ul>
<p><b>Health and Social Care</b> (Skills for Health, Skills for Care, Government Skills, LLUK, Skills for Justice)</p> <p>There are about 280,000 people employed in the health and social care sector – 1 in 8 of the regional workforce</p> <p>There is likely to be increased demand for healthcare staff at all levels – professional (eg doctors), associate professionals (eg nurses) and caring personal services (e.g. nursing auxiliaries)</p> <p>The personalised care agenda will result in a restructuring of the sector and bring new skills requirements and when set alongside the ageing population in the region is expected to have a high impact on the workforce.</p>	
<p><i>Current delivery pattern:</i></p> <ul style="list-style-type: none"> <li>• Four fifths of total starts were in Train to Gain</li> <li>• The majority of Train to Gain delivery is organised jointly through Skills for Care and Development and Skills for Health</li> <li>• Apprenticeships are delivered through CWDC and Skills for Health</li> <li>• Sector is training older people reflecting age structure of existing workforce – significant numbers of over 24s taking Apprenticeships and over 50s participating in Train to Gain</li> </ul>	<p><i>Recommended changes to provision</i></p> <ul style="list-style-type: none"> <li>• Greater use of apprenticeships to recruit more young people into the sector</li> <li>• Increase in the offer of training at level 4+.</li> <li>• Leadership and Management – new service delivery models/ways of working (e.g. leading multi-agency teams; mandatory qualifications/early years professional status);</li> <li>• Skills to support closer working across social care and community/primary healthcare</li> <li>• Flexible/accessible qualifications to support cross sector/partnership working and workforce flexibility.</li> </ul>
<p><b>Life Sciences</b></p> <ul style="list-style-type: none"> <li>○ STEM levels 2 – 4</li> <li>○ higher level and technical and process operator skills</li> <li>○ business case development, marketing and negotiating skills, commercial awareness, business management (short courses at levels 3 and 4).</li> </ul> <p>It is not possible to suggest the level of shift in provision in these areas that is required, since, in many cases, there is little/no provision in existence, or delivery is still at a low level. It is therefore essential that the providers are encouraged to work closely with the industry (and vice versa) to ensure that the appropriate provision is developed in a timely manner to meet employer needs. The requirement for Sector Skills Councils and Awarding Bodies to work at the pace of industry is critically important. The need to support the ‘emerging’ market will become increasingly important, and will enable this region to build upon its competitive advantages</p>	

**Manufacturing** (Improve Ltd, Cogent, SEMTA, ProSkills, Lantra)

Manufacturing employment has been in decline for many years and this trend is forecast to continue. However, this masks a number of important issues:

- Within the pattern of general employment decline there are new and emerging sub sectors that are growing their workforce and with an aging workforce replacement demand is strong
- Employment is declining against a backdrop of (long term) output growth signifying productivity gains, production of higher value-added products and increased skills needs and higher levels
- The sector remains a major employer and exporter including in the East of England
- Many manufacturing jobs, and hence skills, have been outsourced to other sectors – but they still exist

The region has a very significant presence across many of the emerging industrial technologies including: life sciences; agri-food; micro/ nanotechnology; industrial biotechnology; composites and low carbon vehicles

- East of England is second largest employer in Bioscience sector – 30,000 jobs – with strong growth forecast

The region retains specialisms in longer standing manufacturing activities such as food & drink; plastics, computing, electronics, and aircraft maintenance.

Over 30,000 jobs in printing – 15% of UK total

*Current delivery pattern:*

- Train to Gain and Apprenticeship starts in last 3 years are only about half that achieved in the construction sector despite having a larger workforce
- SEMTA is the key player in this sector
- The proportion of starts in food & drink (especially Train to Gain) is low in comparison to its employment share.

*Recommended changes to provision:*

- Increase Apprenticeships in parts of the manufacturing sector
- Consider group training associations or similar to enable training to be delivered to micro and small businesses.
- Food & drink sector more focused on competencies than qualifications. Providers must be able to demonstrate that their courses deliver real business benefits
- Drive to encourage employers manufacturing sectors to offer work base placements to young entrants
- Drive for world-class provision from all providers, BIT remains critical to support development of the sector.

**Other Services** (Creative & Cultural Skills; HABIA; Skills Active; Skillset)

Other services are a broad based collection of services including creative media, culture, active leisure and personal services (such as hairdressing). Much of the growing digital economy sits within the sector

- Digital technology is a key driver for productivity and competitiveness of many other sectors

In total there were about 160,000 jobs in the sector in 2009. The sector experienced strong employment growth across most of its sub sectors prior to the recession.

<p><i>Current delivery pattern:</i></p> <ul style="list-style-type: none"> <li>• Apprenticeships/ Train to Gain – 4 in 5 of all starts are through Apprenticeships</li> <li>• Majority of start within the sector delivered through HABIA . This is mainly Level 2 for 16-18 year olds</li> <li>• Virtually no delivery related to C&amp;CS and Skillset</li> <li>• Skills Active –starts split between almost equally between Apprenticeships and Train to Gain.</li> </ul>	<p><i>Recommended changes to provision:</i></p> <ul style="list-style-type: none"> <li>• Creative &amp; Cultural - digital skills in design and advertising businesses , marketing skills, and specialist skills in advertising and visual arts</li> <li>• Skillsset - T-skills – highly specialised in one core field but with broad skills and knowledge to use skills across teams and platforms , Sales, marketing, commercial acumen and entrepreneurial skills</li> </ul>
<p><b>Transport</b> (Skills for Logistics, GoSkills)</p> <ul style="list-style-type: none"> <li>• The sector shed several thousands jobs in the East of England during the recession. These will be recovered as the economy picks up. Demand is forecast to increase across most public transport services. High dependence on the sector due to its port and airport international gateways in the region.</li> <li>• Regionally, over 50% of employees do not have a L2, 1 in 6 have no qualifications and 12% are qualified to NVQ</li> <li>• Port expansion schemes should create a demand for new distribution and logistics facilities</li> </ul>	
<p><i>Current delivery pattern:</i></p> <ul style="list-style-type: none"> <li>• Vast majority in Train to Gain rather than Apprenticeships</li> <li>• One in five Train to Gain beneficiaries aged over 50 in both SSCs</li> <li>• Virtually all beneficiaries undertaking Level 2 qualifications,</li> </ul>	<p><i>Recommended changes to provision:</i></p> <ul style="list-style-type: none"> <li>• Analytic and communication skills among transport planners working with drivers and customers</li> <li>• Management skills for more complex logistics systems and higher level or regulation</li> <li>• Technical skills and generic skills (e.g. team working, project management, business development and IT).</li> </ul>
<p><b>Wholesale and Retail</b> (Skillsmart, IMI (Automotive Skills))</p>	
<p><i>Current delivery pattern:</i></p> <ul style="list-style-type: none"> <li>• ratio of starts is 3:2 Apprenticeships: Train to Gain</li> <li>• Majority of beneficiaries are young reflecting age structure of the workforce.</li> <li>• Most delivery at Level 2. Virtually no delivery below Level 2 and only 1 in 5 for Apprenticeships at Level 3</li> </ul>	<p><i>Recommended changes to provision:</i></p> <ul style="list-style-type: none"> <li>• Encourage Level 1/ Entry Level training be delivered through active labour market policies</li> <li>• Increase Level 3 and higher qualifications to improve progression.</li> <li>• Providers need to work with small retailers collectively through town centre partnerships to achieve critical mass</li> </ul>

**Basic employability and core skills**

Basic employability and core skills (including literacy, numeracy, ESOL and financial capability and money management skills) need to be embedded in training provision at all levels and as part of integrated support to people out of work  
Outputs and outcomes that are directly related to the job market should be sought (e.g. measures for effective training should include job outcomes)

**Occupation and sector specific skills**

Improved higher level and technical skills (3&4) through an employer responsive programme and Apprenticeships in a number of sectors – Agriculture, Construction, Manufacturing, Retail, Transport and Logistics, Health and Social Care and Hotels and Restaurants, and in some parts of the broad Business services sector  
Funding solutions need to be flexible, focusing on “top-up” units of learning to up-skill the existing workforce, as well as new entrants

**Apprenticeships**

Increase apprenticeships in Agriculture, Construction, Manufacturing, Retail, Transport and Logistics, Health and Social Care and Hotels and Restaurants, and in some parts of the broad Business services sector (e.g. IT, legal, accountancy, advertising) to provide opportunities for progression  
For the energy and utilities sector increase in level 2 apprenticeships with modular extensions to give multi-utility and multi-trained staff

**Science, Technology, Engineering & Mathematics**

The shift towards occupations requiring higher levels skills – with employment growth in managerial, senior official, professional, associated professional and technical occupations and growth in sectors that have a higher level skills profile – means that STEM skills capabilities will be crucial. For those not following / not able to follow the A level route, there is a need to ensure alternative progression routes are developed, including apprenticeships, through to intermediate and higher level skills.

**Leadership & Management**

Management occupations are likely to be some of the fastest growing roles in the region, and growing managerial skills gaps have been identified as a critical priority for the economy .If the region’s economy is to continue to grow, then more management skills are vital, both within key sectors (including engineering and pharmaceuticals) and with regard to more cross cutting themes such as high level leadership, financial management, marketing and strategic planning. flexible, accessible and high quality leadership and management training for managers at all levels – appropriately contextualised to meet the needs of businesses (e.g. third sector; start ups; growth businesses)

*Underpinning this statement is a detailed set of data and information on the take up of skills training by industry sector (by both the sector qualification and SIC footprints) in the region, produced by the Data Service from Skills Funding Agency learner data.. This sectoral analysis is not currently available as part of the Government’s published Statistical First Release, and therefore cannot be referenced or included within the Statement. For further regional information from the Statistical First Release, please visit <http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/>*

## **Annex B**

# **Area Assessments**

## Bedford Borough - Skills and employment profile

Employment prospects	Employment and skills levels	Key local issues
<ul style="list-style-type: none"> <li>• In the past 5 years, employment growth has been greatest in public administration, education and health, retail and hospitality, construction and communications and by occupation: sales and customer service and managers and senior officials;</li> <li>• In the short term, opportunities are most likely in: health and care, retail, and business and professional services sectors;</li> <li>• In the longer-term, opportunities for growth are in: green, creative and digital industries, manufacturing [food-chain linked &amp; high technology], tourism and hospitality, construction, logistics and air transport;</li> <li>• Bedford has a relatively self-contained labour market with 71% of residents working in Bedford, but there are opportunities for growth linked to the re-development of Bedford town centre and the wider economic area including MKSM, Luton Gateway and proximity to M1, environmental regeneration in Marston Vale and the development of strategic road &amp; rail networks;</li> <li>• R&amp;D expertise is clustered around major science parks [Colworth, Millbrook Proving Ground, Air Park] and HEIs: Cranfield and University of Bedfordshire.</li> </ul>	<ul style="list-style-type: none"> <li>• Bedford has a lower number of working age adults with NVQ level 1 – 74.2% compared to 78.9% nationally; NVQ level 2 – 59.5% compared to 65.2% nationally; NVQ level 3 – 42% compared to 47% nationally; NVQ Level 4 – 25.9% compared to 29% nationally;</li> <li>• In terms of young people’s attainment, the proportion of 19 year olds achieving a Level 3 qualification is similar to the regional average;</li> <li>• Bedford has a worklessness rate of 11.6% compared to a rate for the East of England of 11.4%. Worklessness levels have increased by 21% between 2007 and 2009;</li> <li>• A 2009/10 out turn figure of 5.6% against a target of 6.2% of young people aged 16-18 not in employment, education or training [NEET];</li> <li>• Groups of vulnerable and disadvantaged young people and adults with low economic activity, particularly individuals with caring responsibilities, work-limiting illnesses or a disability, including moderate learning disabilities and mental health needs.</li> </ul>	<p>Key priorities identified are as follows:</p> <ol style="list-style-type: none"> <li>1. Raising the overall skills level of the working age population with continued focus towards reaching NVQ Level 2, but also a requirement to progress towards NVQ Level 4 and 5 in order to match current and future employer demand;</li> <li>2. Priority groups with ESOL needs, including young people, highly skilled migrants and individuals with limited access to learning due to cultural barriers, and a strong local demand for translation and interpretation services. The area also has an exceptionally high proportion of working age population with ‘other’ qualifications which require support for qualification conversion;</li> <li>3. Expanding Apprenticeships, including Adult Apprenticeship provision, and Pre-Apprenticeship training to support those most at risk of being categorised as being NEET (Not in Education, Employment or Training);</li> <li>4. Increased investment towards employability raising provision, which is sufficiently informed by employer demand and supports priority groups including young people, graduates, groups of vulnerable and disadvantaged young people and adults, particularly those with caring responsibilities, work-limiting illnesses or a disability;</li> <li>5. Increased support towards widening participation to engage, involve and support progression towards higher level skills development, higher education and in-work support.</li> </ol>

## Cambridgeshire - Skills and employment profile

Employment prospects	Employment and skills levels	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in public administration, education and health; financial and business services; and construction; with professional occupations; and managers and senior officials showing largest growth by occupation.</li> <li>• In the short term, there are opportunities for growth in: health and social work; retail, financial and business services and elementary trade. Over the next five years engineering and health, advanced manufacturing, tourism, digital content and clean technologies are anticipated to be the key areas driving employment demand.</li> <li>• In the longer-term, opportunities for growth are in the high growth sectors: with a 'high-tech' cluster within and around Cambridge centred on R&amp;D, software consultancy, high value manufacturing including pharmaceuticals, biotechnology, digital technology and digital content. Health, linked to the pharmaceutical cluster, tourism and hospitality, agribusiness and the creative industries – in particular publishing, computer games and software are also potential growth areas.</li> <li>• The local construction industry is also expected to pick up – with significant housing developments expected to the north and south of Cambridge.</li> </ul>	<ul style="list-style-type: none"> <li>• Cambridgeshire on average has a highly skilled working age population and performs particularly well on qualifications at Level 2 – 68% compared to 65.2% nationally; at Level 3 – 52% compared to 47% nationally; and Level 4 – 38% compared to 29% nationally.</li> <li>• However, Cambridgeshire has some of the highest levels of skills inequality in the country. In terms of the proportion of residents educated to degree level Fenland ranks 14<sup>th</sup> lowest of all local authorities in the country while Cambridge City ranks 5<sup>th</sup> highest.</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is similar to the regional average at 52%.</li> <li>• However again, this masks significant variation by pupil background. Across the county, the achievement gap between disadvantaged and non-disadvantaged learners is 11% - higher than the gap nationally and the largest gap seen in the East of England.</li> <li>• Cambridgeshire has a worklessness rate of 8% compared to a rate for the East of England of 11%. Worklessness levels have increased by 23% between 2007 and 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Cambridgeshire has some of the highest levels of skills inequality in the country, both pre-19 and post 19.</li> <li>• Public sector job losses will have a significant negative impact on Cambridge (and therefore the wider commuter belt) where 43.5% of jobs are in the public sector</li> <li>• Low numbers of residents qualified to an intermediate skills level (i.e. NVQ level 3) means recruitment difficulties for associate professional/technical and skilled trade occupations – key occupations among high growth ICT, engineering and high value manufacturing sectors</li> <li>• Apprenticeship take up in Cambs has reduced by 25% since 2006/7</li> <li>• Cambridgeshire has a high proportion of small businesses who have little spare capacity to undertake training or take on apprenticeships</li> <li>• Very low skill levels among sizeable population of long term unemployed.</li> <li>• Inadequate employer engagement in planning for skills. E.g many employers feel that a lot of workless clients lack core skills, but not all employability programmes provide support for core skills.</li> <li>• There is insufficient ESOL training – specifically for those requiring pre-entry level ESOL. More provision at this level would help to ensure greater engagement of migrant labour in the local economy.</li> <li>• There is very little information about the quality of provision that is on offer – with no organisation having responsibility for this.</li> </ul>

## Central Bedfordshire - Skills and employment profile

Employment prospects	Employment and skills levels	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in public administration, education and health; financial and business services; and retail and hospitality; with managers and senior officials; associate professional and technical occupations; and personal service occupations largest growth by occupation.</li> <li>• In the short term, opportunities for growth in: health and care; retail and business; logistics and warehousing and business and professional services.</li> <li>• In the longer-term, opportunities for growth centre around: tourism and hospitality, construction, manufacturing [food-chain linked &amp; high technology], tourism and hospitality, construction, logistics and air transport, business services, green technologies and environmental goods and services.</li> <li>• With no large population centres, Central Bedfordshire has no distinct labour market. However, there are accessible employment opportunities outside local authority boundaries in Hertfordshire, Luton and Bedford, particularly to the wider MKSM growth area, Luton Gateway and proximity to M1, environmental regeneration in Marston Vale and the development of strategic road &amp; rail networks.</li> <li>• R&amp;D expertise is clustered around major science parks [Colworth, Millbrook Proving Ground, Air Park] and HEIs: Cranfield and University of Bedfordshire.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Bedfordshire has a highly skilled working age population and performs particularly well on qualifications at Level 2 – 70% compared to 65.2% nationally; with Level 3 levels slightly higher than the regional average – 50% compared to 47% nationally; and similar levels at NVQ Level 4 – 29% compared to 29% nationally</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is similar to the regional average at 52%.</li> <li>• Central Bedfordshire has a worklessness rate of 8% compared to a rate for the East of England of 11%. Worklessness levels have increased by 32% between 2007 and 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a large amount of generic employment and skills-related provision – perhaps even leading to duplication in provision.</li> <li>• There are weak 'vertical' progression routes with individuals not supported to advance on to more advanced training/provision.</li> <li>• There are gaps in local provision around:             <ul style="list-style-type: none"> <li>– Support for self-employment and entrepreneurialism.</li> <li>– ESOL provision.</li> <li>– High quality information, advice and guidance (IAG) services that enable individuals to make fully informed decisions on how to progress towards and into employment. NextStep (Adult Advancement and Careers Service) may provide this.</li> <li>– Mentoring/one-to-one services for the furthest from the labour market. This intensive approach relates to the need for high quality IAG.</li> <li>– Pre-apprenticeship courses to get (young) people to the level where they can compete for and then sustain apprenticeships.</li> <li>– Scope for more ILM opportunities (e.g. through social enterprises) to provide individuals with supported work placements/opportunities.</li> <li>– Overcoming transport and accessibility difficulties that face residents outside market towns.</li> </ul> </li> </ul>

## Essex - Skills and employment profile

- Essex performs close the East of England average on almost every indicator, perhaps because it is the largest LAA in the region. It consists of a number of sub-labour markets and nearly 1 in 5 of its residents work in London.
- Over the last five years, Essex has tended to perform in line with the East of England trend with the notable exception of qualifications indicators. Here, Essex has closed the gap – though there is still some further improvement needed

Employment prospects	Skills needs	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in public administration, education and health; transport and communications; financial and business services; and other services, with personal service occupations; sales and customer service, associate professional and technical occupations; and managers and senior officials showing greatest growth by occupation.</li> <li>• In the short term, opportunities for growth in Health and Care; Retail; Business and professional services.</li> <li>• In the long term, opportunities for growth in offshore wind energy; nuclear energy industry centred on Maldon; logistics stemming from Tilbury, Harwich Stansted Airport and other transport gateways; environmental technologies and the 2012 Olympics.</li> </ul>	<ul style="list-style-type: none"> <li>• Although improving, Essex's qualifications profile lags the regional average, particularly at higher level skills. .</li> <li>• 62% of the working age population in Essex is qualified to at least Level 2 compared to 65.2% nationally; NVQ level 3 – 41% compared to 47% nationally; NVQ Level 4 –24% compared to 29% nationally</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is 47% compared to 52% for the East of England.</li> <li>• Within Essex, the qualifications profile is lowest in Tendring, Maldon, Harlow and Basildon</li> </ul>	<p>Potential growth sectors across Essex.</p> <ul style="list-style-type: none"> <li>- Financial and business services.</li> <li>- Advanced manufacturing.</li> <li>- Creative and cultural industries.</li> <li>- Tourism and hospitality.</li> <li>- Construction.</li> </ul> <p>Issues highlighted by local stakeholders on worklessness provision:</p> <ul style="list-style-type: none"> <li>- Need for greater In-work support to increase retention</li> <li>- Scope for shorter (VRQ) FE courses/modules</li> <li>- Need for excellent quality IAG</li> <li>- Increased number of apprenticeships</li> </ul>

## Hertfordshire - Skills and employment profile

- Hertfordshire has a strong and diverse economy and performs well on most skills and employment indicators and is ahead of the East of England averages on skills ,although the East of England has closed the gap by a small amount over recent years. On self-employment and enterprise, Hertfordshire's progress has been stronger than the regional trend.

Employment prospects	Skills needs	Key local issues
<ul style="list-style-type: none"> <li>Employment growth in five years leading up to recession largest in financial and business services; public administration; education and health; construction with professional; associate professional and technical; and managers and senior officials largest growth by occupation.</li> <li>In the short term, opportunities for growth in health and care; retail; business and professional services; "other low skilled" occupations.</li> <li>In the longer term, opportunities for growth in: High tech engineering/ software development – building on the remnants of the old aerospace/defence cluster together with smaller companies linked to the automotive and electronics industries; digital creativity and media – key elements are design and film and music; tourism, culture and sport. Also opportunities around biotechnology pharmaceuticals and life sciences.</li> </ul>	<ul style="list-style-type: none"> <li>Hertfordshire has a highly skilled workforce and performs particularly well on qualifications at Level 3 and above: 69% qualified to at least Level 2 compared to 65.2% in GB; NVQ level 3 – 50% compared to 47% in GB; NVQ Level 4 –32% compared to 29% in GB (working age population)</li> <li>In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is higher in Hertfordshire than anywhere else in the region.</li> <li>Hertfordshire has a worklessness rate of 8.7% compared to a rate for the East of England of 10.4%. Worklessness levels increased by 21% between 2007 and 2009.</li> <li>There are areas of disadvantage within Hertfordshire. Broxbourne and Stevenage perform below national and regional benchmarks on employment and high level skills indicators</li> </ul>	<p>Economic Strategy: skills priorities:</p> <ul style="list-style-type: none"> <li>Developing skills to better meet current and future business needs; developing higher and FE and schools to support the knowledge economy; increasing employment opportunities and economic participation for disadvantaged communities; supporting wider career choices (including apprenticeships); encouraging skills for innovation and entrepreneurship; attract and retain graduates</li> </ul> <p>Issues highlighted by stakeholders on worklessness</p> <ul style="list-style-type: none"> <li>Need to focus on developing core, generic, transferable skills and competencies. These include: strong attitude to work; self-confidence; good customer service skills; good IT skills; enterprise skills.</li> <li>Ongoing need is to encourage up-skilling within the workforce.</li> <li>High quality information, advice and guidance provision to improve people's understanding of available employment, training and learning opportunities.</li> <li>Need to tackle any negative employer attitudes/stigma, as these can be a real barrier for the most disadvantaged client groups.</li> </ul> <p>Other key issues from local skills workshop:</p> <ul style="list-style-type: none"> <li>Important to support skills development of volunteers as part of Big Society</li> <li>Need for wider range of provision for young people to bridge the transition between education and work (e.g. pre-apprenticeships)</li> <li>Need for wider choice of apprenticeships with a focus on higher level and technical skills with clear progression pathways into Higher Education</li> <li>Important to encourage and support employers (including SMEs) to take on apprentices or provide work opportunities for young people and unemployed individuals</li> <li>Businesses need to be supported in identifying and addressing skills needs as part of business planning</li> </ul>

## Luton - Skills and employment profile

Employment prospects	Employment and skills levels	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in public administration, and transport and communications; with lower-skills occupations in process, plant and machine operatives; personal service; and elementary occupations showing largest growth by occupation. In contrast, there were occupational falls in employment in manufacturing, and occupation declines in higher-skilled occupations such as managers and senior officials and associate professional and technical occupations.</li> <li>• In the short term, there are opportunities for growth in: health and care; retail; business and professional services and in tourism, security and other sectors linked to Luton Gateway.</li> <li>• In the longer-term, opportunities for growth centre around aerospace and advanced engineering industries, construction, food and drink, and tourism and hospitality.</li> <li>• There are opportunities for growth linked to the re-development of Luton town centre and the wider economic area including MKSM, Luton Gateway and proximity to M1 and in the development of strategic road &amp; rail networks.</li> <li>• R&amp;D expertise is clustered around major science parks [Colworth, Millbrook Proving Ground, Air Park] and HEIs: Cranfield and University of Bedfordshire.</li> </ul>	<ul style="list-style-type: none"> <li>• Luton has a significantly lower number of working age adults without a qualification – 16% compared to 12.4% nationally, at Level 1 – 63% compared to 78.9% nationally; at Level 2 – 48% compared to 65.2% nationally; at Level 3 – 32% compared to 47% nationally; at Level 4 – 19% compared to 29% nationally (a significant 21% of adults have other qualifications compared to 8.7% nationally)</li> <li>• In terms of young people’s attainment, the proportion of 19 year olds achieving a Level 3 qualification is similar to the regional average at 54%.</li> <li>• Luton has a high worklessness rate of 14% compared to a rate for the East of England of 11%. Worklessness levels have increased by 19% between 2007 and 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Skills levels in Luton for adults using qualifications as a proxy are declining and the position vis-à-vis other parts of the travel to work area is becoming progressively less competitive. A skills plan for Luton is needed to address in this vital area for the recovery</li> <li>• There may be some duplication in work preparation activities, such as developing CVs and application forms and job search activities (although demand for such provision remains critical while unemployment and worklessness remains high)</li> <li>• In-work publicly funded support for clients is not matched by employers’ investment in in-work training and there is limited external support available for employers locally.</li> <li>• Good quality, accessible information, advice and guidance needs to be coordinated across the whole of Luton to support people along the customer journey and identify the most appropriate provision and to link skills training to local employment opportunities.</li> <li>• There is scope for more bite-size skills courses and non-accredited first steps learning to engage with adult learners to widen participation, engage and motivate learners and encourage them to progress towards a qualification.</li> </ul>

## Norfolk - Skills and employment profile

- Norfolk is made up of several diverse economies covering urban, rural and coastal geographies.
- Norfolk performs below the East of England average on most employment and skills indicators, with the gap greatest in high level qualifications and working age benefit claimants.
- Over the last five years, Norfolk has generally performed above trend and has closed the gap between itself and the East of England average. The biggest improvement has been in the NEET rate.

Employment prospects	Skills needs	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in public administration, education and health; retail and hospitality; construction; and financial and business services, with associate professional and technical occupations; professional occupations; personal service occupations; and managers and senior officials largest growth by occupation.</li> <li>• In the short term, opportunities for growth in health and care; retail; business and professional services; tourism and hospitality.</li> <li>• In the longer term, opportunities for growth in: Agriculture and Food Processing; Creative Industries; Energy – notably renewable energy and offshore energy linked to civil engineering opportunities around Great Yarmouth; Engineering and Marine Industries; Financial Industry; Health and Life Sciences; Tourism.</li> <li>• Norfolk has a growing creative industries sector</li> <li>• The Norwich Research Park has one of Europe's largest single-site concentrations of research in Health, Food and Environmental Sciences.</li> </ul>	<ul style="list-style-type: none"> <li>• 61% of the working age population in Norfolk is qualified to at least Level 2 compared to 65.2% nationally; NVQ level 3 – 40% compared to 47% nationally; NVQ Level 4 –22% compared to 29% nationally</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is 43% compared to 52% for the East of England.</li> <li>• Norfolk has a worklessness rate of 9% of the working age population compared to 11% in the East of England. Worklessness levels increased by 25% between 2007 and 2009.</li> <li>• Norfolk has 56 or 11% of its LSOAs falling in England's 20% most deprived, mainly in Great Yarmouth, King's Lynn and Norwich.</li> </ul>	<p>Skills priorities for Norfolk: Basic Skills; Apprenticeships; Foundation and pre-level 1 programmes – cross sectoral requirements; L4 and HE; Leadership and management; Technical, professional ICT and Customer service skills across sectors; Enterprise in education – work readiness; Productivity improvement</p> <p>Norfolk priority growth sectors: Low carbon, advanced manufacturing and health and social care</p> <p>Key delivery issues highlighted by stakeholders:</p> <ul style="list-style-type: none"> <li>- Funding to pump prime new learning programmes</li> <li>- Employer investment in their employees skills</li> <li>- Raising individuals' demand for up-skilling</li> <li>- Improving IAG and careers services to reflect the opportunities of a changing economy</li> <li>- Improved intelligence on future employment opportunities</li> <li>- A simplification of the system for apprenticeships</li> </ul> <p>Other issues regarding worklessness provision:</p> <ul style="list-style-type: none"> <li>- Need for all programmes/courses to address literacy and numeracy; soft skills -e.g. communication skills and ability to work in a team; core skills – e.g. reliable and willingness to work; transferable skills – to ensure flexibility</li> <li>- Stronger focus on most disadvantaged and mentoring and volunteering activities</li> <li>- Greater emphasis on working with employers</li> </ul>

## Peterborough - Skills and employment profile

Employment prospects	Employment and skills levels	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in the five years leading up to recession in financial and business services; construction; public administration; education and health; retail and hospitality; with elementary occupations; personal service occupations; managers and senior officials occupations and professional occupations showing most growth. In contrast, there were occupational falls in employment in semi-skilled occupations such as administrative and secretarial; process, plant and machine operatives; and skilled trades occupations.</li> <li>• In the short term, there are opportunities for growth in: health and care; environmental services; advanced manufacturing, business and professional services and other low-skilled opportunities in the service sector, retail, hospitality and catering; and distribution and logistics.</li> <li>• In the longer-term, opportunities for growth centre around construction, engineering, environmental services – particularly in natural environmental management /science, water management and treatment, energy management and emission control, distribution and logistics; retail; and financial and business services, and food and agriculture in outlying rural areas.</li> <li>• There are opportunities for growth linked to the re-development of Peterborough city centre, allied to the City's positive attitude towards growth which is supported by relatively low land prices and Peterborough's strategic location between London, the Midlands and the North and access to key road and rail networks.</li> </ul>	<ul style="list-style-type: none"> <li>• Peterborough's working age population qualification levels are significantly lower at: Level 1 – 71.7% compared to 78.9% nationally; Level 2 – 56% compared to 65.2% nationally; Level 3 – 36.4% compared to 47% nationally; Level 4 – 18.8% compared to 29% nationally.</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is well below the regional average at 43%, compared to 52% nationally.</li> <li>• Peterborough has a significantly higher level of 16-18 year olds not in employment, education or training [NEET] at 8.6% in 2008 compared to 5.9% in the East of England and 6.4% nationally.</li> <li>• Peterborough has a high worklessness rate of 17% compared to a rate for the East of England of 11%. Worklessness levels have increased by 25% between 2007 and 2009.</li> </ul>	<p><i>Skills and employment priorities for Peterborough:</i> Peterborough has identified 5 key clusters: in environment, food and drink, media, print and publishing, financial services and precision engineering cluster and successful businesses operating in both the manufacturing and service sectors.</p> <p><i>Issues highlighted by local stakeholders on worklessness provision:</i></p> <ul style="list-style-type: none"> <li>• It is understood that there has been a fall in the amount of ESF funding targeted specifically at Peterborough over the last 4 to 5 years. This is because: <ul style="list-style-type: none"> <li>- Peterborough's 'peripheral' location at the NW tip of the East of England, which means it is less clearly 'visible' to regional providers.</li> <li>- The small number of Peterborough-based ESF projects, which inevitably means Peterborough is not the focus of attention/activities.</li> </ul> </li> <li>• The employment and skills provision available locally is not being communicated to local, community-based organisations. This impacts on the level of referrals to employment and skills services and the ability to progress clients.</li> </ul> <p><i>HE expertise</i> A new university campus has recently opened in Peterborough as part of a joint venture between Peterborough Regional College and Anglia Ruskin University.</p>

## Southend - Skills and employment profile

- Southend performs below the East of England average on most employment and skills indicators with performance lowest on working age claimants and NEETs.
- Over the last five years, there has been a mixed performance in relation to the East of England trend.

Employment prospects	Skills needs	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in financial and business services; and public administration, education and health, with personal service occupations; and managers and senior officials showing greatest growth by occupation.</li> <li>• In the short term, opportunities for growth in Health and Care; Retail; Tourism and Hospitality.</li> <li>• In the long term, growth sectors in Aviation and advanced engineering – linked to the planned expansion of Southend Airport; business and financial services; creative and cultural, leisure and tourism and retail.</li> <li>• Also opportunities for growth in construction – with developments linked to the wider Thames Gateway regeneration plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Southend has a lower number of the working age population with NVQ level 2 – 61.4% compared to 65.2% nationally; NVQ level 3 – 41.1% compared to 47% nationally; NVQ Level 4 – 22.4% compared to 29% nationally.</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is similar to the regional average at 50%.</li> <li>• Southend has a worklessness rate of 16% compared to a rate for the East of England of 11%. Worklessness levels have increased by 18% between 2007 and 2009</li> </ul>	<p>Priority sectors and related skills issues</p> <ul style="list-style-type: none"> <li>- Business and Financial services – in particular business and management skills</li> <li>- Aviation, in particular Maintenance, Repair and Overhaul – with specialist training for apprenticeships at purpose built facility at Southend Airport</li> <li>- Creative and cultural – with particular opportunities around the Royal Opera House development and creative and cultural NSA at South Essex College</li> <li>- Health and Medical Instrumentation</li> <li>- Tourism</li> </ul> <p>Key issues highlighted by local stakeholders:</p> <ul style="list-style-type: none"> <li>- Need to raise profile and availability of apprenticeships</li> <li>- Need for robust labour market intelligence to inform training offer and high quality IAG</li> <li>- Improve connections between pre and post 19 provision</li> </ul> <p>Specifically on worklessness provision:</p> <ul style="list-style-type: none"> <li>- Tackling low aspirations</li> <li>- Linking employment and skills provision to economic development</li> <li>- Develop higher value/skill jobs base</li> <li>- Invest in generic and transferable skills</li> <li>- Work with third sector to engage hardest to reach</li> <li>- Engage with employers to increase their investment in skills and training</li> <li>- Scope for more experiential learning and enterprise support</li> </ul>

## Suffolk - Skills and employment profile

- Suffolk performs close to the East of England average on most indicators but the qualifications indicators, and the indicators focused on young people, are lower than average and remain a significant challenge.
- Over the last five years, Suffolk has generally performed above trend, closing the gap between itself and the East of England average, and even exceeding it, on the employment rate

Employment prospects	Skills needs	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in public administration, education and health; financial and business services; and construction with associate professional and technical; administrative and secretarial; sales and customer services; and lower skilled process plant and machine operatives showing greatest growth by occupation.</li> <li>• In the short term, opportunities for growth in Health and Care; Retail; Business and professional services.</li> <li>• In the long term, opportunities in growth in offshore wind energy on the North Suffolk coast and opportunities from existing and planned Sizewell power stations; IT/knowledge, with BT research HQ at Adastral park and knowledge and creative industries; Food, Drink and Agriculture; and Bio-technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Suffolk's qualifications profile is below that of the East of England as a whole. There is a gap at all NVQ levels up to and including NVQ Level 4 where there is the biggest gap; 22% of Suffolk's working age population hold qualifications at Level compared with 26% across the East of England.</li> <li>• 59% of the working age population in Suffolk is qualified to at least Level 2 compared to 65.2% nationally; NVQ level 3 – 40% compared to 47% nationally; NVQ Level 4 –22% compared to 29% nationally</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is 50% compared to 52% for the East of England.</li> <li>• Within Suffolk, the qualifications profile is lowest in Waveney, Ipswich and Forest Heath</li> </ul>	<p>Issues highlighted by local stakeholders:</p> <ul style="list-style-type: none"> <li>- Suffolk's rural geography and impact on access to employment and training</li> <li>- Perceived gaps in provision for unemployed people around basic and transferable skills – such as literacy and numeracy and financial capability.</li> <li>- Need for collaboration between agencies including third sector organisations working in deprived communities and/or with hard to reach individuals.</li> <li>- Employer engagement activities. needed to provide a more comprehensive service for employers to create opportunities for jobs and skills particularly for young people and those with difficulties and disabilities.</li> <li>- Support for self-employment and entrepreneurialism.</li> <li>- Preventative measures to support young people at risk of falling into the NEET group with a mix of academic and vocational/practical options made available to this group.</li> <li>- Strong employment pathways/progression routes into local economic growth sectors.</li> </ul>

## Thurrock - Skills and employment profile

Employment prospects	Employment and skills levels	Key local issues
<ul style="list-style-type: none"> <li>• Employment growth in five years leading up to recession largest in financial and business services; construction; public administration; education and health; and retail and hospitality; with elementary occupations; personal service occupations; managers and senior officials occupations and professional occupations showing largest growth by occupation. In contrast, there were occupational falls in employment in semi-skilled occupations such as administrative and secretarial; process, plant and machine operatives; and skilled trades occupations.</li> <li>• In the short term, there are opportunities for growth in: health and care; retail; and logistics, transport and distribution.</li> <li>• In the longer-term, opportunities for growth centre around the creative and cultural sector linked to the National Skills Academy, construction linked to plans for the wider Thames Gateway, carbon reduction and environmental technologies, and tourism and hospitality, opportunities linked to Lakeside and the retail offer in local centres and the importance of Thurrock as a major transport gateway due to Tilbury Port and the Dartford-Thurrock River Crossing.</li> </ul>	<ul style="list-style-type: none"> <li>• Thurrock's working age population qualification levels are significantly lower at Level 1 – 73.2% compared to 78.9% nationally; at Level 2 – 52.3% compared to 65.2% nationally; at Level 3 – 32.8% compared to 47% nationally; at Level 4 – 16.8% compared to 29% nationally.</li> <li>• In terms of young people's attainment, the proportion of 19 year olds achieving a Level 3 qualification is well below the regional average at 38%, compared to 52% nationally.</li> <li>• Thurrock has a high worklessness rate of 13% compared to a rate for the East of England of 11%. Worklessness levels have increased by 20% between 2007 and 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Despite limited funding and out-dated facilities (i.e. no iconic learning and skills campus/college in Thurrock), the perception is that local partners work very well together with many instances of good practice. Provision is seen to be particularly strong for the NEET group and courses at NVQ Level 1 and 2.</li> <li>• There is scope for greater support around:             <ul style="list-style-type: none"> <li>- Full year/long-term opportunities for young people as the six month Future Jobs Fund placements/apprenticeships are not seen as sustainable.</li> <li>- Community outreach and engagement activities as only limited resources are currently available.</li> <li>- Good quality and accessible information, advice and guidance (IAG) to enable workless clients to make informed choices around their employment and training prospects.</li> </ul> </li> </ul>

## **Annex C**

# **Local Skills Priorities Statements**

Through the consultation and in the context of localism and emerging policy some localities have developed Skills Priorities Statements for their economic area in partnership with key stakeholders. These are attached and although the formats used are not identical, the content has been guided by the template used by EEDA.

It is expected that more localities will set out their priorities in the final version in September 2010.

## **Skills Priorities Statement**

### **BEDFORD BOROUGH STATEMENT**

#### **Overview**

This document aims to provide a local input to the development of the East of England Skills Priority Statement.

It provides an overview to the skills issues currently facing Bedford Borough arising from the developing evidence base and current comment and input from key stakeholders and partner organisations.

It builds on the back of recent key evidence base documents prepared, including:

- An Internal Working Draft of a Local Economic Assessment;
- Interim Work and Skills Plan 10/11; and
- 2 stakeholder/ key partner Work and Skills workshops and a follow up meeting.

#### **Shifts in Investment and Other Priorities for Intervention**

Key priorities identified are as follows:

1. Raising the overall skills level of the working age population with continued focus towards reaching NVQ Level 2, but also a requirement to progress towards NVQ Level 4 and 5 in order to match current and future employer demand;
2. Priority groups with ESOL needs, including young people, highly skilled migrants and individuals with limited access to learning due to cultural barriers, and a strong local demand for translation and interpretation services. The area also has an exceptionally high proportion of working age population with 'other' qualifications which require support for qualification conversion;
3. Expanding Apprenticeships, including Adult Apprenticeship provision, and Pre-Apprenticeship training to support those most at risk of being categorised as being NEET (Not in Education, Employment or Training);
4. Increased investment towards employability raising provision, which is sufficiently informed by employer demand and supports priority groups including young people, graduates, groups of vulnerable and disadvantaged young people and adults, particularly those with caring responsibilities, work-limiting illnesses or a disability;
5. Increased support towards widening participation to engage, involve and support progression towards higher level skills development, higher education and in-work support.

## Current and Future Economic Demand

In the past 5 years, employment growth has been greatest in public administration, education and health, retail and hospitality, construction and communications and by occupation: sales and customer service and managers and senior officials.<sup>1</sup>

In the short term, job opportunities are most likely to continue in **health and care, retail, and business and professional services** sectors, including ICT, legal, finance and accounting, marketing and advertising, and real estate services.<sup>2</sup>

In the longer term, Bedford is likely to see growth in the **creative, digital and green industries**,<sup>3</sup> **cultural and heritage focussed tourism** through enhanced facilities and new attractions including Center Parcs and NIRAH in the wider economic area, and in **high-value knowledge-based industries** including **automotive and aerospace research and development [R&D]** and **health**,<sup>4</sup> with clusters around Colworth Science Park, Millbrook Proving Ground, Air Park and Cranfield University.

There are also opportunities for growth in **food chain linked manufacturing, high technology manufacturing and logistics**— building on the A421 dualling, its proximity to the M1 and A1 and extensive site availability alongside it (including associated promotion effort) and **construction** – which should rebound as a sector given future planned developments.<sup>5</sup>

There is a significant opportunity for employment growth linked to wider economic development, particularly linked to growth plans for the wider **Milton Keynes South Midlands [MKSM]** area – growth in jobs is currently ahead of growth area targets, and regional and national rates, with 16,000 additional jobs and 15,570 additional homes projected between 2001 and 2021<sup>6</sup> – and **environmental regeneration** of the northern Marston Vale.<sup>7</sup>

The development of Bedford town centre and key sites within the town, such as the **Station Quarter, Town Centre West and Riverside Square** could also help stimulate economic growth and attract businesses into the Borough.<sup>8</sup>

Development of strategic road and rail networks **such as the A428/A6 link, Wixhams Station and upgrade of Bedford Station** and improved infrastructure connections between Bedford and other key centres outside the borough will unlock important constraints to further growth and employment.<sup>9</sup>

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<sup>1</sup> *Bedford Borough Interim Work and Skills Plan*, p16.

<sup>2</sup> *Review of East of England ESF and Mainstream worklessness funding: Bedford draft sub-regional final report* (University of Glasgow, 2010): based on analysis of NOMIS Live Unfilled Jobcentre Plus Vacancies by Industry and Sector, Jan-Dec 2009, pp1-2; 9 and *Bedford Borough Interim Work and Skills Plan, 2010-11, Draft Report [v1]*, (April 2010), pp16-18.

<sup>3</sup> *Bedford draft sub-regional final report* (University of Glasgow, 2010): based on local focus group discussions. Potential creative industry growth was linked to business space being created as part of the Bedford railway quarter redevelopment, pp1-2.

<sup>4</sup> *East of England Implementation Plan: How the region will deliver the East of England Plan and the Regional Economic Strategy* (EEDA, EERA and GO-East, February 2010), pp167-169. Priorities within the EEIP taken from Bedford Renaissance Business Plan, Bedford integrated growth strategy and discussions with officers from Bedford Borough Council, Central Bedfordshire Council and Bedford Renaissance.

<sup>5</sup> *Ibid.* See also *Joint Economic Development Strategy: Delivering Economic Growth in Bedfordshire and Luton* (Bedfordshire and Luton Economic Development Partnership, 2008).

<sup>6</sup> *Bedford Borough Interim Work and Skills Plan*, p18: see also Strategic Sites for Business Prospectus, which outlines 22 key sites in Bedford which could support employment growth.

<sup>7</sup> *East of England Implementation Plan*, p169.

<sup>8</sup> *Ibid* and *Bedford Borough Interim Work and Skills Plan*, p18.

<sup>9</sup> *East of England Implementation Plan*, p169.

## Local skills assessment

Key findings from recent evidence base include:

- **Bedford Borough has a skills profile that falls behind the East of England average and which appears to be worsening.** The area has a significantly lower number of working age adults that are qualified to at least NVQ level 2 – 59.5% compared to 65.2% nationally and to at least NVQ level 3 – 42% compared to 47% nationally.
- **A relatively low number of residents have higher level skills** – 25.9% of the working age population are qualified to at least NVQ Level 4 compared to 29% nationally.<sup>10</sup>
- There is an exceptionally high number of residents with **no or ‘other’ non-accredited** qualifications (25%) – typical of an area with a diverse population profile.<sup>11</sup>
- Income per job provides useful indicator of job quality from an employee perspective. **2009 weekly pay figures on NOMIS show £450 for Bedford compared to £479 for East and £490 for Great Britain.**
- Bedford Borough has a **worklessness rate of 11.6% compared to a rate for the East of England of 10.4% and a national rate of 13.6%.**<sup>12</sup> Worklessness levels have increased by 21% between 2007 and 2009 – with the increase greatest amongst young people (**16-24**) and JSA claimants, although the **largest benefit group still remains ESA/IB claimants** at 47% of total out-of-work claimants.<sup>13</sup>
- There are concentrated **pockets of unemployment** with worklessness levels more than 1.5% above the May 2009 national average of 4.1%. There are currently **6 unemployment ‘hotspot’ areas** in the Borough: Goldington, Kingsbrook, Castle, Cauldwell, Queen’s Park and Harpur.<sup>14</sup>
- A 2009/10 out turn figure of 5.6% against a target of 6.2% of **young people aged 16-18 not in employment, education or training** [NEET]. As of 1<sup>st</sup> July 2010, there were 427 young people aged 16-19 in the NEET group across Bedford Borough. The area has a **local aspiration that all young people stay on in education or training to 18**, developing the skills that will enable them to succeed in life.<sup>15</sup>
- **Employer needs reported include an improvement in the employability of school leavers** and their general level of education and training achieved. Additionally, there is a **wide employer demand for relevant IT skills across the age range and up skilling of mature workers.**
- There are **groups of vulnerable and disadvantaged young people and adults with low economic activity**, particularly individuals with caring responsibilities, work-limiting illnesses or a disability, including moderate learning disabilities and mental health needs.

<sup>10</sup> ONS annual population survey, January 2008 – December 2008

<sup>11</sup> *Bedford Borough Interim Work and Skills Plan*, p13.

<sup>12</sup> Bedford Borough key out-of-work benefits groups: job seekers, incapacity benefits, lone parents and others on income related benefits, NOMIS (November 2009).

<sup>13</sup> *Bedford draft sub-regional final report* (University of Glasgow, 2010), p7

<sup>14</sup> Hotspots identified in *Bedford Borough Economic Participation Local Authority Investment Template 2010/11*, p3.

<sup>15</sup> Bedford Borough Council July 2010.

- There are approximately **770 residents claiming Disability Living Allowance – of which 220 are aged less than 25 years**; there are an estimated **15,600 carers** in Bedford Borough – almost 1 in 5 provide more than 50 hours per week (37% economically active). Both groups require increased flexibilities to support their sustainable employment and overall economic activity.<sup>16</sup>
- A significant number of **older people are working beyond the retirement age of 65 and there is recognised need to harness these skills**;
- Bedford Borough has a highly diverse population and a relatively high ethnic minority population (11% in the last census and currently residence to an estimated 60 different ethnic groups) and **attracts more migrant workers per head of population than the East of England as a whole** (approximately 7000 National Insurance Applications between 2004 and 2008). Priority groups in Bedford with ESOL need include young people aged 16-18, highly skilled migrants and individuals with limited access to learning due to cultural barriers.<sup>17</sup>
- 
- **Apprenticeship figures from show low creation and take-up in Bedford Borough** (The Data Service, P9). The number of vacancies is currently low and the area's Apprenticeship Success Rate lags slightly behind the Sub-Regional and Regional Rates.
- **Rural deprivation issues** affect some parishes in the Borough, with particular challenges with regard to access to services, transport, limited employment opportunities and **difficulties accessing education and training**.

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<sup>16</sup> Ibid and *Bedford Borough Interim Work and Skills Plan*, p13. See also Economic Participation study, p9.

<sup>17</sup> *Bedford Borough Interim Work and Skills Plan*, p14; Bedfordshire local area ESOL action plan, 2010/11.

## Supplementary Evidence base

### Live Unfilled Vacancies by Industry, Jan-Dec 2009

	Total	%
Agriculture & Fishing	10	0
Energy & Water	80	1
Manufacturing	70	1
Construction	140	2
Retail & Hospitality	840	15
Transport & Communications	40	1
Financial & Business Services	2,900	50
Public Sector Services	1,550	27
Other Services	140	2
Total	5,770	100

### Live Unfilled Vacancies by Occupation, Jan-Dec 2009

	Total	%
Managers & Senior Officials	240	4
Professional Occupations	210	4
Associate Professional & Technical	1,050	18
Administrative & Secretarial	260	4
Skilled Trades	360	6
Personal Service	2,190	38
Sales & Customer Service	430	7
Process, Plant & Machine Operatives	270	5
Elementary Occupations	770	13
Total	5,770	100

Source: NOMIS Jobcentre Plus Vacancy Statistics.

### Bedford Borough Skills Profile

	Bedford (numbers)	Bedford (%)	East (%)	Great Britain
NVQ 4 and above	25,000	25.9	26.1	29.0
NVQ 3 and above	40,600	42.0	43.4	47.0
NVQ 2 and above	57,600	59.5	62.8	65.2
NVQ 1 and above	71,800	74.2	78.8	78.9
Other qualifications	14,500	14.9	9.3	8.7
No qualifications	10,500	10.9	11.8	12.4

Source: ONS annual population survey, January 2008 – December 20

**DRAFT v1.2**  
**Skills Priorities Statement**  
**CAMBRIDGESHIRE STATEMENT**

This statement provides an overview of skills required to support regional economic growth, with a focus on articulating the specific skills priorities that require attention and response from providers and stakeholders. It sets out overall priorities for **Cambridgeshire** for the academic year 2011/12.

**KEY SKILLS PRIORITIES FOR CAMBRIDGESHIRE**

- 1. Secure Cambridgeshire's success and increase its contribution to UK plc**
  - Increased promotion and funding of technical and scientific skills in support of ICT, engineering and high value manufacturing.
  - Targeted managerial training for potential high growth companies and bespoke training support (short and flexible) for smaller companies who have little spare capacity to undertake training or take on apprentices
  - Upskilling and re-skilling the existing workforce, across the public, private and third sectors. Future projections indicate that demand for intermediate and high skilled employees is anticipated to outstrip demand for low skilled employees – 75% of the 2020 workforce is already in work. Furthermore, the 're-balancing' of the economy away from the public sector will require significant re-skilling of public sector workers and up-skilling of third sector organisations.
  
- 2. Raise economic activity levels in deprived areas.**
  - Increase targeted, tailored and co-ordinated interventions that address core skills and low level learning, particularly among long term benefit claimants and in rural areas. This will be vital in driving the economic prosperity of more deprived areas, increasing the available workforce for existing employers and opening up opportunities such as self employment to the resident population
  - Enable the targeting of resource to small geographic areas to build educational participation and attainment of young people from deprived areas, therefore increasing the available, skilled workforce for local employers and supporting economic growth.

**EXECUTIVE SUMMARY**

**Priority sectors and technologies identified as key to regional growth**

Research and Development, software consultancy, high value manufacturing, lower value manufacturing particularly food processing, health, digital technology and digital content industries and construction are all key sectors that are predicted to remain important or increase their share of employment over the medium term. Building entrepreneurship skills would also provide a major boost to the economy, particularly in more rural areas.

**Key areas of unmet demand articulated by employers aligned with National Skills Audit priorities:**

Specific management and technical skills related to ICT and the digital economy; skilled manual workers; low carbon building skills specifically targeted at small companies; ESOL provision; intermediate technical and engineering skills; targeted operational and management training for SMEs in the manufacturing sector; social workers and social care workers. These align with the following 'red' and 'pink' category skills priorities identified by the National Skills Audit (2010):

- Corporate managers, specifically in relation to ICT, digital economy and technological change
- Health and social care professionals
- Science and Technology professionals in pharmaceutical and medical technology industries

- Professional and technical roles particularly in manufacturing/process sectors and construction
- Customer service, particularly for the tourism and retail industries.
- Food technologists for the manufacturing and processing industries.

### **Skills for current vacancies (Jobcentres Plus)**

Health and social work, retail, tourism, financial and business services, skilled and elementary trade, management and technical skills in ICT/digital economy are all areas with consistently high numbers of unfilled vacancies.

### **Projected replacement and expansion demand by sector and occupations, including skills gaps and progression needs;**

Professional occupations, managers and senior officials, caring personal service and associate technical and professional occupations have the highest projected replacement and expansion demand over the next five years. The engineering and health sectors have high projected replacement demand in Cambridgeshire. Expansion demand is anticipated in business services, health, advanced manufacturing, tourism, digital content and clean technologies.

### **Mismatches in skills profile and employer demand**

- Fenland residents lack the technical and professional skills to fill local jobs. Only 58% of Fenland's resident population are qualified to Level 2 and 16% qualified to level 4. These levels have remained relatively constant since 1999. The rural nature of the district is a significant barrier to individuals of low income accessing available training and employment. Low skills levels significantly restrict the economic growth of the district. Large achievement gaps exist between disadvantaged learners and non-disadvantaged learners.
- There are significant concentrations of long term ESA/IB claimants in Fenland, Cambridge City, north Huntingdon and St Neots. Carefully targeted, tailored and co-ordinated interventions that address engagement and low level learning prior to addressing work skills are needed to have any impact in these communities. This potential workforce could then be valuable in meeting some of the high (and currently unmet) demand for elementary and administrative post, as evidenced by Job Centre Plus unfilled vacancy figures. However, looking forward, the demand for intermediate and highly skilled employees is anticipated to outstrip demand for low skilled employees. This means that continued upskilling of those newly engaged in employment will be vital to meet the future needs of employers.
- Younger (18-24) people are over-represented within the JSA claimant population, implying that a significant number of the 'new generation' of workers, lack the skills that businesses require.
- Cambridgeshire significant Gypsy/Traveller population have a strong drive for self employment which needs to be better supported.
- High numbers of predicted job losses in the public sector, particularly in Cambridge, will create a high demand for re-training to meet the needs of private sector employers and a need to build the capacity of the third sector to take over many aspects of public sector delivery.

### **Distribution of current investment and recommendations for shifts in investment**

- A review of worklessness funding revealed the greatest proportion of resources is targeted at 'Tackling skills/Job Related Barriers' and 'Job Search and Placement'. This does not address the needs of those furthest from the labour market, e.g. long term benefit claimants – a group of key importance for Cambridgeshire's long term economic prosperity.
- There is inadequate employer engagement in planning for skills delivery; this can only be achieved through engaging employers at a strategic level. There is often a mismatch between learner demand and employer demand.
- There is insufficient ESOL training; specifically for those requiring pre-entry ESOL; more provision at this level would help to ensure that migrant workers work to their full potential in the local economy.

## SUPPORTING INFORMATION

### 1. Priority sectors and technologies identified as key to regional economic growth

- Research and Development is a major niche across Cambridgeshire, with employment over 7 times the national average. Software consultancy is also a major employer. There is also a very diverse range of manufacturing employment, a mix of advanced manufacturing (including aerospace, silicon electronics, plastics/printed electronics, industrial biotechnology, composites and nanotechnology, pharmaceuticals, ICT) and low value manufacturing, particularly food processing in north Cambridgeshire. Manufacturing provides 12% of jobs in Cambridgeshire, higher than the national average, and this sector has outperformed the national manufacturing sector during the course of the recession.
- A significant proportion of the population are employed in the health and care industry, and this is forecast to grow in the medium and long term. Cambridgeshire also has relatively high proportions of businesses and employment in digital creative industries, a sector that has grown consistently over the last few years.

### 2. Key challenges from progress towards Leitch targets

- Cambridgeshire residents are on average more qualified than across the country as a whole, however a higher proportion of Fenland residents have no qualifications than is the case nationally. Fenland also performs well below the national average in terms of the proportion of residents qualified to NVQ levels 2, 3 and 4. The high level of inequality in skills levels between residents in the north and south of the county is illustrated when looking at those educated to degree level; Fenland ranks 14<sup>th</sup> lowest of all local authorities in the country while Cambridge City ranks 5<sup>th</sup> highest. The gap in performance appears to be increasing.
- Overall, participation and levels of attainment are again high across Cambridgeshire for 16-19 and 14-16 year olds, however this masks significant variation by pupil background. Across the county, the achievement gap between pupils eligible for free school meals (disadvantaged learners) and those who are not (non-disadvantaged learners) is 11% - higher than the gap nationally and the largest gap seen in the East of England. The gap widened in 2009.

### 3. National Skills Audit priorities that are relevant to the sub region.

- East district in Cambridgeshire has a lower than average proportion of its population holding level 3 (recognised as 'intermediate level') as their highest qualification. This is particularly acute in Cambridge City where the proportion is 12% lower than average, probably due in part to the high number of university research staff resident in the city and the in-migration of highly skilled people employed in local firms. The National Skills Audit 2010 found that the highest 'density' of skills shortages (i.e. relative to the numbers in the occupation) are found in associate professional/technical, skilled trades and personal service occupations, all of which require predominantly intermediate level skills. Associate technical/professional and skilled trade occupations are essential in many advanced manufacturing; skills shortages in these areas could be restricting their growth in the sub region. This situation is already apparent in the construction industry: the SmartLIFE project was established to help address a shortage of skilled construction workers and Tradesmen to help us build the homes and communities of the future.
- 84.2% of Cambridgeshire's VAT/PAYE registered businesses have an employment of less than ten, a slightly higher percentage than seen nationally. The National Skills Audit 2010 recognises that skills shortages predominantly affect small organisations.
- Across Cambridgeshire, turnover per enterprise is over half that seen nationally and significantly lower than regional figures. Average employment per enterprise is also lower than average. This aligns with a general perception that management and commercial skills are not strong among leaders of Cambridgeshire companies, particularly hi-tech, knowledge based businesses in the south of the county that have significant potential to grow.

### 4. Agreed priorities in generic skills and job-specific/workforce development skills

- The birth rate of new enterprises is lower than average across most of Cambridgeshire and self employment is lower than average in all districts apart from South Cambridgeshire. Enhancing entrepreneurship skills, starting at school, would provide a major boost to the area.

## Current and Future Employer Demand

### 1. Any mismatches in skills profile and demand inherent in occupational and sectoral structure, with an emphasis on the skills needed for those recently made redundant and the long term unemployed;

- The unemployment rate in Fenland is close to the national average of around 7% however a high (nearly 8% and rising) proportion of Fenland's working age residents claim Employment Support Allowance/Incapacity Benefit (ESA/IB) compared with local, regional and national figures. There are also significant concentrations of ESA/IB claimants in Cambridge City, north Huntingdon and St Neots. A high proportion of these individuals have been out of work for a long period of time but Annual Population Survey data suggests that many would be willing to work, given the right training and opportunities.
- Higher average workplace (£422) than residential pay (£407) in Fenland suggests local residents lack the skills required by business to fill the higher paid jobs available in Fenland. APS data suggests these jobs are mainly concentrated in associate professional and technical occupations.
- Since the recession, the highest increases in JSA claimant rates have occurred in those areas with the highest rates, notably Fenland, Huntingdon North and Kings Hedges, along with parts of St Neots and Littleport. Younger (18-24) claimants are over-represented within the JSA claimant population, particularly in Fenland where the resident age profile is older than average. Any employment support needs to be highly targeted to those geographic areas in most need.
- Cambridgeshire has a significant Gypsy/Traveller population. Very little research or relating to Gypsies and Travellers and skills and employment exists. What research does exist suggests that there is a strong preference for self employment among communities and there is a broad skill base that goes unrecognised. Opportunities to develop social enterprise, recycling initiatives and support for small businesses with Gypsy and Traveller groups should be explored further. Current provision of targeted training opportunities to Gypsies and Travellers are limited. First hand work experience is recognised to be the preferred method of training for employment among many young Travellers and felt by many to be the most beneficial preparation for adult roles.
- Local Futures (2010) predict a reduction in Cambridge City of between 3.25% and 4% in public sector jobs as a proportion of the overall employment base by 2016, a higher proportion of losses than is anticipated nationally or elsewhere in the county. For Cambridge City this equates to around 4000 job losses over the next 6 years, many of whom will seek retraining for employment in the private sector.
- With public sector cuts, more will be asked from the voluntary and community sector in terms of service delivery – the skills needs and capacity building of this sector therefore take on increased importance.

### 2. Projected replacement demand by sector and occupations, including skills gaps and progression needs;

- Pre-recession, employment growth in Cambridgeshire was greatest in:
  - By industry: public administration, education and health; financial and business services and construction
  - By occupation: professional occupations, managers and senior officials
- Occupational forecasts for Cambridgeshire based on both the East of England forecasting model and the Local Economy Forecasting model estimate that over the next five years replacement demand is likely to be strongest in:
  - Professional occupations (particularly teaching and research professionals)
  - Managers and senior officials
  - Caring personal service occupations
  - Associate technical and professional occupationsHowever all professions are likely to experience significant levels of replacement demand that outstrips any projected decline in total employment resulting in a net requirement in all professions.
- Fenland based company Stainless Steel metalcraft recognised it's aging workforce would have significant consequences on their productivity in the near future. They therefore established, in partnership with the Fenland education partnership, the Fenland engineering skills centre, to encourage young people to enter the profession.

### **3. Projected expansion/growth demand (including comment on local and regional innovation and enterprise policies including skills to support industrial activism priorities and major forthcoming investments);**

- Focus groups that took place as part of the Cambridgeshire Work and Skills Plan development pointed to likely future growth in health, software, creative industries (including games and sound and imaging), R&D and advanced manufacturing (including biotechnology, pharmaceuticals, ICT, instruments and engineering, materials, printing and packaging and recycling), tourism and hospitality (linked to the Olympic games) and environmental goods and services. Local economic development policy seeks to encourage hi-tech employment, creative industries, tourism, clean technologies and high value manufacturing.
- The East of England forecasting model (spring 2010 forecasts) projects that between 2010-2015 the largest increases in employment in Cambridgeshire will be in; business services, retail, transport and communications, financial intermediation, hotels, distribution and construction.
- Occupational forecasts for Cambridgeshire based on both the East of England forecasting model and the Local Economy Forecasting model estimate that over the next five years expansion demand is likely to be strongest in:
  - Caring personal service occupations
  - Managers and senior officials
  - Associate technical and professional occupations
  - Professional occupations
  - Sales and customer service occupationsAll other occupations are projected to experience very little, or negative expansion demand.

### **4. Key areas of unmet demand articulated by employers:**

#### **Evidence from Connected Cambridge Linked In Group discussion (1477 members)**

- High number of vacancies in the ICT sector – 200 jobs advertised on Connected Cambridge every week with a churn of only 13%, i.e. vacancies not being filled
- Recruitment often takes place from outside of Cambridge or the UK for vacancies within CB1/CB2.
- Many Cambridge organisations have high expectations of academic qualifications in addition to technical expertise, but maintain lower salaries than London
- Development staff are very academic and technically competent but often don't have the commercial experience or business knowledge to drive a successful business.

#### **Evidence from Fenland 2009 Business Survey (225 responses)**

- 30% of respondents experienced difficulty in recruiting skilled manual workers
- Many respondents also encountered problems in recruiting managerial, professional, clerical and semi-skilled workers

#### **GCP employer skills forum**

##### *Construction sector skills gaps/needs*

- The highest number of skills gaps are within skilled trade professions (LSC employer skills survey 2007)
- Management skills gaps (oral communication; team working; delegating, supervising; writing; IT customer focus; and finance) exist in the industry in Greater Cambridge
- The sector requires low Carbon/BREEAM excellent building training targeted at small sub contractors.

##### *Food processing sector skills gaps/needs*

- ESOL provision is a priority for the sector, both for safety and to ensure migrant workers are fulfilling their economic potential.
- 11% of employers in the region state skills gaps are most prominent machine operative/production line worker area – the bulk of the need is for technical and practical skills.

##### *High value manufacturing sector skills gaps/needs*

- 64% of companies in the East of England reported skills gaps in mechanical engineering, general engineering and electronics (SEMTA) and this appears to reflect local needs:

- On generic skills, SEMTA found staff lacked core personal skills; management skills; ICT skills and marketing/selling skills.
- All four universities operating in the sub-region are involved in collaborative initiatives with local businesses. However, research from both the IfM and University of Hertfordshire points to the need for bespoke support for smaller companies – identifying problems and working through individual solutions outside of a business improvement framework or any other generic model. A clear distinction between the needs of medium and small companies needs to be made and a move away from a 'one size fits all' approach to training.

**Tourism Strategy and Action Plan** – Survey for the strategy identified:

- Business advice, especially marketing for smaller enterprises
- Customer care training across attractions and accommodation providers.

**Cleantech strategy and action plan** – Opportunities for the sub region include:

- Building technologies, recycling, ICT in cleantech, biotech in cleantech, all of which are sectors which demand technical, engineering or ICT skills.

**Creative Industries Strategy and Action Plan** – Internationally significant strengths identified in computer games and publishing, software and digital media.

- Identified shortage of media professionals (e.g. marketing, PR, advertising, branding)
- Identified need for bridge between academia and real world, i.e. apprenticeships

**County Council workforce development plan**

Cambridgeshire County Council is the largest single employer in the county.

Some roles at the Council are more difficult to fill than others due to a variety of reasons including: skills shortages, salary levels and cost of living in the area. Hard to fill posts for the Council based on 2009 data and market intelligence includes:

- Social Workers.
- Other Social Care posts, including Youth Work roles, Community Support and some Children and Families' posts.
- Technical roles including: Engineers, Planners and some qualified accountancy roles.

Social Worker recruitment and retention issues have been addressed very successfully to date, however work continues to take place within this area to eradicate any recruitment and retention issues as is seen to be a priority by the Council.

**5. Skills for current vacancy (Jobcentres Plus and NESS) and Migrant Advisory Committee (MAC) data:**

- Job Centre Plus vacancy data (2007-2010) shows the greatest number of opportunities currently or recently available are in:
  - Health and social work. Notified vacancies in this sector have increased year on year since 2007.
  - Retail sector. The retail sector has been affected by the recession but the high turnover rates within the sector mean there is a regular flow of entry-level vacancies in Cambridgeshire. The 2007 NESS survey found that retail employers in the East of England find written communication (69%), customer handling (65%) and oral communication (64%) the most difficult skills to find in applicants.
  - Hotels and restaurants. The number of notified vacancies in this sector has remained consistently high since 2007.
  - The number of vacancies in the electricity, gas, steam and hot water supply sector have increased rapidly since 2007.
  - The largest number of vacancies is consistently in the Financial and Business services sector. The sector, which spans ICT, legal, finance and accounting, marketing and advertising, and real estate services is a major employer in Cambridgeshire.
  - The highest number of unfilled vacancies are consistently in elementary and administration occupations, sales and caring, with a higher proportion of vacancies in skilled and elementary trade occupations in the north of the county.
- National Employer Skills Survey 2009 found Education and Health and Social Work employers report above-average levels of hard-to-fill vacancies and skill-shortage vacancies, as do those operating in Hotels and Catering

## Distribution of Current Investment

Glasgow University undertook a review of East of England ESF and mainstream worklessness funding and produced a report specifically for Cambridgeshire in May 2010. (The report does not include general 'off the street' information, advice and guidance provision from, for example, Jobcentre Plus and NextStep personal advisers and is based on a 'best guess' of contractors as to how their resources were targeted at a local level) The report found:

- The greatest proportion of resources is targeted at the work preparation stages of 'Tackling Skills/Job-Related Barriers' and 'Job Search and Placement' which does not address the needs of those furthest from the labour market, e.g. long term benefit claimants – as detailed above.
- Information, advice and guidance (IAG) and job search and interview preparation are the most widely delivered activities – and this analysis does not capture the provision provided by Jobcentre Plus Personal Advisers and NextStep advisors.
- 3 focus groups with local stakeholders identified:
  - There is weak employer engagement with employers rarely consulted about what they need in terms of skills, yet they should be part of planning provision for workless individuals. For example, many employers feel that a lot of workless clients lack core skills – but not all employability programmes provide support for core skills.
  - There are concerns that there is too much focus in employability programmes about gaining accredited training. While accredited training has its value, many employers do not consider accredited training as important.
  - There is insufficient ESOL training – specifically for those requiring pre-entry level ESOL. More provision at this level would help to ensure greater engagement of migrant labour in the local economy.
  - There is very little information about the quality of provision that is on offer – with no organisation having responsibility for this
- An analysis of targeted clients revealed:
  - that there is relatively little worklessness provision targeted at disability (735 targeted clients compared with an IB claimant population of over 16,000) lone parents, ex-offenders/offenders, those with substance misuse or addictions problems, the homeless and those in care or with caring responsibilities. The local authority focus groups also found that greater support was needed for:
    - Blue-collar workers because they are often reticent to sign on and may need specific support to help them engage.
    - Migrant workers – particularly in engaging with migrant workers – as they do not tend to go to Jobcentre Plus and similar agencies. Furthermore it is widely recognised that the skills of migrant workers are often under utilised due to a lack of suitable conversion courses to recognise qualification gained overseas.
    - Homeless people, although it can be difficult to engage them with the provision that is on offer.
    - By area, there are significant gaps in Fenland with very little provision seemingly delivered there.

The current investment in apprenticeships is recognised as offering an important alternative educational route for many learners while providing an opportunity to strengthen the relationship between employer demand, provision and learner need. Cambridgeshire is keen to increase the numbers of apprenticeships across the county across all age ranges (including those already in work), particularly among females who currently only make up a small minority of total apprentices.

### **Shifts in Investment and Other Priorities for Intervention**

- Increase targeted, tailored and co-ordinated interventions that address core skills and low level learning (e.g. linking financial inclusion to skills provision), particularly among long term benefit claimants and particularly in rural areas will be vital in driving the economic prosperity of more deprived areas, increasing the available workforce for existing employers (many of who face significant skills shortages for low skilled occupations) and opening up opportunities such as self employment to the resident population.
- Enable the targeting of resource to small geographic areas to build educational participation and attainment of young people from deprived areas, therefore increasing the available, skilled, workforce for local employers and supporting economic growth.
- More focus on upskilling and re-skilling of the existing workforce, e.g. apprenticeships for existing employees, re-training for public sector employees moving into the private sector. Looking forward the demand for intermediate and high skilled employees is anticipated to outstrip demand for low skilled employees and 75% of the 2020 workforce, and 56% of the 2030 workforce is already in work!
- Targeted managerial training for potential high growth companies and bespoke support for smaller companies.
- Increased the promotion (particularly to females) and funding of technical and scientific skills in support of ICT, engineering and high value manufacturing
- Increase the incentives to employers, particularly small employers who have little spare capacity, to take on apprenticeships and offer apprenticeships to existing staff.

## Skills Priorities Statement

### CENTRAL BEDFORDSHIRE STATEMENT

In an increasingly competitive and globalised economy, the importance of having a strong skills base, both from an individual perspective, in relation to employment opportunities, and for the wider Central Bedfordshire economy to attract and retain business investment, is critical. The importance of ensuring all have the skills to prosper is widely recognised. HM Treasury note the role of skills as a key driver of economic productivity while The Leitch Review of skills states that:

*“To achieve world class prosperity and fairness in the new global economy, the UK must achieve world class skills. Without world class skills, UK business will find it increasingly difficult to compete and innovate. The employment opportunities of the lowest skilled will continue to decline, risking a lost generation, cut off permanently from labour market opportunity. The Review has concluded that, where skills were once a key driver of prosperity and fairness, they are now the key driver. Achieving world class skills is the key to achieving economic success and social justice in the new global economy*

Central Bedfordshire has a major strength in supporting skills development in the number of existing high quality education institutions in the area including Cranfield University, the University of Bedfordshire and Central Bedfordshire College. These offer a range of services including internationally recognised degree and above qualifications, technical and vocational learning and business focused research and development. Barnfield College and Bedford College neighbour Central Bedfordshire and offer a wide range of opportunities. Many of these facilities have exciting development proposals, providing both academic and importantly vocational learning opportunities. Continuing to develop and support these considerable assets, and investigating new opportunities for industry collaboration will be a key priority for the area in terms ensuring that people have the skills to prosper.

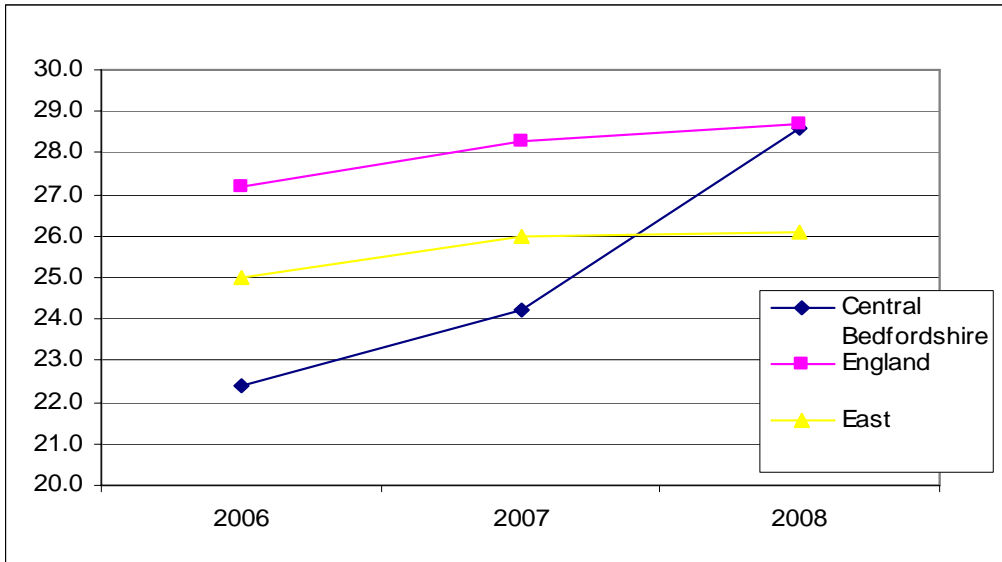
However, the Bedfordshire and Luton Business Survey 2010 highlights that only 6% of businesses in Central Bedfordshire have links with universities or colleges for research and development purposes. This compares with 9% across the county of Bedfordshire. This proportion increases to 10% of businesses with 10 or more employees and 26% of those with 50 or more employees. The proportion is higher than average in the health sector (24%) and in businesses serving international markets (17%). The survey highlights that within Central Bedfordshire, businesses are most likely to have a relations up with Cranfield University (48%). One in seven with links to universities does so with the University of Bedfordshire (14%), 12% do so with Warwick University, Barnfield College (10%) and Cambridge University (2%).

The National Employer Skills Survey (NESS) 2009 highlights that in Bedfordshire 52.9% of business responding to the survey stated the reason for not using the teaching or training services of universities in past 12 months was that the courses they provide are not relevant. 8.4% preferred to train through FE colleges / other providers, 7.3% of business responded that they preferred to train in-house, while another 7.3% did not identify any training need.

#### **Skills Levels**

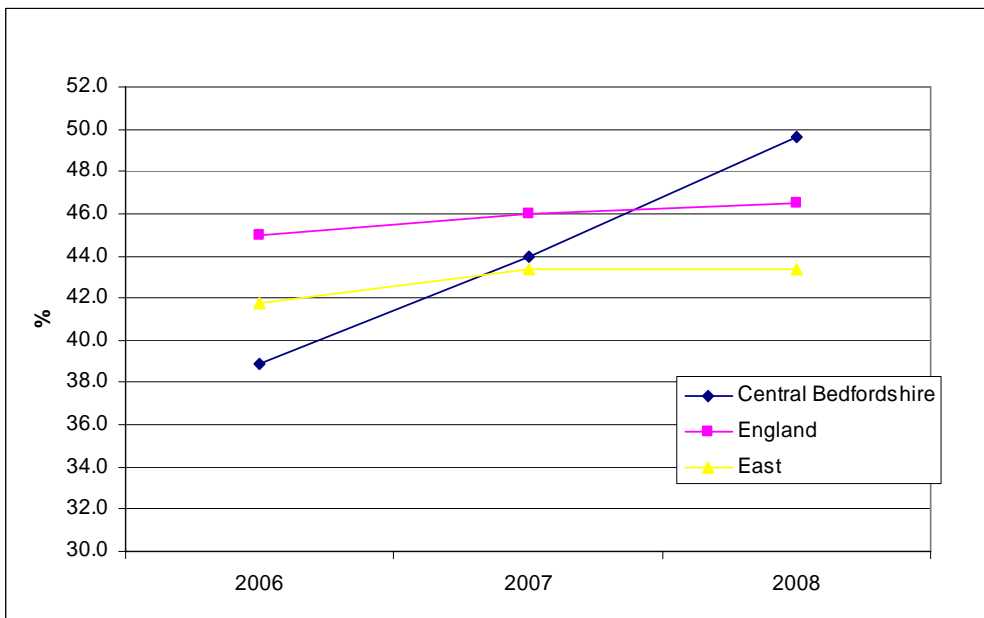
When considering skills attainment, the level of qualification is an often used proxy for the level of skills in a workforce. While this data is readily available, it does not necessarily reflect the range of skills individuals may possess. Central Bedfordshire generally performs well with respect to qualifications. Figure x highlights at level 4 while greater than regional level, at 28.6% of the working age population level four attainment slightly below the national average (28.7%). This level is also below nearby regions, notably the South East (31.5%) and London (38.6). This is of particular concern when considering Central Bedfordshire's wider economic performance and growth Aspirations.

Figure x % of working age with Level 4 Qualification



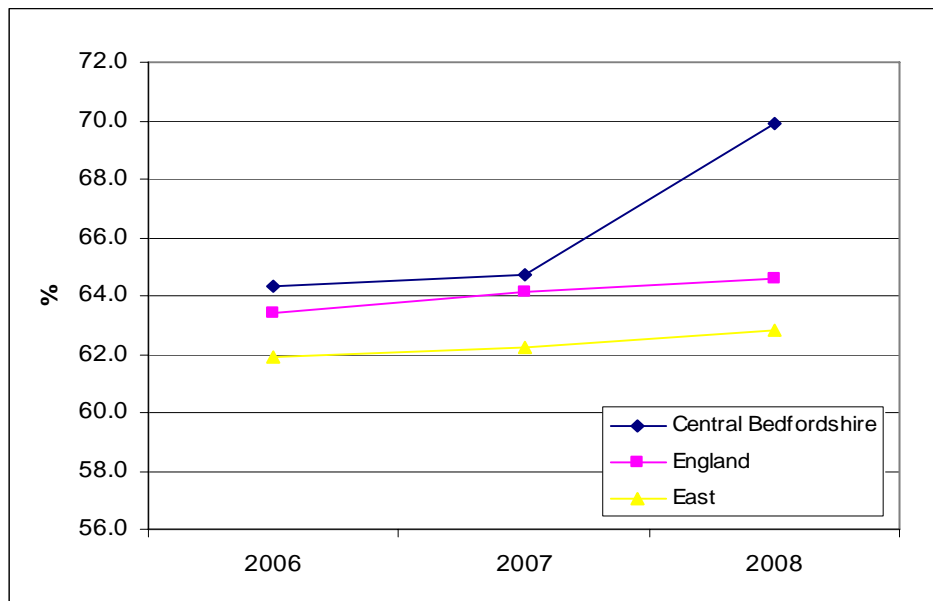
Source: NOMIS

Figure x: % of working age with Level 3 Qualification



Source: NOMIS

Figure x: % of working age with Level 2 Qualification



Source: NOMIS

At NVQ level 3 and 2 Central Bedfordshire 85.3% of Central Bedfordshire performs higher than national and regional levels, and 85.3% of residents had had at least level 1 qualifications (1 GCSE or similar), a higher proportion than in England and the East of England (both 78.8%). The proportion in Central Bedfordshire with no qualifications (7.0%) was lower than the regional (11.8%) and national (12.3%) averages. This survey does not allow analysis of qualifications by ethnic origin

While Central Bedfordshire performs strongly with respect to adult skills, the challenges faced as part of a more competitive labour market will continue to require Central Bedfordshire to further enhance its skills base. In achieving there areas economic powerhouse potential, Central Bedfordshire must continue to increase the proportion of the workforce with recognised qualifications and support those without recognised skills into vocational and academic opportunities.

The 2001 Census showed that some BME communities, particularly Chinese, White Irish and Pakistani, were more likely to have no qualifications than the overall population of Central Bedfordshire. There are also significant variations in educational and skills attainment within central Bedfordshire. Table xx below indicates that there are 11 Lower Super Output Area (LSOA)s in Central Bedfordshire that are ranked within the most deprived 20% in England for education, more than any of the other domains of the Index of Multiple deprivation.

#### Education, Skills and Training domain 2007, by Central Bedfordshire LSOAs

LSOA Identifier	New ward name	Old ward name	England Ranking*	East of England Ranking*	Central Beds overall IMD ranking
618 <sup>†</sup>	Houghton Regis	Tithe Farm	1,978	108	4
601 <sup>†</sup>	Houghton Regis	Parkside	2,183	120	3
619 <sup>†</sup>	Houghton Regis	Tithe Farm	2,314	132	5
609 <sup>†</sup>	Plantation	Plantation	2,569	148	7
433 <sup>†</sup>	Sandy	Sandy Pinnacle	3,167	196	9
605	Leighton Linlade Central	Planets	4,442	312	10
596	Northfields	Northfields	4,552	322	6
400	Flitwick East	Flitwick East	5,084	370	8
602	Houghton Regis	Parkside	5,244	389	1
594	Dunstable Downs	Manshead	5,273	394	2
595	Northfields	Northfields	6,047	482	13

\* A lower number means higher levels of deprivation. England has 32,482 LSOAs; the East of England has 3,550.

† LSOA is in the most deprived 10% in England

This domain is calculated using a number of indicators including pupil test scores at Key Stages 2-4, rates of higher education, secondary school absence rate, and adult qualification levels. Using local data we can do some basic checks to give us an idea of how some areas fare with parts of these measurements.

The ward of Houghton Regis, which contains some of the worst LSOAs, has a noticeably higher proportion of people with no qualifications than the Central Bedfordshire average (the second highest in Central Bedfordshire, after Northfields). Also, just 34.2% of students achieved five GCSEs grades A\*-C including Maths and English in 2008, well below the Central Bedfordshire average of 51.0%. Tackling these geographic disparities in our priority wards will continue to be a requirement.

Raising qualification levels is critical to individual employment prospects because there is a strong correlation between the qualification attained and the employment rate. Those with no qualifications are far less likely to be in employment, as shown in the table below:

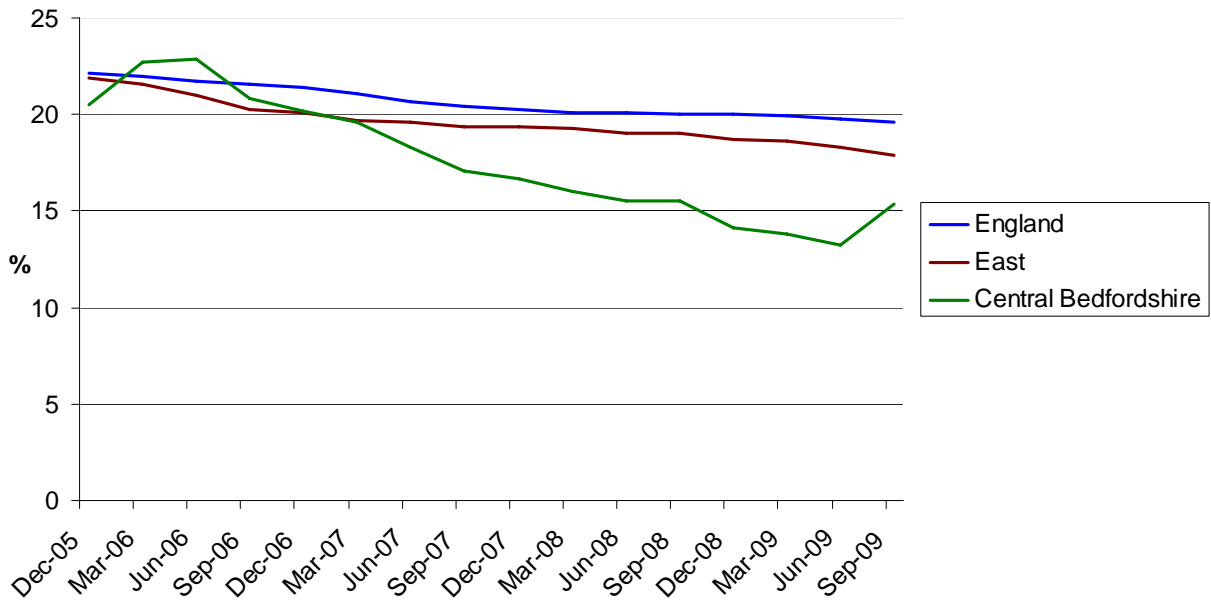
**Employment rate of working age population (16-59/64) by highest qualification (2005-07)**

Highest Qualification	England	East of England	Bedfordshire and Luton Learning Partnership
Level 4	86.8	87.4	89.4
Level 3	77.0	80.2	80.4
Level 2	74.3	77.3	76.7
Below Level 2	71.7	75.4	74.2
No Qualifications	48.0	56.3	50.2

Source: Department for Innovation, Universities and Skills (2008), Qualifications at a local level for adults, table 4, rates by highest qualification of population aged 16-59/64, based on Annual Population Survey 2005-2007

Central Bedfordshire residents appear to receive less job-related training than those regionally or nationally. 15.4% of Central Bedfordshire’s working age population had some form of job related training in the thirteen weeks to September 2009. This is lower than both the East (17.9%) and England (19.6%). The graph below shows that job related training in Central Bedfordshire has been lower than that in the East and in England over the last two years, despite being higher in mid-2006. (Source: Office for National Statistics, Annual Population Survey, Dec 05 to Sep 09, via Nomis)

**Figure xx Percentage of working age people who have had job related training in the past thirteen weeks**

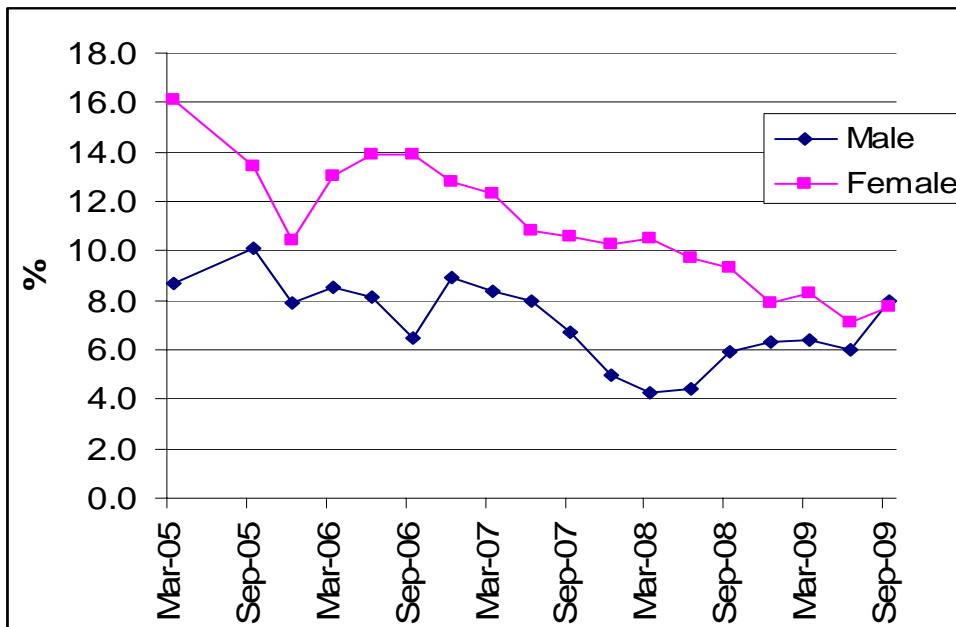


Source: Office for National Statistics, Annual Population Survey, Dec 05 to Sep 09, via Nomis

Further analysis highlights differentials in work related training between gender, and sector of employment. Figure x below highlights that historically female residents of working age population have tended to receive work related training than males. This is a trend true at both regional and national levels.

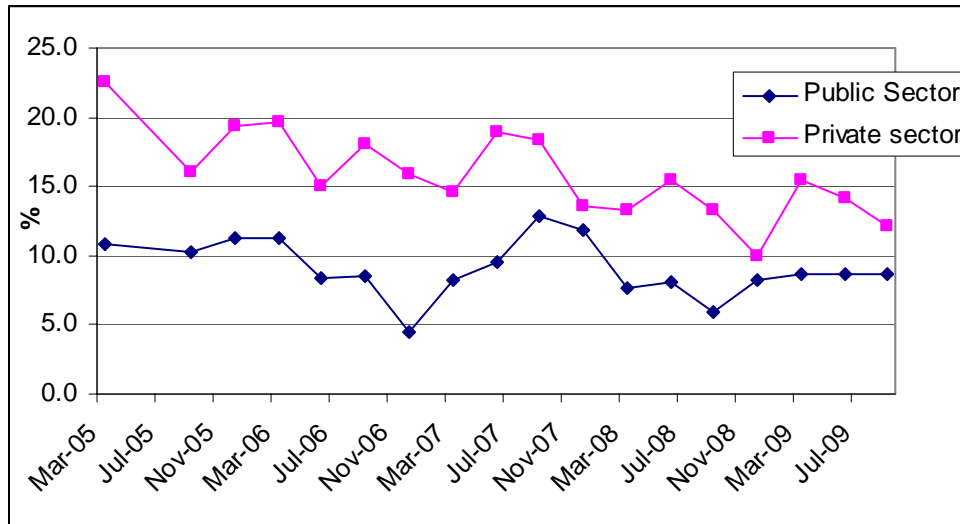
However, the females receiving work related training has dramatically reduced in Central Bedfordshire, decreasing some 52% from 2005 to 2009 and at the latest count was below the level of males, which fell 8% over the same period.

Figure x % of working age people who received job related training in last 4 weeks



Source: NOMIS

Figure x: % of working age people who received job related training in last 4 weeks



Source: NOMIS

Figure x shows that training has consistently been higher in the public sector compared to the private sector, despite a greater decrease in the level of those receiving training.

The NESS 2009 highlights that despite the economic recession 70.5% of business surveyed in Bedfordshire reported that their spending on training stayed the same. This compares to 20.9% that stated spending had decreased and 6.8% of business where spending had increased.

A recent sector skills council report ('The impact of the economic downturn on business and skills in England', Alliance of Sector Skills Council (May 2009) found that employers are managing down their training budgets by focusing on very specific business needs:

- mandatory training
- up-skilling individuals who are taking on additional job roles
- bite-sized learning which is bespoke to the needs of the business
- learning to support the growth and/or diversification of the business.

As part of the Bedfordshire and Luton Business Survey, business were asked if their business over the past 12 months has funded or arranged any off-the-job training or development for employees at that site. Off-the-job training was defined as training away from the individual's immediate work position, whether on their premises or elsewhere. Over a third of businesses in Central Bedfordshire (37%) stated they have funded or arranged any off-the-job training or development in the past 12 months. This is the same proportion as experienced across the whole of Bedfordshire (37%). This compares to NESS 2009 data which indicated 47.9% of business had provided off the job training. The difference is likely to be due to differing methodologies used in the surveys. However, both surveys show the considerable potential to increase the level of training within Central Bedfordshire businesses.

Data from the Bedfordshire and Luton Survey suggests that the propensity to fund or arrange off-the-job training is most likely to occur in organisations with 10-49 employees. Training is most likely to be funded in the hotels and catering sector (56%) and lowest in the transport, post and telecommunications sector (4%). Just under two-fifths of Central Bedfordshire businesses (40%) have funded or arranged on-the-job training, which, again, is similar to businesses across Bedfordshire as a whole (41%). Central Bedfordshire businesses with international customer bases are significantly more likely (84%) to have not funded or arranged any off-the-job training or development for employees in the last 12 months, compared to businesses with any other type of customer base. However, there were no significant differences between North and South Central Bedfordshire.

Further to off the job training, the Bedfordshire Business survey also considered businesses providing on the job training. Businesses with 10 or more employees are significantly more likely to have funded or arranged on-the-job training in the last 12 months than those with fewer employees (71%, compared with 36% of businesses with 1-9 employees).

NESS 09 data indicates that the main reason why companies did not invest in training was that 60.2% of business stated that staff were already fully proficient. 8.7% of business stated that external courses were too expensive, while 5.9% suggested that the courses they were interested in are not available locally.

Based on analysis of on and off job training there is clear scope to increase the levels of business training in Central Bedfordshire. There are significant differences in the nature of businesses undertaking funding and the type of skills they require, however, there is a clear need to increase the level of training undertaken by small businesses, and this will require a change in the nature of training activities to align with working practices of small businesses and also additional activity to promote the value of skills development to small businesses.

In addition to overall skills levels, data is available on the nature of skills the business community requires. The Bedfordshire and Luton Survey highlighted that 27% of business had skills shortages and that around 1 in five businesses find difficulty in the following areas:

- Technical
- Practical or job specific skills,
- Problem solving skills,
- Knowledge of English among non-native speakers, foreign languages
- Customer service skills,
- Communications skills, technical skills, managerial skills and literacy

While skill shortages involve skills that are difficult to obtain from outside the organisation, skill gaps are those that are lacking in the existing workforce.

Respondents were asked if they could identify any of a range of skill gaps within their existing workforce that restrict their business performance.

Almost a third of Central Bedfordshire businesses (32%) identify any such skill gaps. This compares with 33% across Bedfordshire. NESS 09 data indicates that in Bedfordshire the skills that businesses suggest need to be improved are:

- Technical, practical or job-specific skills (58%)
- Customer handling skills (58%)
- Team working skills (52%)
- Problem solving skills (52%)
- Oral communication skills (51%)
- Management skills (47%)

Education results for Central Bedfordshire are similar to the England average but below statistical neighbours. Performance at key stage 4 decreased from 51.0% of Central Bedfordshire children in 2007/08 achieving 5+ A\*-C grades (including English and Maths), to 50.0% in 2008/09. This is slightly above the national average (49.8%), but below the average of our statistical neighbours (53.8%).

#### **GCSE (key stage 4), 2009**

	<b>5+ GCSEs grades A*-C (%)</b>	<b>5+ GCSEs grades A*-C (incl. English &amp; Maths) (%)</b>
Central Bedfordshire	66.5	50.0
Statistical neighbours	70.2	53.8
National	70.0	49.8

Source: Central Bedfordshire Council Performance Team

There are also differences in performance across Central Bedfordshire, with children in the south performing less well than in the other areas. Central Bedfordshire council recognises the importance of increasing educational attainment as a priority and has developed an Educational vision to achieve this. This vision states:

We want every child in Central Bedfordshire to enjoy their childhood and have the best possible start in life. We want every child to do well at school, make friends and build strong relationships with their family. By the age of 19 we want every young person to have the knowledge, skills and qualifications that will give them the best chance of success, so that they are prepared to take their full place in society as happy, healthy, contributing and confident citizens. We will encourage high participation in both Further and Higher Education.

- The vision is driven by seven guiding principles:
- The need to raise standards and improve outcomes for young people.
- To ensure there is continuity of provision across the 0 to 19 age range so there is a 'one phase' approach to learning.
- Schools should be based around communities and their needs.
- That what is best for children and families should be at the centre of any change.
- That as far as possible services should be delivered locally.
- New models of leadership and governance for schools should be considered.
- That the vision should reflect recent curriculum reform.

## **NEET**

In April 2010, 302 young people aged 16-18 were not in education, employment or training (NEET) in Central Bedfordshire, giving a 16-18 NEET rate of 5.4%. This is slightly above the mean for Central Bedfordshire's statistical neighbours of 5.3%, above Bedford Borough (5.3%) but below Luton Borough (7.1%).

NEET rates vary throughout the year and reach their peak in September when the new academic year begins. During the 12 months ending March 2010, the monthly NEET rate ranged from 5.5% to 8.4%, with an average of 6.4% for the year (347 young people). Most of the young people in the NEET group (69%) are seeking employment, education or training. When considering the geographical occurrence of NEET, the highest numbers are in:

- Manshead
- Northfields
- Sandy Pinnacle
- Parkside
- Planets
- Tithe Farm
- Dunstable Central

The sector skills council review into the impact of the recession also found that many employers have reduced their number of apprentices. This will clearly impact on the employment prospects of young people who are already suffering disproportionately from the weak labour market.

Tackling the level of NEET in Central Bedfordshire will be vital as we move towards 2013 and the raising of the school leaving age when every young person up to the age of 18 must be in education work or training. Changes to adult and skills funding programmes and changes within employment support activities, will require new partnership working between training providers, the local authority and business to ensure a wide range of options are available (both academic, vocational and employment)

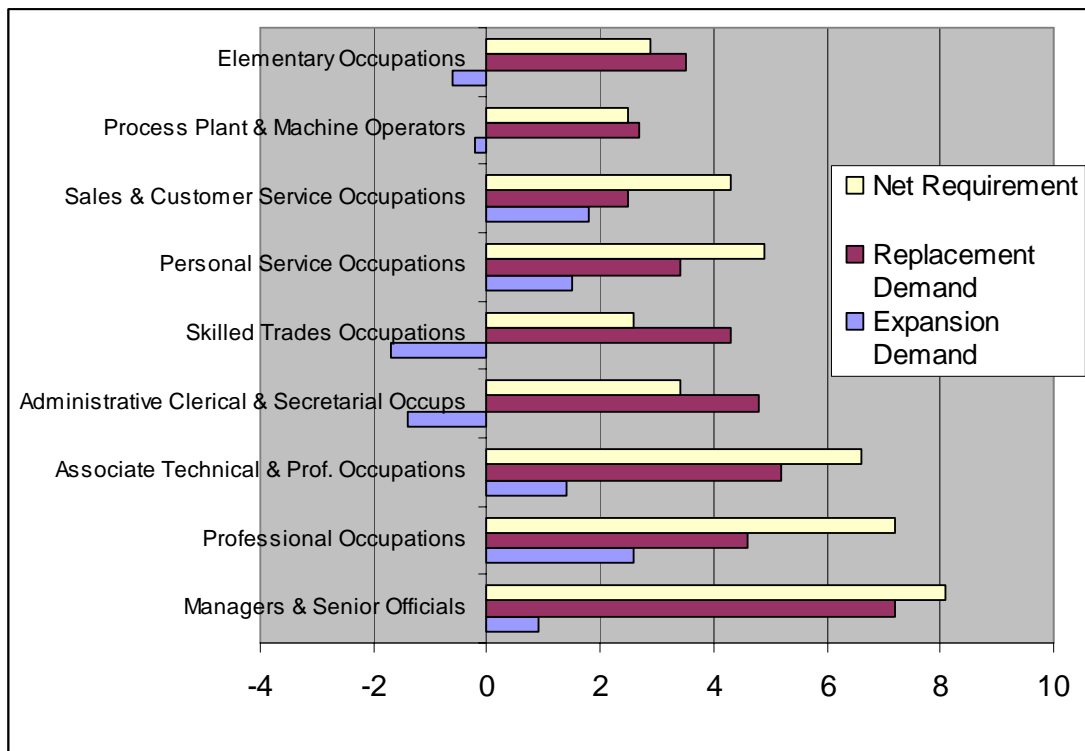
## **Future Demand**

Future demand for skills will be based on many factors, including structural changes to the economy and the emergence of new sectors of activities, which will constantly change and be driven by employer demand. However, utilising the East of England Forecasting model Insight East has forecast future skills requirements within the region from 2008 to 2018. This is based on the changing nature of sectors and occupations ultimately leading to demand for new qualifications.

Occupation demand arises from new jobs being created in an area, but it also results from existing employees retiring or otherwise leaving the labour market, measured as “replacement demand.” The vast majority (90 per cent) of occupation demand forecast to arise in the Central Bedfordshire during 2008-18 is as a result of replacement demand.

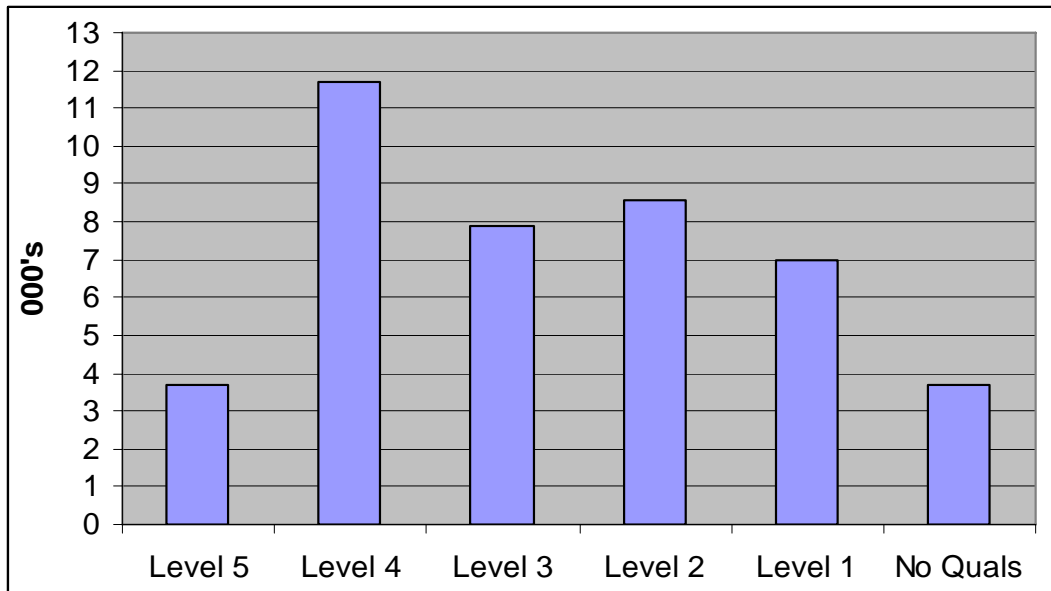
Figure XX below highlights the change in forecasted occupation change. When considering occupations that are forecast for expansion, Managers & Senior Officials, Professional Occupations, Sales & Customer Service Occupations, Personal Service Occupations and Associate Technical & Professional Occupations are all forecast to grow. Those occupations forecast to grow most rapidly are Teaching/Research Professionals, Caring Personal Service Occupations and Corporate Managers and Sales Occupations. Conversely, demand for administrative, clerical, Skilled Trades, Administrative Clerical & Secretarial Occupations and elementary occupations are forecast to decline. However, high forecast levels of replacement demand in all occupations will mean that there will be a positive net forecast growth in all occupations.

Figure XX change in forecasted occupation change 2008-18 (000's employed)



Source: Occupation Demand Forecasts for the East of England, 2008-18, Insight East

Figure XX Forecast change in employment growth by qualification (000's employed)



Source: Qualification Demand Forecasts for the East of England, 2008-18, Insight East

Figure x above highlights the importance of ensuring that Central Bedfordshire continues to increase level 4 attainment as it employers will increasingly be demanding higher levels skills. Conversely, the future demand for workers with Level 1 qualifications, or none at all, is proportionately lower than the current supply of these workers. There will be continuing demand for such workers in Central Bedfordshire. However, these forecasts essentially project current local labour force qualification profiles forward into the future and do not take account of the council's vision to ensure all have the skills to prosper. These factors highlight the need to continue to up skill the existing workforce at all levels with a particular focus on higher level skills

### Apprenticeships

A major part of national activity to support skills development and improve employability is through the Apprenticeship programme. This seeks to provide vocational training and skills development for young people and adults alike. There were approximately 1000 apprenticeships started in Central Bedfordshire in 2008/09. This is an increase of 11% since 2005/06. However, this rate of increase is well below regional (26%) and England (23%)

Data from the National Apprenticeship Service (2010) on the types of apprenticeship undertaken (a different data source from that considered above) highlights that there the sectors with the highest number of apprenticeships is Hairdressing (46 in 2009/10), Business Administration (37) and Construction (33). There have been considerable changes in the take of off apprenticeships between sectors. There has been growth from 2006/07 to 2009/10 in Business Administration (76%), Retail (20%) and Industrial Activities (4%). Conversely, there has been a decrease in a number of sectors, the most significant of which are Construction (50%), Hairdressing (40%) and Engineering (59%).

Emerging national policy is for an increase on technician qualifications (level 3 NVQ). This is also recognised by the Bedfordshire and Luton Chamber of Commerce. It will be important that new apprenticeships provide progression routes up to and beyond level 3 qualifications, to meet employer requirements and also support productivity growth in the Central Bedfordshire economy. The influence of Sector Skills Council and other sector skills bodies will increase as only vocational qualifications recommended for approval by them will be eligible for public funding.

It will be essential for Central Bedfordshire to work with sector skills councils to continue to enhance and develop the range of apprenticeship opportunities to both young and adult groups, working with business and providers alike to promote opportunities.

The Chamber of Commerce also state that the developing entrepreneurial skills would be of major benefit to the local economy. Promoting entrepreneurial activity through schools and the curriculum, in addition to providing role models and mentoring from existing successful business will be an important part of raising aspirations as part of driving improved education performance.

Closely aligned to this is the need to ensure a joined up delivery of adult and young person's skills provision. The council is currently investigating the potential for an all age skills strategy which would consider how best to deliver services to ensure existing and future generations have the skills to prosper. Based on this, current priorities for developing the skills agenda within Central Bedfordshire could focus on the need to:

1. to improve the employment prospects and life chances for those not in employment, particularly in our priority neighbourhoods
2. to increase to overall stock of skilled people in Central Bedfordshire, driving towards being recognised as a high skilled knowledge led economy.
3. ensure that the labour market is matched to our growth agenda
4. to support local business resilience, growth and enterprise

## Skills Priorities Statement

### ESSEX STATEMENT

**This statement synthesises the priorities for sectors, spatial targeting and targeting by employer and learner types. It sets out overall priorities for Essex County Council for the year 2010/11.**

#### Historical Trends

These reflect progress towards skills targets/impacts and identified need for investment

- Essex is a very large county in population terms so when we talk about our targets/priorities in percentage terms, we are looking at a total population of 1,396,400 and a working age population of 843,400, far more than most other counties in England.
- Skills interventions remain supply-led and learner-led. Essex needs to privilege employer-led provision, targeting interventions towards localised key sectors that increase employment, offer higher level wages, and stimulate economic growth
- Poor skills levels relative to regional and national averages at Levels 2, 3 & 4. 30% of Essex working age population have either no qualifications or low level skills (NVQ1). 168,400 people in employment without Level 2 qualification. To meet Essex's 2011 LAA target (69%) – from 62.2% today, an additional 20,000 adults must gain level 2 qualifications. Essex needs to outstrip this, however, to achieve parity regionally and nationally. Significant geographical variations exist with 7 Essex districts falling below the Essex average of level 2 or above qualifications - Tendring languishes at 45.9%.
- Lack of skills is an employability barrier - The reductions in funding for adults and for level 1 qualifications exacerbate this problem. Skills for life – functional skills (numeracy & literacy) gaps limit adult learning potential
- Essex needs to improve its educational attainment in schools. Almost half of 16 yr olds leave statutory education without 5+ GCSEs incl. English & Maths. Essex also has a low level of participation in post-16 education in comparison to other counties, so a number of our young people leave education with a low level of education and either enter low paid/level jobs/NET or become NEET. Providing a skills driven education from a younger age would help to mitigate this.
- High NEET levels – from September-November 2009 there were 3,000 NEETs 16-19s (9%), our LAA target is 5% (2010/11). The figure has remained resilient (2624 or 7.1% in April 2010), despite an increase in participation in learning by 7.7 percentage points to 81.1% since October and by 17.7 points since September – participation rates are consistently below the England average.
- Sharp increases in unemployment to c.30,000 JSA claimants from 16,000 in 2008 and 13,000 five years ago. This camouflages the full total of 105,000 working age benefit claimants, which includes 44,000 incapacity benefit claimants and 13,000 in lone parent income support claimants. 41,400 people have been claiming working age benefits for 5 years or more. In the downturn, unemployment rose fastest for under 25s.

#### Current needs

These are based on demand identified by Essex County Council, Business Organisations and Jobcentre Plus, current skills vacancies and shortages and inward investment opportunities – distinct local information to inform adult skills

#### Areas for action:

- Expanding apprenticeships to build a new technician class:
- Extensive programme of 1,750 Essex Apprenticeships to allow young people to earn while they learn with SMEs that otherwise would not recruit them – targeting key growth sectors, and districts with the highest NEETs levels.
- Pre-apprenticeship provision to prepare young people who are (most at risk of becoming) NEETs to access work through the apprenticeship route

- Building multi-agency capacity to deliver unemployment and worklessness support, co-produced by Essex County Council, working closely with local businesses to link individuals with skills shortage and growth sectors, equipping adults for future jobs
- Initiating a new programme of adult apprenticeships, employing funding from a variety of government agencies to deliver skills development into locally defined key sectors for growth, particularly for those in areas affected by the recession (Harlow, Basildon, Castle Point)
- Need for additional interventions/local non-domestic rates discounts to incentivise/encourage SMEs to invest in workforce development – i.e. to support employees to undertake adult or advanced apprenticeships
- Improving support for disadvantaged and vulnerable people to access employment and improve their skills
- Improving information, advice & guidance (IAG) for people of all ages, including wraparound services for those trapped in the revolving door between employment and unemployment, working closely with the new Integrated Employment & Skills Service, Jobcentre Plus & IYS Connexions
- Responding to business and key sectors, Essex County Council will focus interventions on priority skills needs in local industrial clusters (see below)

### **Future needs**

These are based on known demand and expected key investments in places as well as more generic needs (customer service skills, adaptability, working communications)

- To focus interventions on sectors growing jobs, supporting higher wages for local people, or contributing high gross value added, as well as priority sectors identified below.
- Localised key sectors will drive demand for skills in Essex. Provision needs to be reshaped to support sectoral and business demand for skills at an appropriate geography – e.g. Marine (Brightlingsea/Maldon), Aviation (Southend-on-Sea), ICT (Chelmsford, Basildon, Harlow), Engineering & Manufacturing (Harlow, Colchester, Basildon), Ports & Logistics (Harwich, Tilbury, Stansted/Harlow, Basildon), Construction (Basildon), Environment – Renewable Energy (Harwich), Waste Management & Recycling (Harlow, Brentwood, Chelmsford), Creative (Chelmsford, Colchester, Harlow, Basildon), and Financial & Business Services (Basildon, Chelmsford, Brentwood, Harlow, Colchester, Braintree)
- To develop a technician class, in line with national and regional priorities, targeting young people and adults into sustainable careers in growth sectors
- To increase access to higher education and higher vocational qualifications, encouraging FE and HE providers to (re-)shape provision to business and skills development needs in Essex and in neighbouring authorities
- To support individuals and businesses with improved IAG on skills development, and offering business-led incentives and non-domestic rate discounts for businesses that take the initiative in assisting Essex to develop the skills of the future
- To increase subsidised work-based training in high quality provision, based on business demand and its contribution to the local and regional economy of sectors, expanding the offer to all people of working age
- Essex County Council to co-ordinate partnership offers to expand mentoring support for those wanting to start their own businesses or become self-employed, and to support business incubation centres that feed into key growth sectors
- Essex County Council is looking to develop a suite of Skills Centre with specialised foci in key growth sectors, delivering high quality vocational and technical education; akin to the Governments aspiration for Technical Academies.
- To provide wraparound services within the Essex Partnership for those caught in the revolving door of employment and unemployment

### **High growth opportunities**

These are based on inward investment opportunities and identified regional sectors.

In terms of support for businesses, Essex County Council wishes to privilege measures that encourage SMEs to recruit additional staff. SME's are the key drivers for employment growth, representing 96% of all companies in the county. They are also more embedded in the local economy than multinational corporations, and therefore provide a greater certainty in their contribution to sustainable development in Essex.

To meet the needs of local businesses and future jobs, interventions need to:

- Increase technical and higher skilled people to reflect local economic needs
- Higher & Further Education institutions and qualifications need to be more responsive to local businesses and skills needs; and
- Focus on high employment sectors, particularly on sectors growing jobs or higher value added

Currently, EEDA's approach emphasises macro level interventions and appears to target larger businesses. It focuses on sub-sectors with significant concentrations of R&D assets and businesses, yet fails to consider the role played by small business clusters within local communities. The current regional view neglects sectors where Essex has higher concentrations of businesses and employment opportunities than the regional average in engineering & manufacturing; construction; tourism, hospitality and catering, and retail customer services, and omits Essex from consideration within regionally and nationally defined priority sectors such as Nuclear (Bradwell) and Offshore Wind (Harwich/Colchester). These sectors need to be reflected as priorities for local development in Essex.

## Skills Priorities Statement HERTFORDSHIRE STATEMENT

### ***Economy***

Hertfordshire is a prosperous county, with a knowledge based economy and with on average high standards of living. The economy is built on a diversity of sectors, including pharmaceuticals and life sciences, business services, telecommunications and creative industries (in particular film and media). The workforce is on average highly skilled and well paid, and a significant number of employees have higher level qualifications well above the national average. Earnings are also above the UK average, driven even higher by many residents working in London.

Compared to some other parts of the UK economy, despite the recession, the Hertfordshire economy remains fundamentally strong and latest intelligence suggests early signs of recovery. For instance, the spring (2010) forecast from the East of England Forecasting Model suggests that the Hertfordshire economy suffered less than the rest that of the UK, with the latter's GVA declining by 4.6% in 2009, the region's by 4.1% and Hertfordshire by 3.4%.

Whilst the majority of Hertfordshire's population are well qualified, nearly 30% do not have a Level 2 qualification, making it difficult for them to participate in the county's predominantly knowledge based economy. The county's overall affluence masks some areas with higher than average levels of ill health, unemployment, numbers of lone parents, people on benefits and lower average earnings, educational attainment and qualifications. With jobs becoming more skilled and the number of low skill jobs reducing due to technological advances, these people are moving further from the labour market.

### ***Employment levels***

The current overall employment rate (working age population) in Hertfordshire is 77.8%. This is 0.9% higher than the East of England figure and 5.0% higher than the UK figure.

### ***Key Sectors***

Hertfordshire has strengths in life sciences, R&D, digital creativity and media, high tech engineering and financial and business services.

### ***Attainment and Qualifications Levels***

#### **Hertfordshire Qualifications (2008)**

	<b>Hertfordshire Numbers</b>	<b>Hertfordshire %</b>	<b>East %</b>	<b>England %</b>
<b>NVQ4</b>	213,000	34.6%	27.8%	30.5%
<b>NVQ3</b>	333,000	53.6%	46.5%	49.5%
<b>NVQ2</b>	450,000	73.1%	67.6%	69.4%
<b>NVQ1 +others</b>	562,000	91.3%	88.5%	88.1%
<b>No Qualifications</b>	53,000	8.7%	11.5%	11.9%

**Source: ONS Annual Population Survey**

### **What are the future skills and employment needs of the locality?**

Hertfordshire has recently produced a new Economic Strategy for the county (2009-2021) a key objective of the Strategy is to:

## - Develop a Well-Skilled Workforce

The Strategy recognises that the skills and abilities of Hertfordshire's workforce are key to economic growth and are particularly important to the county's knowledge based, high value added economy. Hertfordshire companies require well-qualified, enthusiastic and adaptable employees in order to remain competitive and to increase productivity.

At the same time, across Hertfordshire the employment rate for those with no or low qualifications is significantly below the employment rate for the general population and the gap appears to be growing.

Priorities and subsequent actions will need to reflect and recognise that high quality training is important to the success of the Hertfordshire economy.

The following Priorities have been established in the Skills objective:

- Priority 1:** Developing skills that better meet businesses current and future needs
- Priority 2:** Developing higher and further education and schools to support the knowledge economy
- Priority 3:** Increasing employment opportunities and economic participation for disadvantaged communities
- Priority 4:** Supporting wider career choices (including apprenticeships)
- Priority 5:** Encouraging skills for innovation and entrepreneurship
- Priority 6:** Attract and retain graduates

## What is current provision delivering?

### *In-work provision*

Access to Work delivered by Jobcentre Plus. The aim is to provide support to overcome work related obstacles resulting from disability. AtW assists disabled people who are in paid employment, by providing practical support such as travel to work grant, support for workers in the workplace (such as sign language interpreter) to allow the person to access their work environment.

### *FE Provision*

#### Hertford Regional College

- Essential skills for business including Management, Team Leading, Customer Service, Marketing, Business Administration, IT, English and Maths
- NVQs in key employment sectors e.g. Business & Finance, Health & Social Care, Hospitality & Catering, Retail & Distribution & Construction
- Apprenticeship programmes
- Training programmes leading to professional qualifications in Accountancy (ACCA), HR (CIPD), Law (ILEX), Management (ILM) & Marketing (CIM)
- Bite-size training in a wide variety of subject areas including Management, Customer Service, Marketing, Business Law, Health & Safety, IT, Food Safety, Food Safety & Catering and Electrical Installation

#### Oaklands College

- Business@Oaklands delivers work based, short courses designed to meet the needs of the learner and the business objectives of employers, for example, Tesco, Ocado, T-Mobile, Roche and Beales Hotel.
- Oaklands offer a complete training package from the initial enquiry through to delivery of training. This includes a free advisory service to help identify training needs.
- Oaklands offer NVQs in a range of subjects including:
  - Business and Finance
  - Care
  - Construction
  - Health and Social Care
  - Hospitality
  - Engineering and Manufacturing
  - Computing and Information Technology
  - Land-based
  - Logistics
  - Retail
  - Sport and Leisure

### West Herts College

West Herts College engages with a wide range of employers and individuals through the following

- Apprenticeship programmes in several vocational areas such as Engineering, Construction, Financial Services, Digital Media and Music Business, Hairdressing, Business Support Services, CCLD, Supporting Teaching and Learning, Health and Social Care, Health
- NVQs in key employment sectors, eg Team Leading/Management, Business & Administration, Customer Service, CCLD, Health & Social Care, Hospitality & Catering, Hairdressing, Construction
- Skills for business - both short courses (customer service, presentation skills etc) and training programmes leading to professional qualifications, eg Management (CMI and ILM), Law (ILEX), Accountancy (AAT), HR (CIPD), customised Skills for Life training for businesses
- Compliance training, eg first aid, health & safety, food safety and hygiene etc, to develop critical skills for workplace safety
- Working in close partnership with various agencies such as Job Centre Plus, HTDC, in retraining/upskilling unemployed individuals in vocational areas such as security, health and social care, hospitality, construction.

### North Hertfordshire College

- The Employment Services Academy successfully engages with a wide range of employers and individuals through a large number of initiatives such as bespoke training through the Business Development Unit, Management and Professional qualifications, Apprenticeships and ESF projects.
- Management and Professional programmes on offer include Chartered Institute of Personnel Development (CIPD) programmes from Certificate in Training Practice or Personnel Practice through to the Professional Development Scheme, Association of Accounting Technicians (AAT) Diploma Pathway, Chartered Institute of Management Accountants (CIMA), Association of Certified Chartered Accountants (ACCA), Chartered Institute of Purchasing and Supply (CIPS) programmes, Diplomas in Management Studies and a number of ILM qualifications.
- The college offers a range of free apprenticeship programmes for individuals aged 16-24.

- The College offers employers the opportunity to build their workforce by providing learners with the opportunity to experience real life workplace examples by offering work placements, work experience and company visits

### ***Worklessness Provision***

Jobcentre Plus provides advice and support to customers from day one. JCP can refer to contracted provision that will give the customer the skills, short accredited training courses and direction that will lead them back into employment. Professional and executives are offered a range of provision again delivered through contracted providers e.g. ASL recruitment deliver 'my worksearch' an online jobsearch support. From 3 months customers looking to start self employment, may qualify for the self employed credit-Weekly allowance of £50 per week. Additional Advisory support is also offered at this stage. From 6 months increased adviser support is provided & customers have access to a greater range of provision through mentoring. Future Jobs Fund vacancies (until March 2011). Work Trials, Routes into work which can include pre employment training in specific vocational areas – e.g. carer, retail and non graduate internships through our contracted provider, Reed.

From 12 months unemployed customers have access to existing New Deal Provision – all of the programmes delivered seek to provide jobsearch activities, address barriers to employment as well as providing recognised training courses.

- 760 Hertfordshire residents participated on E2E in 2008/09, this was a 20% increase over 2007/08 and reflects the impact of the economic recession in Hertfordshire. There was further growth in 2009-10.
- Indications are that more opportunities will continue to be required at Foundation Level to meet the needs of the NEET group (including young people with “learning difficulties and / or disabilities” who account for 30% of the NEET group)
- Current European funding to support 14 – 16 opportunities and 16 – 18 opportunities (Youth East) will cease in December 2010. The provision engages young people into learning and helps to support their progression into further learning opportunities. Since the beginning of 2009, 314 young people have participated in this provision.

### ***Hertfordshire Adult and Family Learning Service (HAFLS).***

- HAFLS commissions learning opportunities targeting disadvantaged communities. Over 36% over HAFLS learners live in the top 50 most deprived wards in Hertfordshire. Courses that support economic participation include ICT, Fork lift truck driving, confidence building, CV writing etc. Libraries are commissioned to deliver short courses teaching learners to apply for job opportunities on line enabling them to make use of the free access to PC's in the libraries.
- 75% of outcomes funded by Neighbourhood in deprived Communities Fund are related to supporting learners develop skills for employment. These learning opportunities are delivered by the voluntary and community sector who have access to the most deprived communities in Hertfordshire. In 2009/2010 over 1,200 learners benefited from NLDC funding.
- Family Literacy, Language and Numeracy classes helps parents develop confidence to return to the workforce and offers access to national qualifications in literacy and/or numeracy enhancing their employment prospects.

### ***Advice and guidance services***

Youth Connexions provides impartial information, advice and guidance (IAG) in a range of formats to help young people make effective decisions. IAG is delivered both directly through YCH staff working from a variety of locations and by providing training and support to other professionals working with young people. YCH has provided support to deliver the

Hertfordshire 14-19 Learner Entitlement by working closely with the 14-19 Strategic Area Partnership Groups to enhance the IAG provision for young people and parents/carers. The delivery of Careers Education Information Advice and Guidance (CEIAG) is the responsibility of schools, FE Colleges and Work Based learning Providers and there is consultancy support available from Youth Connexions to support this. A Quality Award was developed in 2006 for learning institutions to work towards to accredit their delivery of CEIAG.

All mainstream and special schools, education support centres and colleges are allocated time from trained Personal Advisers to provide young people with impartial IAG and support to overcome barriers to learning or work. Young people who are not in education, employment or training, post-16 (NEET) receive specialist, intensive support to access further learning or work. One to one help is offered to enable them to overcome difficult circumstances, to improve personal and employability skills and to find suitable jobs and courses.

### ***Young people, FE and HE provision***

School (and college for Post-16) achievement and attainment in Hertfordshire is above the national average:

Hertfordshire has the highest Level 2 and Level 3 achievement rate in the region.

- In 2008, 79% of 19 year olds in Hertfordshire had achieved a Level 2 qualification compared to 77% nationally. Achievement of Level 2 by age 19 has continued to improve at the same rate as the Regional average and remains above average
- The proportion of young people achieving a Level 3 qualification is above the Regional average (58% compared to 52%).

Hertfordshire has the highest number of young people aged 16 and 17 participating in education and training in the East of England region.

Overall participation for 16 year olds is 94%. This is significantly above the regional rate of 87% and the national rate of 88%. The rate for 17 year olds (89%) is also significantly higher than regional and national rates.

There has also been a significant positive change in the number of young people staying in learning. The 2009 Year 11 activity saw the trend shown in the 2008 activity survey continue with a further growth in the number of Year 11s who either stayed on at school or entered Further Education after completing compulsory education. The proportion of year 11s staying on in school increased from 57.5% in 2007 to 60.3% in 2009.

The proportion of young people in Hertfordshire aged 16-18 who were not in employment, education or training (NEET) fell to 3.6% for the period between November 2009 and January 2010. This bettered the Government PSA 14 target of 3.7% that was set for the local authority for this period. In each of the three months (November, December and January) Hertfordshire recorded the lowest NEET rate of any two tier local authority in England. Over the three month period, between November and January, the Hertfordshire NEET rate of 3.6% bettered significantly that of both the region (5.9%) and England (6.4%).

This success came at a time when there has been a significant drop in the number of employment opportunities as a result of the economic downturn.

There has also been a significant positive change in the number of young people staying in learning. The 2009 Year 11 activity saw the trend shown in the 2008 activity survey continue with a further growth in the number of Year 11s who either stayed on at school or entered Further Education after completing compulsory education. The proportion of year 11s staying on in school increased from 57.5% in 2007 to 60.3% in 2009.

### ***Further Education***

- From 2006/07 to 2008/09 there has been an 11% increase in Hertfordshire residents participating in FE

- The four FE Colleges in 2009/10 have continued to significantly increase their numbers against the numbers planned.
- One college has experienced 13.5% growth, recruiting 450+ 16-18 learners against their allocated figure.
- Two of the four colleges in Hertfordshire made plans to recruit in year during 2009-10.
- In 2009, 29.5% of young people who completed Year 11 in Hertfordshire's maintained schools progressed into Further Education. This rate in 2007 was 27.7%.

### ***Apprenticeships provision***

- Numbers of young people starting an Apprenticeship or Advanced Apprenticeship had been steadily declining up until 2009. For 2009-10 there has been a significant increase in the number of 16-18 year olds in Advanced Apprenticeships (the 2008-09 number was 315) and the number of 16-18 year olds in Apprenticeships at level 2 is also projected to be higher in 2009-10 than it was in 2008-09 (when the total number was 857).
- Hertfordshire Colleges of FE account for 37.1 % of the total of Advanced Apprenticeships & Apprenticeships in learning in the full year 2007/08
- The decline in demand for WBL provision happened at the same time as the economic downturn. However in response to this, Hertfordshire County Council launched "Future 565" designed to increase the number of apprenticeships in the public & private sector in Hertfordshire. This initiative has contributed to arresting the decline whilst also supporting vulnerable young people to gain an apprenticeship. The programme helped employers to take on apprentices by providing brokerage support as well as a contribution towards training costs. The programme is currently on hold due a pending review of the programme's funding from PRG.

### **Entry to Employment**

- 760 Hertfordshire residents participated on E2E in 2008/09, this was a 20% increase over 2007/08 and reflects the impact of the economic recession in Hertfordshire

### **Intelligence**

#### ***What is working well?***

Hertfordshire has the highest Level 2 and Level 3 achievement rates in the region

Hertfordshire has the highest number of young people aged 16 and 17 participating in education and training in the East of England

In Nov – Jan 2009/10 Hertfordshire had the lowest NEET rate of any two tier county in England.

From 2006/07 to 2008/09 there has been an 11% increase in Hertfordshire residents participating in FE.

In 2008/09 there was a 20% increase in Hertfordshire residents participating in Entry to Employment (E2E)

#### ***What are the main barriers to delivery?***

Ongoing need is to encourage up skilling within the workforce (still nearly 30% without a Level 2 Qualification)

Need high quality IAG provision to improve people's understanding of available employment, training and learning opportunities.

Need for a wider range of provision for young people to bridge the transition between education and work (pre-apprenticeships)

Need to "work on" any negative employer attitudes that can be barriers to the more disadvantaged client groups

Need a wider choice of apprenticeships with a focus on higher level and technical skills with clear progression pathways into Higher Education

### ***What are employers saying?***

Need to focus on developing core, generic transferable skills and competencies, e.g. attitudes to work, self confidence, good customer service skills, good IT skills, enterprise skills.

Businesses need to be supported in identifying and addressing skills needs as part of business planning

Need to encourage and support employers (including SMEs) to take on apprenticeships or provide work opportunities for young people and unemployed individuals

## Skills Priorities Statement

### NORFOLK STATEMENT

**This statement** synthesises the priorities for sectors, targeting by employer and learner types. Spatial targeting and priorities will be developed through the skills section of our Local Economic Assessment. It sets out overall priorities for **Norfolk** for the year 2010/11 and is set in the context of the UKCES National Strategic Skills Audit and The Regional Economic Strategy (RES) for the East of England 2008 – 2031. This document will inform the Regional Skills Priorities Statement and will inform discussions on skills between the Skills Funding Agency and its provider base and highlights where skills development is essential to take Norfolk forward.

#### Historical Trends

The economy of Norfolk is diverse and reflects the urban, rural and coastal conurbations in the County. Norfolk's industrial base is characterised by a large number of very small firms with 85% of all companies employing less than 10 people. Only 1 in 20 businesses are of medium size (employing between 25 and 199 people) and less than 1% has 200 or more employees. Correspondingly, a higher proportion of the Norfolk workforce is employed by smaller enterprises (37% in Norfolk compared to 34% in England).

The Norfolk economy is not dominated by any particular sector and a greater proportion of employment is predominantly low skilled jobs in sectors which do not traditionally employ higher skilled employees or graduates.

Norfolk has strong Agriculture and Tourism industry that have been major contributors to the Norfolk economy in terms of both employment and outputs. Norfolk has a wide range of businesses ancillary to these sectors including agri-food, logistics, storage and support.

Other key sectors include Business and Finance, Energy, Health and Life Sciences and Engineering and Electronics. The research institutes which complement these sectors generate international interest in Norfolk, and have resulted in an increase in the creation of high level jobs in Norfolk. The recent growth in the Energy sector represents another example of Norfolk's ability to utilise its natural resources in partnership with new technologies as illustrated through the green energy developments around the Norfolk coast line. Further developments in these sectors will create more high level jobs as well as increasing the counties outputs and GVA.

Norfolk has only 30% of its jobs defined as managerial, professional or higher technical in comparison with the national average of 40%. Too few young people progress into Higher Education and many of our brightest young people leave the County for Higher Education elsewhere and do not return.

There is a mismatch of provision within the Labour Market creating a bias towards low skilled job opportunities. This supports three key issues:

1. A low level of skills is still a major issue for the County
2. Growth in available employment will carry a higher skills requirement that will outstrip supply.
3. Many workless people are unable to compete in the jobs market (even with migrant workers) due to low skills attainment

Evidence demonstrates that growth in skills attainment is required at all levels but especially basic skills to level 2 and level 4 and above. This trend needs to be closely monitored. Our focus going forward is to drive attainment through the individual, through employers and through a flexible and response system of delivery.

## Current needs

Evidence for this section has been gathered from UKCES, the Regional Skills Mini-Statement, all Local Strategic Partnerships' identified economic development activity and related skills needs, learning providers, Shaping Norfolk's Future (SNF), Sector Groups and employer representative groups. The evidence was presented at the Norfolk skills Workshop on 10 June 2010.

Sitting alongside national and regional priorities the following issues have been identified locally:

### High Value Sectors for Growth:

- Low Carbon renewables
- Advanced Manufacturing
- Agri Engineering

### Sectors to be protected

- Retail
- Tourism
- Agriculture
- Financial Services

### Sectors that are currently Constrained

- Health and Social care

### Key issues:

Replacement demand and **upskilling at all Levels** particularly in the high employment sectors of **agriculture**, and **engineering**.

Employers have identified **skills gaps in numeracy, literacy, ICT, communication and customer relations**. This drives a need for skills in **the tourism, hospitality, leisure and customer service areas** – The need for L2 in tourism will decline with **L3, L4 and leadership & management skills** requirements rising.

**Agriculture** employs a high proportion of workers with **low or no qualifications** and has a reputation of low pay which is not attracting people into the sector.

**Manufacturing** - Employers report a **difficulty in recruiting managers and professionals** and also a **shortage of engineering craft, technical and graduate skills**.

**Health and Social Care** - There is a current **difficulty in recruiting and retaining sufficient staff** to offer health & social care which is predicted to worsen as demand for these services increases. There are specific needs in **Health and Social care at NVQ level 2**, Level 3 apprentices and Level 4 Assistant Practitioners with a foundation degree to support skill-mix changes and improve productivity and quality.

**Leadership and Management:** change management skills are going to be key to manage the challenges ahead.

We need a better **Understanding of where the volume for new jobs** is coming from

**A simplification of the** system for apprenticeships, making the system easier for employers to engage with and raising their awareness of the benefits.

### Cross cutting themes:

**Worklessness** – We need a change in the type of provision for up-skilling those out of work with a move from generic employability skills such as CV writing to acquiring **Basic**

**skills with mentoring and support.**

**Leadership and Management** skills are key to utilising skills currently in the workforce and delivering growth across all sectors.

**Growing** our own workforce – 80% of future workforce currently in work and its ageing.

**Skills Priorities for Norfolk**

- Basic Skills
- Apprenticeships – including NHS and Social Care skills nursery – Data to be released end June
- Foundation and pre-level 1 programmes – cross sectoral requirements
- L4 and HE
- Leadership and management
- Technical, professional ICT and Customer service skills across sectors
- Enterprise in education – work readiness
- Productivity improvement

**Current Skills Provision**

College prospectuses were analysed to get a snapshot of current provision in Norfolk.

The main findings from this analysis were that the majority of courses offered by the colleges in the sectors identified as a priority are at Level 2 (e.g. 5 A\*-C GCSE) and Level 3 (e.g. Access Course to University, 3 x A Level). There are few courses in the priority sectors offered at Entry Level (including basic literacy & numeracy) and insufficient courses are offered at higher levels (e.g. Level 4 & 5, BSc Hons Degree level or Masters in Civil Engineering). Within the agriculture sector, basic skills provisions is currently being addressed through **RDPE Landskills programme** which meets the basic skills of those working in the land based sector.

***There is a gap in available evidence to adequately describe the range and scope of mainstream adult provision in the County i.e. Train to Gain and provision that employers procure for themselves.***

A preferred choice survey carried out by Connexions in 2010, of school leavers, showed that only 3.5% of young people wanted to go on to apprenticeships. Of the 289 apprenticeships offered in Norfolk last year there was only a 52% take up. There is insufficient evidence to conclude why this was the case. (There is speculation as to whether this was due to a skills gap, employers removing the positions after they were advertised, or because a lack of awareness by the students and teachers of the apprenticeships on offer).

Going forward the Employment and Skills Board will work with Learning Providers to monitor and map provision more accurately so we can identify whether the current provision is supporting the skills needs that employers demand. We also need to work with providers such as Connections and Careers advice services to monitor and update the information provided to young people to ensure that careers advice is informed by employer demand.

**Future needs**

There are many job opportunities in the future for the people of Norfolk, linked to the growth agenda, the array of wind farms and others. It is vital that we prepare our workforce by up-skilling and re-skilling to

- Capitalise on the opportunities of moving to a low-carbon economy:
- Build on our sources of international competitive advantage and regional distinctiveness

- Be competitive in the workplace
- Provide jobs for sustainable construction, particularly in STEM skills and construction.

**These priorities translate into the following skills priorities:**

- **Low Carbon/Renewable Energy** – the East Anglian array of wind farms planned across the coastline that covers North Norfolk, Great Yarmouth, Lowestoft, Harwich and Felixstowe has been identified as a growth sector with many turbines and associated support services required for construction to begin in 2016. Research shows that demand for new technicians; production operatives and administrative support staff will be in thousands for just the gas and offshore wind sectors. Many Industry representatives believe the biggest area of shortage will be at craft or technician level where apprenticeships with specialist modules of training will be required.
- **Advanced Manufacturing** – potential exists for the creation of over 3,000 new job opportunities in manufacturing with more in the associated supply chain. This means focussing on advanced manufacturing/engineering throughout the region. There are a range of Engineering courses offered at level 2/3 in Norfolk and no engineering courses offered at full Degree or Masters Level. There will be a need for more [Level 3 - Advanced Apprenticeships](#) in Engineering. An example of current provision is offered at the college of West Anglia where the advanced apprenticeship in engineering provides learners with the opportunity to achieve a framework of qualifications relating to specific pathways. These pathways will be determined by employer led requirements.
- **Health and Social Care** – While Health is seen as a relatively buoyant sector as a career pathway, Social Care is too often seen as offering little incentive. The current difficulty in recruiting and retaining sufficient staff to offer health & social care will only worsen as demand for services increases. Existing staff need to be able to develop their own skills which will in turn improve the image of the work and make it a more attractive career. They will also need to quickly adapt to delivering person-centred services. Current provision offers a range of level 2 and 3 programmes with NVQ or BTEC qualifications but with Child care being the preferred option for young people. Colleges also offer NVQ courses at higher levels to support care managers as well as access courses and foundation degrees for the health and social care sector. UEA has a strong offer of courses supporting the medical and pharmaceutical professions
- **Basic skills** require investment as lack of basic skills is the biggest barrier to employment in Norfolk. Without basic skills our workless population are unable to compete in the labour market. Norfolk has a skills deficit at ALL levels. People out of work need to be in work, those in work with no skills need to develop and those with skills need to have these increased to meet future employer demand. – we need access to the evidence base for skills levels of JSA and IB claimants
- **Employers** have identified skills gaps in numeracy, literacy, ICT, communication and customer relations. This drives a need for skills in the tourism, hospitality, leisure and customer service areas – the need for **L2 in tourism will decline with L3, L4 and leadership & management skills requirements rising**. There are no **level 4** courses in **Tourism** offered in Norfolk. There is currently only 1 **level 4 Leadership and Management** Course on offer in Norfolk.

Underpinning these specific priorities is the need to ensure that the current and future Norfolk workforce is equipped not only to meet the future skills needs but is able to compete fully in the economy. This includes:

- Continuing to focus on developing **Skills for Life and entry level jobs and skills**
- Building a transferable skills base (**customer service, functional skills,**

**communication, enterprise** behaviours)

- **Stimulating employers** to release the potential of their workforce at all levels by investing in **innovation, leadership and management and entrepreneurial skills**.
- Encouraging and supporting **innovation, enterprise and self employment**.
- Ensuring **high quality, responsive labour market led skills provision**.
- **Improving the offer at foundation level such as:**
  - Improving Choices Certificate (COWA)
  - Performing Engineering Operations NVQ1 (GYC)

### **Key Challenges**

- The funding regimes for providers do not allow risk taking to pump prime new provision
- Releasing funding to develop new learning programmes
- Persuading employers to invest in their employees skills
- Persuading individuals to up-skill and look at future work opportunities
- Improving IAG and careers services to reflect the opportunities of a changing economy

### **High growth opportunities**

After consultation with the Economic Development Partnership – Shaping Norfolk's Future Sector Groups and local strategic partnerships there was an agreement on the growth sector areas identified in this statement (i.e. low Carbon, Advance Manufacturing, and Health and Social Care). Particular emphasis was placed on a need for skills such as ICT literacy among care assistants, being qualified to NVQ levels 2 and 3 in health and social care. In low carbon industries, the partnerships expressed a need for craft and technician level qualifications, a good working knowledge of current environmental legislation, high skilled engineers, and a need for project managers – to be qualified to degree level.

## Skills Priorities Statement

### SOUTHEND STATEMENT

#### Skills overview:

Southend is widely known for its tourism industry. While tourism continues to be a significant contributor to the local economy there is also a broad range of businesses and skills in addition to this sector which come together to create a diverse commercial environment. Six key sectors have been identified as being integral to the development of the Southend economy and consequently the skills supporting them.

Skills attainment levels in Southend post GCSE have historically been below the national and regional averages and consequently the proportion of residents with no qualifications is above average. There is a need to support residents with no or a low qualification through to higher attainment levels as attainment at level 1 is quite high. This is reflected in a recent business survey which showed that 16% of businesses have identified gaps in the communication skills of their workforce and 15% numeracy and literacy skills. Employability skills such as the right work ethic and approach to work were also identified as an obstacle for employers.

Southend has a variety of skills related priorities to address the immediate needs around employment and driving the recovery of the economy and also to fortify the future of the Southend economy, to ensure that the workforce meets the needs of the businesses and that the businesses prosper and grow.

#### Key sectors:

Each of the key sectors faces its own challenges in order to ensure the ongoing growth, robustness and competitiveness of the sector:

- Supporting and developing skills for key sectors:
  - **Aviation and advanced engineering** – Southend Airport is a hub for Maintenance, Repair and Overhaul (MRO) services nationally and internationally. It is also home to a number of unique aviation related businesses and a new training facility. With the planned expansion of the airport the demand for related skills will grow. A number of leading medical instrumentation design and manufacturers are also based in Southend so appropriate innovation and development skills are required to continue this growth.
  - **Health** – Southend has an aging population, a common feature of seaside resorts where many people choose to retire. The demand on healthcare is rising and looks set to continue to do so.
  - **Financial and Business Services** – Southend has for many years served London as a home for the back office functions due to the proximity to the capital while offering lower costs. Call centres and other similar services are large employers in Southend. With business support services having been identified as a future growth sector it is vital to ensure that the skill set of residents progresses with the demands of the jobs.
  - **Cultural and Creative** – Southend had a growing creative and cultural sector, as identified by the Arts Council. This is spearheaded by Metal, a creative arts hub which relocated to Southend from Kensington. With prospects of changing infrastructure in the town which will further support creative and cultural businesses this sector will offer even more opportunities.
  - **Tourism, Leisure and Sport** – Southend is traditionally known for its tourism offer however as visitor requirements and demands develop so must the skills which support the sector: hospitality, customer service, catering, events management etc. Southend's proximity and direct rail connections to the Olympic site at Stratford and Hadleigh where the mountain biking will take place in 2012 is both an opportunity and a motivation to increase and improve the experience of visiting Southend.

- **Retail** – Southend’s primary shopping area is the High Street located in the town centre which is home to many national high street brands as well as some independent traders. Secondary shopping areas, such as Leigh Broadway, offer a different retail experience, such as niche boutiques. As with tourism and leisure, as shopper demands are raised the quality and level of customer service offered must also increase.

While not an identified key sector in itself, specialist manufacturing underpins key sectors in Southend such as advanced aviation and medical instrumentation and is therefore a priority to ensure that these sectors continue to develop.

Also underpinning the key sectors and the wider business community is low carbon growth. Southend is a cycling town, home to low carbon businesses such as Trident and seeks to encourage low carbon travel, living and growth. Currently involved with the ERDF funded Low Carbon Business programme in partnership across Thames Gateway South Essex we are enabling businesses to reduce costs through energy efficiencies. Skills to support such growth will become increasingly important.

### **Addressing unemployment:**

- Unemployment in Southend is particularly high. Data illustrating the usual occupations of those who are out of work and vacancies available shows that there are vacancies in the areas stated as usual occupations by those who are out of work. This suggests that those who are claiming JSA do not offer the skills required by employers. In some instances these are employment based skills such as interview technique, self motivation or confidence. Others are identified skills gaps between specific skill sets which employers need but those applying for jobs do not currently offer. Connected with this is the development of IAG for those who are NEET or at risk of becoming so. The new BEST (Business Enterprise Skills Training) Centre, jointly funded by EEDA and SBC will have a focus on addressing skills shortages to tackle unemployment.
- There is a demand for apprenticeships in Southend but too few employers offering training and employment via this method. More work needs to be done to raise the profile of apprenticeships for all ages in areas beyond those traditionally associated with apprenticeships.

### **Investment and Support:**

- Southend has benefitted from significant investment in higher and further education over recent years which has not only raised the profile of learning and development opportunities in the town but can also be partially attributed with the improving skills attainment levels at levels 2, 3 and 4. Further investment is required to continue this and bring skill levels up to regional and national standards. Three fifths of businesses in Southend have neither a training plan nor a training budget so there is not only a need to address the skills of individuals but also businesses’ approach to training and development.
- Joining up the skills development and job growth is the need to retain skills in Southend. Due to the proximity to London many higher skilled residents commute to the city creating a disparity in salaries between those working in Southend and those living here. This is itself is not a problem provided the money earned is spent locally. However this can dilute the robustness and self sufficiency of the Southend economy. The business survey showed recruitment difficulties in skilled trades, sales and customer service, and professional and technical among others reflecting the need to connect skills attainment with future jobs.
- Southend is entrepreneurial and has a high business start-up rate. However it also has a high closure rate – some of this reflecting the natural churn and flexibility to adapt to circumstances. More support needs to be offered to equip those considering starting-up their own business, or already running one, with the necessary skills to make it sustainable.

## **Annex D**

# **Consultative Approach**

## **East of England Skills Priorities Statement 2011-2012**

### **Consultation process to engage with stakeholders and partners**

This Annex describes the consultative approach undertaken by the East of England Regional Development Agency to facilitate the production of a collaborative view of the future skills priorities for the East of England.

The consultation period has run from 1 March and will continue until the end of August 2010.

The consultation is at the heart of the process, ensuring that a broad range of stakeholders and partners are informed and involved in the Skills Priority Statement consultation.

The aim is to secure engagement and commitment from partners and to articulate skills needs in the region, across all sectors, all ages and all levels - from entry level to higher level skills.

The objective of the consultation is to ensure the development of a regional priority statement designed not only to inform the Skills Funding Agency investment for the period 2011-12 but also the broader skills needs to meet economic growth during 2011-12 and beyond.

All face to face consultation events have been individually logged by the Skills Strategy Team.

The Skills Consultation Schedule will continue to be updated to include new presentations and events.

### **The ways we have accomplished the objectives:**

- Facilitating a series of two-way dialogues in order to achieve an agreed set of distinct local challenges and determine a consensus view on how they should be overcome.
- Developing and distributing timely and effective information about the Skills Priority Statement.
- Use existing networks and mechanisms to engage with stakeholders and partners through meetings/events/focus groups and presentations
- Responding to incoming online and telephone communications
- Board communications with regular statement updates
- Questionnaires developed for use at meetings, workshops, conferences and through online consultation.
- Skills information web pages and dedicated skills email

### **How we will measure the results:**

- Regular reporting on work as it progresses through consultation.
- Regular reporting through internal communication process to ensure RDA staff is fully informed on the skills agenda.
- Briefings to EEDA Senior Management Team
- Ongoing feedback from stakeholders recorded for gathering evidence.
- Final evaluation of stakeholder engagement (will commence and carried out on completion of process)

This process is engaging partners from a wide range of organisations to articulate the skills required for the East of England. This activity will enable the capture of primary evidence to articulate skills demand for the region.

## **Governance**

The process has been overseen, supported and sanctioned by the East of England Local Government Association (EELGA) Employment and Skills Panel, the East of England Skills and Competitiveness Partnership (EESCP) and the EEDA Board.

## **Consultation approach and communication tools**

A range of approaches have been used to communicate and stimulate interest throughout the consultation period.

In late April EEDA through the East of England Strategic Skills and Competitiveness Partnership held four sub regional events to begin the consultation activities. The events were successful in raising the importance of engaging with a broad range partners and stakeholders to capture the expertise to inform on the skills priorities and to link current and future skills to economic growth.

We have held regular briefings with Intermediary bodies and membership organisations since April and will continue to consult to ensure the capture the voice of the employer as part of this statement.

To ensure that the priorities reflect the full range of employer and provider views the consultation made use of a wide range of representative bodies that covered both private and public sectors. We have had direct engagement with Third Sector and Social Enterprise organisations, the Association of Universities in the east of England (AUEE), the Association of Colleges and in particular the Association of Colleges in the Eastern Region (ACER), the Federation of Small Businesses, the East of England Business Group (EEBG) and the Association of Learning Providers (ALP). This was a very effective way to ensure the consultation process was disseminated to their members and a collated response could be formally captured. We had consultation meetings with Colleges, Universities and providers to discuss the evidence we had gathered as part of the process and contribute their views, these organisations also had the opportunity to feed through their representative body.

## **Web consultation**

A dedicated web page was created to allow a wider audience to participate and contribute in the consultation process. The skills priority statement draft document has been updated on a regular basis with alerts sent out to partners for them to provide additional feedback and contribute to the process. The advantage of this was the opportunity to capture a wide range of views on the Statement as it was undergoing drafting, stakeholders were able to contribute to the development of the evidence base as well as the content of the statement throughout the consultation period.

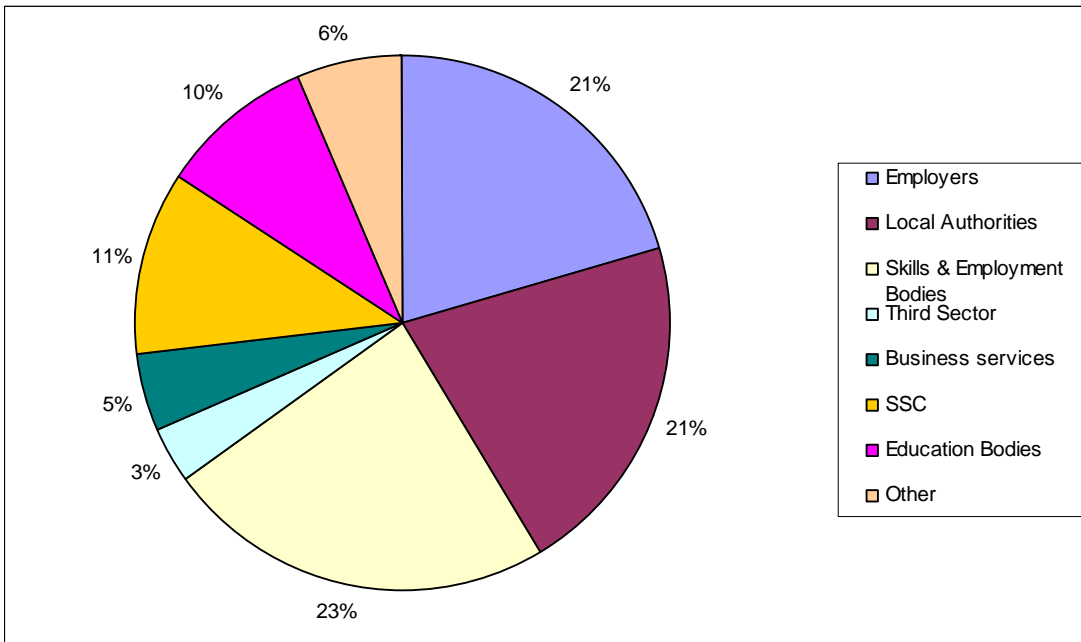
## **Key Stakeholders**

A detailed analysis was undertaken and an engagement plan developed. The following stakeholder organisations have been consulted in the process of developing the skills priorities in the East of England.

**Organisations consulted with or responding to the consultation**

SEMTA
One Nucleus
Roff Marsh Partnership Ltd
CITB / ConstructionSkills
Taylor Electrical
Arts Council
Screen East
Step Out Arts
Creative & Cultural Skills
Energy & Utility Skills
Wickham Engineering
Gasway
National Skills Academy Financial Services
Financial Services Authority
Skills for Care & Development
Primary Homecare
East of England Strategic Health Authority
DG Technical Services
Parkes Print & Design
Manufacturing Advisory Service East
Rural Action East
East of England Rural Forum
Q Lawns
East of England Sustainable Farming and Food Group
Norfolk Employment & Skills Board
Southend-on-Sea Borough Council
Skills Funding Agency
Norfolk County Council
Young People's Learning Agency
Bedford Borough Council
Luton Borough Council
Thurrock Council
Central Bedfordshire Council

Suffolk County Council
Essex County Council
Government Office East
Cambridgeshire Adult Skills and Learning Board
Opportunity Peterborough
Peterborough City Council
EELGA Employment & Skills Panel
Cambridgeshire County Council
Hertfordshire County Council
SkillsActive
Valerie's Veggies
Glade Pest Control Services Ltd
Federation of Small Businesses
Trade Union Congress
East of England Business Group
Association of Colleges in the Eastern Region
FE College Principals group
East of England Black and Minority Ethnic Network (MENTER)
BusinessLink
Community and Voluntary Forum: Eastern Region (COVER)
Association of Learning Providers (ALP)
FE Sector Business Development Managers Network
Association of Universities in the East of England (AUÉE)
University of Bedfordshire
Norwich University College of the Arts
City College Norwich
Thames Gateway Higher Skills Alliance
East of England Skills and Competitiveness Partnership (EESCP)



## **Annex E**

### **Sources of Evidence**

## Sources of Evidence

Alliance of Sector Skills Councils

Analysis of Skills Outcomes in the East of England, East of England Strategic Authority Leaders (January 2010)

Analysis of sectoral employment and skills issues and the implications for publicly funded training provision in the East of England, Insight East (July 2010)

Barnett Formula and the East of England, EEDA (2010)

Brinkley, I., Levy, C and Morris K. The Jobs Gap: A Statement from the Work Foundation (Work Foundation 2010)

CBI/EDI Education and Skills Survey 2010

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East of England Implementation Plan

East of England Regional Economic Strategy

East of England Regional Labour Market Statistics: March 2010 to May 2010

East of England Economic Participation Study, TERU, October 2009

EU Skills (draft 2010) Renewable Energy Skills Strategy

GHK, Identification of the National Spatial Distribution of Expertise and Excellence for key NINJ Industrial Technologies: East of England Regional Report, February 2010;

Higher Education in the East of England, EESCP (February 2007)

Innovation Insight – The innovation performance of the East of England, Insight East and the Work Foundation (March 2009)

Insight East (2010) Skills Insight (<http://www.insighteast.org.uk/viewArticle.aspx?id=18032>)

Insight East (July 2010) Regional Labour Market Statistics: March 2010 to May 2010

Insight East (2010) Qualification Forecasts for the East of England 2008-18 (EEFM-based)

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Note 1.

Underpinning this statement is a detailed set of data and information on the take up of skills training by industry sector (by both the sector qualification and SIC footprints) in the region, produced by the Data Service from Skills Funding Agency learner data. This sectoral analysis is not currently available as part of the Government's published Statistical First Release, and therefore cannot be referenced or included within the Statement. For further regional information from the Statistical First Release, please visit

<http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/>

<<https://owa.seeda.co.uk/exchweb/bin/redirect.asp?URL=http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/>>

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