

East of England Implementation Plan

Employability element of the Skills and
Employability Theme: Theme Advice

6th December 2008

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1: Overview and summary

1.1 This chapter set outs:

- the scope of the Skills and Employability Theme
- the process through which Theme advice has been developed

Scope of the Theme

1.2 For the purpose of providing theme advice, Skills and Employability have been treated separately – partly because they relate to two different goals from the RES. The Employability element of the Skills and Employability theme is the primary mechanism for delivering the RES ‘Economic Participation’ Goal and the RES high-level employment rate and earnings targets. While the RES provides the key focus for skills and employment interventions in the East of England, the East of England Plan also includes policy areas that are of relevance to this theme, including responding to continuing deprivation, particularly within Priority Areas for Regeneration, and ensuring sufficient jobs in response to the region’s growing population.

1.3 Partners have stressed that implementation needs to occur at a local level, primarily and increasingly through LAA processes. For the Implementation Plan, it is important to set out what interventions might be effected – over the period to 2021/31 – at a regional scale to increase the effectiveness of LAA processes and ensure that the priorities/objectives/outcome targets from the new RES are achieved.

Development of theme paper

1.4 The development of the evidence base relating to the Employability element of the Skills and Employability Theme was based around a modest number of key consultations and recourse to the evidence base, and then a workshop session which was held on 11 November, including EESCP, Jobcentre Plus, EEDA, EERA and GO-East.

2: The contribution of the Theme to the two strategies

High level ambitions for the East of England

- 2.1 Both RES and RSS set out a number of regional outcome/impact targets. These are high level in character and they reflect – in a quantified sense – the key elements of the two strategies’ visions.
- 2.2 Effecting change through interventions aimed at improving skills and employability is crucially important in terms of three of the region’s high level outcome targets, as summarised in Table 2-1 below.

Table 2-1: Summary - relationship between interventions related to the Skills and Employability Theme and their likely impacts on high level outcome targets

Headline Indicator	Target	Direct effects	Indirect effects	“Induced”/ second order
GVA per capita / per worker	Annual growth in real workplace-based GVA per capita of 2.3 per cent and GVA per worker of 2.1 per cent between 2008 and 2031		↑	
Employment rate	Employment rate for the working population of 80 per cent and for the 16-74 population of 70 per cent by 2031	↑		
Earnings inequality	A rise in lower-quartile earnings to 60 per cent of average earnings by 2031	↑		
Water consumption	Per capita consumption of water by households in 2030 that is 20 per cent below 2008 levels, or 120 litres/head/day			↑
CO ₂ emissions	End-user CO ₂ emissions in 2031 that are 60 per cent below 1990 levels			↑
Skills – Leitch targets	Over 40 per cent of adults qualified to at least level 4, 68 per cent of adults qualified to at least level 3 and over 90 per cent of adults qualified to at least level 2 by 2020 and maintained to 2031	↑		
Net additional dwellings	508,000 (2001-21)			↑
Jobs growth	452,000 (2001-21)		↑	
Affordable Housing	35% of new houses with planning permission granted after May 2008 are affordable			↑

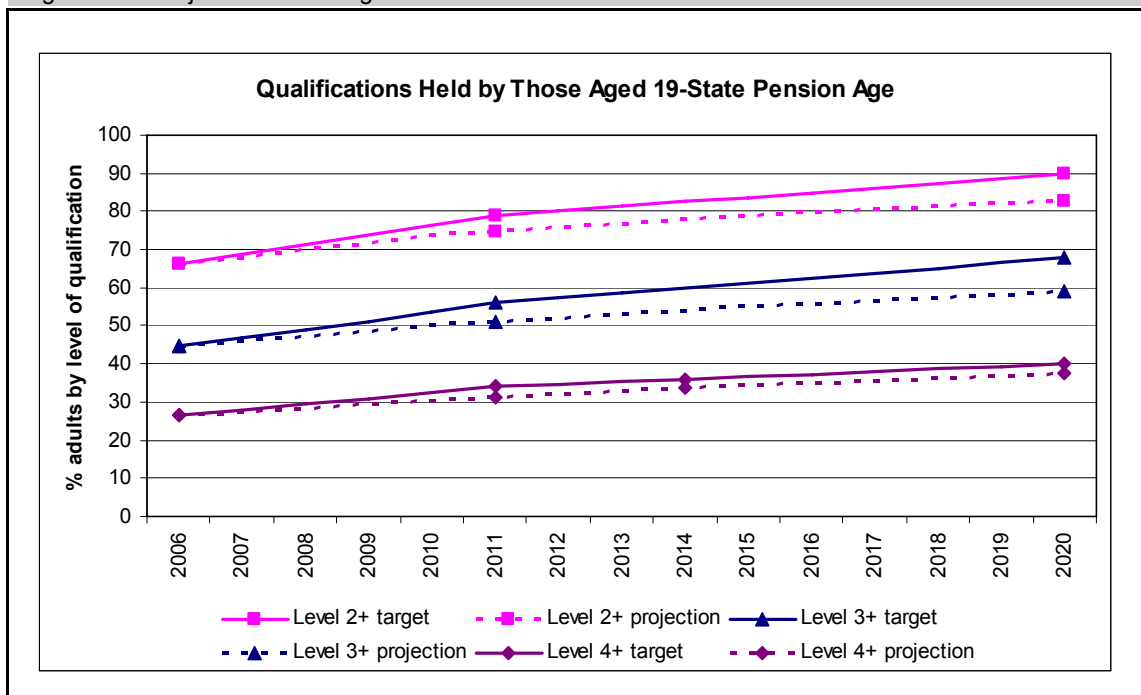
Key: ↑ impacts ought to be positive in relation to the headline indicator; ↓ impacts likely to be negative in relation to the outcome indicator; ↔ impacts could be either positive or negative

High level projections and targets of relevance to the Skills and Employability Theme

- 2.3 With regard to these key metrics, what is the scale of the gap that needs to be filled, if the region’s aspirations are to be achieved?

2.4 Projections relating to the region’s performance in terms of **Leitch metrics (skills)** – alongside the targets to which the region has committed – are shown in the graphic below. Overall, these data suggest that – relative to its aspirations – the region is falling behind. Moreover the shortfall in terms of projected regional performance is apparent at all three levels. Hence the imperative must be to increase the proportion of people achieving attainment targets at level 2, and then to encourage progression to higher levels. Much of this increment will need to be achieved amongst adults who have left compulsory education and are already in the workforce (given timescales and demographics) and this suggests particular imperatives in relation to workforce development and work-based learning.

Figure 2-1: Projections and Targets in relation to Skills



2.5 With regard to the **employment rate**, Business as Usual projections suggest a picture which – although subject to year-on-year fluctuation – is reasonably static over the period to 2031, at 66-67%. The target, however, is to achieve an employment rate of over 70% by the end of the period – and this is acknowledged to be high. The implication is that addressing worklessness must remain a priority, recognising that this needs to take place in the context of a population which is both growing and ageing (and noting that the target is couched in terms of employment rates up to the age of 74).

2.6 Additionally, it is important to recognise that the regional data relating to employment rates actually mask a great deal of local variation. As Figure 2-3 demonstrates, amongst the working age population, at district level, employment rates range from under 70% in Luton to over 85% in Harlow. Given that some people choose to be economically inactive, the implication is that overall regional progress is most likely if attempts are made to improve employment rates in those parts of the region where they are currently low.

Figure 2-2: Projections and Targets in relation to Employment Rates

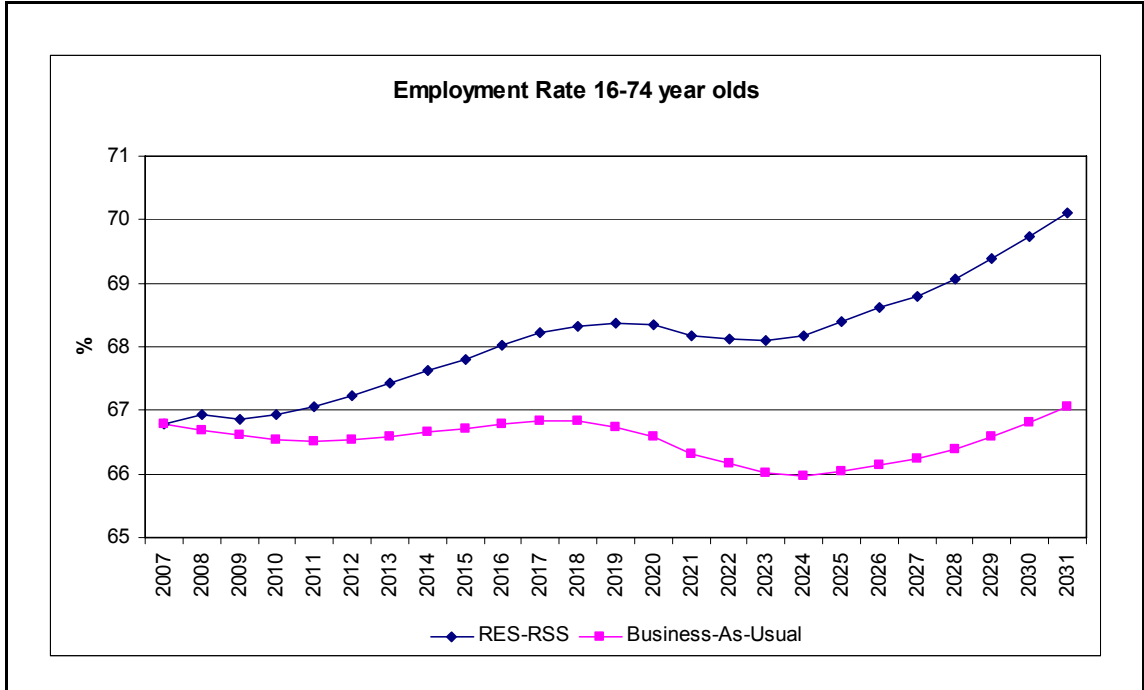
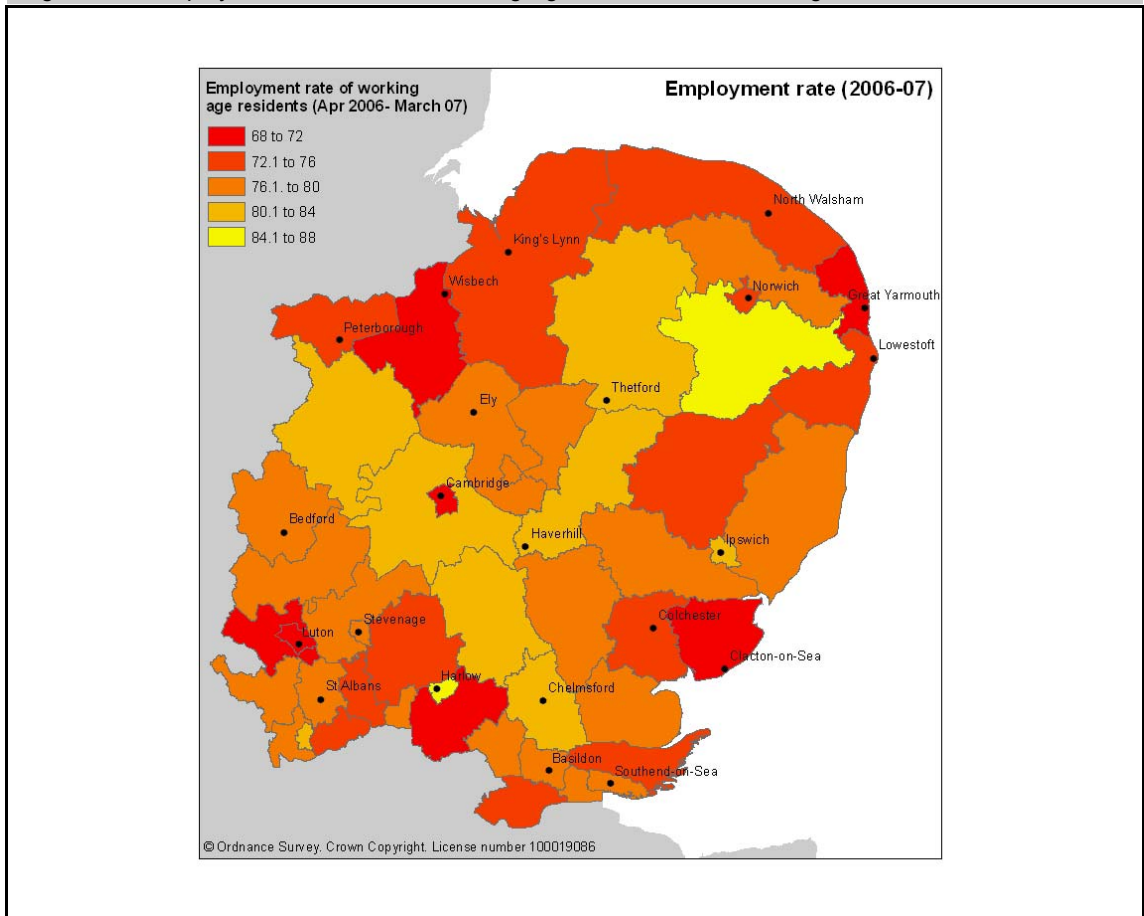


Figure 2-3: Employment Rate as % of Working Age Residents, East of England, 2006/07

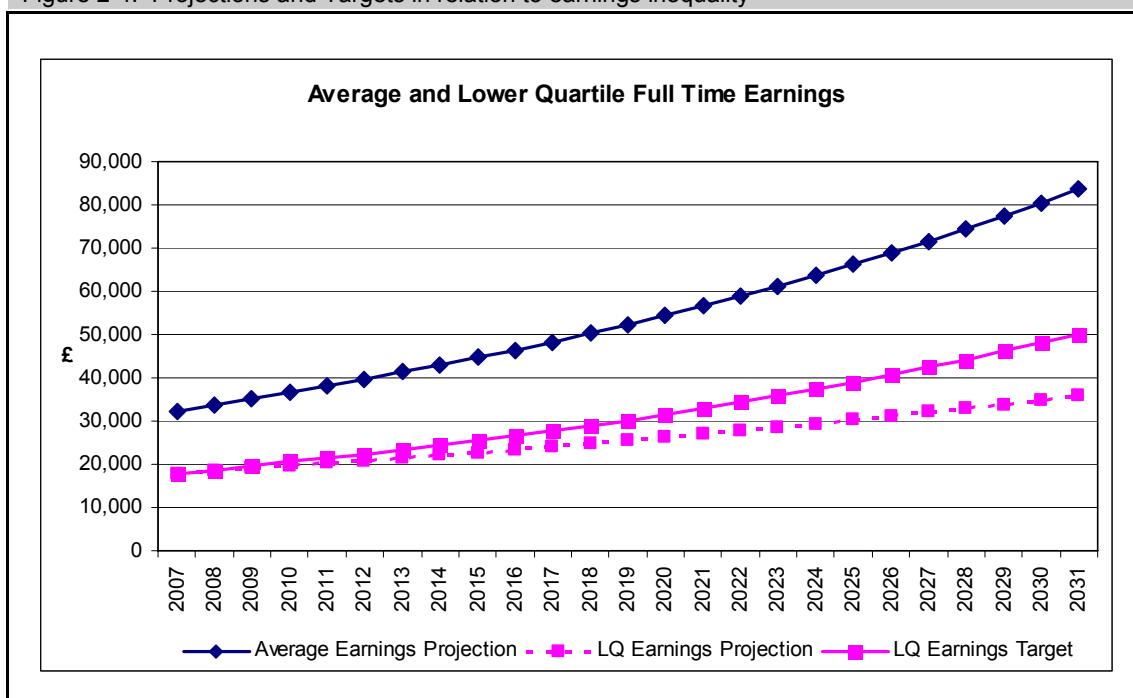


Source: ONS Annual Population Survey

2.7 The third key headline indicator of particular relevance to this theme is **earnings inequality**. Again, a comparison of Business as Usual projections and the targets that have now been set

through the RES provides an indication of the scale of the challenge. The ambition is to close the earnings gap whilst also increasing earnings overall (recognising the links between earnings and GVA).

Figure 2-4: Projections and Targets in relation to earnings inequality



Summarising the challenge

2.8 With regard to the three key ambitions quantified above – and, indeed, the other ambitions for which skills and employability have some role to play – the JIP must take a view on:

- how much of the “gap” between projections and targets can be addressed through interventions linked to skills and employability?
- what interventions need to be effected to fill this gap?

2.9 In responding to these issues, Table 2-2 summarises the challenge: particularly for key indicators linked to employability, the region’s performance appears to be deteriorating. Hence, not only are we making limited progress in relation to targets that are quite aspirational; we are actually moving backwards with current performance notably worse than that in previous years.

Table 2-2: Snapshot of regional performance linked to key aspects of employability

	Current Performance		Target (%)	Scale of Gap		Trend
	5 years previous (%)	Latest (%)		Number	%	
Employment Rate	78	77	80	90,000	4%	Widening
Functional Literacy	NA	87	95	280,000	8%	NA
Functional Numeracy	NA	84	95	385,000	12%	NA

NVQ Level 2	60	62	90	1,000,000	31%	Closing
NVQ Level 3	40	43	68	900,000	36%	Closing
NVQ Level 4	22	26	40	500,000	35%	Closing
Lower quartile earnings	59	58	60	NA	3%	Widening

Source: EEDA

Digging a bit deeper: issues determining employability

2.10 The Evidence Base which was produced alongside the new RES provides some further insight in terms of the factors driving the issues around employability which in turn was linked strongly to social and economic exclusion. The surrounding literature suggests that there are four central problems and challenges:

- **Basic skills:** The chance of an individual being deprived are greatly increased if that person has low skills, or left school at 16 or before. There is little doubt that there has been a fundamental shift in the demand for unskilled labour and a rise in the premium of qualifications. Treasury research states that “*A key economic driving force behind these trends [in worklessness] has been a striking shift in the employment and earnings prospects of workers with low skills.*”¹ The collapse in demand for unskilled workers is not confined to Britain, but is common across the industrialised world. Low skills issues can be quite profound, with research showing that in the East of England, 13% of adults have skill levels below level 1 (those expected of an 11 year old child) and 41% have numeracy skills below level 1²
- **Attitudes:** From an employer viewpoint, the CBI suggests that “*a positive attitude is the central attribute of employability*”³. From a more academic viewpoint, Kleinman’s review of the literature notes that “*it is now becoming clear that in obtaining economic outcomes, ‘social’ factors such as family structure and individual self esteem, and personal characteristics such as punctuality, reliability and attitude are of equal or greater importance than ‘economic’ factors such as levels of inward investment, new floorspace provided, or even formal training qualifications...in other words, social capital is as important to economic development as economic capital*”, and references findings from numerous studies to support this view.⁴ For example, increased confidence can enable people to meet others and build relationships and social networks when they were not able to do so before. Social Exclusion Unit research notes that “*evaluations highlight the utility of acquiring such skills where they are absent, and bemoan the fact that they are not currently measured or monitored very often, since they could indicate progress towards getting a job or formal qualifications.*”⁵

¹ p8 HM Treasury and DWP (2001) *The Changing Welfare State: Employment Opportunity for All*, London: HM Treasury and DWP.

² Skills for Life Survey, 2003, (former) DfES
http://www.dfes.gov.uk/readwriteplus_skillsforlifesurvey/gors/gor_G.shtml

³ A positive attitude is the key foundation of employability. CBI March 2006 *Time well spent: embedding employability in work experience* <http://www.cbi.org.uk>

⁴ Kleinman (2000) *Include Me Out? The New Politics of Place and Poverty* Policy Studies vol21

⁵ ODPM (2003) *Breaking the Cycle: Taking Stock and Reviewing Progress*

- **Aspirations:** Positive aspirations are also critically important⁶. There is evidence that children in lone-parent or Income Support families have more depressed aspirations than those in higher socio-economic groups.⁷
 - **Soft skills.** Whilst basic skills are important, evidence suggests that it is important not to fall into “credentialism”. Mulgan points to a mismatch between the skills currently delivered by the education system and those employers say they want.⁸ Research shows that employers are less interested in formal qualifications than they are in so-called softer skills of communication, problem solving, flexibility, willingness to learn, and so on.
- 2.11 In addition, there are other important barriers of great importance to particular groups. National studies of Labour Force Survey data for 1992 to 2000 found that some of those most at risk of non-employment are:⁹
- men and women without partners, especially lone parents
 - members of certain ethnic minority groups¹⁰
 - people with disabilities
 - older workers.
- 2.12 In the East of England, the Regional Social Strategy set out an almost-identical list of those at greatest risk of exclusion. It identified: BME groups, people with disabilities or mental health needs, lone parents, older people, carers, asylum seekers, refugees, migrant workers, Gypsies and Travellers, and ex-offenders.
- 2.13 Evidence suggests that the barriers to participation among particular groups are cumulative: combinations of the above listed disadvantages decrease the likelihood of labour market participation¹¹.

⁶ A positive attitude is the key foundation of employability. CBI March 2006 Time well spent: embedding employability in work experience <http://www.cbi.org.uk>

⁷ Shopshire et al (1997) *Small expectations: Learning to be poor?*

<http://www.jrf.org.uk/knowledge/findings/socialpolicy/379.asp>. To establish children's future aspirations they were asked what they would like to do when they left school. Children in lone-parent or Income Support families had much lower career aspirations than children from either two-parent or non-Income Support families. Children from lone-parent or Income Support families were more likely than other youngsters to want jobs which typically take a minimal amount of time to train for and, on the whole, require few, if any, academic qualifications. Moreover, fewer children from lone-parent (21%) or Income Support families (17%) than children in two-parent (31%) or non-Income Support families (32%) aspired to join the labour market in the professional occupations defined as socio-economic group four.

⁸ Geoff Mulgan became director of the Young Foundation in September 2004. Between 1997 and 2004 he had various roles in government including director of the Government's Strategy Unit and head of policy in the Prime Minister's office. He is credited with the 'discovery' of NEETS as a distinct group. See http://www.timesonline.co.uk/article/0,,2087-1543363_2,00.html

⁹ quoted p30 ODPM – SEU (2004) *The drivers of social exclusion - Review of the literature for the Social Exclusion*

¹⁰ Note that there are significant differences between particular minority ethnic groups. People of Indian or Chinese background have employment rates that are not far behind those of white people, whereas people of Caribbean, African, Pakistani or Bangladeshi backgrounds tend to have very high rates of unemployment. The drivers of these differences are multiple and complex

¹¹ Berthoud, R. (2003). Multiple disadvantage in employment: A quantitative analysis. Available from www.jrf.org.uk/KNOWLEDGE/findings/socialpolicy/313.asp

How ambitions linked to employability might be realised

- 2.14 In responding to these questions, issues and imperatives, the RES and RSS provide much of the answer; it is for the Implementation Plan to translate the imperatives identified and judgements made in the two strategies into programmes of action.
- 2.15 Figure 2-5 below summarises the key content derived from the two strategies specifically in relation to employability issues.

Figure 2-5: Headline messages from RES and RSS with regard to employability	
<p>RES</p> <p>Goal: Economic Participation</p> <p>What will success look like?¹²</p> <ul style="list-style-type: none"> • economic activity rates for disadvantaged communities that are higher than in 2008 and closer to the regional average • a regional employment rate of 70 per cent for residents aged 16-74 and 80 per cent for working-age residents by 2031 • a reduction in income inequality for those in work, with lower-quartile earnings at 60 per cent of regional average earnings • 95 per cent of adults with functional literacy and numeracy (basic skills) by 2020 and maintained to 2031 • fewer inequalities in skills attainment and health between disadvantaged communities and the regional average • business start-up rates in disadvantaged communities that are higher than in 2008 and closer to the regional average <p>Priority 1: Equipping people with the confidence, skills and choices for employment and entrepreneurship</p> <p>Priority 2: Tackling barriers to employment in the poorest 20 per cent of communities</p> <p>Priority 3: Increasing economic demand in areas with low economic activity rates</p> <p>Priority 4: Employers valuing a flexible, diverse and healthy workforce</p> <p>Priority 5: A vibrant, skilled and resourced third sector</p> <p>Implementation priorities:</p> <ul style="list-style-type: none"> • Local Area Agreements improving economic and wider outcomes in disadvantaged communities • comprehensive regeneration programmes to improve quality of place and economic opportunities in disadvantaged communities • Multi-agency programmes shaped to individual and community needs • a concerted focus through Local Area Agreements and Multi Area Agreements to improve basic skills and meet Leitch level 1 and 2 targets • leveraging finance from Capacitybuilders and Financebuilders to provide effective and coherent packages of support for the third sector, including social enterprise, community asset development and land trusts • effective and coherent packages for migrants and improving workforce health and childcare • improving local and regional intelligence and evaluation to increase the impact of programmes 	<p>RSS</p> <p>Regional Policies</p> <p>Policy SS1: Achieving sustainable development – inclusive communities</p> <p>Policy SS3: New development should be focused on 21 KCDCs</p> <p>Policy SS5: LDDs, etc., should address deprivation in the Priority Areas for Regeneration</p> <p>Policy H2: 35% of new housing should be affordable</p> <p>Policies T4 and T7: increasing accessibility (including to employment) in urban and rural areas</p> <p>Policy E1: LDDs, etc., should provide an enabling context to achieve job growth targets</p> <p>Sub-Area and KCDC Policies referring specifically to employability issues</p> <ul style="list-style-type: none"> • ETG1 (Essex TG): strategy for Essex TG... substantially improved economic performance... enhance the education and skills base • HG1 (Haven Gateway): address unemployment, deprivation and social issues • LA4 (Watford KCDC): ...tackling deprivation... • GYL1 (Gt Yarmouth / Lowestoft): ...achieving physical and social regeneration... • KL1 (King's Lynn KCDC): ...regeneration of communities... • PB1 (Peterborough KCDC): ...regeneration of city centre and urban areas... • SV1 (Stevenage KCDC): ...raised expectations, etc. in relation to employment

¹² Indicators linked to RES goals are embedded within the statements of “what success will look like”

2.16 Unsurprisingly, the RES has more to say about employability than RSS – and much of what follows is concerned with the priorities identified in the RES. However the Implementation Plan covers both RES and RSS and sight of the latter must not therefore be lost. Reflecting on Figure 2-5, the key messages from RSS of relevance to this Theme are summarised in Table 2-3.

Table 2-3: Key messages from RSS of relevance to the Skills and Employability Theme

Message	Implications for employability issues within the Skills & Employability Theme
1. The region must plan for significant population growth as a result of both increasing life expectancy and in-migration (Policies SS3 and H1)	Population ageing is a major regional issue. With changing legislation regarding retirement age and concerns about pension provision, etc., older workers are likely to become a much more important part of the workforce over the next 20 years In-migration (both from elsewhere in the UK and internationally) has become an increasing feature of the region and RSS assumes that it will continue. Migrant workers may be subject to particular forms of discrimination/exclusion which affects employability
2. Spatially, growth will be concentrated in 21 Key Centres for Development and Change (mainly the region's larger urban areas) (Policy SS3)	The geography of planned growth is uneven across the East of England. A number of places – e.g. Peterborough, Norwich, Cambridge – are set to grow very substantially (+30-40% in terms of population). The residents of new and expanded communities may experience particular issues with regard to employability – especially if housing is constructed in advance of supporting infrastructures
3. The region must respond to continuing deprivation, particularly within Priority Areas for Regeneration (Policy SS5)	RSS is not just about growth. A key concern of RSS is to address persistent deprivation and to this end, PARs are identified (although note that many PARs are also KCDCs). With regard to the Skills and Employability Theme, the key implications relate to the importance of skills for employability , and also wider concerns relating to labour market inclusion. Securing appropriate opportunities for employment is also – implicitly – a concern (which links in part to Policy E1). For RSS, this has a strong spatial dimension – although not exclusively so
4. Individual KCDCs have identified labour market inclusion as an integral part of an holistic regeneration package	Within RSS, there is a series of sub-regional and sub-area policies. A good number of these identify greater inclusion and access to opportunity among local people as a priority in the context of significant urban regeneration and growth . The implications need to be reflected fully in the JIP. Also, there may be key objectives relating to the third sector, social enterprises , etc., implicit within KCDCs' thinking about sustainable communities

Source: SQW, based on the East of England Plan (2008)

3: Implementation imperatives – to 2021/31

Linking the ambitions of the two strategies to implementation priorities

- 3.1 Both regional strategies claim to be evidentially robust – and indeed, to a large extent, the two documents draw on a shared evidence base.
- 3.2 Certainly for the RES, goals and priorities were identified through an iterative process of examining the available evidence to identify regional strengths, weaknesses, opportunities and threats, and then identifying whether there was actually a rationale for intervention (defined for the most part in terms of market failures). Hence in working towards the definition of programmes for the purposes of the JIP, the basic architecture ought to be in place: the JIP must populate this architecture, not re-invent it.
- 3.3 For the employability element of the Skills and Employability Theme, we have already observed that while note needs to be taken of the implications of RSS (hence Table 2-3), the content of the JIP ought to be driven by RES. Figure 3-1 attempts to summarise the main points of intersection between the Implementation Priorities and “what success will look like” as defined in the RES; additionally the graphic includes an “other” (implementation priorities) column such that the imperatives implied by RSS are not lost.

Figure 3-1: Relationship between Implementation Priorities and “what success will look like”

Implementation priorities (Columns) ⇒ What success will look like (Rows) ⇓	A. Local Area Agreements improving economic and wider outcomes in disadvantaged communities	B. Comprehensive regeneration programmes to improve quality of place & economic opportunities in disadvantaged communities	C. Multi-agency programmes shaped to individual and community needs	D. A concerted focus through LAAs and MAAs to improve basic skills and meet Leitch level 1 and 2 targets	E. Leveraging finance ...to provide effective & coherent packages of support for the third sector...	F. Effective and coherent packages for migrants and improving workforce health and childcare	G. Improving local and regional intelligence and evaluation to increase the impact of programmes	H. Other implementation priorities implied by RSS
1. economic activity rates for disadvantaged communities > than in 2008 and closer to the regional average	✓✓✓	✓✓✓	✓	✓	✓	✓	✓	✓
2. regional employment rate of 70% for residents aged 16-74 and 80% for working-age residents by 2031	✓✓✓	✓✓✓	✓	-	-	✓	✓	✓
3. reduction in income inequality for those in work, with lower-quartile earnings at 60% of regional average earnings	✓✓✓	✓✓✓	✓	✓	-	-	✓	✓
4. 95% of adults with functional literacy and numeracy (basic skills) by 2020 and maintained to 2031	✓✓✓	✓	✓	✓✓✓	-	-	✓	-

Implementation priorities (Columns) ⇒ What success will look like (Rows) ⇓	A. Local Area Agreements improving economic and wider outcomes in disadvantaged communities	B. Comprehensive regeneration programmes to improve quality of place & economic opportunities in disadvantaged communities	C. Multi-agency programmes shaped to individual and community needs	D. A concerted focus through LAAs and MAAs to improve basic skills and meet Leitch level 1 and 2 targets	E. Leveraging finance ...to provide effective & coherent packages of support for the third sector...	F. Effective and coherent packages for migrants and improving workforce health and childcare	G. Improving local and regional intelligence and evaluation to increase the impact of programmes	H. Other implementation priorities implied by RSS
5. fewer inequalities in skills attainment and health between disadvantaged communities and the regional average	✓✓✓	✓✓✓	✓	✓✓✓	-	✓✓✓	✓	-
6. business start-up rates in disadvantaged communities that are higher than in 2008 and closer to the regional average	✓✓✓	✓✓✓	-	-	✓	-	✓	✓

Key: ✓✓✓ strong relationship; ✓ some relationship, but weaker/more indirect; - no real relationship

Moving towards regional programmes

- 3.4 In moving towards the definition of regional programmes in the context of employability, it is essential to recognise both the nature of the interventions that are needed, and character of the delivery process that needs to be used. In the paragraphs below we consider both of these issues in turn.

The changing character of interventions that are required

- 3.5 Achieving an employment rate of 80% across the working age population and 70% across those aged 16-74 – the ambition target from the RES – will not be easy. Progress towards it is likely only if the region succeeds in addressing worklessness amongst those who are currently some distance from the labour market. In other words, it requires something quite radical. As observed in a report to the Public Accounts Committee during 2007/08¹³:

Spending on employment programmes to date has focused on clients in receipt of Jobseeker's Allowance. Achieving the aspiration of 80% employment will require much greater focus on and outreach towards people who are economically inactive.

- 3.6 Previously, the Freud Report argued that

To achieve its 80% aspiration, the Government will need to target its welfare strategy at tackling all of the inactive groups. It will require about one fifth of the “economically inactive” population to move into work. This would include 300,000 lone parents (relative to a current population of 780,000 claiming Income Support); 1 million more older people in work (relative to 20 million people aged over 50 in total) and reducing the numbers claiming incapacity benefits by 1 million (relative to 2.68 million)... While current policies are making progress for those closer to the labour market, further reforms are needed for those further away. The welfare system will need to both widen and deepen its contact with those furthest from the labour market, and deliver innovative and flexible new ways to help people to find work¹⁴.

- 3.7 In recognition of these issues, a number of imperatives in relation to employability were identified – during a workshop discussion – in the course of preparing this Theme Advice. All of these imperatives are grounded in evidence and they need to be reflected in the regional programmes that are advanced as part of the East of England Implementation Plan.

Table 3-1: Key imperatives relating to employability in the East of England

Imperative	Evidence	What difference it could make to the region	Possible approaches
1, Focusing on those furthest away from the labour market	While this group faces the most barriers to employment it also tends to find support services inaccessible. Also, high long term costs to the public purse (see evidence from Social Exclusion Unit reports, Breaking the Cycle and Improving	Interventions would have lower deadweight, higher impact and lead to long term cost savings	Integrated commissioning and delivery framework for employability support with a focus on most disadvantaged (local frameworks with

¹³ <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpubacc/301/30105.htm>

¹⁴ *Reducing dependency, increasing opportunity: options for the future of welfare to work* Report to DWP by David Freud

Imperative	Evidence	What difference it could make to the region	Possible approaches
	<p>Services, Improving Lives)</p> <p>The set up and design of services often fails these groups because:</p> <ul style="list-style-type: none"> • value of engagement & outreach not recognised • focus on direct job outcomes & competition for outputs • limited local intelligence and connectivity • frontline staff training and development not prioritised • lack of tailored, holistic response (see Shared Intelligence - Work Limiting Illness Network report) <p>Strategies to promote employment, enterprise and tackle economic inactivity and social exclusion will only work if there is a holistic approach that incorporates housing, childcare, education and skills, employment and financial inclusion.</p>	<p>Challenging RES employment rate targets will not be achieved unless we can make a difference in employment rates for disadvantaged groups</p>	<p>regional expertise, influence and support)</p> <p>Tendering processes that enable engagement through third sector organisations, possibly at a sub-contracting level</p>
2. Supporting older people to enter/ stay in employment	<p>Demographic change means that this group will represent a growing proportion of the workforce in the region</p> <p>Employment rates for over 50s tend to be lower than average</p>	<p>Keeping older people in the workforce will help us to reach our employment rate target</p>	<p>Prioritisation of this target group within local programmes and frameworks</p>
3. Reducing NEETS	<p>Being outside employment, education or training between the ages of 16 and 18 is a major predictor of later unemployment, low income and social exclusion.</p> <p>The region has a relatively low NEET rate. However, Peterborough, Thurrock, Suffolk and Luton have high NEET rates of over 7%.</p> <p>Evidence shows that early intervention to avoid exclusion becoming entrenched can generate savings of a significant scale (see for example "Adding Value? Rebuilding Lives" by Space East)</p>	<p>Reduction in unemployment among young people, improvement in regional employment rates and skills levels</p> <p>Significant long term cost savings</p>	<p>Prioritisation of this target group within local strategies in Peterborough, Thurrock, Suffolk and Luton</p>
4. Developing appropriate progression routes to higher level skills, including vocational and technical	<p>The East of England performs relatively poorly in relation to educational attainment of young people - particularly 19 year olds achieving Level 3. This is most acute in Thurrock, Peterborough and Luton.</p> <p>In terms of working age residents, the region has a disproportionate high number qualified to Level 1, but performs relatively poorly on Level 2, Level 3 and Level 4.</p> <p>Level 2 vocational qualifications tend not to be valued by employers and provide little wage return (Leitch analysis) but can offer a stepping stone towards higher vocational qualifications that do offer significant productivity and wage returns.</p>	<p>Raising skills is imperative to close the East of England's productivity gap.</p>	<p>Development of sector specific career pathways</p> <p>Investment in the vocational training offer</p> <p>Role of adult Advancement and Careers Service</p>
5. Not just more jobs, but better jobs	<p>Evidence suggests slackening demand for skills. While there was a rapid rise in demand for skills from 1986 to 2001, this has stagnated in the years to 2006.</p> <p>Labour market projections show a likely increase in both in low pay and high pay jobs, with a reduction in the middle (so called</p>	<p>Improved workplace performance and productivity</p> <p>Improved retention and progression in work</p>	<p>Regional role: Strategic approach to employer engagement</p> <p>Challenging businesses to develop high performance working</p>

Imperative	Evidence	What difference it could make to the region	Possible approaches
	polarisation thesis). Many disadvantaged groups and benefit leavers experience low pay-no pay cycles – particularly employees with a disability or health condition.	Improved employment rates for disadvantaged groups	practices
6. Financial literacy and capability	Knowledge, skills, confidence in managing finances and making financial decisions is a basic competence in modern society Over-indebtedness can have a detrimental impact on the region's economy as well as on an individual's health, productivity, employment or business. Financial exclusion hotspots, where individuals are most at risk and in need of support, can be found in Norwich, Luton, Basildon, Peterborough, Ipswich, Thurrock and Great Yarmouth.	Reduced levels of over-indebtedness Improved life skills, confidence and employability	Regional role: Evidence base, influencing local and national agendas, building regional capacity
7. Social enterprise	Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community. The social enterprise model provides a sustainable means to regenerate local communities. Specific ways in which social enterprise can promote economic participation: <ul style="list-style-type: none"> • Providing jobs: One quarter of social enterprises in the UK support people through the provision of employment opportunities for people with disabilities and other disadvantaged groups • Meeting unmet needs: 83% of social enterprises have objectives to help particular groups of people by providing services such as training and education, home help, childcare, and housing improvements Around half of social enterprises aim to help the environment, and 34% do both • Contributing to business and wealth creation in deprived communities: The overall turnover of social enterprises is estimated at £27 billion, with a contribution to GDP estimated to be around £8.4 billion. Half of all social enterprises operate in areas of multiple disadvantage. Women and certain Black and Minority Ethnic groups are more likely to choose to be social entrepreneurs than conventional entrepreneurs. (see 2006 action plan: Scaling New Heights)	Raising economic demand in areas with low economic activity rates Strengthening social capital in local communities	Building community capital and supporting residents to take on ownership of local assets or to set up social enterprises in order to address local issues.
8. Improving accessibility of key services, particularly in rural areas	The East of England performs relatively poorly on the access to services domain of the ID. Transport, distance and a limited range of local opportunities are consistently cited as key barriers to employment in rural areas (see for example JRF finding work in rural areas)	Improved economic participation rates in large rural parts of our region	

Source: East of England Implementation Plan: Workshop – 11th November 2008

The delivery mechanisms that are available to be used

3.8 With regard to employability, delivery is overwhelmingly local in focus and within this context, Local Area Agreements – overseen by Local Strategic Partnerships – increasingly constitute the key part of the delivery infrastructure.

3.9 In theory at least, LAAs allow for more collaborative action and service delivery by bringing together partners from the public, private and voluntary sectors. As part of the development of LAAs, a growing proportion of government funding streams is now combined in a single Area Based Grant (ABG); for some local authorities, the value of ABG can be substantial (e.g. the 2008/09 figure for Essex County Council is £50.6m). This funding is used alongside mainstream budgets to support the achievement of specific ‘improvement targets’ identified in LAAs. Each LAA includes up to 35 of such targets, negotiated through GO-East.

A review of LAAs in the East of England (Table 3-2) suggests that all 10 upper tier authorities have adopted at least one outcome linked to employability; Peterborough has adopted two; and Luton has adopted three. This suggests that the importance of employability is recognised locally on a consistent basis across the region. Addressing it is an agreed priority and it will be the focus for substantial funding – both that channelled through the ABG and mainstream funding (from the likes of Job Centre Plus and Learning and Skills Council).

Table 3-2: Adopted LAA outcomes linked to employability

	Overall employment rate (NI 151)	Working age people on out of work benefits (NI 152)	Working age people claiming out of work benefits in worst performing neighbourhoods (NI 153)
Bedfordshire		✓	
Cambridgeshire		✓	
Essex	✓		
Hertfordshire		✓	
Luton	✓	✓	✓
Norfolk		✓	
Peterborough	✓		✓
Southend on Sea		✓	
Suffolk		✓	
Thurrock			✓

Source: SQW – Review of LAAs

3.10 For the East of England Implementation Plan, the principal issue is not therefore the need to persuade local partners to take employability seriously; from the review of LAAs, there is compelling evidence that they are doing so already. Instead, the challenge is to ensure that actions taken locally are as effective as possible and that the regional tier supports the delivery process optimally. In so doing it must recognise – as argued above – that the regional ambition for employability is quite stretching and it will be unachievable unless progress is made with those who are currently well outside the labour market.

3.11 With this argument in mind – and taking into account the principal points of intersection between implementation priorities and “what success will look like” (Figure 3-1), five regional-level programmes have been identified. These are summarised – in terms of their

principal rationale(s) and their key link into outcomes linked to this Theme – in Table 3-3. They are described in more detail in Chapter 4.

Table 3-3: Regional Programmes linked to Employability

Programme	Headline rationale	Key outcomes (from Figure 3-1)
1: Economic participation - Skills, employment and enterprise	Economic participation needs to be addressed through long term, sustained, multi-agency support and intervention. LAAs are increasingly the principal delivery channel and yet the interface with the regional tier is poor at various levels. The implication is that outcomes are currently achieved less effectively and efficiently than they might	All
2: Re-engineering businesses with a view to improving employability and using workforce skills more effectively	Businesses need to use the skills of their workers better and to value them more, if their competitiveness is to be sustained	3
3: Migrant workers	Migrant workers are a growing part of the East of England's economy, yet they can be vulnerable – their skills and employment role need to be recognised	3, 4, 5, 6
4: Social Enterprises	Social Enterprises provide an important vehicle for increased rates of economic participation and higher employment rates	2

4: Programmes

4.1 In the pages that follow, detailed proformas are provided for the Programmes that have been identified.

Programme name		1: Economic participation - Skills, employment and enterprise																																																															
Objectives and key components	<p>The aim of the programme is to raise participation levels in employment, self-employment and education and training and to improve outcomes for disadvantaged groups.</p> <p>These objectives will be achieved through strategic engagement and investment in LAAs to influence local agendas and add value to mainstream provision.</p>																																																																
Rationale for intervention	<p>1. Evidence of need:</p> <p>Although the region is performing well nationally, our performance is slowing markedly against other regions and we risk falling behind. For example, our employment rate has reduced over the past few years, even in a booming economy. The region ranks 7th on NVQ level 2, and although the proportion qualified to this level has increased, other regions have improved faster.</p> <p>Participation rates for particular groups remain worryingly low (e.g. 55% employment rate for disabled people, 48% for Pakistani/Bangladeshi ethnic group). This is an untapped source of labour and talent to help us reach our employment rate targets. And it is of concern from an equality and diversity perspective.</p> <p>There are significant sub-regional variations. At LAA level, Luton, Peterborough and Thurrock perform lowest on most indicators.</p> <p>Our RES economic participation targets are very challenging:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Current Performance</th> <th rowspan="2">Target (%)</th> <th colspan="2">Scale of Gap</th> <th rowspan="2">Trend</th> </tr> <tr> <th>5 years previous (%)</th> <th>Latest (%)</th> <th>Number</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Employment Rate</td> <td>78</td> <td>77</td> <td>80</td> <td>90,000</td> <td>4%</td> <td>Widening</td> </tr> <tr> <td>Functional Literacy</td> <td>NA</td> <td>87</td> <td>95</td> <td>280,000</td> <td>8%</td> <td>NA</td> </tr> <tr> <td>Functional Numeracy</td> <td>NA</td> <td>84</td> <td>95</td> <td>385,000</td> <td>12%</td> <td>NA</td> </tr> <tr> <td>NVQ Level 2</td> <td>60</td> <td>62</td> <td>90</td> <td>1,000,000</td> <td>31%</td> <td>Closing</td> </tr> <tr> <td>NVQ Level 3</td> <td>40</td> <td>43</td> <td>68</td> <td>900,000</td> <td>36%</td> <td>Closing</td> </tr> <tr> <td>NVQ Level 4</td> <td>22</td> <td>26</td> <td>40</td> <td>500,000</td> <td>35%</td> <td>Closing</td> </tr> <tr> <td>Lower quartile earnings</td> <td>59</td> <td>58</td> <td>60</td> <td>NA</td> <td>3%</td> <td>Widening</td> </tr> </tbody> </table> <p>2. Institutional and system failures:</p> <p>Disadvantaged groups not only face the most barriers to participation, they also tend to find services inaccessible. This creates high long term costs for the public purse (see evidence from Social Exclusion Unit reports, Breaking the Cycle and Improving Services, Improving Lives)</p> <p>Various reasons have been identified as to why the set up and design of services often fail these groups:</p> <ul style="list-style-type: none"> • value of engagement & outreach not recognised • focus on direct job outcomes & competition for outputs • limited local intelligence and connectivity 						Current Performance		Target (%)	Scale of Gap		Trend	5 years previous (%)	Latest (%)	Number	%	Employment Rate	78	77	80	90,000	4%	Widening	Functional Literacy	NA	87	95	280,000	8%	NA	Functional Numeracy	NA	84	95	385,000	12%	NA	NVQ Level 2	60	62	90	1,000,000	31%	Closing	NVQ Level 3	40	43	68	900,000	36%	Closing	NVQ Level 4	22	26	40	500,000	35%	Closing	Lower quartile earnings	59	58	60	NA	3%	Widening
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	<ul style="list-style-type: none"> • frontline staff training and development not prioritised • lack of tailored, holistic response <p>(see Shared Intelligence - Work Limiting Illness Network report)</p> <p>Strategies to promote employment, enterprise and tackle economic inactivity and social exclusion will only work if there is a holistic approach that incorporates housing, childcare, education and skills, employment and financial inclusion.</p> <p>3. Rationale for regional role</p> <p>Planning and delivery occurs at a local level. Employability and skills priorities are reflected in all of the region's LAAs and underpin many key outcomes. Given the evidence of the scale of need and gaps, and the links to RES targets, it is important to recognise employability as a priority at a regional level and to support local implementation through strategic engagement, capacity building and flexible funding as a catalyst for change.</p> <p>In particular, building the capacity of local authorities around this agenda is an integral part of the Regional Improvement and Efficiency Partnership's work programme. It is recognised that in order to develop and deliver excellent LAAs that will transform services and transform the lives of people in the East of England, authorities and partners need to continue to build their capacity to work in partnership on critical issues. To this end, the Regional Improvement and Efficiency Partnership – Improvement East – has undertaken to lead in the development of programmes and projects that support improvement on the key issues in the key places.</p>
<p>Stage of development and delivery timescale (including phasing)</p>	<p>All evidence points to the need for long term commitment and investment in order to overcome what can be complex barriers to participation and deep seated problems.</p> <p>A lot of work has been done in establishing evidence base and piloting successful approaches but still some way in developing truly integrated employability provision and holistic, tailored services. However, this is now beginning to happen, with the economic participation programme acting very much as they catalyst for this.</p>
<p>Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap</p>	<p>[NB-JIP: TO BE DEVELOPED FURTHER]</p> <p><i>Something about economic participation outputs in relation to corporate plan funding commitments for 09/10 (to be provided)</i></p> <p><i>Something about intervention costs for hard to reach groups if available via Julia</i></p> <p><i>Something about the scale of the gap (from baseline study table)</i></p> <p><i>Something about RIEP funding to support the practitioner group (see below)</i></p>
<p>Delivery processes and responsibilities</p>	<p>a) Delegation to local authorities, using LAA performance management framework – EEDA's delegated sub-regional economic participation programme</p> <p>b) Important regional role for EEDA and partners in providing</p> <ul style="list-style-type: none"> • sophisticated analysis of key issues, regional research, evidence building and evaluation • sharing and promoting good practice • making links beyond usual institutional and geographic boundaries • building capacity • championing and lobbying (upwards and downwards) on key agendas <p>c) Local authority capacity building to be managed through existing regional architecture – that of the LAA/LSP Practitioner Group, possibly via a Task and Finish Group. Issues to consider:</p> <ul style="list-style-type: none"> • Provide better communication of Agency offer – let people know what support is available at regional level (JCP, LSC) – including provision of a skills and employability 'tube map' • Ensure greater buy-in to working together on skills and employability targets at local level (based on better joint communication around understanding of/derivation of targets) • Develop a checklist for LAAs relating to long term employability issues • Use regional minister and regional economic council to put forward regional view East of England Implementation Plan • Making the case for greater flexibility of funding – vary targets; use of joint

	<p>points</p> <ul style="list-style-type: none"> • Better expression of local need to which regional agencies then respond – encourage brokerage/capacity at local level; develop process for two-way dialogue (formal but infrequent and high-level linking exists) • Opportunity for Regional Conference for skills and employability bodies and LAAs – identify joint solutions to problems • Provide “multi-local” data and intelligence, and take account of cross-regional working • Provide advice around programme design (promoting exemplars to achieve maximum impact) • Ensure that both strategic and delivery functions are joined-up at a local level (regional agencies and bodies are linked at local level) <p>Consider co-ordination of a Community of Practice which could provide/share information as to what is happening around the region</p>
Key constraints and issues regarding delivery	<p>Key challenges are:</p> <ul style="list-style-type: none"> • Local authority and LSP capacity. For example, only 2 of 52 LSPs in the region were involved with the Neighbourhood Renewal agenda. • Departmental silos • Economic climate and its impact on economic participation levels • Challenges around partnership working, and geographic complexities particularly in two tier areas • Uncertainty around local government review • The need to find new ways of delivery, to achieve better outcomes while also delivering efficiencies • Developing a culture of continuous improvement and strengthening performance management <p>Regional agencies must continue to work with LSPs and build their capacity by:</p> <ul style="list-style-type: none"> • Working together with partners and across the region to develop and deliver the tools and support needed • Increasing the level of self-awareness among LSPs to develop a culture of continuous improvement • Supporting partnerships to deliver the significant organisational change to enable exploration and implementation of solutions which go beyond individual partner capabilities but which can potentially deliver significant change • Developing a comprehensive regional programme of support
Expected outputs and outcomes	<p><i>From economic impact assessment of EP programme – to be finalised by 13 Jan</i></p>
Link to high level RES/RSS outcomes	<p>As above: literacy and numeracy, employment rates, lower quartile earnings, basic skills</p>
Spatial Dimensions	<p>The focus is the most deprived areas in the region.</p> <p>There are significant sub-regional variations in performance on economic participation indicators.</p> <p>For example, Thurrock and Luton have less than 50% of their working age population qualified to Level 2, while in Hertfordshire, Cambs and Central Beds, the proportion is around 65% or more.</p>

Programme name	2: Re-engineering businesses with a view to improving employability and using workforce skills more effectively
Objectives and key	The aim of this programme is to provide a common focus for prioritising

components	<p>and coordinating activities aimed at increasing business skills and employment levels within the East of England Region which will:</p> <ul style="list-style-type: none"> • identify market opportunities; • build the capability of the East of England firms; • build the capability of key East of England sectors; • build East of England's capability for international leadership. <p>Re-engineering/engaging businesses to support skills acquisition</p> <p>Demand led programme to increase skills relevant to each stage of business development.</p> <p>Business intermediaries working together to provide employers with the learning options available enabling them to make informed decisions.</p> <p>Business intermediaries delivering the public agenda working together to provide a seamless support service for the employer</p>
Rationale for intervention	<p>The challenges that face the economy of this region and the opportunities presented have to be properly identified, if we are to respond effectively.</p> <p>The increase in global competition, the pace of technological change, demographic changes, the ever-increasing demand from employers and individuals (for specifically tailored business support products and the delivery of appropriate skills training) are seen as "core drivers" for activity in the main body of the report: <i>The Adult Skills and Employment Strategy for the East of England</i>.</p> <p>The region has around 238,000 businesses (LSC Strategic Analysis EoE 2008), almost three quarters of which employ four people or less, coupled with a mixed rural and urban landscape with around a dozen towns and cities, but no major city acting as a regional focus, means that increasing employer engagement in skills and employment activities is a particularly stretching challenge.</p> <p>Those engaged in the demanding tasks of providing education, skills, jobs and business support will be aware also of the various pace-setting agendas outlined by the 'Leitch Review', the Sub-National Review, Public Service Agreement Targets, and especially for this region, in view of its proximity to the capital, the coming of the London 2012 Olympic and Paralympic games. The expectations arising from, and the need to align activity to our Regional Economic Strategy and government proposals such as "A New University Challenge", are all acknowledged in <i>The Adult Skills and Employment Strategy for the East of England (ASES)</i>.</p> <p>The compelling arguments for: simplifying offers to employers, employees, workless individuals, graduates and communities; to communicate these to stimulate moves into employment, retention in employment and progression within employment; to coordinate single agency and cross-agency delivery arrangements (with a view to possible future integration) and to win hearts and minds, can only be responded to effectively by continuing to build upon a particular strength that we have in this region, and upon which we have begun to depend to an ever-increasing degree - genuine collaborative working through local and regional Partnerships.</p> <p>Managing the implementation of a regional operational model as outlined in the ASES is one of the main tasks over the next two years for the East of England Skills and Competitiveness Partnership (EESCP) - consisting of around 50 of the region's public and private sector organisations, including voluntary and community interests.</p>
Stage of development and delivery timescale (including phasing)	<p>Maintain a regional structure working with key stakeholders involved in skills and economic growth</p> <p>Develop a range of simplified and tailored offers which will engage and motivate employers</p> <p>Develop a range of simplified and tailored offers which will engage and motivate individuals: employees, young people, graduates and those who are workless</p> <p>Simplify and implement a tailored offer which will engage and motivate communities</p> <p>Create a shared understanding and agreement of the skills and employment priorities</p> <p>Communicate offers to stimulate pathways into employment and promote retention and progression within employment</p>
Resource requirements,	<p>Programme spend relating to skills flows through from a range of central</p>

<p>including total cost. Public sector funding secured, public sector funding required, and gap</p>	<p>government departments and is influenced via advice provided by regional agencies. Currently on average this equates to 11.4% of national budget allocation (based on the current formula linked to demographics).</p> <p>Greater attention will be needed to provide business-relevant, flexible higher education, especially part-time, unit-based provision, whether in the HE sector itself or delivered by FE institutions or the private sector.</p> <p>While the move to a demand-led, responsive system is welcomed by employers, it is essential that capacity is maintained to stimulate, co-ordinate and make effective demand from employers. This is particularly important for the East of England, which continues to display low levels of demand for higher level skills compared to national and international comparators. It is also particularly important to support the medium- to long-term growth of key sectors, which may often require anticipating demand, alongside responding to immediate needs of business.</p>
<p>Delivery processes and responsibilities</p>	<p>Nationally led programmes with wrap around additions which respond to regional and sub regional unique requirements.</p> <p>Regional stakeholders linked into sub regional structures such as Local Authorities and educational structures both public and private.</p> <p>Maximising role of multi-agency/ private sector business intermediaries</p>
<p>Key constraints and issues regarding delivery</p>	<p>Wide-ranging and constantly changing services and products can be very confusing - to those involved in delivering them as well as those they are designed to help. Services and products should be simplified and interpreted to ensure they are relevant to – and can readily be understood by - the target groups they are aimed at.</p> <p>Organisations providing services and products to the same target groups should work together to avoid mixed messages, wasteful duplication and gaps in provision.</p> <p>Services and products should be tailored, as far as is practicable, to address the differing characteristics, needs and aspirations of geographic locations, employment sectors, individuals and communities.</p> <p>Encouraging involvement, winning commitment and generating enthusiasm of employers, individuals and communities in activities aimed at raising skills levels - and giving them confidence that their skills development needs and aspirations are understood and being supported.</p> <p>This is an aspect of the vision contained within the East of England Regional Economic Strategy, which envisages an environment focused on energy efficiency and low carbon emissions.</p> <p>Low employer / learner response - ambition, motivation and aspirations may remain low in parts of region</p> <p>Economic downturn leading to reduced demand for training</p> <p>Changes in government policy / public funding environment</p> <p>Market failure risks - e.g. food processing industry dependency on migrant workers</p> <p>Social tensions surrounding migrant workers</p> <p>Delivery risks associated with Machinery of Government changes (e.g. 14-19 responsibility transfer to LAs, setting up new youth and adult agencies) - loss of experienced staff, uncertainty and delay</p> <p>Train to Gain / BL brokerage merger plans, SSC relicensing and vocational qualification reform may increase employer confusion in short term</p> <p>London economy and Olympics could drain region of highly skilled workers and reduce its productivity/competitiveness</p>
<p>Expected outputs and outcomes</p>	<p>Decrease in those without basic skills in Literacy and Numeracy up to level 2</p> <p>Increase in those qualified at Level 2 and above</p> <p>Increased knowledge and innovation</p> <p>Improved business environment</p> <p>Increased opportunities for the most disadvantaged</p>

Link to high level RES/RSS outcomes	[This needs to set out the contribution of the programme to one or more of the high level RES/RSS targets, quantified if possible] Maintaining macroeconomic stability; raising the sustainable rate of productivity growth; providing employment opportunities for all; ensuring fairness by delivering world-class public services; and addressing environmental challenges
Spatial Dimensions	Focus on growth points and key centres for development and change - maximising the value and effectiveness of the "pot" for economic development and skills.

Programme name	3: Migrant workers
Objectives and key components	To help the East of England to maximise the benefit from migrant worker skills and employment <ul style="list-style-type: none"> to address information and support needs of workers and their employers to promote the benefits of migrant worker employment to businesses and the public (as part of a wider diversity is good for business approach) to influence regional, national and European policy and local service provision to ensure robust evidence of needs and impact
Rationale for intervention	Migrant workers benefit the region's economy <ul style="list-style-type: none"> They fill crucial gaps in labour and skills for businesses and public services Their mobility makes our region more flexible, competitive and resilient They bring new perspectives and stimulate innovation They have high rates of enterprise development / start-up They open up opportunities for global links, trade and investment <p>But there are market failures and barriers in the following ways:</p> <ul style="list-style-type: none"> Skills underutilised or inaccessible due to language barrier Lack of appropriate and accessible English language training Misinformation, myths, perceptions and discrimination Services not geared up, not sufficiently responsive Continuing need for co-ordination at different levels
Stage of development and delivery timescale (including phasing)	Ongoing. A lot of work has already been done in establishing the evidence base, bringing partners together and identifying work priorities. EEDA is already recognised as an expert and leader in this agenda, regionally and nationally. However, more effort is needed and we need to remain ahead of the game, in a constantly changing environment.
Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap	Figures as accurate where committed but indicative for remainder of the corporate plan period and beyond. EEDA has contracted a lead officer for the duration of the corporate plan but with no budget assigned as such. <ul style="list-style-type: none"> Research - £55,000 committed to Migrant Availability and Economic Risk study (to report in Feb 2009 (EEDA). £90,000 committed for 3 year longitudinal study to March 2011 – year 1 report due early 2009 (EEDA/ESF) Approx £50,000 a year additional funding is required for further research at regional level. Sub-regional research may also be required in certain areas Lobbying and campaigning - £100,000 for a marketing campaign has been suggested to include a base line survey of public attitudes, work with partners to promote the benefits of migration and sharing tools or information to champion the issues. Additional money might be required in future years to continue the process – say £50,000 per year during the corporate plan. The RIEP and Las might be able to contribute to this. Regional information service provision and English language training to fill gaps in provision - £200,000 contract due to be issued by EEDA in December for a national information portal (£150,000 committed by EEDA/ESF and £50,000 probable from central government). Other money could become available from other partners within or beyond the region. £600,000 EEDA/ESF project on English language skills has begun but this

	<p>only scratches the surface of need. Complementary projects are likely to occur in different parts of the region including EEDA supported ones (through the sub-regional programme) in Suffolk and Cambridgeshire.</p> <ul style="list-style-type: none"> Targeted work with local partners to pilot new approaches and influence local delivery - £No budget at the moment. There is a willingness from the regional migrant worker steering group (MWSG) to work with partners across the region to support new approaches and share learning from such pilot work. The new Transitional Integration Fund (from April 2009) is due to see a set amount delegated to each GO region. It is currently expected that £15m will be available nationally in 2009/10 and rumour has it that 12% of this might be available to Las in the East of England.
Delivery processes and responsibilities	<p>As much as possible the MWSG would like to be involved as an advisory body to recommend projects for support as well as in developing proposals for delivery by its member organisations. The executive of this group has recognised that Local Area Agreements are an appropriate delivery mechanism but believes that there is a need for coordination regionally.</p>
Key constraints and issues regarding delivery	<ul style="list-style-type: none"> Risk of migration being used as a political tool, risk of social tensions becoming more acute in economic downturn. While this is a challenge it is reinforces the need for regional action on this agenda as well as strong leadership and a coordinated approach to delivery of key messages through a communications strategy Risk of migrant workers leaving the region and impact on businesses and the economy
Expected outputs and outcomes	<p>Outputs:</p> <ul style="list-style-type: none"> Migrant workers supported to develop English language skills Businesses and organisations receiving information and support on migrant workers issues Migrant workers receiving information and support on employment and skills issues, as well as more generally on living and working in the region/UK Research reports produced, articles published Engagement with national policy makers to influence policy Migrants supported to start and develop their own enterprises <p>Outcomes:</p> <ul style="list-style-type: none"> Greater understanding of migration issues by local authorities, businesses and the wider public East of England attracts migrants with key skills More migrants working to their skill level Reduced staff shortages in key sectors Public services more responsive to the needs of an increasingly diverse population Improved social cohesion through a better understanding of issues / intercultural dialogue
Link to high level RES/RSS outcomes	<p>Links to skills, employment, enterprise and inequality outcomes</p>
Spatial Dimensions	<p>There are migrant workers across the region with particularly high numbers in key places such as Peterborough and Luton. However, in terms of migrants as a percentage of the 'host' population, there are high levels in the Fens and others in the London Arc. Further information on this is forthcoming through research that is currently underway.</p>

Programme name	
4: Social enterprise	
Objectives and key components	<p>To create an environment to help social enterprises thrive</p> <p>Key components</p> <ul style="list-style-type: none"> • Promoting social enterprise • Improving support for social enterprises • Improving access to public sector procurement
Rationale for intervention	<p>Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community. The social enterprise model provides a sustainable means to regenerate local communities. Specific ways in which social enterprise can promote economic participation:</p> <ul style="list-style-type: none"> • Providing jobs: One quarter of social enterprises in the UK support people through the provision of employment opportunities for people with disabilities and other disadvantaged groups • Meeting unmet needs: 83% of social enterprises have objectives to help particular groups of people by providing services such as training and education, home help, childcare, and housing improvements Around half of social enterprises aim to help the environment, and 34% do both • Contributing to business and wealth creation in deprived communities: The overall turnover of social enterprises is estimated at £27 billion, with a contribution to GDP estimated to be around £8.4 billion. Half of all social enterprises operate in areas of multiple disadvantage. Women and certain Black and Minority Ethnic groups are more likely to choose to be social entrepreneurs than conventional entrepreneurs. <p>(see 2006 action plan: Scaling New Heights) (These figures are national figures)</p>
Stage of development and delivery timescale (including phasing)	<p>Regional network, strategic objectives and action plan established</p> <p>In 2009/10 the Regional Strategy will be refreshed</p> <p>It is possible that the action plan that supports the national strategy will also be reviewed</p>
Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap	<p>Broad resource commitment for current corporate plan period:</p> <p>Social Enterprise East of England network: £160,000 per annum</p> <p>Office of Third Sector business support funding: £195,000 for 2009-11 which is being used to ensure that Social enterprises get the support they use through main stream providers (Business Link)</p> <p>CDFI £90,000 (£340,000 2009 – 2012)</p> <p>Future needs and aspirations:</p> <p>The role of social enterprise becomes more crucial in the current economic climate, as there is greater need than ever to create business and employment opportunities and also find innovative ways of delivering services and meeting new or unmet local needs.</p> <p>There is also more potential for social enterprises as Intermediate Labour Markets. This is relatively costly, although we recognise the long term benefits and some limited provision is funded via jobcentre plus. There may be greater justification in short term as job opportunities for disadvantaged clients become scarcer.</p> <p>As part of the response to the Quirk review and the asset transfer agenda there is a need to get the Local Authorities and other public services on board.</p> <p>Finally, there is a continuing need for signposting and advice on funding.</p>
Delivery processes and responsibilities	<p>Regional co-ordination, promotion and networking.</p> <p>Regional delivery of business support and development related programmes</p> <p>Local delivery linked to local economic and employment strategies</p>
Key constraints and issues regarding delivery	<p>Funding cuts and the economic situation, however real need to raise awareness and access to mainstream support.</p>

	3 rd sector capacity to respond to the government initiatives regarding for instance personalisation of services to change model of delivery.
Expected outputs and outcomes	New social enterprises created Existing social enterprises supported to grow Jobs and skills outputs SAV outcomes
Link to high level RES/RSS outcomes	Employment rates Start up rates Income inequality
Spatial Dimensions	Region wide, with a focus on most deprived areas

Annex A: Newly available evidence of relevance to the employability strand within the Skills and Employability Theme

East of England Economic Participation Study (Draft final report)

- A.1 This piece of work has been undertaken over recent months by the Training and Employment Research Unit at the University of Glasgow.
- A.2 The aim of the study has been to analyse levels of economic participation and non-participation in the East of England and produce a comprehensive statistical baseline. Using a range of statistical indicators and supplemented by relevant literature and consultation with local players, the study considers:
- the extent of low economic participation in the East of England
 - the barriers contributing to low economic participation
 - the consequences of low economic participation
 - the factors that can help people sustain and progress in employment.
- A.3 Key findings with regard to each of these issues are set out below.

The extent of low economic participation in the East of England

- A.4 Using a range of headline economic participation indicators, the study found that the scale of the economic participation priority in the East of England is not as great as in some of England's other regions. It observed that:
- the East of England was consistently in the top third of England's regions – with the only indicators where it fell outside of the top third being the proportion of 16 to 18 year olds who are 'NEET' and the level of Total Entrepreneurial Activity
 - there are, however, variations within the East of England with the LAAs consistently showing to have the lowest economic participation rates being **Peterborough** and **Thurrock**
 - other LAAs which were also in the bottom third on more than one key indicator were **Southend, Norfolk, Bedfordshire & Luton** and **Suffolk**.

The barriers contributing to low economic participation

- A.5 This study considered the extent to which key barriers are contributing to low economic participation levels in some areas.
- A.6 At a regional scale, it identified the key barriers for the region to be as follows:

- **education and skills** – particularly in progressing individuals from basic level and NVQ Level 1 qualifications on to higher level qualifications
- **young people** – with the East of England having a relatively high NEET rate, low post-compulsory education rate, and low 19 year old educational attainment
- **ethnicity** – while economic participation rates amongst the East of England’s ethnic population are relatively high, they are still below the economic participation levels of the white population. This is particularly the case amongst the Pakistani/Bangladeshi ethnic group
- **rural geography** – having the third lowest population density of England’s regions brings barriers relating to access to jobs, education and key services.

Consequences of low economic participation

A.7 The study found that

- the East of England has the second lowest level of area deprivation of England’s regions with only 6% of its LSOAs falling in England’s 20% most deprived
- however, by individual domain, the East of England performs relatively poorly in terms of education and skills. The Index of Multiple Deprivation also reaffirms that the regions’ rural geography impacts on residents’ access to services
- within the East of England, there are pockets of deprivation and the LAAs with the highest deprivation levels are **Peterborough, Southend and Thurrock**
- **Norfolk and Bedfordshire & Luton** are also characterised by pockets of deprivation.

Sustaining and progressing in employment

A.8 To maintain economic participation levels and to contribute to the region’s economic competitiveness, it is important for individuals to both sustain and progress into better and higher paid jobs. Indicators around sustaining and progressing in employment are not widely available. Hence the study sought to consider:

- the degree of ‘cycling’ between employment and unemployment
- wage levels which act as an incentive to entering and sustaining employment
- levels of higher educational attainment which enable individuals to progress into better jobs.

4.2 It found that

- in terms of individuals entering employment, churn is highest amongst those closest to the labour market (i.e. those actively looking for employment)
- wage levels in the East of England are nationally quite high both for workplace-based and residence-based due to London’s influence

- however, the East of England has relatively low levels of higher qualifications – and this could have implications on the region’s productivity.

A.9 It observed further that the LAAs which were at the bottom of the indicators used were:

- **Southend, Norfolk, Suffolk and Thurrock** in terms of low-wage levels
- **Thurrock, Peterborough and Southend** around higher educational attainment.

Forward look

A.10 Looking ahead, the study examined four futures scenarios:

- expanding economy/stable or contracting labour supply
- expanding economy/expanding labour supply
- static or declining economy/stable or contracting labour supply
- static or declining economy/ expanding labour supply.

A.11 Based on the East of England’s slower economic growth compared to other parts of England and the current ‘credit crunch’, a static to moderate growth regional economy might be expected. In terms of labour supply, current migration trends would suggest that a static to expanding labour supply would be expected. The study therefore concluded that the fourth of the scenarios was most likely to occur. This was identified as the worst case scenario. The study explained:

Scenario 4 is the worst case scenario as a static or declining economy would restrict jobs growth yet the labour supply continues to expand. Under these conditions it would be very challenging to achieve the economic participation targets. Increasing the skills levels of the labour supply would assist those in or close to the labour market, but the economic participation levels of disadvantaged groups or areas would be unlikely to improve.

Work-Limiting Illness Employment Network

A.12 This piece of work was completed by Shared Intelligence through an action learning process involving two action learning sets which considered the complex issues relating to work-limiting illness in the wider context of the region’s employability agenda.

A.13 Issues and potential solutions identified through the process are summarised below.

Table A-1 : Issues and solutions identified through the action learning sets

Imperative	Possible solutions
Improve the targeting of those that are hardest to reach	Engaging with other partners, particularly grass roots VCS organisations that may have knowledge of and/or contact with individuals in specific localities – possibly through a forum or network Improved data sharing – although recognising the challenges of data protection

Imperative	Possible solutions
<p>Improve how we measure success when initiatives do not lead to a job outcome</p>	<p>There is a need for more emphasis on engagement activity and the length of time needed to support an individual with significant barriers to employment, including suitable aftercare, within outcome setting, monitoring and evaluation frameworks. This might involve</p> <p>greater use of measures and systems to record 'softer outcomes' and 'distance travelled';</p> <p>funding agents to recognise the length of time required for some individuals to reach the stage of being 'ready for work';</p> <p>more rigorous monitoring of sustained employment;</p> <p>partners/funders should also look to evaluating the more qualitative process changes emerging from interventions that can often lead to increased net impact rather than having a sole focus on quantitative outputs.</p>
<p>Need to provide all members of partnerships with access to training to support delivery of joined up engagement and delivery of support</p>	<p>Ensure that staff receive the correct training and organisations focus on staff development</p>
<p>Ensure that link workers are utilised to make effective referrals</p>	<p>Key challenge is to develop and implement systems and procedures which support effective tracking and performance management and to overcome associated issues</p>
<p>Have a clear strategy on how practitioners and policy makers can educate employers</p>	<p>A series of targeted regional events focused on employers which consider recruitment, retention and progression:</p> <p>development of a clear strategy supported by a network/forum of employer champions;</p> <p>development of case studies that can be accessed easily;</p> <p>use of the public sector as an exemplar possibly through some form of East of England wide public sector compact/local employment partnership commitment;</p> <p>enhanced efforts to ensure public sector organisations meet their legal duty to promote equality of opportunity.</p> <p>Linked to this, given the large number of small employers in the East of England, it may also be useful to consider, possibly as an early pilot, a specialist programme of support for SME employers.</p>
<p>Agencies and organisations involved in providing employability support to those with work limiting illness commission and procure services in different ways and at different points in time</p>	<p>Establish a joined up planning and commissioning framework</p>