contents

foreword


Sal Brinton

The East of England faces a number of challenges. The success of the regional economy has given rise to what we describe here as a 'dual labour market', with employment growth in both knowledge based occupations requiring higher level skills, as well as the development of new 'lower level' service sector jobs.

At the same time, geographical disparities are apparent with some areas of the region attracting lower levels of investment. Some localities remain vulnerable to over-dependence on large employers and declining sectors.

This diversity and dynamism of the region requires a coherent, collective response. It requires concerted, relevant and targeted actions on a range of fronts. This is what the Framework for Employment Skills Action (FRESA) is all about. It is a plan of action to tackle issues specific to the East of England.

The FRESA has developed over the last three months. It has brought together all the major agencies in the region. It is a fresh approach with national government backing across the Departments for Trade and Industry, Employment and Skills and the Department for Work and Pensions.

We have sought to dig deep into the particular characteristics of the East of England to assess the appropriateness of national policy in meeting the needs of what is a dynamic and changing region.

This is not simply about initiatives and project activity. We have sought to examine resources – mainstream and discretionary. We have asked whether they are going in the right places, in the right quantities and whether the targets we are setting both meet our needs and are realistic.

Inevitably, the complex web of overlapping initiatives have made this a complex and imperfect process. However, we believe the FRESA – founded on a comprehensive labour market assessment and a mapping of existing policies, resources and targets – provides an excellent starting point for partners to deepen their collaboration around the key issues which have been identified.

In getting to this point, the role of the skills and employment forum in particular has been vital in developing these foundation reports, both of which are available as stand-alone annexes on the skills and employment forum at:

www.skillsforum.org.uk

and on the East of England Observatory website at:

www.eastofenglandobservatory.org.uk

The role of the skills and employment forum continues to be vitally important. This FRESA is not the end point. It is still a framework. But it does move the East of England towards actions and priorities. It focuses on areas where further research and collaborative work is required. It sets the basis for actions to tackle the issues. We need all partners to continue the work that has brought us to this point. The region deserves no less.

Sal Brinton
EEDA deputy chair and lead on employment and skills

introduction

The Framework for Regional Employment and Skills Action in the East of England is set out in five documents:

- this, the main document, provides a concise overview of the context for skills and employment action in the region. It sets out a series of 'protocols', position statements agreed between key partners, which have been developed to underpin this action. This is a working document and represents part two of the national template. All appendices are available in electronic format only at www.skillsforum.org.uk

- a full labour market assessment of the East of England which comprises a synthesis of the current research base assembled by the East of England Observatory. This is appendix one and represents part one of the national template.

- a policy review designed to assess and analyse the present response from government and other agencies in addressing the issues brought to light in the labour market assessment. The policy review also contains a summary of best practice lessons in employment and skills initiatives drawn from a range of government evaluation activity. This is appendix two.

- the East of England Partnership Agreement on Skills and Economic Intelligence sets out how partners will contribute to a co-ordinated approach to labour market intelligence. This is designed to be a living document with partners regularly updating their activity. Therefore, this agreement – appendix three – is only available in electronic format (www.skillsforum.org.uk).

- a compilation of the views of partners assembled though a consultation process undertaken in the summer of 2002. The consultation gave partners an opportunity to explain where they thought the region was succeeding and where it needed to do more; what the key priorities for action were; and what needed to be done as a matter of urgency or importance. The responses from partners provide an important input into the prioritisation of the FRESA issues into the categories of top, high, medium, and low which are used in this document.

next steps

The responsibility for ensuring progress is made on the FRESA rests with the East of England skills and employment forum – a body made up of top level representatives of the main players with responsibility for employment and skills issues – who will oversee a range of FRESA task groups and other partnership bodies which will be responsible for the priority issues identified.

Critically, the skills and employment forum will also be responsible for considering the 'bigger picture' of how all the issues fit together to provide the foundations in the workforce for a successful, dynamic and sustainable region.

the role of the Employment & Skills Forum

The Forum will continue to meet to review progress on the key issues as they are taken forward. Initially they will concentrate on the progress of the Top and High priorities, to ensure that Action Plans are completed by the end of March 2003. They will also follow progress on the other key issues as appropriate. The Forum will consider developing government policies, which may impact upon the key issues, and ensure that the Lead Partners are aware of them.

The Forum will host wider stakeholder events annually, which will showcase progress and achievement on the key issues and encourage a wider debate of them.

The FRESA document, held on the Forum Website, will be updated regularly as progress is made. It will be re-issued in hard copy/CD-Rom annually to reflect changes and achievements.

www.skillsforum.org

taking the FRESA forward

The identified lead partners will take all the key issues highlighted within the FRESA, forward. They will work with other interested partners to develop an Action Plan, which will do a number of things:

- make the partnership networks coherent, by establishing an agreed framework of groups, which ensures inclusive involvement by partners at local, sub-regional and regional levels, eliminate duplication where it exists and refresh partners' commitment to the issue.

- agree the priority actions, which need to be tackled within each issue, together with targets and a timeline for achievement. Target setting will be based on existing government targets where they exist but may well be more stretching than them, and may include additional targets designed to reflect progress on specific actions. These elements will be drawn together into an Action Plan for the issue.

- agree who will be responsible for taking forward each priority in the Action Plan, what will be done, with what resources, by whom and when. The Top and High Priority Issues will each have an Action Plan by April 2003, the medium and low priority issues will be taken forward without a deadline (as, in most cases, these issues already have well developed networks, but may not have jointly agreed targets and actions.

overview of the East of England

The East of England is a £73 billion economy[1] based on 350,000 businesses[2] and a workforce of 2.6 million[3].

> *'In recent years the East of England's economy has been particularly identified with the growth in the region of clusters of high-tech nology, high skill businesses in fields such as information technology and biotechnology – both growth areas in the global knowledge driven economy[4].'*

The region is one of the most open economies in the UK. Exports reach most parts of the world but especially the EU and US. There are also significant trade and labour flows with other regions in the UK. The East of England provides a substantial part of London's labour force.

With 5.4 million residents, the East of England is a middle-ranked English region, but its population is one of the fastest growing in the UK, fuelled by net in-migration from London. Its age structure mirrors the national structure, but the ethnic minority population (4 per cent of the total) is half the England average and has a younger age profile than the remainder of the region[5].

The East of England contains 17 medium sized town and city conurbations whose populations are each in excess of 50,000 – but none exceeding 200,000. No major city acts as a natural regional focus or capital. In fact, 43 per cent of the region's population resides in rural areas and a quarter of all England's market towns are in the region.

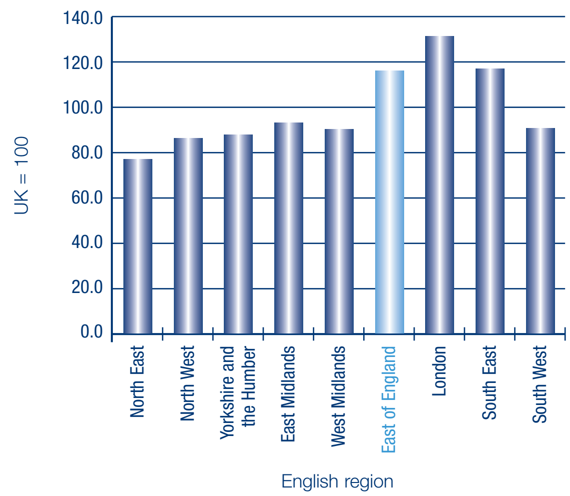
the drivers of productivity

One of the most commonly-used measures of the economic performance of a country or region is GDP per head. This is not a perfect measure, particularly at scales below national level, and can be distorted by regional price levels, or a high level of in- or out-commuting, but it does provide a broad indication of the degree of prosperity within a region.

1. 1999 workplace-based GDP at current basic prices, National Statistics, 2001
2. *SME Statistics UK, 1999,* Small Business Service 09/00
3. *December 2001 Civilian Workforce Jobs, Labour Market Statistics April 2002: East,* National Statistics
4. *Opportunities for the East of England* a supplement to *Opportunities for all in a world of change: A white paper on enterprise, skills and innovation, 02/01*
5. *Regional Trends 36* (Ch 13), National Statistics, 2001

The chart below shows GDP per head in each region of England in 1999, where the UK average is equal to 100. The East of England, already with GDP per head considerably above the UK level, has continued to improve its position over the past four years, catching up with the south east and closing the gap with London.

GDP per head in the regions of England 1999



source: 4th Quarter Productivity, ONS

The East of England Development Agency has a target of the East of England being one of the wealthiest twenty regions in Europe by 2010. To achieve this aim, the rate of GDP growth will have to be increased. GDP per head can broadly be increased in one of two ways: either through an increase in the number of people contributing to GDP by increasing the employment rate in the region, or through an increase in the level of the contribution to GDP of those already in work, through higher productivity.

Parts of the East of England already have a high proportion of their population in work, and whilst there is scope for raising regional activity rates still further, this source of GDP growth is approaching its maximum. Therefore raising the productivity of those already in work is becoming more important to the region in raising GDP growth.

The Department of Trade and Industry and HM Treasury identify five drivers of productivity [6]. These are:

- skills
- investment
- innovation
- enterprise
- competition.

It is thought that differences in these factors can explain much of the difference in regional economic performance. If the East of England is to improve its economic growth rate, it is these productivity drivers which it will need to influence.

the knowledge economy and the rise of the dual labour market

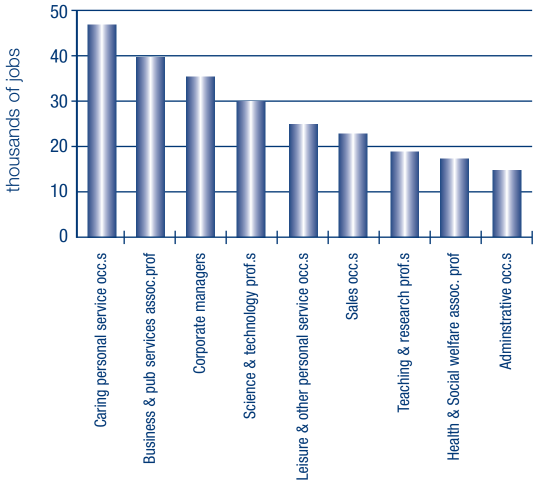
Over the past 30 years, there has been a clear structural shift in many western economies, away from employment in manufacturing and towards employment in the service sector[7]. Some people have described this as the move to a 'knowledge economy'. There are serious labour market and skills implications of this change. As Business Strategies[8] point out, the only certainty in the new economy is uncertainty.

This means that workers have to be flexible and prepared to update their skills throughout their working lives if they are to remain employable. Generic skills such as team-working, communication, problem-solving, customer care, creativity and even attitudes are becoming more important as a base upon which specific technical and professional knowledge and experience can be built.

The growth of the knowledge economy has led to substantial growth, not only in occupations requiring higher level skills, but also in lower skilled sectors. This is illustrated in the diagram opposite, which shows the occupations expected to grow fastest in the East of England in the period to 2010. As well as the higher level occupations, such as associate professionals, corporate managers, those requiring lower level skills, such as caring personal services, leisure; other personal services and sales occupations are all set to grow substantially.

6. *Productivity in the UK: The Regional Dimension*, HM Treasury per cent DTI, November 2001
7. *New Economy, New Skills*, Business Strategies, May 2001
8. *New Economy, New Skills*, Business Strategies, May 2001

fastest growing occupations in the East of England in absolute terms, 1999 - 2010



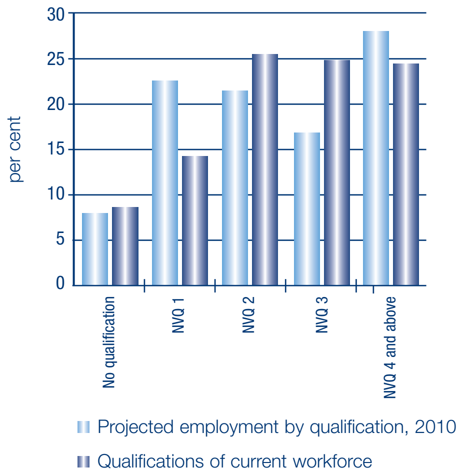
source: IER Projections of Occupations and Qualifications

This demonstrates how the growth of the knowledge economy is leading to the emergence of what has been called a 'dual labour market'. The dual labour market which operates in the East of England may be seen as one in which the characteristics of supply and demand – wage levels, skills requirements, career opportunities – work differently for workers at different ends of the employment spectrum. However, they are linked as 'lower end jobs' and are dependent upon the demand created by the 'upper end'.

Whilst a simplification, the position of certain workers including public sector professionals such as teachers, nurses complicate the picture, it is apparent that the upper end, or 'primary', segment is characterised by high earnings, secure employment, training and development opportunities. In contrast, the 'secondary' segment has low rates of pay, poor terms and conditions, insecurity and little opportunity for training and development.

The growth of the knowledge economy is associated with the emergence of a dual labour market, because for every 'knowledge' job created, several lower level positions exist. For example, for every doctor there are three cleaners, porters and catering staff; for every teacher there are five dinner ladies, class room assistants, caretakers, cleaners and ground staff [9]. This is a result of cultural changes, such as the move towards a 24 hour society, and pressures on those in the primary labour market to work longer hours, which lead to 'money rich, time poor' situations; in which higher levels of disposable income enable those in the primary labour market to pay others to provide them with services they may once have provided for themselves.

expected NVQ demand compared to current supply of NVQs within the East of England workforce



source: IER Projections of Occupations and Qualifications, LFS

The increasing polarisation of work into these two labour market sectors could potentially lead to damaging social costs for the region, if the negative aspects of this trend, such as a lack of progression opportunities for those in lower level occupations and the increasing number of 'working poor' are not tackled.

Forecasts of the demand for employees by qualification level indicate that the East of England will face a shortfall of people qualified to NVQ Level 1 and to NVQ Level 4 or equivalent by 2010. By contrast, the region will require slightly fewer workers qualified to NVQ Levels 2 and 3 than is the case at present. The demand for NVQ Level 1 qualifications indicates even low skilled occupations are demanding some level of skills, rather than no skills at all as has previously been the case. The dual labour market therefore causes skills deficiencies at both ends of the skills spectrum.

skills and qualifications

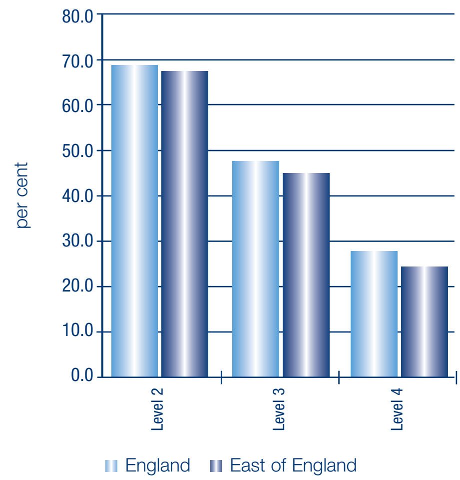
Skills are a key driver of productivity. The rise of the knowledge economy, in which 'human capital' is seen as a factor of production, is causing increased demand for skills, particularly higher level skills. Given the success of the East of England's economy, it might be thought that the region performs well with regard to the skill levels of its workforce. However, this is not the case.

The East of England is in line with the England NVQ average at level 2 but falls behind the England average at levels 3 and 4. Whilst the East of England performs well against the national average achievement figures for compulsory education up to GCSE standard, it is below the England average for average A level points and for adults' skills at these levels.

The current supply of higher level skills amongst the East of England workforce will be inadequate to meet the future needs of the economy in the region. If the supply of higher level skills is not increased, a variety of damaging consequences could affect the East of England.

9. Business Strategies, *New Economy New Skills.*

levels of qualifications held by economically active adults



source: Highest Qualifications Held by Young People and Adults, 2001, DfES

Increasing higher level skills recruitment difficulties may threaten the region. More prosperous parts of the region, such as Hertfordshire, already face high numbers of hard-to-fill vacancies. Skills shortages may lead to companies operating below full potential, undermining the competitive edge of the region over other areas. A shortage of workers may also lead to rising wage levels for those in demand, resulting in greater labour market disparities. Investment into the region could be damaged if investors have little confidence in being able to recruit the staff they need.

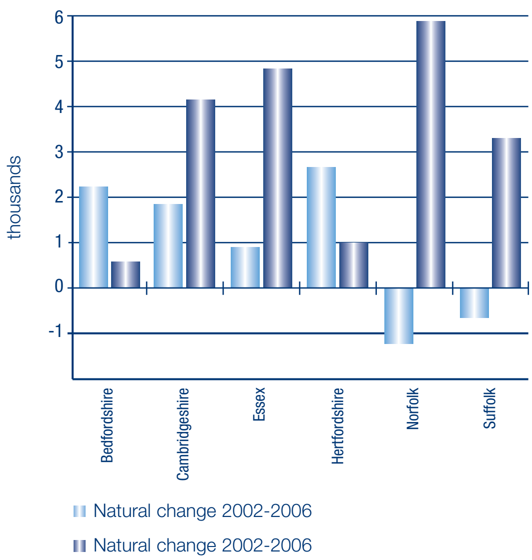
Being unable to supply the higher level skills required by employers from within the East of England may result in social and environmental problems. Demand for higher level skills is likely to lead to higher wages in this group, whilst those with lower level skills may not be given the training and development opportunities required for them to fill such positions. Higher wages may force up house prices in the region, making it difficult for lower earners to be able to afford to buy. If the demand for skills cannot be met from within the region, jobs are likely to be filled by skilled workers from outside the area. This is likely to increase pressure on the East of England's infrastructure.

demographic change and infrastructure capacity

Migration flows indicate that average annual net in-migration to the region is around 20,000 per annum – highest into Norfolk – with most coming into the region from London. Many will still be working in London but looking to reduce their cost of living by moving outside the capital. The influence of migration into the region from London should not be overlooked, since it accounts for the vast majority of the in-migration.

The East of England has one of the highest rates of population growth in the UK. Population projections to 2006 suggest that the region's population will continue to grow. Net migration is forecast to be more significant than natural change in Cambridgeshire, Essex, Norfolk and Suffolk while the opposite is true for Bedfordshire and Hertfordshire. The pattern of population change will have an impact on the size and structure of the workforce in each of the sub-regions.

population projections, 2002-2006 – expected annual average change



source: ONS Population Projections, mid-1996 based, Nomis

Parts of the region's infrastructure – transport, housing, business premises – are under considerable strain and are already acting as a constraint on economic growth. These problems are most visible in the parts of the region closest to London and around Cambridge. Many of the region's coastal and rural areas conversely are suffering from peripherality and the resulting lack of infrastructure investment. These arguments apply equally to information and communication technology (ICT) infrastructure.

spatial variations

The East of England includes the six counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk, Suffolk, and together with the four unitary authorities of Luton, Peterborough, Southend and Thurrock. To talk of the East of England, economy is somewhat misleading, as there are considerable spatial variations in economic performance within the East of England. Demography, topography, infrastructure and location have all helped to shape the East of England's economy and its sub-regional economies.

Within the East of England there is a general north east/ south west economic split, with counties in the western part of the region such as Cambridgeshire and Hertfordshire surging ahead economically, whilst the northern and eastern counties such as Norfolk and Suffolk are lagging somewhat behind (although they still out-perform the country as a whole on most indicators). Even this level of disaggregation is, however, somewhat misleading as pockets of deprivation exist throughout the region often alongside areas of affluence.

These geographical differences are reflected in the various EU and UK aid designations that exist across the region.

There are urban and rural economic conditions and issues affecting the region. Rural areas account for some 79 per cent of the land area and 43 per cent of the population of the region[10]. Some rural areas face particular economic difficulties due to continued reliance on agriculture and related industries for employment. Skill levels amongst the workforce tend to be lower than in urban areas and a larger proportion of employment is seasonal and low-paid[11]. There are transport and accessibility issues with higher levels of car dependency than in urban areas and particularly poor levels of public transport in the rural parts of Norfolk and Suffolk[12].

Urban areas in the East of England face different problems. There are pockets of severe deprivation in some urban areas, such as Great Yarmouth, Luton and Peterborough. Long-term unemployment is a particular problem in some urban areas, as are high levels of benefit receipt. Poor levels of educational achievement are also common in urban areas.

As well as differences within the region, it is important to remember that the East of England is not a self-contained economy, and the fortunes of other regions have a significant impact on the region. Large parts of the region have close links to the Greater London economy, as a result of proximity, or good transport links, which makes commuting into London a common choice. Hertfordshire and Essex in particular have close links to the London economy.

10. *The State of the Countryside 2000 – The East of England*, The Countryside Agency, 2000
11. *LEADER + in the East of England Region Appendix A England LEADER + Programme 2000-06*, DEFRA '01
12. *The State of the Countryside 2000 – The East of England*, The Countryside Agency, 2000

developing a joined-up response

The preceding overview demonstrates that attention to issues such as affordable housing, in-migration and the wider effects of market led economic growth need to be considered alongside more 'traditional' employment and skills concerns such as unemployment and post 16 learning.

In this sense, the FRESA should be seen in the context of a number of complementary strategies which guide the sustainable development of the region.

In particular, it deepens the analysis of the ways in which skills and employment support or constrain the achievement of the goal of the regional economic strategy – 'East of England 2010: prosperity and opportunity for all' which aims to make the East of England a world-class economy and place it amongst the top 20 wealthiest European regions by 2010. Furthermore, FRESA breaks down – into a set of 21 core issues relating to jobs and learning – what needs to be done and who needs to do it.

But the most exciting – indeed challenging – facet of the FRESA will not be found in the detail of individual tasks but in the unified whole of interrelationships between the core issues and the various partners responsible for dealing with them eg. LSPs. It is the ways in which an understanding of the relationships between what is happening economically, socially and environmentally is enhanced by the FRESA that will prove to provide its unique and greatest value.

In taking such an integrated view, it becomes apparent that there are no neutral policy choices about where priorities lie. In the final analysis, FRESA priorities are driven by fundamental choice: what type of region are we trying to create and how do we go about it? It is in this sense that the policy priorities set out in the regional economic strategy take on particular importance in guiding this vision. The regional economic strategy sits literally as well as figuratively, at the heart of the FRESA.

determining priorities

The over-arching goals of the regional economic strategy – supported by the policy priorities of other key players – have been distilled in the FRESA into 21 separate issues, all of which are important mapped against the specific characteristics of the region. The intention is to provide a snapshot of where the partnership is now, both in relation to the challenges it faces and what is currently being done to meet them.

In order to make the process manageable, the issues have been separated into four priority brackets defined below. Please note the order in which they appear is of no significance.

TOP

Both urgent and important priority requiring greater action, co-ordination and funding

- increasing participation in higher education (HE)
- response to redundancies
- skills for employability
- workforce development (WFD) and 'in work' progression
- young people and career choices.

HIGH

Considerable action underway but still in need of either increased co-ordination or funding

- future labour force
- higher level skills
- impact of housing on skills shortages
- increase of take-up of training by employees in small and medium-sized enterprises (SMEs)
- inward Investment
- sector skills
- under exploited sources of labour.

MEDIUM
Currently more resource funding than Top but still a key issue

- access to learning and ICT
- ageing workforce
- business investment
- enterprise
- ICT
- increasing employment rates
- innovation
- labour market mismatches.

LOW
Not requiring action at present, although further research may be needed

- migration.

action planning

The FRESA is designed to be a working document which gets used and revised over time. It begins to identify what needs to be done in the future and who needs to do it. Each issue is set out in a practical, easy to digest format comprising a brief overview of the issue and a one side action plan or 'protocol' which is intended to be updated and revised as further progress is made.

The key next steps for the top priority issues are:

- for the lead partner to convene a meeting of a task group comprising the key partners. If necessary, EEDA will provide additional capacity or support where necessary
- for the protocol to be revised and updated to capture the full span of activity and a consensus on the appropriateness of the partnership policy response
- for a set of priority actions, with associated tasks, timescales and targets to be drawn up to drive partnership activity over the coming twelve months
- for the revised protocol to be submitted to the skills and employment forum so that progress may be reviewed.

A similar process will be adopted for other protocols at the discretion of the forum. In certain circumstances, for example that of skills for employability and WFD, the forum may decide to task one group with responsibility for more than one protocol.

The next section sets out each of the 21 issues and protocols.

TOP

Both urgent and important priority requiring greater action, co-ordination and funding

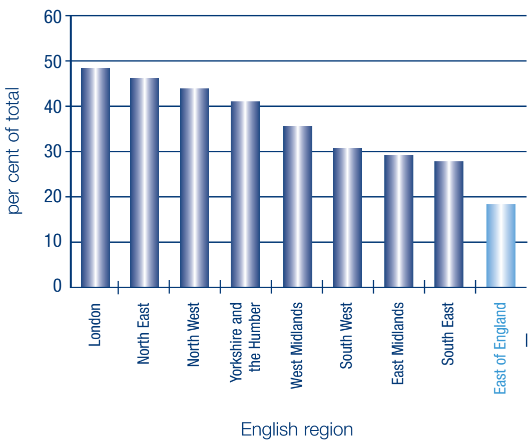
- increasing participation in higher education
- response to redundancies
- skills for employability
- workforce development
- young people and career choices

increasing participation in higher education

the situation in the East of England

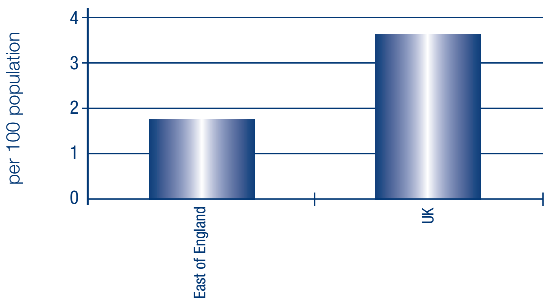
The region faces a shortage in NVQ Level 4 or equivalent, and has a small HE base. Further, the relative abundance of jobs may reduce the incentive for higher-level qualifications in order to access employment. The HE sector comprises eight universities and three higher education colleges.

proportion of students studying in their home region



The East of England also has the smallest proportion of students studying in their own region, as well as significant numbers of part time students, (the size of the region and the low number of major conurbations are factors) but nonetheless, take-up in the region's HEIs is consistently lower than Higher Education Funding Council for England (HEFCE) allocations. These data include the large take-up of Open University places. Some larger settlements (eg. Ipswich, Peterborough and Southend) are without HEIs, potentially inhibiting the HE take-up. The region is a net exporter of graduates.

full time students equivalent studying in the region per 100 of the population



source: HEFCE Regional Profiles

policy initiatives

Partnerships for Progression (PfP) is a UK government initiative to achieve 50 per cent participation in HE and at the same time to make HE more socially inclusive. The Association of Universities in the East of England (AUEE) has convened a Regional Strategy Group. The group is preparing a business plan to include activity aimed at raising aspirations and achievements of students in schools and colleges; making HE more accessible in the workplace; extending access to HE provision in both HE, FE colleges and other centres. AUEE has also been instrumental in helping a consortium of regional HEIs and colleges led by Essex, UEA and APU to establish the first national pilots of Foundation Degrees.

policy area or initiative	resources†	source
HE		
Sector-specific Pathfinder Colleges	£60m year 1; £100m pa after (nationally)	
HEFCE and Teaching Support networks	£1m to 2004 (nationally)	
Single pot	c. £0.5m†† p.a	EEDA
PfP	£100,000 now††† with regional allocation tbc	HEFCE/ LSC
PfP Business Plan	6.7m April 2003-06	HEFCE/ LSC

† *Resources for the creation of HE Centres in Ipswich, Southend and Peterborough incorporated within Issue 2: Innovation*

†† A proportion of EEDA Skills Development Fund is for HE collaborative projects, eg. Creditlink, Anglia Polytechnic University

††† £100,000 agreed for Business Planning process, remainder to be agreed

increasing participation in higher education: **actions**

<table>
<tr>
<td>lead body:
Regional PfP steering group</td>
<td colspan="2">other partners:
EEDA (regional view), Connexions, Information, Advice and Guidance Partnerships (IAG), Confederation of British Industry (CBI), employer organisations, AUEE, LSCs and the further education (FE) sector, GoEast, Schools and LEAs, ACER. Schools/employers to be in a regional partnership</td>
</tr>
<tr>
<td>geography covered:
Region-wide, and some sub-regional specific issues

A regional ‘driver’ is necessary comprising all of the main partners</td>
<td>resources:
Likely that more resources are required, although it would be helpful to look at good practice to know where more staff resource is required
Additional resources may be required, since HEI/research staff have other commitments
Increase funding required to inject some realism into plans. A holistic approach is required</td>
<td>capacity:
Insufficient capacity. The various networking arrangements are not adequate to deal with the scale/nature of this issue

The issue should be addressed at a more senior level, with adequate secretariat support/back up</td>
</tr>
<tr>
<td colspan="3">current activity:
■ three consortia of HE and FE institutions have been carrying this agenda forward for the last three years: the Four Counties Group (led by APU) operating in Cambridgeshire and Peterborough, Suffolk, Norfolk and Essex; a Luton and Beds Consortium and a Hertfordshire Consortium. This work has included a mapping of hot and cold spots for HE participation across the region and a Children into Universities scheme
■ EEDA has supported Creditlink East (and HE/FE consortium led by APU and including Universities of Hertfordshire and Luton and Writtle College) in a programme of work focussed on credit recognition and transfer and a Lifelong Learning Reward Scheme
■ UEA is leading a scheme across all HEIs to provide summer school programmes to children from areas of low participation</td>
</tr>
<tr>
<td colspan="3">future priorities:
■ raising aspirations and achievement in schools and colleges to produce a larger and more socially inclusive cohort of young people with the qualifications and desire to proceed to HE
■ more effective communication of the range of options in contemporary HEIs and in particular the possibilities for vocationally related HE experience
■ development of provision of work-based learning – in particular through distance learning
■ building employers’ commitment to WFD (see section below)
■ widening the local reach of HE in the region – through the development of HE in FE colleges; through the development of HE provision in Peterborough, Ipswich and Southend; through outreach centres and through distance learning
■ research and development work focussed on improving retention in HE</td>
</tr>
<tr>
<td>timescales:
The current PfP business planning process (to be concluded by 31st January 2003) will establish priorities for the next phase of activity and time-scales for their completion.</td>
<td colspan="2">targets:
■ On HEFCE/LSC calculations the current participation rate for young people (aged 18-19) from the region is 29 percent. We are set the target of raising this to 39 per cent by 2010
■ 50 per cent of 18-30 year olds to have access to HE (UK) by 2010. In the East of England the current participation rate is 29 per cent and our target is 39 per cent by 2010
■ EEDA tier 2 targets are to increase the number of young people to choosing to take-up HE within the region by 5 per cent</td>
</tr>
</table>

increasing participation in higher education: **actions**

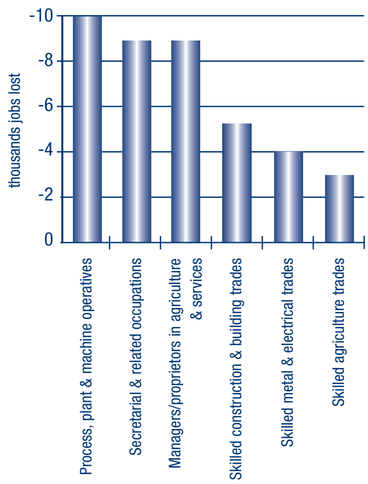
review and evaluation mechanisms: The PfP Business Plan will include arrangements for the monitoring and evaluation of progress and of individual initiatives
priority action: Specific priority actions within the priorities indicated above will be defined by the PfP business planning process, which will be completed by January 31st. Available on Skills Forum website.

response to redundancies

the situation in the East of England

Comparisons between regions on levels of redundancies have little meaning given that the impacts of redundancies have a very localised effect. The East of England has a number of large employers, although the effect of relatively modest redundancies in a specific locality can significantly affect not only the individual, but the local community too. Men will tend to be more badly affected by the loss of employment in the skilled trades than women, although male employment levels in the process, plant and machine occupations are expected to remain stable whilst female employment in these occupations declines.

fastest declining occupations in the East of England in absolute terms 1999-2010



source: LFS

policy initiative

The Jobcentre Plus rapid response service is aimed at responding to redundancies that have a significant impact on the local labour market. It is primarily aimed at providing training/re-training to enable workers to take-up alternative employment. Assistance is available during the period of redundancy and not only when employment has terminated. It is a demand-led initiative; providing tailored guidance to the individual.

policy area or initiative	resources†	source
Rapid Response Service	£5m nationally	Jobcentre Plus
Single pot	£200k (2002 – 2003)	EEDA

collaborative structures

The continued involvement of the TUC (and the CBI) in partnership arrangements with the LSC and Jobcentre Plus will encourage a more comprehensive response to redundancies.

response to redundancies: **actions**

lead body:	other partners:	
Jobcentre Plus	TUC, LSCs, EEDA, Government Office for the East of England (GO-East), local authorities and local IAG partners, Business Link/enterprise agencies	

geography covered:	resources:	capacity:
A regional focus is required – there is a north-south regional divide within the region on the issue, reflecting the fact that it is easier to absorb redundancies in the south Regional groups could hone the toolkit for filtering down to local groups Local groups need to act on the ground and respond to local needs	Current resources are insufficient and/or inflexible. LSC funds are significant but there are issues surrounding the use of private training providers Jobcentre Plus can fund training up to a specified level which sometimes leaves higher level training requirements unmet Additional funds are likely to come through co-financing (and from companies themselves). The co-financing organisation will provide any additional staff resources required	At present, there is insufficient networking. However, Jobcentre Plus, EEDA and LSC will work together to address the issue Some partners are currently excluded from assisting as Jobcentre Plus managers are generally the first point of contact. DTI provide the HRI Notification Service direct to Jobcentre Plus No regional secretariat function has been established, though EEDA could provide this initially Implementation not co-ordinated – newness of the organisations and funds involved is an issue

current activity:
- a certain level of county level activity is occurring involving small groups, for example, in Harlow and in Bedfordshire a sub-regional group is in place as a consequence of recent redundancies
- however, each of the counties has reached different levels of activity
- there are gaps in the response to the issue due to a lack of regional co-ordination and best practice not being shared between partners or counties
- at the national scale, the Job Transition Service has replaced the Rapid Response Unit, which will respond to large scale redundancies. This initiative provides a demand led service

future priorities:
- refining the regional toolkit for redundancies. This could be filtered down to the local areas/groups
- there is a need for more evaluation work and exchange of information/best practice
- a secretariat-style function could be established to help disseminate information
- more co-ordinated activity will be important in the future as partnership arrangements will encourage a more extensive range of services
- the regional role and coverage of Jobcentre Plus provides opportunities to improve co-ordination at this level

response to redundancies: **actions**

timescales:	targets:
There is currently no formalised partner work plan, other than work structured through Jobcentre Plus	■ only those partners that are taking on the co-financing measure for redundancies have agreed targets ■ EEDA agreed aims and objectives but these remain vague ■ there is no shared strategy at the present time
review and evaluation mechanisms: ■ no review mechanism or evaluation strategy is currently in place ■ an evaluation of sub-regional responses to redundancies would be useful ■ whoever is the lead partner for the issue should report to the regional group and evaluation of best practice should occur	
priority action: ■ refining the regional toolkit for redundancies, filtered down to the local areas/groups by April 2003 ■ an agreed programme of evaluation work and exchange of information/best practice, perhaps through a Secretariat-style function ■ more co-ordinated activity so partnership arrangements will encourage a more complete response to redundancy and report to regional skills forum on a regular basis	

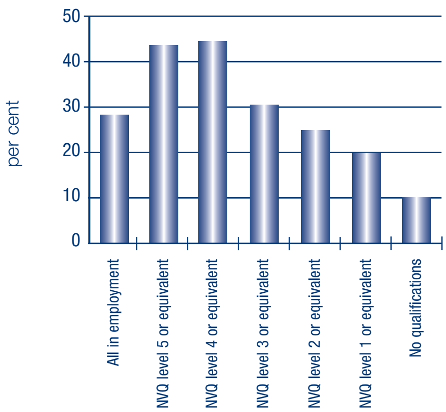
skills for employability

the situation in the East of England

For those in employment with low skills, the proportion receiving job-related training in the East of England varies in line with the skills level of the employee; hence, only 10 per cent of employees without qualifications received job-related training in the three months to Spring 2001; 20 per cent for those with NVQ 1 and 43 per cent for those with NVQ 4. Such a pattern of training will clearly hinder opportunities for progression amongst those with the lowest levels of skills.

For those not in work, participation in learning/training is lowest amongst those incapable of work (42 per cent), those looking after a family (52 per cent) and those unemployed (68 per cent), when compared to those in full time employment (89 per cent). Amongst non-learners, the reasons cited are preferring to do other things (43 per cent), lack of time due to family commitments (30 per cent), lack of knowledge of opportunities (28 per cent) and difficulty in paying course fees (27 per cent). The last of these two have increased in importance since 1997.

proportion of East of England employees receiving work-related training in the past three months, by highest qualification



source: ONS Labour Force Survey, Spring 2001

* Based on 10 per cent share of the national resource. Also, see EU Social Inclusion budgets in Objective 3.

† Broader than redundancy issues; funds Union Learning Representatives; who provide whole range of information, advice and guidance on learning and training needs, including basic skills needs (see also workforce development).

policy initiative

The Adult Basic Skills Strategy Unit exists to raise awareness/increase demand. The Local LSCs have submitted their revised Adult Literacy and Numeracy Plans to the National LSC. The replacement Individual Learning Accounts may also play a role.

lead responsibility

LSC

policy area or initiative	resources	source
Single pot	£350k	EEDA
Adult Information and Guidance	See Issue 10	LSC
Union Learning Fund[†]	£4m (2002 - 2003)	TUC

targets

To date 3,250 Union Learning Representatives (ULRs) have been trained nationally. The target is for 22,000 ULRs to be supported in the 8 years following ULR recognition.

National target to reduce number of adults without basic skills by 750,000 by 2003, initiatives to include free courses and nationwide publicity.

regionally

It is estimated that some 700,000 adults in the region have basic skills needs. The target for basic skills in the region is that 80,000 adults will have improved their basic skills by 2004.

collaborative structures

A regional co-ordinator holds monthly meetings for LSC basic skills managers. These provide opportunities to hear new developments eg. Trade Union Basic Skills. Proposal has been approved for a basic skills initiative to add value to LSC work with trade unions and public sector employees. This is funded by EEDA and will be developed over the next two years.

skills for employability: **actions**

lead body:	other partners:	
Local LSCs	Jobcentre Plus, Probation Service, EEDA, Government Office, LEA and Learning Partnerships, TUC	
geography covered: Sub-regional, through LSCs In some cases a regional focus is required to bring sub-regional organisations together. This can speed up the processes and add value to local activity Local strategies are also required to tackle locally-specific issues	**resources:** Generally insufficient to address the scale of need, inhibiting regional progress on the issues Resources are likely to be sourced from EEDA and the LSC	**capacity:** Insufficient in relation to the size of the region and the scope of the work required A large number of networks exist in the region; however greater focus and tighter remits are required to avoid duplication Continuing under-representation of the voluntary and community sector (in part due to the difficulty in engaging the sector) Greater provision of secretariat support would be beneficial, although any regional capacity should take into account sub-regional concerns/issues

current activity:
- the national strategy for basic skills is rolled out through the six local LSCs each of which has its own delivery plan and target. Revised Adult Literacy and Numeracy Plans have also been submitted to the national LSC
- a lot of work is underway for training but there is a need to engage employers and member of the voluntary and community sector. At the national level the Adult Basic Skills Strategy Unit is working to raise awareness and increase demand
- increase the level of engagement of employer and trade union representatives

future priorities:
- potential for a 'single issue' reviews looking at specific issues, including community/voluntary sector representation in partnerships; mapping of networks to assess the scale of duplication
- this could be developed through the regional basic skills co-ordinator serving the sub-regional partnerships

timescales:	targets:
The Adult Basic Skills Unit has a workplan which is agreed with DfES	■ a target has been set for 80,000 adults in the region to have improved their basic skills by 2004 ■ a regional forum for basic skills is in the process of agreeing activities ■ any additional performance indicators must be complimentary to those already in place

review and evaluation mechanisms:
- a review mechanism is in place and utilised which results in constant readjustments
- the Director of the Basic Skills Strategy Unit is responsible for the review mechanism
- an evaluation strategy is also in place

priority action:
- potential for a 'one-off' review looking at specific issues, including community/voluntary sector representation in partnerships; mapping of networks to assess the scale of duplication
- pilot studies could come through a 'pilot' regional secretariat serving the sub-regional partnerships

workforce development and 'in-work' progression

the situation in the East of England

Increase in the demand for NVQ 4 and above is expected to rise by around 40 per cent or 180,000 jobs by 2010. Matching current qualification levels with forecast demand indicates that there is a potential under-supply at NVQ 4 and above, but also at NVQ 1.

Whilst some higher skills will come from those currently in compulsory education and in-migration, a significant proportion must come from those currently in work. At the lower end of the scale, many in work with no qualifications will be required to gain NVQ 1 to meet employer expectations. Regionally, the main cause of skills gaps is the failure to train and develop staff once in post[13].

The rise of the dual labour market makes in-work progression increasingly difficult. The nature of a dual labour market is that the two parts are inter-related but operate separately, with very little mobility between them. Those with lower level skills are 'trapped' in insecure work, with low wages and poor terms and conditions. They receive little training and have few opportunities for progression.

policy initiative

In-work progression is largely WFD which has a specific budget line from the LSC, but which is augmented by other agency resources/initiatives (eg. DWP initiative for work-based learning for adults), Employer Training pilots (operating in Essex in the region), IiP, and, naturally, employers investment to staff development. A significantly enhanced role for TUC, and in particular the Union Learning Fund is anticipated in order to boost workplace learning.

The LSC's WFD Strategy is currently out to consultation and outlines the range of inputs to WFD.

The FRESA process is central to the development and delivery of the new Sector Skills Agenda. In the first round of labour market analysis of the action plan it will be valuable for the FRESA to:

- identify key priority sectors and the current and future nature of their skills needs
- outline how sector based organisations have been consulted and are being involved
- set out the steps proposed from October 2002 that will engage Sector Skill Councils and others; systematically analyse sectoral skill needs; engage effectively with the Sector Skill Councils; and develop sector based skills and productivity interventions in the region
- maximise targeting of the considerable employer resource invested in skills and training in order to ensure complementarity with the public sector provider base.

policy area or Initiative	resources	source
Single pot	£1.6m over two years	EEDA
WFD budgets (national consultation strategy highlights role of other agency resources and other initiatives, eg. Employer Pilots – see issue 4 SME training provision)	c. £5.5m + 2002-2003	LSC/SBS
European Social Fund	£25m per annum	GO-East
Adult IAG	tbc	LSC
Union Learning Fund[†]	£4m (2002 - 2003)	TUC

lead responsibility

LSC, SBS/Business Links, Sector Skills Development Agencies (SSDA), Sector Skills Councils (SSC), DWP plus other regional partners.

13. Employer Survey, 2001.

† Broader than redundancy issues; funds Union Learning Representatives; who provide whole range of information, advice and guidance on learning and training needs, including basic skills needs (see also workforce development).

targets

Few quantified targets for supporting the increase of SME engagement in employer training, aside from IiP; a number of LSCs will develop WFD strategies over the coming year.

The Trades Union Congress (TUC) and affiliated trade unions have trained over 4,500 Union Learning Representatives (ULRs). These union reps have played a key role in promoting lifelong learning opportunities to their fellow members and working with their employers. A particular focus has been upon basic skills and WFD and engaging marginalised groups such as women, black and minority ethnic members, disabled members and part-time workers into learning. the target is for 22,000 ULRs to be supported in the 8 years following the statutory recognition of ULRs in 2002.

To date 3,250 Union Learning Representatives (ULRs) have been trained nationally. The target is for 22,000 ULRs to be supported in the 8 years following ULR recognition.

collaborative structure

WFD strategies will seek to bring LSCs and employers together, along with input from CBI/TUC, DWP and professional bodies.

workforce development: **actions**

lead body:
Local LSCs

other partners:
Employers Learning Partnerships, Business Link/SBS for interaction with businesses, GO-East, Chambers, Trade Partners UK, SSDA, SSCs and HEIs, TUC, private training providers, FE, Jobcentre Plus to help with LMI

geography covered:
Region-wide for overseeing the issue, although this is a somewhat artificial construct and many issues are national and international

For businesses, the geography of administration is immaterial. The key is communication between all levels

resources:
Potentially adequate, although to some extent, there is a lack of clarity of focus and agreed objectives

Ownership/protection of individual budgets reduces the effectiveness of the overall approach

capacity:
Again, likely to be adequate, although better use could be made of the capacity through reduced duplication of effort and more effective collaboration

Such as employing more people, not re-skilling the ones you have

current activity:
Main areas of activity relate to:
- in-work learning
- management and organisational development (looking at whole organisation)
- strengthening links with higher education
- graduate retention – links to businesses
- sector specific initiatives
- higher vocational skills
- agriculture, where skills are more varied

future priorities:
- the key emphasis must be on identifying and meeting the needs of the private sector and employees. For example, for businesses it is solutions to business problems, rather than training per se, that may be required. Increasing the input from the private sector will better meet their needs
- LSC WFD strategies will drive target setting

timescales:
A project plan is currently under development and should be made widely available when it is agreed

targets:
- currently no over-arching aims and objectives, or strategy; individual agency targets present a complicated picture

review and evaluation mechanisms:
It is all about whether targets are being met and budgets are being spent. Do projects measure well in the areas funding? product? awareness raising?

priority action:
- there should be a real attempt to define the issues and objectives within WFD
- this should generate clear objectives
- there is a real need for the WFD strategy to lead the way on this issue, backed up by funding, rather than the past tendency to be a funding-led response

young people, career choices and continued learning

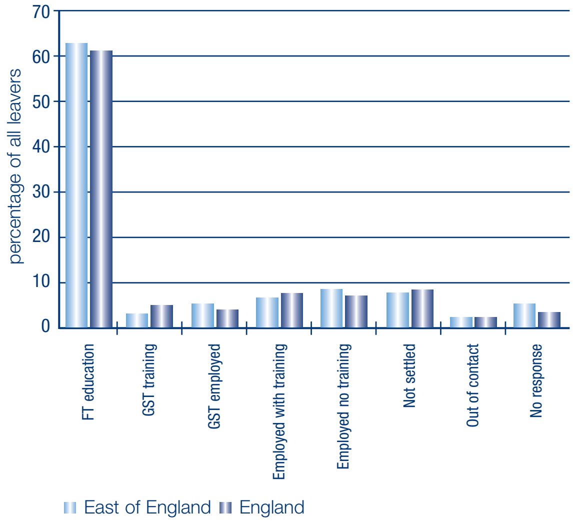
the situation in the East of England

Young people are faced with a myriad of choices, not least the decision to pursue an academic or vocational route post 16. School pupils in the East of England perform better than the national average in compulsory education, but the average points scored at A level drops below the national average. Marginally more young people continue into full time education than the national average (73 per cent in the East compared to 71 per cent nationally). However, a relatively small number of young people choose to take-up HE opportunities within the region thereafter. The region also has a lower proportion of young people entering work based learning.

It is noticeable that the East of England outperforms the country as a whole in educational attainment up to the age of 16. Thereafter, although participation at A-level is comparatively high, results tend to be less impressive. Partners are considering exploring the reasons for this and whether it reflects curriculum choices which are too narrowly academic to provide the range of attainment opportunities required by the 16-18 age group.

destinations of young people leaving Y11 in 1999

source: Connexions, DfES



policy initiatives

The Connexions Service is currently being established across the region. The network will be complete when the service is launched in Norfolk in January 2003.

Connexions represents a radical change in the way in which young people access information, advice, guidance and support. Underpinned by strong local partnerships - which include a broad range of statutory and voluntary organisations providing support for young people – Connexions provides universal access to support whilst targeting those most in need.

At the heart of the service are teams of personal advisers – professional staff from a range of backgrounds – who will provide young people with the continuity of support to help them address barriers to learning.

policy area or initiative	resources	source
Connexions	£34.8m* (core allocation from Connexions National Unit)*	DfES

targets

Suggested indicators for 2002:

- the proportion of 16 – 19 year olds in education, employment or training
- percentage of pupils obtaining 5 or more GCSEs at grades A* - C (or equiv.)
- increase in the number of 19 year olds achieving NVQ level 2
- specific targets for groups of young people least likely to achieve their potential e.g. young mothers, offenders and young people in care
- basic skills of young people with special needs.

collaborative structures

The creation of Connexions Partnerships has been based on the need to develop effective collaboration and inter agency working. Connexions Partnership Boards all include representatives from, schools, colleges, work based learning providers, voluntary sector, Youth Service, local authorities, probation service, police, health sector, Learning and Skills Council, employers and Jobcentre Plus. Young people are either represented directly at Board level or other arrangements have been established to ensure they can directly influence the development of service delivery.

* Funding based on: 50 per cent based on population 13-19 year olds; 25 per cent based on GCSE results; 10 per cent based on 16-17 year olds not in education/training; 10 per cent based on 18-24 year olds unemployed for 6 months; 5 per cent based on 18-24 year olds claiming Income Support.

young people, career choices and continued learning: **actions**

lead body:
Connexions partnership

other partners:
Schools, colleges, work based learning providers, Learning and Skills Councils, employers and LEAs (through established Connexions partnerships)

geography covered:
Connexions Partnerships mirror established LSC boundaries

resources:
DfES resources are provided directly to the Connexions Service

DfES resources have increased over past two years but far wider agenda is placing continuing strain on resources

Universal access to Connexions, but primary focus of resources on those most in need

capacity:
The development of the personal adviser role is critical to success

Delivery side networks are strong – but too much emphasis on strategy rather than delivery at times.

Greater employer involvement is critical

Existing network reduces the need for additional networks and secretarial support.

current activity:
- all young people have access to informed career and learning choices through impartial careers guidance, support in schools and colleges, parental advice and a broad range of external information sources
- already much collaboration to improve services and much research has been undertaken
- 'hard to reach' young people and those out of learning least able to access information and advice

future priorities:
- development of partnerships which create joined up services at delivery level
- use of ICT to make information and advice more accessible to all young people
- further development of support that is responsive and meets all young people's needs
- increasing the involvement of employers in future planning and development

timescales:
Connexions partnerships are at different stages of development. However all partnership will have detailed delivery plans from 2003

targets:
- see page 22
- reducing the number of young people not in education employment or training by 10% by November 2004 (November 2002 baseline)
- specific targets to increase participation in learning in groups of young people least likely to achieve their potential
- increased participation in personal development activities

review and evaluation mechanisms:
- the Connexions service is introducing a self assessment process as part of its review and evaluation arrangements. It is subject to regular inspection by OFSTED
- all partner organisations input to the self assessment process. Young people also contribute directly to the self assessment and evaluation of all individual elements of the service

priority action:
- focus on reducing the number of young people not in education, employment or training provides a clear objective
- Connexions partnerships are all recently established – further work still needed to encourage organisations to collaborate in improving services available to young people

HIGH

Considerable action underway but still in need of either increased co-ordination or funding

- future labour force
- higher level skills
- impact of housing on skills shortages
- increase the take-up of training by small and medium-sized enterprises
- inward Investment
- sector skills
- under exploited sources of labour

future labour force

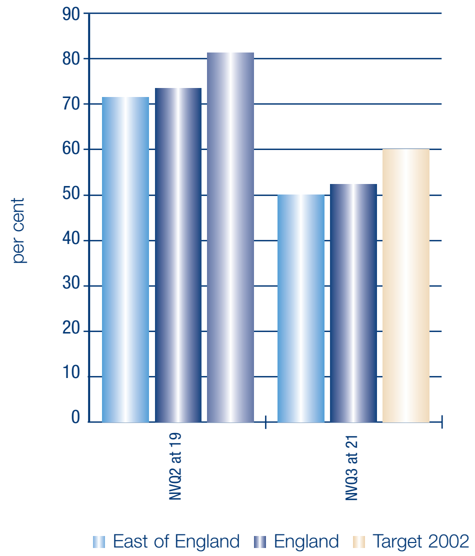
the situation in the East of England

Pupils in the East of England participating in compulsory pre 16 education perform above the average level identified for England. Performance in post 16 education fails to follow this pattern as pupils in the East of England, on average, achieve a lower average A level 'points' score than pupils nationally. This is a worrying situation as it results in a relatively poorly qualified workforce within the region when compared to the national structure.

policy initiatives

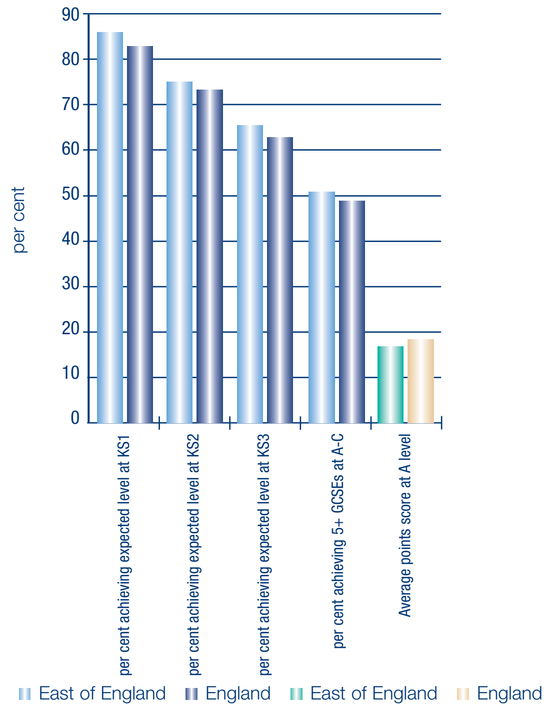
The 14-19 Green Paper places an emphasis on increasing participation in post 16 education and training, including HE; broadening the skills acquired by all young people to improve their employability and bridge skills gaps identified by employers; a pilot scheme to introduce skills-based GCSEs in FE and sixth form colleges (which are vocational placements for those 14-16 year olds); and initiatives to boost school performance.

National Learning Targets – performance of young people, 2001



source: DfES, 2001

educational achievement of young people the East of England



source: DfES, 2001

policy area or initiative	resources	source
Core budgets for LEA Schools	to be confirmed	LEA
Skills based GCSEs	c. £3.8m to 2004†	DfES

collaborative structures

Consideration is being given to encouraging the work with LEAs in a collaborative fashion to build a 'schools plan'. This could augment the skills-based GCSEs for 14-16 year olds which are a central plank of the Increased Flexibility Programme funded through 14-19 Green Paper resources. Additions could be made to the £100,000 allocated to FE colleges to build consortia with schools, training providers and employers to provide 40,000 placements per annum from September 2002.

† Based on ten per cent of the national resource of £38m over 2002-04 to support the development of vocational opportunities for young people at Key Stage 4, and lead to extended vocational learning opportunities for 200,000 14-16 year olds by 2006

future labour force: **actions**

<table>
<tr><td>lead body:
Connexions partnerships</td><td colspan="2">other partners:
Local LSCs, LEAs and schools, Education Business Link Organisation (EBLOs), parents groups and businesses</td></tr>
<tr><td>geography covered:
Sub-regional, although regional communication on the issue would help to exchange best practice</td><td>resources:
It is likely that resources exist for establishing LSC/LEA schools plans, although this may require some diversion/bending of mainstream funding or the use of discretionary funds. The impact of any schools plans would be enhanced if these are sufficiently resourced

FE colleges consortia with schools, training providers and employers could be expanded to provide more places if funding increased</td><td>capacity:
There is capacity to address this issue within the regions and sub-regions, but time and resources need to assigned to the issue to build the capacity up into something meaningful. Resources should be made available to develop the schools plans</td></tr>
<tr><td colspan="3">current activity:
■ both the LSCs and the LEAs undertake a considerable amount of activity with young people, yet the statistics indicate a relative worsening of the region's achievements post 16
■ FE colleges consortia with schools, training providers and employers (currently places to 40,000)</td></tr>
<tr><td colspan="3">future priorities:
■ achieve the collaboration of LSCs and LEAs, perhaps through 'school plans'
■ develop the appropriate capacity and resource sufficiently this collaboration
■ once in place, develop appropriate mechanisms for exchanging information between sub-regions</td></tr>
<tr><td>timescales:
To be determined</td><td colspan="2">targets:
The established targets, derived from those nationally are:
■ key stage 2 – 80 per cent for expected literacy standard by 2002 (East of England 76 per cent 2001)
■ key stage 2 – 75 per cent to reach expected numeracy standard by 2002 (East of England 70 per cent)
■ key stage 4 – 50 per cent of 16 year olds to achieve 5 GCSEs A-C (52 per cent). 95 per cent to get at least one GCSE (East of England 95.5 per cent)
■ no national targets set for Key Stage 1, Key Stage 3</td></tr>
<tr><td colspan="3">review and evaluation mechanisms:
There is no formal review process in place that assesses the reasons for, and identifies solutions to, the 14-19 follow through</td></tr>
<tr><td colspan="3">priority action:
■ put in place collaborative structures between the LSCs and the LEA, perhaps through a schools plan
■ develop the appropriate capacity and resource sufficiently this collaboration
■ once in place, develop appropriate mechanisms for exchanging information between sub-regions</td></tr>
</table>

higher level skills

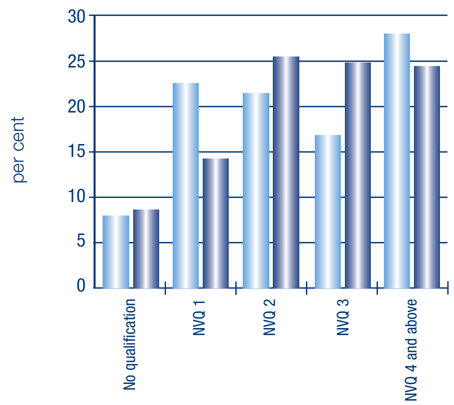
the situation in the East of England

Those in the upper echelons of the labour market benefit from secure jobs with high levels of pay and structured career progression. They have access to training and development opportunities and the opportunity to further enhance their qualifications. It is important therefore to help as many people as possible to move up the ‘skills ladder’ progressing towards NVQ levels 4 and 5.

The nature of future demand for qualifications in the East of England is for increases in demand for labour with qualifications at NVQ levels 1 and 4, and declining demand for labour with intermediate level qualifications such as NVQ 2 and 3 (IER, Projections of Occupations and Qualifications). This pattern of demand will make progression within the labour market very difficult for those entering with intermediate level qualifications.

This issue responds to severe high level skills shortages in particular sectors as identified by businesses in the region. We have some of the most significant wider level skills shortages in the UK.

expected NVQ demand compared to current supply of NVQs within the East of England workforce



Projected employment by qualification, 2

Qualifications of current workforce

source: IER Projections of Occupations and Qualifications, LFS

* Based on ten per cent of national resource allocation
See also: page 14 on Increasing Participation in HE

policy initiative

Five Centres of Vocational Excellence (CoVEs) have been established in the region to support work-based learning; Advanced MA for NVQ 3 (also see MAs) have also been extended to over 25s in pilot sector graduate apprenticeships operate throughout the region. The Council for Excellence in Management (a joint initiative between SBS, SSDA, DfES and LSC) was established in 2000 to boost management skills.

policy area or initiative	resources	source
Advanced modern apprenticeships	£21.4m*	LSC
Centres of vocational excellence (2 Beds, 2 Cambs, 1 Norfolk)	£1.8m*	LSC
FE 19+ participation	£191m*	LSC
Graduate apprenticeships	To be confirmed	HEFCE
Council for Excellence in Management	To be confirmed	SBS/LSC

targets

55 per cent of young people and 52 per cent of adults to achieve NVQ Level 3 by 2003 and for 50 per cent of all colleges, 6th form and other further education providers to have at least one CoVE by 2003/2004. Target for raising achievement at NVQ Level 3 (Tier 2) at age 21are several times higher in East of England than nationally. On HEFCE/LSC calculations the current participation rate for young people (aged 18-19) from the region is 29 percent. We are set the target of raising this to 39 per cent by 2010. East of England the current participation rate is 29 per cent and our target is 39 per cent by 2010. 50 per cent of all colleges/6th forms/designated institutions to have at least one CoVe by 2003-2004; LSC prospectus identified Pathfinder colleges.

collaborative structures

The issue of higher level skills is an important one to the region (see also increasing participation in HE and WFD). EEDA is working with the Association of Universities and HEI Careers Services to initiate some work aimed at understanding better the problem of the loss of qualified graduates from the region and propose some steps to counter this.

higher level skills: actions

lead body:	other partners:	
PfP steering group†, EBLOs, local LSCs	EEDA (regional view), Connexions, Information, Advice and Guidance Partnerships (IAG), Confederation of British Industry (CBI), employer organisations, Association of Universities, and the further education (FE) sector, GoEast, Schools and LEAs, ACER. Schools/employers to be in a regional partnership	
geography covered:	**resources:**	**capacity:**
Region-wide, for considering the bigger picture Regional issues should take into consideration the considerable effects of London/other areas outside the region	Largely sufficient, although additional resources are likely to be required to fund the aspirations of Partnership for Progression (see Issue 18) in relation to widening participation in HE for those aged 18-30 More resources are required in relation to higher level skills and employers, and for research into future higher skill needs and scenario planning	Again, largely sufficient, although work should continue in boosting the vocational routes to higher level skills Greater links/path through Level 3 to higher-level qualifications required

current activity:
- advanced modern apprenticeships, CoVE, FE 19+ participation, graduate apprenticeships, Council for Excellence in Management. More research is needed in order to understand what the region will look like in the future

future priorities:
- continue to develop and improve robust scenario planning
- continue developing vocational routes to higher level skills, with greater resources if necessary
- resources should be pooled, especially on adult learning

timescales:	targets:
There is not a specific workplan to address the wide issue of higher level skills – there is a workplan developing for Partnerships for Progression (see Issue 18) to increase participation in HE	■ see page 27, which are generally regarded as appropriate ■ the PfP will be built through the LSC strategy and regional economic strategy ■ there is a need to develop baselines to monitor progress ■ performance indicators would be preferable to targets

review and evaluation mechanisms:
- greater attention should be paid to monitoring this issue and Increasing Participation in HE Issue 18. Currently this is not sufficiently resourced

priority actions:
- continue to develop and improve robust scenario planning
- continue developing vocational routes to higher level skills, with greater resources if necessary
- fully resource ways to monitor, review, progress towards raising higher level skills and increasing participation in HE

† Issue linked to workforce development and 'in-work progression' page 22.

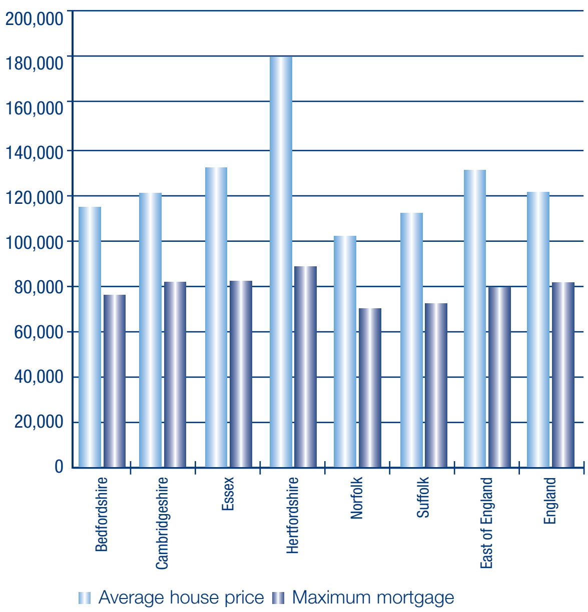
impact of housing on skills shortages

the situation in the East of England

The housing market can have a significant impact on the labour market. The recent rise in house prices, which has been particularly exaggerated in parts of the East of England, has had serious implications for people on low and fixed incomes. In each sub-region, a mortgage lending ratio of 3.5 times average earnings results in a considerable shortfall when compared to average house prices, with the situation in Hertfordshire being particularly severe. Key public sector workers, such as teachers, are proving difficult to recruit in the East of England as a result of the high cost of living.

Moreover, the average age for the first time buyer is now 34 and those with single or combined incomes of £33,000 are seeking a mortgage with an average value of £133,000 with deposits typically lodged at £10-12,000.

comparison of average house prices and maximum mortgage lending to someone on a average income



source: HM Land Registry, New Earnings Survey, ONS

policy initiatives

The government's housing policy aims to provide everyone with the opportunity of a decent home. Of particular interest to the East of England is the aim of encouraging sustainable home ownership, with the Starter Home Initiative operating in the region.

policy area or initiative	resources	responsibility
Starter Home Initiative (key workers)	c. £20m (based on region's share of national targets) 2001/2 – 2003/4	Local authority

targets

Targets have been set for SHI Round 1 allocations to help the following numbers of key workers in the East of England:

county	nurses/ health workers	teachers	police	others
Beds	10	19		
Cambs	102	50	25	13
Essex (part)	76	98		
Herts	140	68	47	12

collaborative mechanism

Strengthening the relationship between economic strategy (led by EEDA) and Regional Planning Guidance is likely to be a top priority over the coming years for the region. Although the Single Regeneration Budget (SRB) began with a developed brief to tackle housing as part of the regeneration agenda this has not been followed through into the single pot. Partners will need to find new ways of working to unite the social and economic agendas to ensure housing does not act as a constraint in the light of the emerging 'dual labour market'.

impact of housing on skills shortages: **actions**

lead body:
East of England Regional Assembly (EERA)

other partners:
EEDA, public sector employers, larger institutions/employers, housing associations, local authorities

geography covered:
Addressed regionally, although pressures are likely to be concentrated in localised areas

resources:
May not be sufficient – Starter Home Initiative in relation to Key Workers is a recent venture with funds attached but it is too early to see if this is sufficient to alleviate the problem

Addressing housing issues is expensive and resources are unlikely to be sufficient to fully address the housing issue

capacity:
As with resources, it is too early to state whether capacity to address the issue is sufficient. Again, it is quite possible that capacity is under-developed since the issue has arisen recently and the policy responses are still evolving

current activity:
- the Starter Home Initiative is the current response to an issue which has emerged recently
- address the issue for key workers (nurses etc) although the cost of housing has a wider impact, particularly on the significant numbers earning lower than average wages
- additional policy responses include the stipulation that a development includes a proportion/percentage of a housing development as ‘affordable housing’. This may need to be pursued far more aggressively

future priorities:
- monitor the impact of the Starter Home Initiative in relation to key workers to assess whether more needs to be done
- assess the possibility of widening the Initiative wherever possible, and in engaging other institutions in the provision of affordable housing
- look to further increase the requirements on developers

timescales:
No housing-specific workplan is in place, other than regionally through the regional planning guidance (RPG)

targets:
- these have been set for Starter Home Initiative Round 1 allocations (see page 32)
- targets for the number of new houses to be built are negotiated through the RPG

review and evaluation mechanisms:
- the RPG is subject to review
- the Starter Home Initiative should be monitored closely to assess its impact

priority action:
- a high priority is the strengthening the relationship between economic strategy and the RPG at the regional level
- monitor the impact of the Starter Home Initiative in relation to key workers to assess whether more needs to be done
- look to further increase the requirements to provide affordable housing on developers

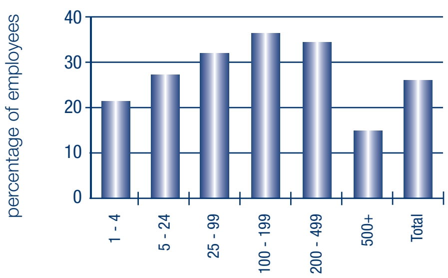
increasing the take-up of training by employees in small and medium-sized businesses

the situation in the East of England

The level of training provided by very small businesses to employees is traditionally lower than for larger businesses. Barriers to SME provision of training include lack of willingness/ability to invest in staff (fear of poaching, unaware of benefits, costs of provision). One third of businesses with fewer than five employers provide off-the-job training compared to 98 per cent of companies with 500 or more (data is for England). However, there is evidence that large companies concentrate their learning support on a relatively small section of their workforce (see graph below).

In general, the East of England is below average in the provision of off-the-job training (37 per cent of all employers provided this in the last 12 months, compared to 41 per cent average although the East of England equals the national average for on-the-job training).

proportion of employees in England receiving off-the-job training by employer size



source: Learning and Training at Work 2000, DfEE

policy initiative

Employer training pilots for WFD (also see page 20, WFD and 'in-work' progression), especially the importance of intermediate skills (8m, or one third of those in employment nationally, are below NVQ 2). Four elements to the initiative: free learning provision for those without basic skills or level 2, paid time off for individuals, financial support for employers, extended information, advice and guidance for employers and individuals. Also increased push for more Investor in People (IiP) take-up in SMEs.

The training pilots are to be set within the context of WFD plans.

policy area or initiative	resources	source
Employer training pilots (Essex in the East of England)	c. £4m over 2 years*	LSC
IiP (small business focused)	c. £2m* over 2 years†	LSC
WFD – see page 20 as largely individual-focused	see page 22, workforce development and 'in-work' progression	LSC
Objective 3 ESF: Adaptability and Entrepreneurship: Measure 1	£12m to 2006	ESF
Partnership Union Fund	c. £0.9m	DTI

targets

- WFD Plans being established by each of the Local LSCs
- IiP – to be primarily targeted at small firms. To help at least 10,000 firms nationally to take-up the IiP standards, which aims to improve staff training
- 150 employer/union Partnership Fund projects.

* Based on ten per cent share of national resources
† This is based on two thirds of IiP boost targeted at small companies

increasing the take-up of training by employees in small and medium-sized businesses: **actions**

lead body:
SBS[†]

other partners:
At the national level DfES, the national LSC, the Sector Skills Development Agency, the Sector Skills Councils, FE, HE sectors and PfP and WFD groups

geography covered:
Sub-regional, although more localised plans to address localised issues are also required

Generic issues would benefit from a regional focus

resources:
Largely through the LSCs, some DTI and ESF funding

The LSCs have less flexibility than they would like with their resources and are only able to fund activities within prescribed budget lines

capacity:
The skills forum operates at the regional level but requires an expanded remit

All interests (and particularly rural and sectoral needs) have to be incorporated into partnership arrangements (not just at the level of the six counties)

Too many small groups exist with a narrow focus, and these need to be brought together, perhaps supported by a secretariat

Delivery capacity is more limited

current activity:
- a lot of activity in the region is contracted from the LSCs to the Business Links – particularly IiP, management development, skills for small business owners and key workers, small firms initiative
- various universities' initiatives
- various employer training pilots for WFD, for example Essex LSC and Business Link to encourage employers to release employees to undertake work-based learning
- current activity is focused at the local level (baselines, local strategy) rather than a regional strategic perspective
- PfP will include a dimension focused on work-based learning

future priorities:
- gaps around management development needs should be tackled and owner-managers should be encouraged to participate in training

timescales:
No workplan is in place at the moment (although two groups are currently coming together to look at preparing one)

targets:
- see page 34
- targets for management development, increasing skill levels in the workforce and the number of adults at NVQ levels 2, 3 and 4 are also relevant to this issue
- some interim targets have been established at the local level
- a shared strategy is held at the local level but not regionally

review and evaluation mechanisms:
- no current review mechanism is in operation but one could be developed through the FRESA
- an evaluation strategy also remains to be developed

priority action:
- establishing a more coherent regional perspective on the issue, including agreed aims and objectives; embracing a wider partnership (eg. including sectors, rural); and developing a robust review mechanism
- exploring ways of addressing specific gaps eg. the needs around management development and owner-manager training
- explore ways of using/increasing the resources available in a more flexible manner

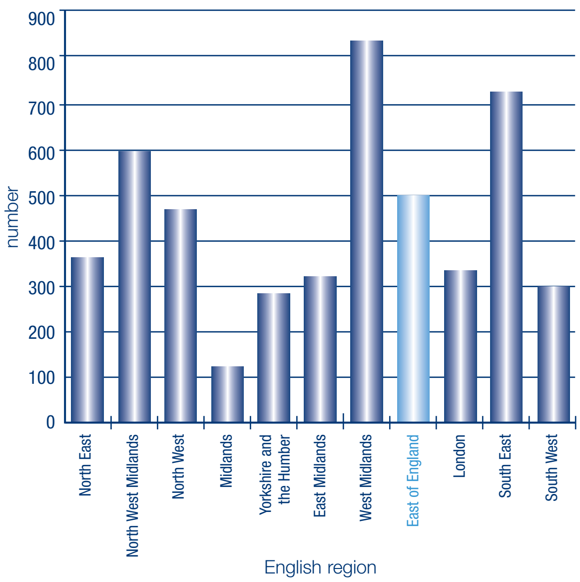
[†] Issue linked to workforce development and 'in-work progression' page 22.

inward investment

the situation in the East of England

Foreign-owned investment is significant in the East of England, as with the regional economy as a whole. Investment is not distributed evenly, with the larger economies closer to London attracting the highest levels. There are 1,500 overseas companies in the region. The regional objective is to make the region an attractive place for investment within the context of the national objective of maintaining the UK as the prime location in the EU for direct investment – particularly by providing effective co-ordination of inward investment activities of regional and local partners.

manufacturing investment by foreign-owned companies



source: ACOP/ABI

policy initiative

Nationally, two inward investment projects are in operation (MG Rover and BMW Hams Hall) specifically for training and upskilling; at the regional level, Invest East is in the key inward investment agency.

policy area or initiative	resources	source
Invest East	£5.3m to 2004	Invest East
WFD see page 20 as largely individual-focused	See page 22, workforce development and 'in-work' progression	LSC
LSC inward investment programmes (Rover/BMW)*	£3.8m to 2003	National LSC

targets

Regional targets are to improve the region's share of foreign direct investment year on year by attracting new investment and increasing the coverage of assistance to existing inward investors.

- Total number of successes – 36 (increase of 10 compared to 2001/2002)
- Investor Development Programme (IDP) visits – 500 (2001/2002 was 180)
- IDP to contribute 12 of the total number of successes. Opening of Silicon Valley office to provide four of these.

* Does not operate in the region

inward investment: **actions**

lead body:
Invest East

other partners:
Local LSCs, Business Links, local authorities, universities, Jobcentre Plus

geography covered:
Regional – Invest East

LSCs operate at regional level for generic issues and at sub-regional/local level for specific issues

resources:
Resources are generally adequate. However, there needs to be a joint effort to make the best use of the resources available

capacity:
Networking arrangements are limited

Dialogue is required at the regional level, but also involving those at the local level

current activity:
- the key activity is the availability of support for inward investors
- it is currently not clear sufficiently clear to investors how they can access training support, and LSCs could market this more effectively
- HE collaboration project underway to improve exporting through greater language and cultural understanding

future priorities:
- at a regional level there is a need to establish a forum to identify target areas, with LSC participation/contribution
- more emphasis on carrying out a regional/sub-regional ‘skills audits’ to assess the availability of skills to investors

timescales
Invest East have a quarterly workplan in place, agreed with EEDA and the local Government Office

targets
- see page 36
- the targets are regarded as largely appropriate
- inward investment aims and objectives are agreed with EEDA, Invest East and Invest UK, and which are integrated into the regional economy strategy
- no baselines have been set

review and evaluation mechanisms:
- invest UK evaluate the quarterly achievements of Invest East
- the current measures relate to the number of projects, the number of jobs, quality of jobs, and the effects on the industry ie. these are the agreed performance indicators

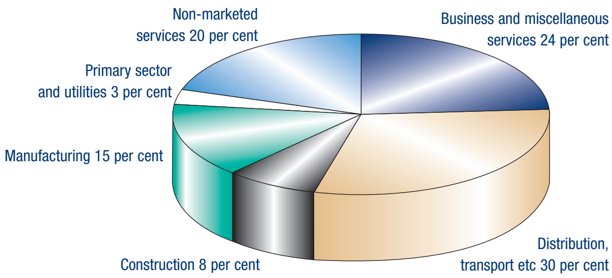
priority action:
- greater dialogue at the regional forum between Invest East and the LSCs in particular, perhaps through the establishment of a regional forum
- a comprehensive skills audit to assess regional skills capabilities

sector skills

the situation in the East of England

The service sector dominates employment in the region with the distribution, retail and wholesale sector accounting for 30 per cent of all employment, business and associated services sector 24 per cent and non-marketed services 20 per cent. The manufacturing sector, at 15 per cent, is marginally lower than the national average in employment in this sector. Sub-regional differences exist; manufacturing employment is highest in Bedfordshire and Suffolk and lowest in Hertfordshire. Employment in business and financial services is lowest in Norfolk and Suffolk. Employment increases are forecast for all sub-regions to 2010. Changes in the employment structure are likely to be significant. Manufacturing employment is forecast to decline by 20 per cent while business/miscellaneous services are predicted to increase by one third. Agriculture and automotive sectors will decrease whilst employment will grow in the tourism and ICT sectors.

employment by sector in the East of England, 1999



source: IER Projections of Occupations and Qualifications, 2000-01

policy initiative

SSCs and the SSDA, EEDA's cluster strategy and key sector support. SSCs (formerly National Training Organisations (NTOs)) will provide LSCs and other agencies with key intelligence about sector priorities. Alongside trade unions and professional bodies, they will be employer-led to better focus skills development on the current and development needs of industry and the public services. The DTI Regional Innovation Fund is in operation to support clusters.

policy area or initiative	resources	source
Enhancement of key sectors and clusters	£1.9m to 2004	EEDA
Improving workforce productivity by addressing skills shortages and gaps†	£3.9m to 2004	EEDA
Five trailblazer SSCs (audiovisual, environment and land-based, oil/ chemical, retail, textiles)††	£1m max per SSC nationally	SSDA
Objective 2 Priority 2 for Key Locations, Clusters and Sectors	£33m to 2006	EU
Workforce Development†††	See page 20	LSC

targets

No sector specific targets set, although local LSCs will set targets for employer engagement. DWP will also have targets for engaging with employers.

collaborative structures

It is important that the LSC operate alongside the SSCs; a number of LSCs are establishing sector-based forums. It is also important that the SSCs are employer-led.

† Allocated to this issue on the basis that the majority of EEDA skills resources are targeted at key sectors

†† Other SSCs being established eg. ICT

††† Local LSC workforce development strategies will input some of the £5m workforce development resources into working with SSCs

sector skills: actions

lead body:	other partners:	
SSDA	EEDA, LSC, SSCs and existing NTOs, GO-East	
geography covered: Regionally focused, organised through the SSCs, although only the larger ones will have regional operations Bringing the SSCs (national/some regional), EEDA (regional) and LSCs (sub-regional) together is a challenge	**resources:** Resources are available from EEDA, the SSDA, the EU and LSC to support initiatives under this issue Resources are unlikely to be sufficient SSCs have limited resources and will require resources/input from other agencies and bodies (including EEDA)	**capacity:** Still being developed ie. SSCs Representation is currently unsettled and changeable Longer-term capacity of SSCs to operate effectively at a regional level will need to be monitored (the NTOs have had difficulty operating at the regional level)

current activity:

- current activity has tended to be on a sector to sector basis
- key and supporting groups have been identified and groups have been established for the sectors to tackle issues
- current policy initiatives involve the SSCs, the SSDAs, EEDA's cluster strategy and key sector support
- the DTI Regional Innovation Fund supports clusters
- the LSC WFD strategies may be used to fund sector based activity

future priorities:

- ensure that the LSCs operate alongside the SSCs
- ensure that SSCs are genuinely employer-led
- introduction of performance indicators to measure the effectiveness of the plan once it is in place

timescales:	targets:
No formal workplan is in place at this time Different bodies have established different timescales against which to set targets	■ aims and objectives have been agreed for some sectors ■ a shared strategy will not be in place until the key sector groups have been developed ■ the LSCs will set targets for employer engagement and the DWP will have targets for engaging with employers ■ the targets that the SSCs are adopting should be considered to see if regional versions can be developed. The LSC targets should also be considered to see if a sector dimension can be introduced to them. Existing targets should be utilised rather than creating new ones

review and evaluation mechanisms:

- a review mechanism is yet to be developed; this should be a regional plan involving EEDA working with the SSCs and LSCs. An evaluation strategy will also be developed at a later stage

priority action:

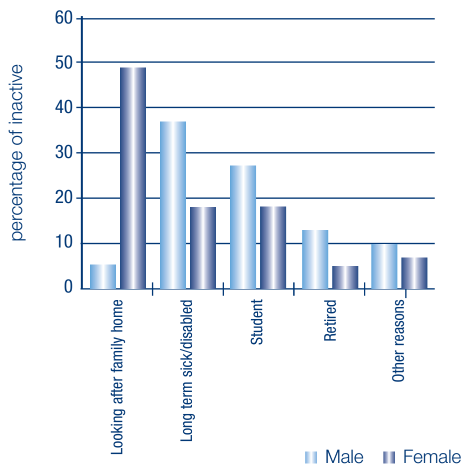
- develop key sector groups, ensuring that the LSCs operate alongside the SSCs, and ensuring that they are genuinely employer-led
- following on from this to develop a shared strategy/workplan including the introduction of performance indicators to measure the effectiveness of the plan once it is place

under exploited sources of labour

the situation in the East of England

As with the UK generally, claimant unemployment rates in the region have fallen in the last decade, although a significant proportion of the workforce remain economically inactive (17.4 per cent in 2002 compared to 21 per cent nationally). Reducing the numbers who are economically inactive (including students, long-term sick, early retirement and those at home) would have an impact upon productivity levels in the region and overall GDP. Inactivity levels have remained constant over the last decade whilst unemployment rates have fallen.

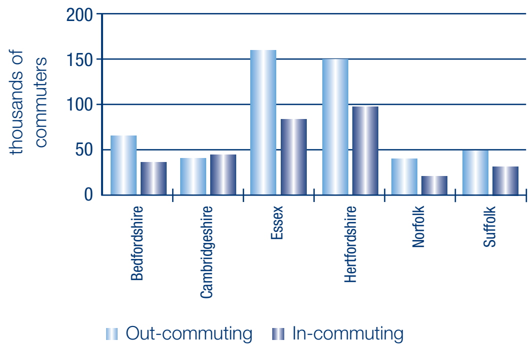
reasons for inactivity in the East of England



source: LFS, Spring 2001, ONS

Six to eight per cent of the economically inactive become active in any one month. The two largest groups of economically inactive – those looking after the family/home and the long-term sick – are the least likely to move out of economic inactivity. Other under-exploited labour sources could include commuters to London (Bedfordshire, Essex and Hertfordshire especially) increasing commuter 'clawback'. Only the south west, London and the south east have higher levels of net in-migration. In the East of England most in-migrants are from London, suggesting many retain their jobs in the capital but live in the region (not contributing to regional GDP). In-migration more generally would add to the 'stock' of labour, although this too has policy implications.

patterns of commuting in the sub-regions the East of England



source: Business Strategies Limited, 2002

policy initiative

Encouraging more people into work has been a key feature of the government's economic strategy and many initiatives have been introduced to try to alleviate barriers to participation in the labour market. Providing information, advice and guidance is seen as important in achieving this, with responsibility for ensuring the provision of adult IAG passed to IAG partnerships. Initiatives to address commuter clawback in the East of England are not specific, and largely relate to creating high quality jobs within the region.

policy area or initiative	resources	responsibility
Jobcentre Plus	To be confirmed	DWP
New Deal for Lone Parents; the Disabled	To be confirmed	DWP
East of England Objective 3 Social Inclusion Measure 2.2: Local areas' responses for those with multiple disadvantage	£27m 2000-2006	EEDA
National Childcare Strategy, one third New Opportunities Fund, two thirds DfEE	c £4.7m* 1998-2003	DfES
IAG for those outside the labour market	c. £3.7m* (for all adult IAG)	IAG Partnerships/ LSCs
Progress2Work (drug-specific)	c. £4m, 2001-2004	JobCentre Plus

* Based on ten per cent share of national resource

under exploited sources of labour: **actions**

lead body:
Jobcentre Plus[†]

other partners:
EEDA, local LSCs, chambers of commerce, LSPs, the voluntary sector for difficult to reach groups Community enterprises share the potential for managing flexible benefits schemes, IAG partnerships, Connexions partnerships

geography covered:
Sub-regionally, and at the local level

resources:
Unlikely to be sufficient to address the issue fully. Some of the target group (those excluded from the labour market due to disability, drug-problems) require more intensive resource input to re-enter the labour market. This group includes those parents joining/returning to the labour market

Other sources of labour such as ‘commuter clawback’ (encouraging people to work in the region rather than travelling into London) pose very different difficulties

capacity:
This issue is a central focus of Jobcentre Plus but capacity may be limited to its remit and extends only to benefit claimants

current activity:
- childcare initiatives can operate at very localised levels as part of area-based initiatives
- adult IAG partnerships are at various states of effectiveness

future priorities:
- increase collaboration around specific target groups and activities, but which are responsive to the needs of that group/locality
- embed collaborative actions in evidenced-based, community plans and strategies
- increase the effectiveness of local partnerships to argue their case for more diversion of mainstream/discretionary funds to deal with a locality, community or issue, linked to long-term needs

timescales:
No regional workplan is in place.

targets:
No specific targets have been set for targeting under-exploited sources of labour; and the scale of need is difficult to gauge. However, if the target to increase the employment rate is to be met, ‘under exploited’ sources of labour will have to be brought into work in the East of England labour market

review and evaluation mechanisms:
- probably most effective at the local and/or sub-regional level.
- however, there is a case for this to feed into regional agencies such as EEDA more effectively, to achieve the required resource deployment into the right local areas
- this may need more attention to research into areas/initiatives, perhaps from a regional fund

priority actions:
- increase collaboration around specific target groups and activities, but which are responsive to the needs of that group/locality
- embed collaborative actions in evidenced-based, community plans and strategies
- increase the effectiveness of local partnerships to argue their case for more diversion of mainstream/discretionary funds to deal with a locality, community or issue, linked to long-term needs
- strive to achieve the required resource deployment into the right local areas. This may need more attention to research into areas/initiatives, perhaps from a regional fund

[†] Issue linked to ‘increasing employment rates: actions’ page 54

MEDIUM

Currently more resource/funding than top but still a key issue

- access to learning and ICT
- ageing workforce
- business investment
- enterprise
- ICT
- increasing employment rates
- innovation
- labour market mismatches

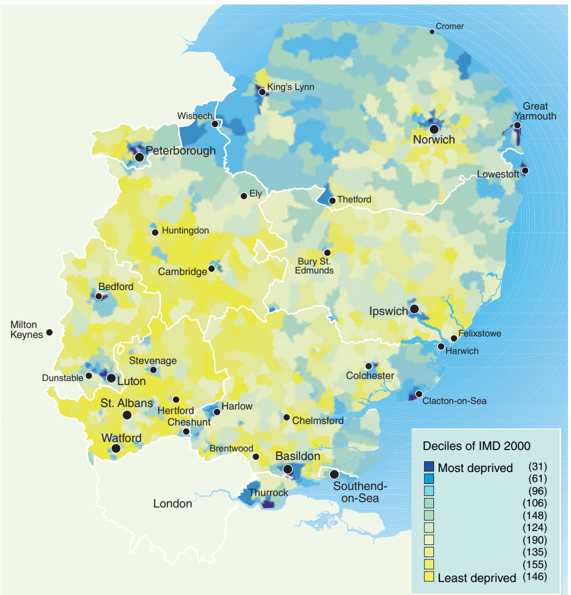
access to learning and information and communication technology skills

the situation in the East of England

Whilst the highest advanced IT internal skills gaps are identified in Suffolk, for hard-to-fill vacancies Hertfordshire is by far the sub-region in greatest need, where 48 per cent of all hard-to-fill vacancies require advanced IT skills.

Some parts of the region are more remote than others, notably parts of Suffolk, Norfolk and the Fens. The local accessibility of learning facilities affects the level of take-up. ICT can play an important role in over-coming the physical distance to training and learning, for example in a local learning centre. The diagram below shows the close correlation between peripherality/rurality and education deprivation.

East of England index of multiple deprivation 2000



source: DTLR

Note: Hertfordshire excluded due to boundary changes since publication of ID 2000 data.
Darker shading indicates greater levels of deprivation

policy initiatives

Numerous initiatives have been introduced to improve access to learning. The development of ICT provides an opportunity to overcome geographic isolation from learning provision. A number of organisations have developed e-learning strategies, including Learndirect/Ufl and the LSC, whose e-learning strategy is to be developed within the National E-Learning strategy. In relation to ICT infrastructure, ICT Learning Centres are being established across the region in schools, libraries, community centres etc.

policy area or initiative	resources	responsibility
LSC e-learning	To be confirmed strategy	LSC
National e-learning strategy	To be confirmed	
ICT Learning Centres	c. £12m across the region	
Learndirect/Ufl	To be confirmed	Ufl

See also page 49, information and communication technology and connectivity

collaborative mechanisms

EEDA, Learndirect and LSC to work closely together to ensure that ICT plays a full role in breaking down the particular barriers to learning/employment imposed by geography. Established distance learning institutions such as the National Extension College (NEC) and the Open University (OU) – both of which are moving into ICT delivery – should be fully engaged.

access to learning and information and communication technology skills: **actions**

lead body:	other partners:	
Local LSCs, University for Industry (UfI)	EEDA, FE colleges, universities, GO-East, NEC, OU, LAs and schools	
geography covered:	**resources:**	**capacity:**
Sub-regional, feeding into regional forum	Largely adequate, but inflexible. There is a perceived lack of flexibility to make decisions about priorities Projects tend to move from funding body to funding body. Could be addressed via a 'funders charter'	Assessing capacity is difficult At times it is difficult for regional (and sub-regional agencies, eg. EEDA, LSCs) to engage in the partnership approach locally

current activity:
- there is a considerable level of spend/activity through on the infrastructure and IT learning
- Learndirect centres
- UK on-line for learning centres funded by GO-East and DfES
- groups of colleges working together with learning through IT. There is a range of institutions involved in this

future priorities:
- more collaboration across the range of initiatives
- more partnerships that work across funds to make the most of the resources/initiatives
- EEDA is preparing a regional broadband strategy for e-learning
- establish a regional forum to bring together partners to improve resources
- develop/improve access to learning through ICT in the workplace in particular through EEDA, LSCs and college

timescales:	targets:
No workplan has been established	■ Learndirect – the target was to achieve the take-up to 650,000 courses by January 2002 ■ 47 ICT Learning Centre projects will be opening 310 centres by December 2002 in a wide variety of locations including FE colleges, schools, libraries, community centres, voluntary sector premises, pubs, health centres, football clubs and sheltered housing complexes. There are substantial projects in all the towns in the region and the major areas of rural need including the Fens and north Norfolk

review and evaluation mechanisms:
- there is a review mechanism for individual organisations, but not as partners
- requires a review of individual initiatives to inform collaborative working
- monitoring information needs to be shared

priority actions:
- ICT in relation to Access to Learning should develop at a sub-regional level
- develop the role of the private training sector
- more collaboration across funds/initiatives

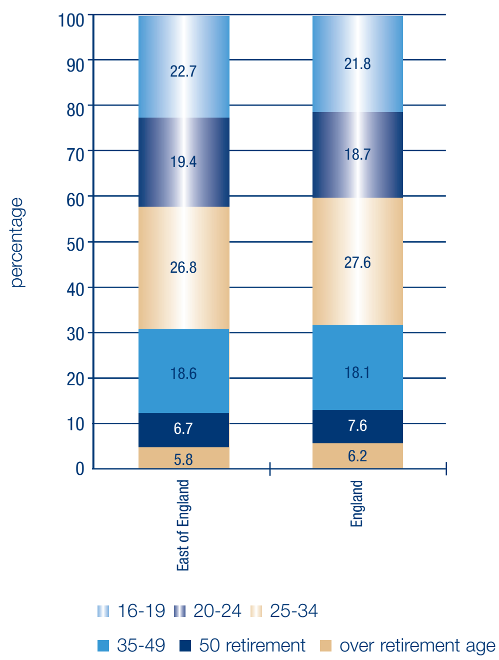
ageing workforce

the situation in the East of England

The East of England already has a slightly higher proportion of its population over and nearing retirement age than the national average. The highest number of people aged over retirement age as a proportion of the total population is found in Norfolk which is a natural retirement location. The 'dual labour' market may lead to an uneven pattern of retirement, with high earners likely to seek early retirement; whilst there is likely to be an increasing number of people, particularly those in low paid occupations, working past retirement age as they cannot afford to leave employment. Redundancies have affected traditional industries and the older section of the workforce have often been hardest hit by the job losses. Older workers tend to hold fewer qualifications than their younger counterparts and the ability of older workers to access new employment opportunities is therefore likely to be limited.

The ageing workforce is a particular problem in rural areas where a lack of local employment opportunities causes many young people to move away. This results in an increasingly older population and therefore potential workforce. As levels of earnings are relatively low in many rural areas when opportunities are available they are unlikely to be attractive to people who are currently working elsewhere.

the age structure of the working age population



source: LFS, Nomis, February 2002

policy initiative

The New Deal for the Over 50s is intended to help unemployed over 50s into work. The UK government is considering tax incentives to 'make work pay' for the over 50s and to promote more flexible working opportunities and measures to tackle age discrimination. WFD initiatives, such as the Union Learning Fund, can also be beneficial to older workers by allowing them to gain qualifications and skills which will enhance their position in the labour market.

policy area or initiative	resources	responsibility
New Deal for the over 50s	To be confirmed	Jobcentre Plus
Incentives for the over 50s	To be confirmed	UK Taxation
Union Learning 6 Fund	£4m 2002-2003	See also response to redundancies page 17

ageing workforce: **actions**

lead body:
Jobcentre Plus[†]

other partners:
TUC through ULRs, LSCs, employers reps, chambers of commerce

geography covered:
Sub-regional, although a regional overview may be required

resources:
Unlikely to be sufficient, although the level of resources is increasing as the issue gains more national attention (eg. around tax incentives for the over 50s)

Resources are required for up-skilling/ re-skilling of older workers to access new jobs (linked to ‘response to redundancies, page 15’)

More research may be required to identify the impact of an ageing workforce on the regions economy

capacity:
Capacity to address the issue likely to be limited; the issue is becoming more apparent, especially in rural areas where there are retirees in greater numbers

current activity:
- core activity is the Jobcentre Plus New Deal for the Over 50s
- as with ‘response to redundancies’ (page 15), activity around re-skilling older workers, perhaps threatened with redundancy, at some point in the future, is patchy
- limited agency response to broader issues about increasing the economic activity of those who have officially retired, or those who are willing/able to work beyond the retirement age. For those in early retirement, the group may be willing/able to take-up employment (eg. part-time). This has links to voluntary sector activity

future priorities:
- greater knowledge/awareness of the issues facing those over the age of 50, many of which are considered with over-coming barriers to employment, such as lack of confidence and out-dated skills. This may require considerable effort as the group is often difficult to target/access
- more research into the labour market effects of larger numbers of older persons, generally and specifically, in certain locations such as rural and coastal areas

timescales:
There is currently no formalised workplan, either specifically about the exclusion of older workers (apart from those Jobcentre Plus activities), or more widely around the ageing of the population as a whole

targets:
No specific targets have been established for dealing with an ageing workforce

review and evaluation mechanisms:
- no review mechanism is currently in place

priority action:
- potentially moves to increase understanding of the issues facing those over the age of 50, many of which are concerned with over-coming barriers to employment
- more research into the labour market effects of larger numbers of older persons, generally and specifically, in certain locations such as rural and coastal areas

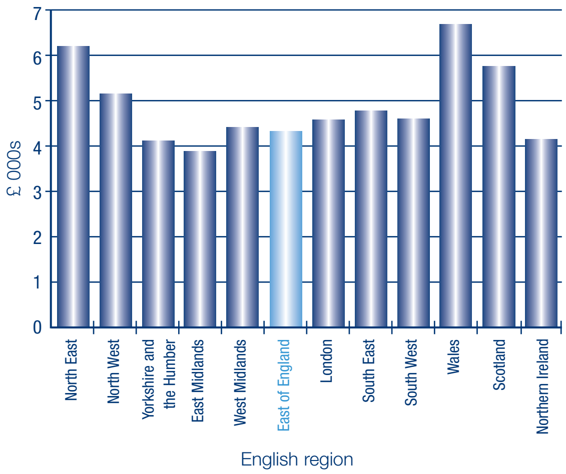
[†] Issue linked to ‘workforce development and in-work progression’ page 22, ‘under exploited sources of labour page 40 and ‘increasing employment rates page 54

business investment

the situation in the East of England

The East of England falls into the lower half of English regions for manufacturing investment (net capital expenditure per employee). However, this excludes investment in human capital. Overall investment of private equity in businesses was some £435m in 2001 and the highest outside London and the South East British Venture Capital Association (BVCA).

manufacturing net capital expenditure per employee (1997)



source: DTI/HM Treasury, Productivity in the UK: the Regional Dimension, 2001

policy initiatives

Initiatives to boost investment are largely targeted at manufacturing, for example the developing Regional Centres of Manufacturing Excellence (RCME) and the Manufacturing Advisory Service (MAS) – incorporated within UK Manufacturing Strategy, Best Practice. Regional selective assistance and enterprise grants are available to lever capital investment in to target 'assisted' areas. The Regional Venture Capital Fund is also in place to boost SME access to finance.

policy area or initiative	resources	source
RCME and MAS	£1.4m to 2004 (plus £15m nationally)	EEDA
Regional selective assistance (assisted areas only)	Variable (£408m nationally 2000-2001)	DTI
Enterprise grants	Variable	DTI
Regional Venture Capital Fund (for access to finance)	Up to c.£8m† (£350,000 EEDA)	DTI
Objective 2 Funding Priority 1 Measure 1.2: Access to Capital (in eligible areas)	c. £12m to 2006	EU

targets

National targets have been established for the RCME to:

- provide information and advice to 15,000 manufacturers per year
- 2,500 per year diagnostic visits to SMEs through RCMEs
- 500 follow-on consultancies per year through RCMEs
- inform 25,000 manufacturing users per annum through the MAS website
- regional targets are being developed.

collaborative structures

The RCME will offer specialist advice/support to manufacturing companies and are complementary to Business Link/other agencies eg. signposting companies with skills needs to relevant FE/HEI/training provider.

† Based on regional split of up to £80m identified nationally in UK Manufacturing Strategy

business investment: **actions**

lead body: Business based organisations†	**other partners:** Other private sector (venture capitalists, business angels) and public sector agencies (EEDA, Business Links, LSCs, UK government) where there is a real gap/market need	
geography covered: Region-wide. Competitiveness is the key, rather than specific localities Recently established Innovation East, a public/private regional forum, has a focus on regional economic strategy objectives for innovation Other region-wide business-led groups with sectoral focus, for example: - Engineering East - business and finance groups - tourism groups	**resources:** Public resources are insufficient to offer the very best support to businesses; penetration rates remains low (c.10 per cent), although difficulty in engaging businesses may partly account for this Case for boosting EEDA resources, especially revenue support SBS resource allocation is also too low More is required to find out how best to match current resources with demand (may lead to re-prioritisation of resources)	**capacity:** May be insufficient, particularly 'on the ground' capacity The number of agencies is confusing for businesses Competition/lack of co-operation between agencies reduces the effectiveness of support Difficulty over the apparent role of Business Links as both broker and deliverer Manufacturing, innovation, human resource development (HRD) resources side on helping businesses is weak

current activity:
- EEDA/DTI-led RCMEs to support manufacturers – provides initial support free of charge while any additional in-depth support required is charged to the company
- incubation space and innovation centres provision
- two (forthcoming) enterprise hubs, to bring together physical and softer infrastructure, to assist crucial sectors and clusters

future priorities:
- more specialists in innovation
- follow through of intellectual capital (EEDA in association with the larger research and development companies)
- rationalisation of support to businesses to avoid duplication and overlap of efforts
- working together to devise mechanisms for identifying key issues/ensuring coherent support
- there are gaps on the innovation side and the way that companies are assisted to look at new processes needs to be re-considered. Greater coherence is required to take advantage of the number of good quality schemes that exist

timescales: Workplans in place to support clusters and manufacturing Workplans to be developed for infrastructure and physical investment	**targets:** New targets are being developed Look to historic targets (eg. number of businesses visited or the number of people attending an event etc) being replaced with targets such as penetration rates Innovation target(s) to be developed Qualitative (as well as a quantitative) measure of performance to be explored

business investment: **actions**

review and evaluation mechanisms: ■ reviews are currently conducted on a regular basis but they do not form part of a formal process ■ there is a greater need for assessing business investment as a whole, rather than simply looking at different specific initiatives
priority actions: ■ there is an urgent need to ensure that people recognise the innovation agenda to allow businesses to better invest in business development processes and HRD

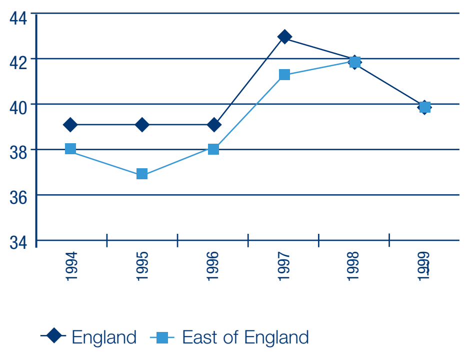
† Issue linked to 'increasing of take-up of training by employees in small and medium-sized enterprises' page 34

enterprise

the situation in the East of England

New firms entering the market account for a significant degree of productivity growth, through the introduction of new products and methods of working. Business start-up rates may therefore be a useful proxy for the levels of enterprise in a region. The East of England has performed above the national average during each of the last six years for which data is available. This high level of start-ups recorded indicates a positive level of entrepreneurialism in the region.

business start-ups per 10,000 adults residents



source: IDBR compiled by SMEP, DTI

policy initiative

The consultation draft of the Small Business Service's 'Comprehensive Strategy for Business Start-ups' considers the role of innovation centres and incubation centres in generating start-ups. Links to promoting entrepreneurships are also present, for example, LSC New Entrepreneurship Scholarships. EEDA support for business start-ups relates to specific support in rural and disadvantaged areas and support covered in other issues eg. innovation.

policy area or initiative	resources	source
New entrepreneurship scholarship (for those 18+ in deprived areas)	c. £400,000 for 2002-2003	LSC
Business start-ups in disadvantaged areas	£1.1m to 2004	EEDA

policy area or initiative	resources	source
Objective 2 Measure 1.1 for SME Creation, Growth and Development (eligible areas)	£16m to 2006	EU
Core SBS/Business Link budgets	To be confirmed	DTI
Phoenix fund (deprived areas – worst 25 per cent nationally)	£20m† nationally	DTI
Objective 3 ESF Adaptability and Entrepreneurship Measure 3	£4.5m to 2006	ESF
Rural diversification	£6m to 2004	EEDA

targets

Regional tier 2 targets:

- to increase the number of people considering going into business by one percentage point per annum over the (EEDA) corporate plan (from 9 per cent in 2001, based on SBS survey data)
- to increase the 3 year survival rate of VAT registered businesses to at least 66 per cent in all sub-regions over the plan period (regional average is 65.3 per cent for businesses registering in 1996)
- to increase the VAT businesses by 0.5 per cent per year over the plan period
- to reduce the decline in new VAT registrations per head in East of England wards that fall within the 20 per cent most deprived wards in the country. (Current trends are for a fall from 32 per 10,000 in 2000 to 27 per 10,000 in 2004. Target is therefore proposed to be 29 per 10,000.)

Rural and urban areas:

- rural area target is to increase new VAT registered businesses as a percentage of the existing stock by 0.2 percentage points per annum (from 7.1 per cent in 2000)
- priority urban area to increase number of new VAT registered businesses as a percentage of the existing stock, 0.3 per cent points per annum (from 11.6 per cent in 2000).

† To be matched £ for £ by private sector investment

enterprise: actions

<table>
<tr><td>lead body:
SBS</td><td colspan="2">other partners:
EEDA, GO-East, enterprise agencies, incubation and innovation centres, voluntary and community sector organisations, Business Links</td></tr>
<tr><td>geography covered:
Region-wide

There is a genesis of a regional group

Sub-regional and local authority representatives will be on the steering group at the regional level</td><td>resources:
The key sources of funding to address this issue are identified as the LSC, EEDA, the EU, DTI and ESF

The LSC has resources to encourage young people to become more entrepreneurial

The enterprise agencies have more limited resources

The main sources of any additional resources are likely to be new resources and the re-prioritisation of existing funds</td><td>capacity:
Various networks exist, although they can work in isolation, and voluntary and community group representation is often limited

Capacity is largely considered to be acceptable, although more delivery staff 'on the ground' and employed by the enterprise agencies and Business Links may be useful</td></tr>
<tr><td colspan="3">current activity:
■ small business service (SBS) has a core contract with Business Links which provides start-up strategies, guidance and careers advice to new entrepreneurs. Business Links develop enterprise in disadvantaged communities. EEDA has a budget for start-ups in disadvantaged areas. There are also european funds to tackle the lack of an enterprise culture
■ the SBS has produced a draft 'Comprehensive Strategy for Business Start-ups' while the LSCs have new entrepreneurship scholarships. Also see table on page 45</td></tr>
<tr><td colspan="3">future priorities:
■ an audit of the research available currently to avoid duplication
■ more activity is recommended around spin-outs from universities and expanding help for start-ups in rural and deprived communities</td></tr>
<tr><td>timescales:
■ a workplan will be produced through the regional group that is being established
■ a workplan should also be a result of the FRESA</td><td colspan="2">targets:
■ a coherent regional strategy/over-arching strategy is not in place
■ EEDA is currently talking to partners about the tier 2 targets
■ no integrated framework is in place at the moment
■ as long as targets and baselines are clear performance indicators would be welcomed
■ some targets may prove difficult to measure</td></tr>
<tr><td colspan="3">review and evaluation mechanisms:
■ several review mechanisms are in place through the Business Links, enterprise agencies and the EEDA-led steering group
■ an evaluation strategy is not in place at the moment but if one is introduced it will require a discreet resource</td></tr>
<tr><td colspan="3">priority action:
■ the preparation of a workplan should also be a result of the FRESA
■ the work of regional group should be progressed in developing an enterprise strategy, with clear baselines and targets, which identifies any additional resources required</td></tr>
</table>

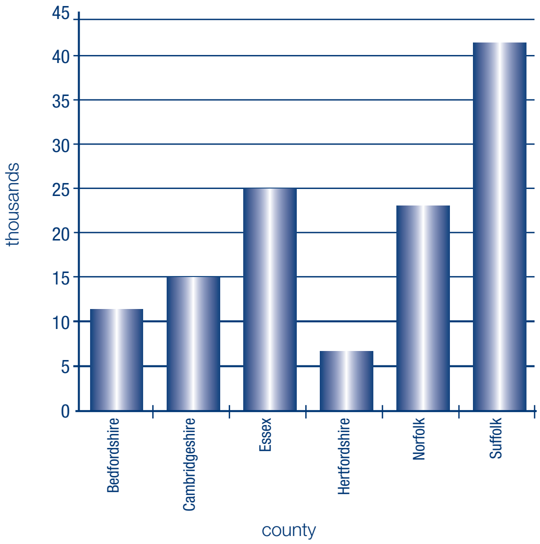
information and communication technology and connectivity

the situation in the East of England

Employment has grown rapidly and is expected to continue to do so. Hard-to-fill vacancies and skills shortage vacancies are a problem for businesses in this sector. Generic skills needs include communication, willingness to learn and problem solving. Specific skills include systems architects, service consultants and developers.

population projections, 2002-2006 – expected annual average change

source: STF Employers' Survey



policy initiative

Policies relate to overcoming infrastructure constraints for businesses and communities, and to ICT training and skills development. ICT for learning is addressed as a separate issue. ICT broadband strategy comprises 6 planned initiatives:

- broadband brokerage – website and database
- connecting communities
- application provision bringing forward suppliers
- business centre/incubation programme
- awareness raising
- support for research and development.

UK Online for Business to help businesses move beyond trading on-line to use ICT more effectively.

See also access to learning and ICT skills, page 38.

policy area or initiative	resources	source
Broadband strategy	£5.8m†	EEDA/DTI
UK On-line for Business	c.£3m††	DTI
Newly established ICT SSC	To be confirmed (max £1m nationally)	SSDA
Mainstream LSC budgets for ICT training	To be confirmed	LSC

targets

The implementation of the broadband strategy will be assessed against its objectives. ICT training is also a sub-set of wider LSC training provision.

collaborative structures

ICT infrastructure and training is a broad area which, in many ways, underpins several issues highlighted in this document. At the regional level a close working relationship between the ICT SSC and the LSC will help meet business needs.

† Includes £3.2m from the UK Broadband fund
†† Based on region's share of £30m resource nationally

information and communication technology and connectivity: **actions**

lead body:
EERA

other partners:
Local authorities, Business Links, DTI, East of England Telematics Development Trust, office of government commerce, office of the E-Envoy, UK Online for Business, East of England NGfL Broadband Consortium, GO-East, Ufl

geography covered:
As appropriate

resources:
Although there are a number of agencies and initiatives, many are small scale. There are insufficient funds to address the region's ICT needs

Additional resources should be made available via new funds or from the better use of discretionary funding

capacity:
The networking arrangements in place are not yet adequate to deal with the scale of the issue

In cases where additional staff are required they could be employed on a temporary contract basis for specific deliverables

current activity:
- there is no regional strategy at the moment although there are proposals to develop one
- it has been proposed that a number of themed groups should be developed which bring partners together
- these groups would have access to funds to carry out practical projects

future priorities:
- to achieve the co-ordination of different approaches
- to agree the regional project and to launch it
- to achieve 'buy-in' from partners

timescales:
A workplan remains to be developed. Once it is in place it will be the responsibility of EEDA

The workplan could arise out of the FRESA process

targets:
- aims and objectives are yet to be agreed between partners. Consultation is underway at the present time and it is anticipated that they will be agreed within the next year
- a shared strategy is also to be developed. This will be based on the contents of the regional economic strategy. Local partners will also provide an input
- a DTI benchmarking study has been undertaken into ICT across the region which will form the baselines

review and evaluation mechanisms:
- a review mechanism is to be developed following agreement of the strategy. This will be subject to independent validation
- an evaluation strategy is not in operation at present

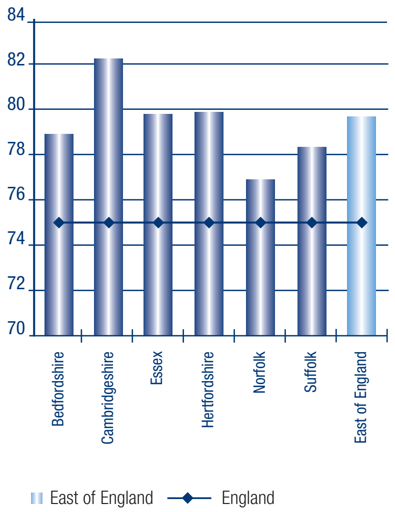
priority actions:
- to achieve the co-ordination of different approaches
- to agree the aim and objectives of the regional project and to launch it
- to achieve 'buy-in' from partners into the shared strategy

increasing employment rates

the situation in the East of England

Productivity can be enhanced by increasing the number of people contributing to GDP; ie. by increasing employment rates. The East of England has a target to increase the employment rate by 0.5 percentage points per annum from the 1999 base of 77.9 per cent. The region as a whole is already significantly above the national average of 75.1 per cent, and the East of England average of 79.4 per cent masks sub-regional variations as the rate is as high as 82.7 per cent in Cambridgeshire but only 77.0 per cent in Norfolk.

employment rates among the working age population, February 2002



source: LFS, Nomis

policy initiative

A range of policy initiatives are in existence that relate to increasing employment rates, and in many ways this is an umbrella issue covering many national, regional and local policies, including Neighbourhood Renewal and New Deal for Communities which operate in this field.

policy area or initiative	resources	responsibility
New Deal for: 18-24 year olds; 25+ (North Essex and Suffolk pilots); the over 50s (see 11); partners of the unemployed; lone parents and the disabled (see 10)	To be confirmed	Jobcentre Plus /DWP
Step Up (Great Yarmouth from Sept)	To be confirmed	Jobcentre Plus
East of England Objective 3:	£33.3m	EEDA/ GO-East
Active Labour Market P1 Measure 2: Local area responses and employability Participation of Women P5 Measure 1: Removing barriers to employment	18 per cent to 2006 £6.5m – 3.5 per cent to 2006	East
East of England Objective 2 Community Economic Development (eligible areas)	c.£22m to 2006	GO-East
EEDA single pot regeneration theme	£2.3m to 2004	EEDA
Work based learning for adults	c. £29m	Jobcentre Plus
New Deal for Communities:† Luton Norwich	10 years: £48m £35m	Social Exclusion Unit
Neighbourhood Renewal†: Luton Great Yarmouth Basildon Neighbourhood Management	3 years: £3.4m £4.5m £2.9m	Social Exclusion Unit

targets

EEDA tier 2 target is to increase employment rates by 0.5 per cent per annum. Baseline from 1999 is 77.9 per cent.

collaborative structures

Raising employment rates cannot be considered in isolation from reducing unemployment and utilising under-exploited sources of labour through reducing inactivity.

† Not all for employment-related projects
Note: all taxation policy – Working Families Tax Credit and Children's Tax Credit
Targets: EEDA Tier 2 target is to increase employment rates by 0.5 per cent per annum. Baseline from 1999 is 77.9 per cent.

increasing employment rates: **actions**

lead body:	other partners:
Jobcentre Plus†	EEDA, chambers of commerce and LSPs, local LSCs, the voluntary sector for difficult to reach groups. Community enterprises share the potential for managing flexible benefits schemes

geography covered:	resources:	capacity:
Regional forum Regional network of skills and training providers Links to strategic partnerships	Existing funds are adequate if used better	Lack of capacity has been identified, although the issue is complex Some organisations (eg. BME Network) dealing with specific groups don't have enough secretariat support Many agencies should be involved to address capacity constraint. There is a need for greater collaboration

current activity:

- current activity levels are considerable (New Deals, SRBs, LSC budgets) but need to keep focused and co-ordinated

future priorities:

- to include harder to reach groups eg. ethnic minorities. For certain groups, data is not robust. Individuals and subgroups in minority groups cannot be identified because sample sizes are too small to be representative of the whole region
- need to identify who is not accessing resources for whatever reason, including opting out
- need to concentrate efforts on meeting growth targets. Active labour market policies need to be geared up

timescales:	targets:
No overall workplan in place At a local level there are partnership and regeneration projects, but one has not really been set at a higher level Aims and objectives have been agreed at a district level. There is a process at regional level and some broad agreement. The FRESA should complement the Regional Social Strategy	■ there are also requirements under the Race Relations Act to recognise different population groups ■ tier 2 target is a regional target. Targets need to be lined up for DWP and Jobcentre Plus. Often there are different targets from multi-agency partnerships ■ baselines have been set for some areas. Baselines relating to exclusion are problematic – they are working from the last census data which is now out of date ■ it is key that the right targets are in place and inline with mainstream government funding and other forms of funding

review and evaluation mechanisms:

- targets are used which look at job creation and safeguarding jobs disaggregated by groups to measure achievements

priority actions:

- develop a shared understanding of issues so that priorities can be set
- develop links between local, sub-regional and regional levels
- learn good practice lessons from local delivery
- better co-ordination

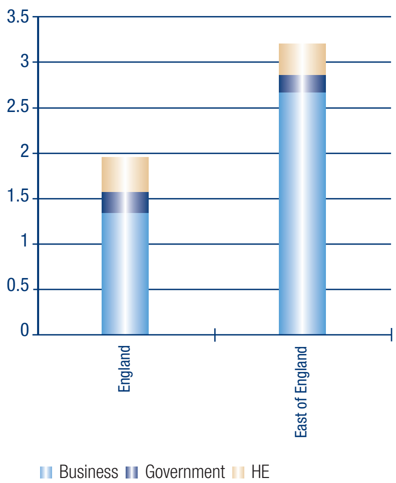
† Issue linked to 'under exploited sources of labour: actions' page 40

innovation

the situation in the East of England

The East of England records a level of expenditure on research and development that is significantly above the UK average level (although it is well below the EU and US averages). The level of spend on research and development is a proxy for innovation. The majority of research and development spend in the region is undertaken by businesses (as opposed to government or HE spend), with business spend comprising a larger proportion of the total than nationally. This reflects the region's strong and innovative business sector.

Expenditure on research and development as share of regional GDP



source: Regional Trends 2001

policy initiatives

There are many initiatives in place which provide support to innovation, notably from EEDA, DTI and the Higher Education Funding Council for England (HEFCE).

policy area or initiative	resources	source
Innovation centres, science parks and HE centres; enterprise hubs	£7.0m to 2004	EEDA
Regional Innovation Fund	£2.9m to 2004	EEDA
Regional Innovation Technology Transfer Strategy†	£1.3m to 2004	EEDA
Regional Infrastructure for Innovation	£4.5m to 2004	HEFCE
National Technology Institutes in Essex and Suffolk	To be confirmed	HEFCE
SMART (grants from £2,500 to £150,000)	Variable	DTI
LINK research programme for academia /companies pre-comp research††	To be confirmed	DTI
12 innovative manufacturing research centres nationally in academic institutions	£60m nationally	EPSRC
Teaching company schemes (graduate placement)	National funding plus additional £225k from EEDA	HEFCE/ EEDA
HE Innovation Fund*	£78m nationally	HEFCE

† RITTS implementation plus Innovation best practice and foresight

†† Target for attributed income to be £100m per annum by 2003

* Cross-departmental review (Oct 2002) indicates a greater role for the RDAs in helping boost universities' capacity to respond to the needs of businesses and the community

innovation: **actions**

lead body:	other partners:
EEDA	AUEE, other Innovation East partners, and EEIs

geography covered:	resources:	capacity:
Region-wide, but with local responses to support local initiatives Important that the regional infrastructure and overview are not over-managed and that there is not too much bureaucracy. Regional role to focus on strategic overview, mapping and gapping	Current resources are generally too low. Universities are staffed thinly for this area. SBS staff resources for supporting innovation are also low Potential to enhance number of regional staff devoted to innovation within EEDA, also HEIs and business clusters There should be new investment to avoid taking funding from other areas. Funding needs to be used more strategically	Innovation East brings together most of the key people, but there is a need for the group to meet more regularly The role of Innovation East needs to be more developed and systemised. Agreeing the membership of East of England business forum may provide a basis for this

current activity:

- as described above but also including HEIs in the region which are continuing or creating new business innovation centres or science parks

future priorities:

- the established local structures may not be the most appropriate. Business clusters and large businesses should relate to each other more closely
- universities should be at the core of this. Networking arrangements are not developed strongly enough. Most of this is new and has not had chance to get established as a regional network. There are some strong local networks. More direct local business engagement is also required

timescales:	targets:
No innovation-specific workplan has yet been developed	National targets are to increase the level of exploitation of technical knowledge derived from the science and engineering base (ie. increase in the proportion of innovating businesses citing such sources) The regional target is to increase the number of patent applications to the European patent office per head of the economically active population. This to rise from 468 (2000 baseline) to 500 in 2004. Other targets being set for: ■ amount of research and development expenditure secured by HE and publicly funded research institutions ■ number of spin-out businesses from the region's universities

review and evaluation mechanisms:

There is no review mechanism, currently in place, other than monitoring in relation to the targets. A process of evaluation and review is required, once the appropriate structures have been established

priority actions:

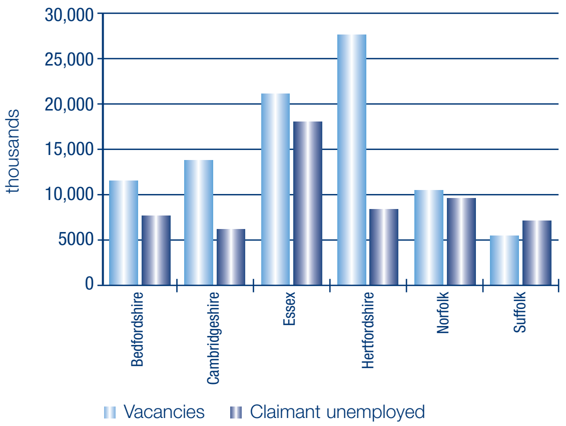
- there is a need to formalise, systemise and promote the role of Innovation East
- to review/promote regional networking arrangements with the universities at its core
- review the capacity of agencies to deal with the promotion of innovation to/in business

labour market mismatches

the situation in the East of England

Claimant unemployment and International Labour Organisation (ILO) unemployment, which includes all those actively seeking employment even where they are not claiming benefit, have been falling, and rates remain below the national average. This is true for all sub-regions, although Bedfordshire has the highest unemployment rate of all the sub-regions and this is closest to the national average. However, unemployment still exists alongside the presence of nearly 100,000 job vacancies in the East of England, indicating a mismatch between the skills employers are seeking and those held by the unemployed in the region.

vacancies and unemployment in the East of England



source: Employer Skills Survey, IER/IFF; Claimant Count, NOMIS

The hardest to fill vacancies are reported in the professional occupations, and this is commensurate with the increase in the number of higher order occupation jobs. This trend is forecast to continue in the East of England, with 6 of the 10 fastest growing occupations being higher level positions. The Employer Skills Survey, 2001 indicated that there were insufficient numbers with the right skills to take-up professional posts.

Sub-regional variations identify greatest skill shortage vacancies in Hertfordshire and the lowest in Suffolk, reflecting the faster employment growth and increase in high-tech businesses in some sub-regions than others (and, in the case of Hertfordshire, competition with wages in London).

For occupation mismatches, ‘other technical and practical’ and ‘advanced IT’ are the skills most sought after to overcome skills shortages.

policy initiatives

Many of the initiatives addressing mismatches in the labour market relate to other issues identified around the need to increase higher-level skills in the region and introduce measures to address skills gaps and shortages. However, the smooth operation of the labour market can also help address mismatches and the introduction of Jobcentre Plus through their account manager system, is leading to a renewed effort to work with employers to identify and meet their skills needs.

policy area or initiative	resources	responsibility
Jobcentre Plus account managers	To be confirmed	Jobcentre Plus

See also page 51, on Increasing Employment Rates

lead responsibility

DWP, LSC and other regional partners.

targets

EEDA tier 2 targets:

- reduce employers reporting skills shortages from 8 per cent (1999) to <7 per cent (2004)
- reduce employers reporting skills gaps from 5.4 per cent (1999) to <4.5 per cent (2004).

collaborative mechanisms

An opportunity for closer links between DWP, employers and LSCs.

labour market mismatches: **actions**

lead body:	other partners:	
Jobcentre Plus	Employers, trade associations, LSCs	
geography covered: Sub-regional and more locally for the operation of Jobcentre Plus account managers There are links to sector skills development (page 35) which are likely to operate at a regional level	**resources:** The move to a local account manager system, in working with employers to identify and meet their skills needs, is still developing and it remains to be seen whether the current level of resources is sufficient	**capacity:** As with resources, the capacity of the account manager system to address labour market mismatches must be reviewed over the coming year It is unlikely that the account manager system on its own is sufficient to address the issue of hard-to-fill vacancies, which has links to wider skills development issues

current activity:
- the work of the account managers in working with employers is developing
- also see sector skills issue page 35
- links into and influenced by work on improving skills more generally – hard-to-fill vacancies

future priorities:
- broadening the experience of local account managers in their work with employers and job-seeker to further inform agency (such as LSC) responses to skills issues
- assessing the extent to which local account managers can realistically bridge the gap between employers needs and workforce skills (and therefore, what further needs to be done)

timescales:	targets:
There is currently no formalised workplan (apart from those Jobcentre Plus activities)	■ tier 2 targets are established in relation to reducing skills gaps (see page 55). ■ addressing the skills gaps in the tier 2 targets will require a much broader cross-agency approach, although the local account managers can play an important role in disseminating information to LSCs/training providers etc. on employer needs/expectations ■ Jobcentre Plus local account managers have activity-related targets

review and evaluation mechanisms:
- progress towards the tier 2 targets in relation to skills gaps is subject to review
- there are Jobcentre Plus internal review mechanisms
- the region needs to ensure timely, robust, time-series skills gaps analyses are prepared which allow for comparison over time and which can inform responses to employer needs

priority action:
- broadening the experience of Local Account Managers in their work with employers and job-seekers to further inform agency (such as LSC) responses to skills issues
- assessing the extent to which Local Account Managers can realistically bridge the gap between employers' needs and workforce skills (and therefore, what further needs to be done)
- region needs to ensure timely, robust, time-series skills gaps analyses are prepared which allow for comparison over time and which can inform responses to employer needs

LOW

Not requiring action at present, although further research may be needed

- migration

migration

the situation in the East of England

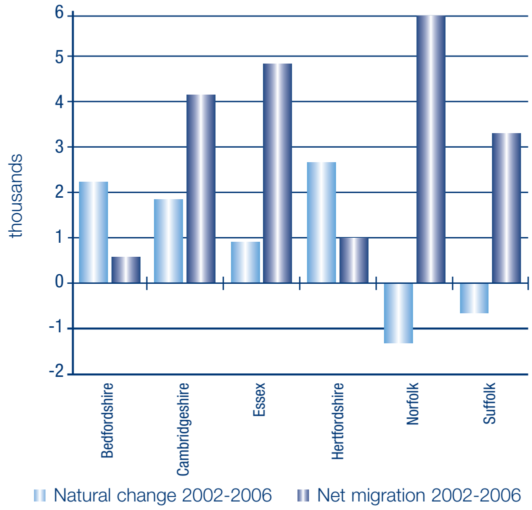
The East of England has seen one of the highest rates of population growth in the country in recent years. Migration flows indicate that average annual net in-migration to the region is around 20,000 per annum – highest into Norfolk – with most coming into the region from London. Many will still be working in London but looking to reduce their cost of living by moving outside the capital.

New census data from 2001 shows the East of England registering the highest level of in-migration of any UK region apart from Northern Ireland. Net migration is forecast to be more significant than natural change in determining the population change in Cambridgeshire, Essex, Norfolk and Suffolk while the opposite is true for Bedfordshire and Hertfordshire. The pattern of population change will have an impact on the size and structure of the workforce in each of the sub-regions.

policy initiative

A range of policies attempt to address the effects of inward migration and population increase. Land use planning policies regional planning guidance (RPG); transport policy (regional transport strategy (RTS)); housing policy (local/structure plans, national housing policies); and ICT infrastructure policy (regional broadband action plan) all touch upon this issue, without being aimed specifically at addressing it.

population projections, 2002-2006 – expected annual average change



source: ONS Population Projections, mid-1996 based, Nomis

collaborative mechanism

Demographics and infrastructure capacity constraints need to be reviewed at the regional level through the Regional Assembly in association with partners.

migration: **actions**

lead body:	other partners:	
EERA	EEDA and local authorities	
geography covered: Activity is currently organised on a regional basis However, there are difficulties overcoming tensions between different geographical levels	**resources:** Increased public sector resources are required to tackle issues such as assisting key workers Additional resources are likely to be sourced from the public sector	**capacity:** Networking occurs for regular planning issues There is a perceived lack of capacity within local authorities

current activity:
- current activity is focused through the RPG and also the RTS
- considerable net in-migration in to the region

future priorities:
- strategic issues will become increasingly important
- research around the 2001 census, especially from the Special Migration Statistics, is needed
- government proposals exist around key workers and these need to be extended
- research needs to relate infrastructure and investment are also issues

timescales:	targets:
A workplan is being created through the production of the RPG	■ these are needed for the process of adopting the RPG and targets within the RPG, for example number of houses to be developed and land available

review and evaluation mechanisms:
- a review mechanism is in place
- no evaluation strategy has been developed

priority actions:
- concentrate minds at the strategic level that this is a significant issue
- research around the 2001 census, especially from the Special Migration Statistics, is needed
- government proposals exist around key workers and these need to be extended (see housing, page 29)
- research needs to relate to infrastructure and investment which are also issues

glossary

AUEE	The Association of Universities in the East of England
BME	black minority ethnic
BVCA	British Venture Capital Association
CBI	Confederation of British Industry
CEML	Council for Excellence in Management and Leadership
CoVE	Centre of Vocational Excellence
DfES	Department for Education and Skills
DTI	Department for Trade and Industry
DWP	Department for Work and Pensions
EBLO	Education Business Link Organisation
EEDA	East of England Development Agency
EERA	East of England Regional Assembly
EMDA	East Midlands Development Agency
EMRLGA	East Midlands Regional Local Government Association
EMUA	East Midlands Universities Association
ESF	European Social Fund
FE	further education
FEI	further education institution
FRESA	Framework for Regional Employment and Skills Action
GCSE	General Certificate in Secondary Education
GDP	gross domestic product
GO-East	Government Office for the East of England
GOEM	Government Office for the East Midlands
GST	government supported training
GVA	gross value added
HE	higher education
HEFCE	Higher Education Funding Council for England
HEI	higher education institution
HRD	human resource development
IAG	information, advice and guidance
ICT	information and communication technology
IDP	Investor Development Programme
IER	Institute for Employment and Research
IiP	Investors in People
ILO	International Labour Organisation

IRS	Integrated Regional Strategy
IT	information technology
JC+	Jobcentre Plus (the new name for Employment Service)
LEAs	Local Education Authorities
LLSC	Local Learning and Skills Council
LMI	Labour Market Information
LSC	Learning and Skills Council
LSP	Local Strategic Partnership
MAS	Manufacturing Advisory Service
NEC	National Extension College
NGFL	National Grid for Learning
NLMIS	National Labour Market Statistics Resource
Nti4em	New Technologies Institute for the East Midlands
NTO	National Training Organisations
NVQ	National Vocational Qualification
OFSTED	Office for Standards in Education
ONS	Office of National Statistics
OU	Open University
PfP	Partnerships for Progression
PSA	Public Service Agreement
RCME	regional centres of manufacturing excellence
RDAs	regional development agencies
RES	regional economic strategy
RPG	regional planning guidance
RRS	Rapid Response Service
SBS	Small Business Service
SHI	Starter Home Initiative
SME	small and medium-sized enterprise
SSC	Sector Skills Council
SSDA	Sector Skills Development Agency
SSP	Sub-regional Strategic Partnership
TUC	Trades Union Congress
UfI	University for Industry
ULR	union learning representative
WFD	workforce development

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