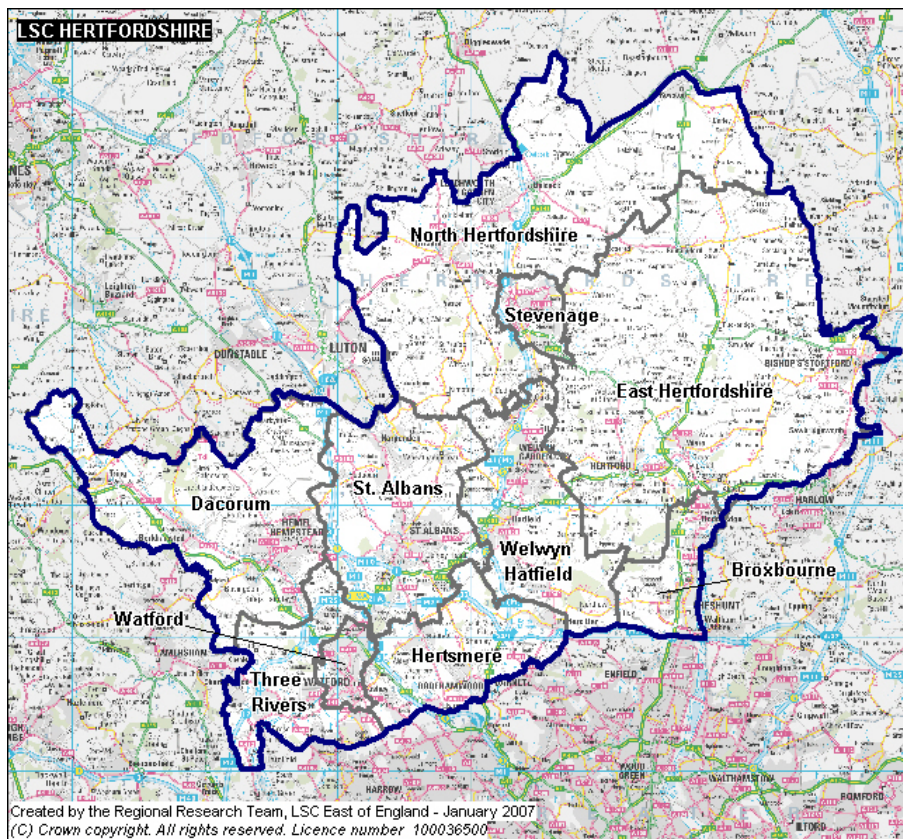


# Local Needs Assessment

Hertfordshire



Leading learning and skills



LSC East of England Research Team  
January 2007

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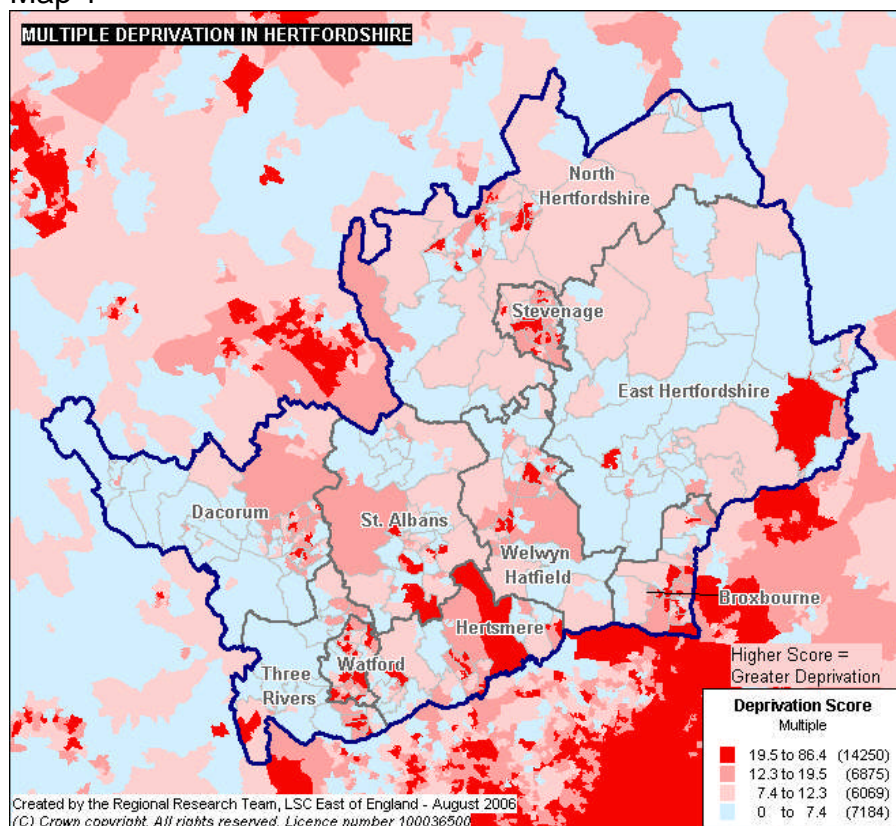
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## 1. Overview

### 1.1 Background

Hertfordshire is located immediately to the north of London, with a radial transport infrastructure and high house prices as a result. It has a population of just over one million with the majority of the population concentrated in the west of the county. The ethnic mix of the population is similar to the regional picture, where 89% of the population consider themselves White British. The largest minority ethnic group is Asian or Asian British, which accounts for around 3% of the population. The largest black or minority ethnic group is in Watford (around 13%).

Map 1



Source: Indices of Deprivation 2004, SOA Lower Layer Level, Office of the Deputy Prime Minister, ONS Super Output Area Boundaries. Crown copyright 2004. Crown copyright material is reproduced with the permission of the Controller of HMSO.

The county is relatively prosperous but with pockets of deprivation particularly in Stevenage, Broxbourne, Welwyn-Hatfield, Borehamwood and Hemel Hempstead. The majority of people are employed in wholesale, retail and motor related industries, manufacturing and real estate and business activities, in line with the rest of the East of England. However, the proportion of people employed in real estate and business activities is highest in the region, accounting for 17% of total employment. As with other areas that border London, commuting is significant - just over 20% of the resident workforce commutes into London.

## 1.2 Key Statistics

Table 1: Key Statistics for Hertfordshire

<b>Population</b>	
Population	1,033,800
Population as a % of the East of England	19%
Population of working age	663,000
Population density (persons per sq km)	634
% of the population under 16	21%
% of the population aged 16 to pensionable age	64%
% of the population above pension age	15%
<b>Education</b>	
%16 year olds achieving 5+ GCSEs grade A* to C	63%
% of (working age) population qualified to level 2	15%
% of (working age) population qualified to level 3	17%
% of (working age) population qualified to level 4 or above	32%
<b>Economy</b>	
Employment Rate (%)	81.70%
Unemployment Rate (%)	1.60%
Establishments reporting HtFVs	7%
Establishments reporting SSVs	5%

## 1.3 General demography

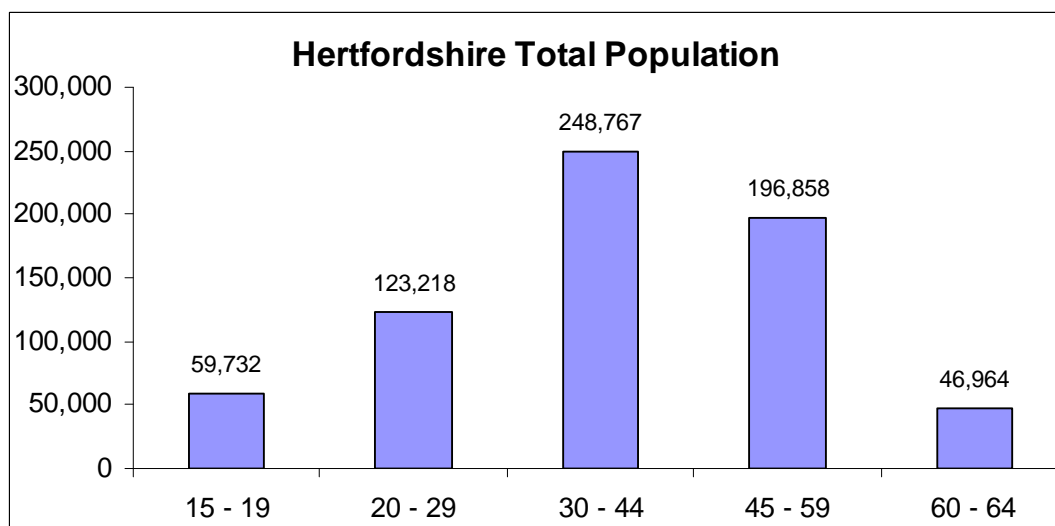
Hertfordshire has the second largest population in the East of England behind that of Essex. Over one million people on census day in 2001. The distribution of the cohort groups is in line with the picture for the rest of the counties in the region and shows that Hertfordshire has a greater proportion of the population in the older cohort groups.

The availability from the census of population figures in single year cohorts enable us to focus and aggregate on specific cohort groups that are of interest to the LSC. As well as seeing policy interest groups of 16–18 and 14–19 year olds within the population, it is also possible to look at the gender difference among the different cohort groups. As can be seen these follow a similar pattern to that of the regional 51% male and 49% female gender split.

Building on the information from the current volumes of population cohorts, and then considering the effect of suggested increases in population over time from the information in the projections chart. It is fair to assume from this data that the number of learners within Hertfordshire is likely to increase over time, at least until 2010/2011, based upon population projection. Increases in the number of learners will also be affected by the continued increases in participation which is not factored here. ONS population projections are presented in quinary groups, as such, it is not possible to see the effect on the 14–19 or 16–18 cohort groups to 2016.

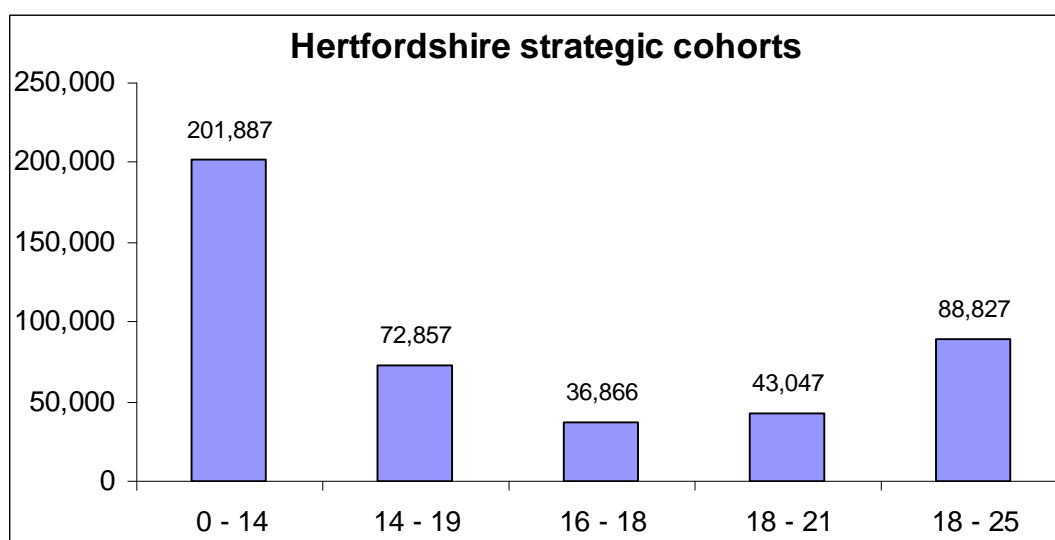
The population projections chart shows the year upon year change in Hertfordshire on the total population as opposed to the actual change in volume. As the chart shows, the results are very mixed across the districts within the county with the rate of growth differences. While the majority of the districts are showing growth in population but at a decreasing rate, some of the districts growth is getting faster. For example, Dacorum, Stevenage and Watford all show an increasing rate of growth throughout the time period. Increasing rates of growth will almost certainly have implications for the cohort groups of interest to the LSC. It is also important to consider that these projection figures do not take into account planned growth and increased housing within the county. The draft Regional Spatial Strategy published by the East of England Regional Assembly suggests that an additional 79,600 dwellings could be built in Hertfordshire by 2021, equivalent to around 3,980 dwellings each year.

Chart 1



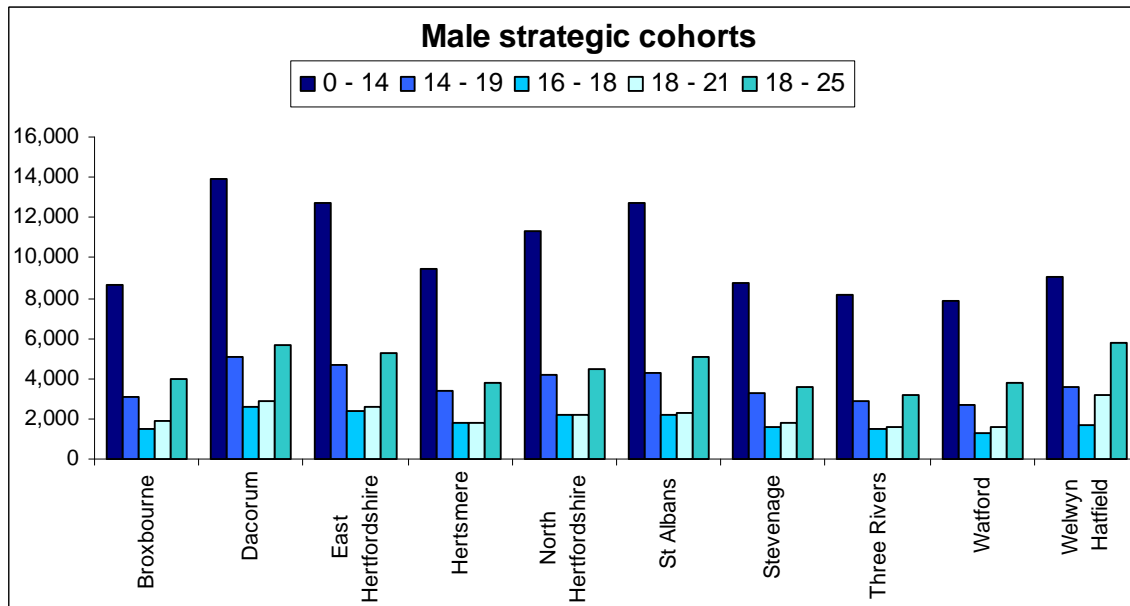
Source: 2001 Census of Population, Office for National Statistics

Chart 2



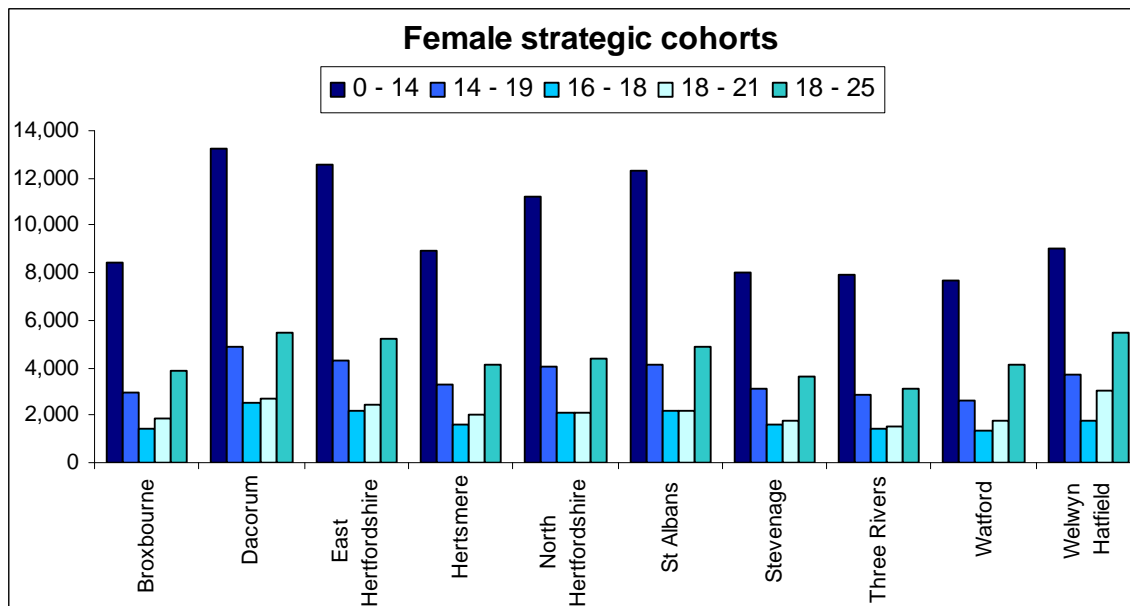
Source: 2001 Census of Population, Office for National Statistics

Chart 3



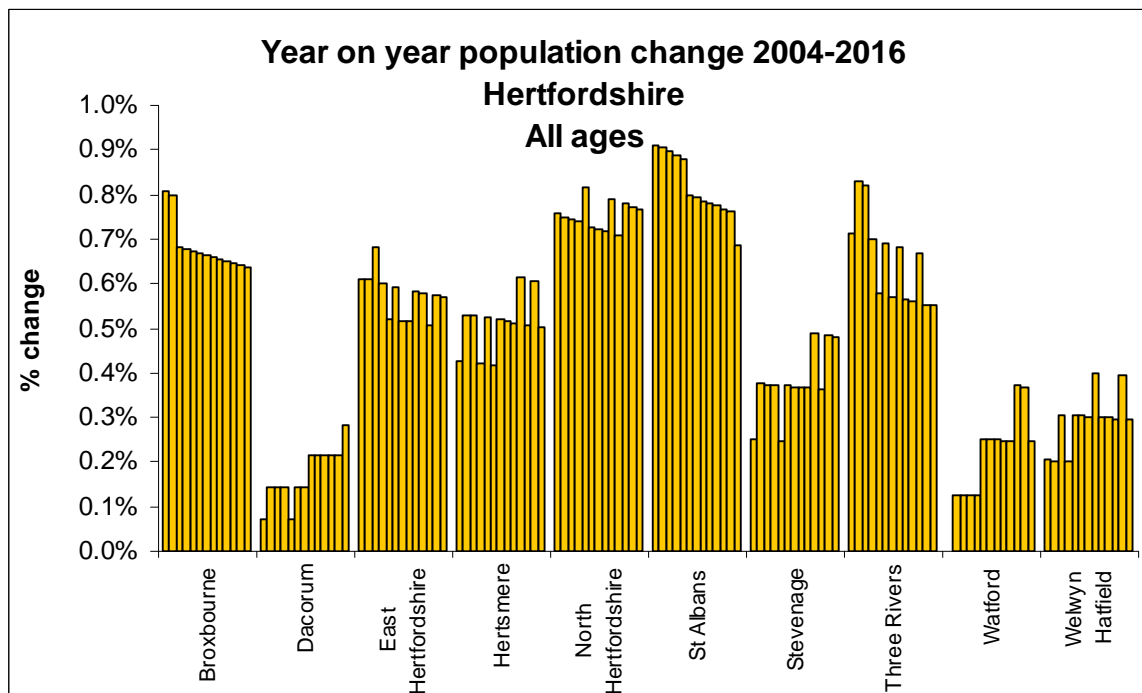
Source: 2001 Census of Population, Office for National Statistics

Chart 4



Source: 2001 Census of Population, Office for National Statistics

Chart 5



Note: These projections exclude the impact of policy changes that have yet to take place or the impact of regeneration or housing projects

Source: Sub national population projections, Office for National Statistics, 2004

#### 1.4 Ethnicity

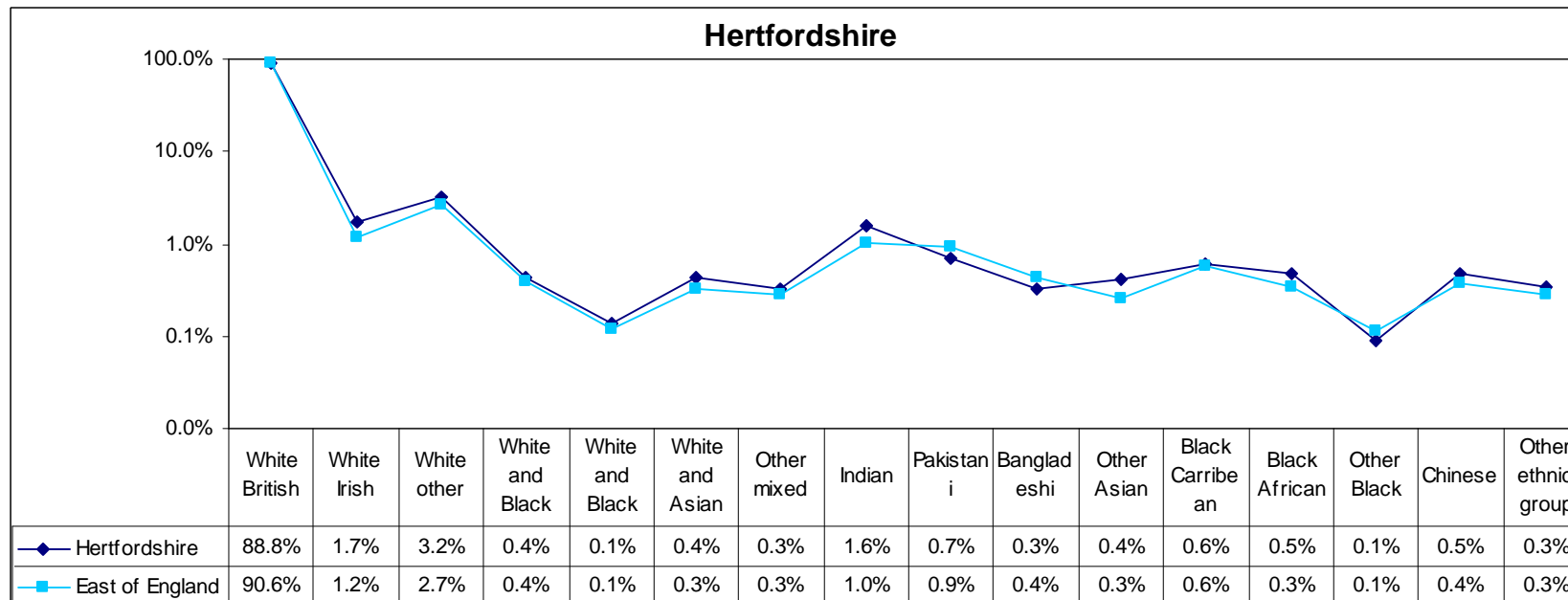
The census provides us with detailed information regarding the population and the concentrations of black or minority ethnic (BME) groups within them. The East of England as a region has very low percentages of BME groups overall, although there are concentrations within certain areas. Some of the districts within the region that contain some concentrations are found within Hertfordshire County. As the table below show us, there are some slightly higher than average rates of people with an Asian background in a number of the Hertfordshire districts. We also see that there are relatively high proportions of White Other across all of the districts and indeed, Hertfordshire has the second largest White Other population in the East of England. The BME patterns overall, however, follow that of the regional picture as presented in the ethnicity graph.

Table 2: Ethnicity in Hertfordshire

LSC Hertfordshire	Broxbourne	Dacorum	East Hertfordshire	Hertsmere	North Hertfordshire	St Albans	Stevenage	Three Rivers	Watford	Welwyn Hatfield
White British	90.2%	91.6%	93.4%	86.2%	89.3%	86.8%	91.4%	87.2%	79.1%	88.8%
White Irish	1.4%	1.5%	1.1%	2.2%	1.3%	2.0%	1.7%	2.0%	2.9%	1.7%
White other	4.5%	2.3%	2.7%	4.2%	2.6%	4.3%	1.4%	3.2%	3.9%	3.1%
Mixed: White and Black Caribbean	0.3%	0.4%	0.2%	0.4%	0.7%	0.4%	0.7%	0.3%	0.7%	0.4%
Mixed: White and Black African	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.3%	0.2%
Mixed: White and Asian	0.3%	0.4%	0.4%	0.5%	0.4%	0.5%	0.4%	0.5%	0.7%	0.5%
Mixed: Other mixed	0.3%	0.3%	0.2%	0.4%	0.3%	0.5%	0.3%	0.3%	0.5%	0.3%
Asian or Asian British: Indian	0.7%	0.9%	0.6%	2.4%	2.7%	0.9%	1.1%	3.5%	2.4%	1.4%
Asian or Asian British: Pakistani	0.1%	0.8%	0.1%	0.3%	0.2%	0.6%	0.4%	0.4%	4.7%	0.3%
Asian or Asian British: Bangladeshi	0.1%	0.1%	0.1%	0.2%	0.3%	1.3%	0.4%	0.1%	0.3%	0.2%
Asian or Asian British: Other Asian	0.3%	0.2%	0.1%	0.5%	0.3%	0.6%	0.2%	0.6%	0.9%	0.5%
Black or Black British: Black Caribbean	0.6%	0.4%	0.1%	0.5%	1.0%	0.6%	0.7%	0.5%	1.4%	0.4%
Black or Black British: Black African	0.4%	0.3%	0.2%	0.9%	0.2%	0.3%	0.5%	0.4%	1.0%	0.9%
Black or Black British: Other Black	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
Chinese or other Ethnic Group: Chinese	0.3%	0.4%	0.4%	0.7%	0.3%	0.5%	0.4%	0.5%	0.6%	0.8%
Chinese or other ethnic group: other ethnic group	0.2%	0.2%	0.2%	0.5%	0.2%	0.5%	0.3%	0.2%	0.5%	0.5%

Source: 2001 Census of Population, Office for National Statistics

Chart 6



Source: 2001 Census of Population, Office for National Statistics

## 2. Young people

### 2.1 Participation

The following table gives us the participation information for young people in education and training for Hertfordshire in 2004. Within post 16 education it is clear there was a considerable dominance towards the use of schools for FE provision over that of colleges, a result of availability, given the small number of colleges within the county in relation to its size. However the participation rate for all types of provision is 7% above the regional average (79%).

The overall participation rate of 86% was the highest within the East of England and while this is clearly excellent progress, when looking at the cohort size this means there were still almost 4,000 young people in Hertfordshire not participating in learning and need to be reached.

Table 3: Participation of young people in Hertfordshire

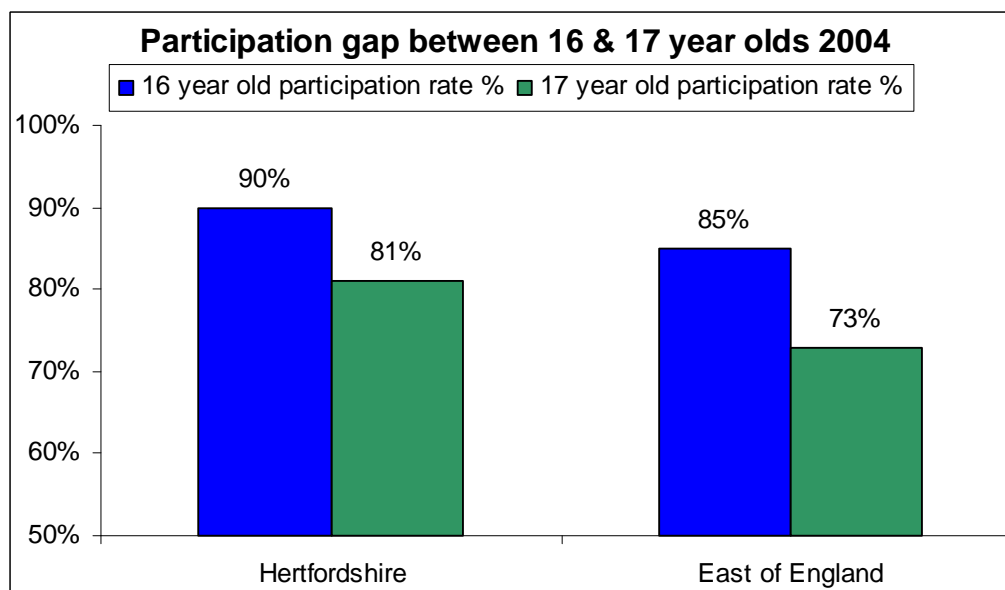
2004	Full-time education					WBL	Part-time education	Total Education and WBL	Population
	LA schools	Independent schools	Sixth form college	Other FE	Total				
16 year old participation rate %	48	12	1	22	83	4	3	90	#
17 year old participation rate %	39	11	1	19	70	7	4	81	#
16 & 17 year old participation rate %	44	12	1	20	77	5	4	86	#
16 year old participation volume	6,600	1,700	100	3,000	11,300	500	500	12,300	14,000
17 year old participation volume	5,200	1,500	100	2,600	9,300	900	600	10,800	13,000
16 & 17 year old participation volume	11,800	3,200	200	5,500	20,700	1,400	1,000	23,100	27,000

Source: Statistical First Release, SFR13/2006, Department for Education and Skills, 2006

Another issue to consider around participation is the regional trend of a drop in participation between Years 12 and 13. As the chart below shows, in Hertfordshire this is 9%, which is the lowest drop within the East of England. This does mean however, that there are 1,500 young people dropping out of education and learning between these two years.

Despite the issues raised in terms of non participation, Hertfordshire is in a strong position with such positive participation rates to work towards LSC targets in the future.

Chart 7



Source: Statistical First Release, SFR13/2006, Department for Education and Skills, 2006

The latest NEET (young people not in education, employment or training) information shows that NEET and also those young people with an unknown destination are in decline for Hertfordshire. While the rate of decline for these figures is low it remains a positive picture. However, as the figures show, this still leaves over 1,500 young people not following any structured learning outcome upon leaving statutory education.

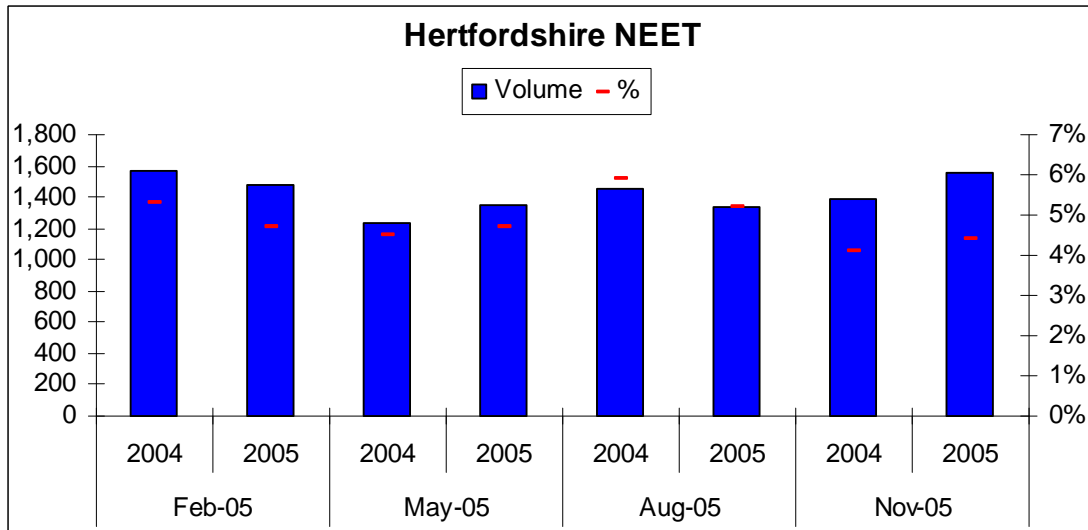
Table 4: Young people not in education, employment or training

Latest Month data		Nov-06			
		2005		2006	
		%	Volume	%	Volume
Hertfordshire	NEET	4.8%	#	4.2%	1,515
	Not Known	4.5%	#	4.4%	1,647
East of England Region	NEET	7.3%	#	6.5%	11,614
	Not Known	8.7%	#	5.2%	9,720
National	NEET	7.7%	#	7.1%	116,990
	Not Known	6.6%	#	5.2%	87,139

Source: Connexions November 2006

The following chart shows the trend in NEET for Hertfordshire for the four quarters of 2005. While it can be seen that the rates of NEET are fairly uniform throughout this time period, there are peaks at certain times in relation to the volumes of young people in NEET. Of particular note here are the peaks in November and February in both 2004 and 2005. These months following shortly after many young people are likely to have enrolled upon post 16 courses within the county could suggest a possible issue between young people being enrolled upon suitable courses. It could also be attributed to the time of year when these young people are first picked up by the Connexions service.

Chart 8



Source: Connexions March 2006

## 2.2 Attainment

The following table shows the number of 15 year olds achieving a Level 2 qualification (or its equivalent) at local authority schools in each of the districts in Hertfordshire. As the table shows 63% of young people at the end of KS4 achieved a Level 2 qualification within Hertfordshire, in this case 5 A\*-C GCSE's, 5% above the regional average.

As the table is based upon districts we can see the difference in performance across the county. While Stevenage is the worst performing district with a 49% achievement rate. Most of the districts within Hertfordshire are either just below, or above, to a greater or lesser extent, the regional average of 58%. East Hertfordshire is also the highest performing district in the region with a 75% achievement rate for this measure.

Despite the overall good performance, the number of young people within Hertfordshire who do not achieve a Level 2 qualification at KS4 is over 4,600. These young people will need to be picked up by the LSC for further achievement towards the target of Level 2 at age 19.

Table 5: GCSE achievement of 15 year olds at LA schools in Hertfordshire

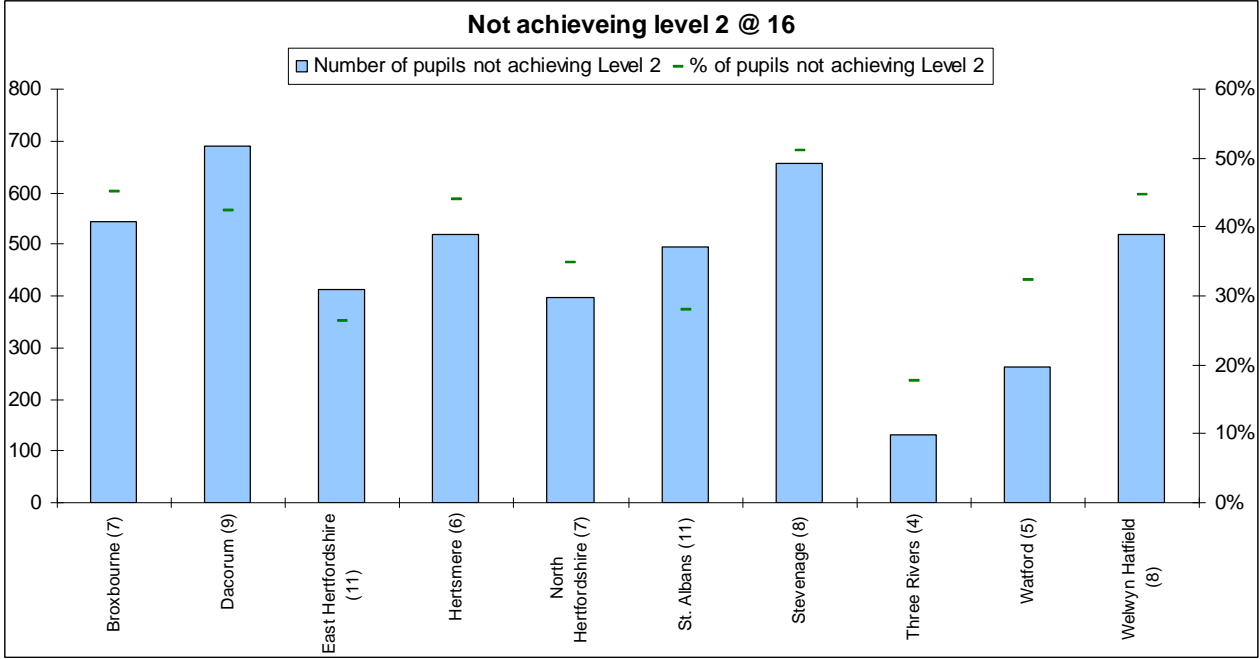
	Level 2 (5A*-C GCSEs)			Level 1 (5A*-G GCSEs)			Any qualification	
	Number of pupils at the end of KS4	% of pupils achieving Level 2	Number of pupils achieving Level 2	Numbers not achieving Level 2	% of pupils achieving Level 1	Number of pupils achieving Level 1	% of pupils achieving at least one qualification	Number of pupils achieving at least one qualification
Broxbourne	1,199	55%	657	542	92%	1,099	99%	1,184
Dacorum	1,629	58%	939	690	92%	1,506	98%	1,589
East Hertfordshire	1,566	74%	1,153	413	97%	1,514	99%	1,550
Hertsmere	1,177	56%	659	518	93%	1,091	98%	1,150
North Hertfordshire	1,147	65%	749	398	95%	1,091	97%	1,116
St. Albans	1,764	72%	1,270	494	96%	1,689	99%	1,738
Stevenage	1,287	49%	630	658	90%	1,153	96%	1,232
Three Rivers	752	82%	620	132	98%	740	100%	750
Watford	814	68%	552	262	92%	747	98%	797
Welwyn Hatfield	1,164	55%	644	520	94%	1,093	98%	1,139
LSC Hertfordshire	12,499	63%	7,872	4,628	94%	11,723	98%	12,244
East of England	63,512	58%	36,771	26,741	93%	58,892	98%	62,135

Note: Excludes independent and special schools. The above data is based on schools in each district, rather than pupils resident in each district.

Source: School Performance Tables, Department for Education and Skills, 2005

The following chart highlights both the number and rate of young people who are leaving LA schools without a Level 2 qualification. What stands out in this chart is that the two districts (Dacorum and Stevenage) who have the largest volume of young people not achieving a Level 2 qualification, also have some of the worst rates of non achievement within the county.

Chart 9

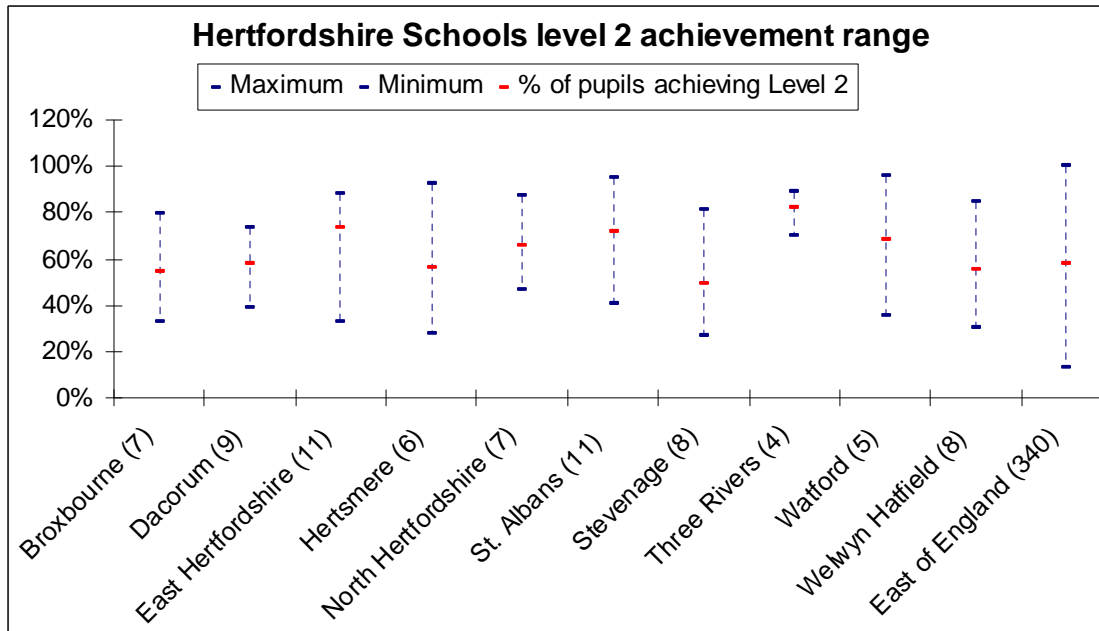


Note: Excludes independent and special schools. The above data is based on schools in each district, rather than pupils resident in each district.

Source: School Performance Tables, Department for Education and Skills, 2005

There was also, as can be seen in the following chart, considerable variation in achievement among the individual schools within Hertfordshire. Hertsmere for example, showed the greatest difference between minimum and maximum performance among schools. Also Three Rivers performs very well with all four of its schools achieving a higher rate than the regional average.

Chart 10

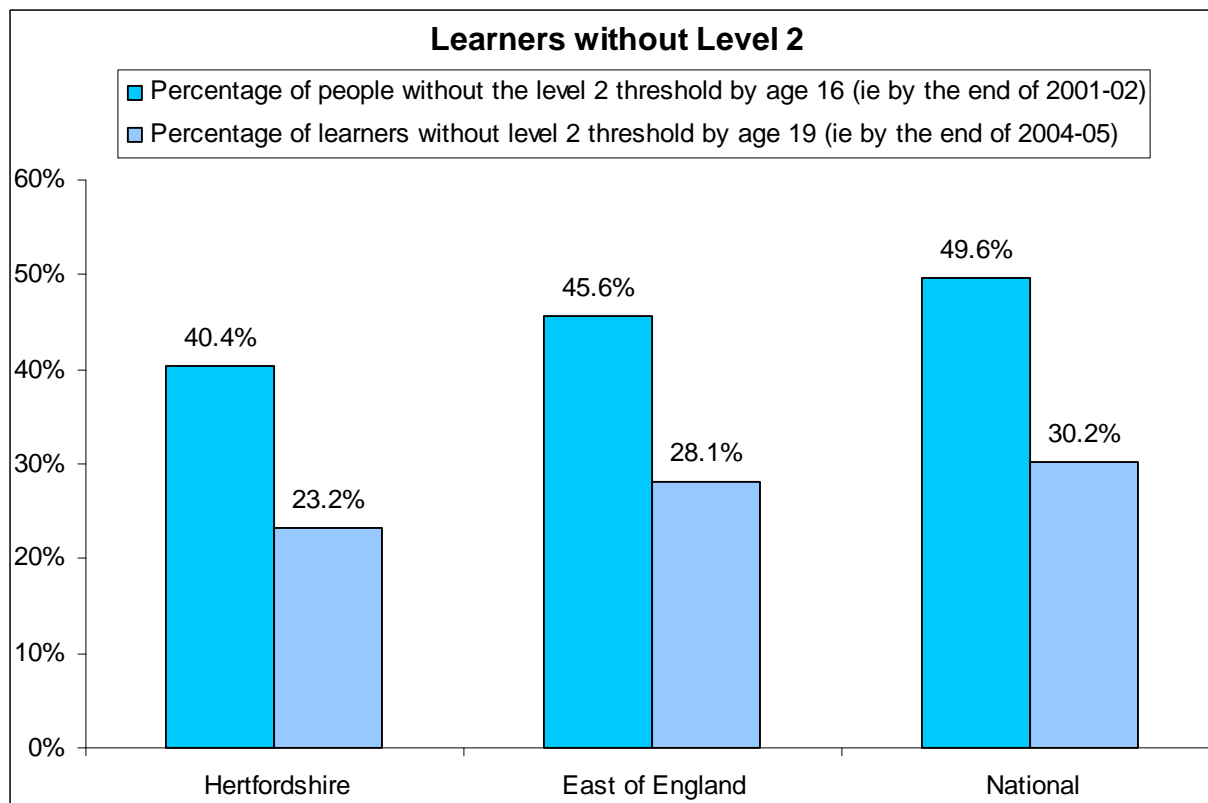


Note: Excludes independent and special schools. The above data is based on schools in each district, rather than pupils resident in each district.

Source: School Performance Tables, Department for Education and Skills, 2005

Level 2 achievement of young people at age 16 and 19 are shown below. The results are considerable as this data is essentially the four year period in which this cohort has been within the boundaries of LSC funded learning. In Hertfordshire there has been a drop of just over 17 percentage points in the number of young people who do not achieve a Level 2 qualification at age 19 when compared with the cohort at 16. While the base non achievement figures are very good for Hertfordshire, with the cohort at both ages being roughly 5% better than the regional average. The reduction rate of learners without a Level 2 is behind that of both the regional and national averages, if only by small amounts. For Hertfordshire this means that an additional 2,500 young people achieve a Level 2 qualification within this time period.

Chart 11



Source: FFT matched administrative data 2004/05

### 3. Adults

#### 3.1 Participation

The tables below show us the cohort sizes of the 19+ population and the proportion of this population which is funded through the LSC in Hertfordshire. The picture within Hertfordshire is no different to that of the rest of the region in that there is a considerable reduction in the amount of funded adults between 04/05 and 05/06. As with other LSCs this is a likely product of the need to support 16-18 growth in participation.

Table 6: Adult population in Hertfordshire

Cohort size	Age 19+	Working age (19-64)
Broxbourne	65,961	53,176
Dacorum	103,811	83,021
East Hertfordshire	97,464	79,882
Hertsmere	71,415	56,063
North Hertfordshire	88,645	70,043
St. Albans	98,061	78,828
Stevenage	58,586	47,550
Three Rivers	62,821	49,138
Watford	60,609	50,071
Welwyn Hatfield	74,926	58,156
LSC Hertfordshire	782,299	625,928

Source: 2001 Census of Population, Office for National Statistics

Table 7: LSC adult funded participation in Hertfordshire

Funded participation against cohort size				
	04/05 Actual	As a proportion of 19+ working age cohort	05/06 Actual	As a proportion of 19+ working age cohort
Hertfordshire	52,162	8.3%	42,523	6.8%
East of England	352,337	10.9%	283,954	8.8%
National	4,066,653	13.0%	3,462,113	11.1%

Source: Learning and Skills Council, October 2006

### 3.2 Attainment

Hertfordshire, as a county, performs well against the regional picture for levels of adult educational achievement. It has the second lowest rate of adults with no qualification in the East of England. The district with the highest proportion of adults with no qualifications is Broxbourne, although only two districts within Hertfordshire exceed the regional average.

When looking at the separate indications of achievement at NVQ Level 1+, 2+ and 3+ we see that Hertfordshire performs very well and indeed has the highest level of achievement for all these measures in the East of England. This still means however, that there are 201,000 adults in Hertfordshire who are not qualified to a Level 2 standard. With funding pressures in this area remaining, meeting the needs of these adults will remain a challenge for the LSC.

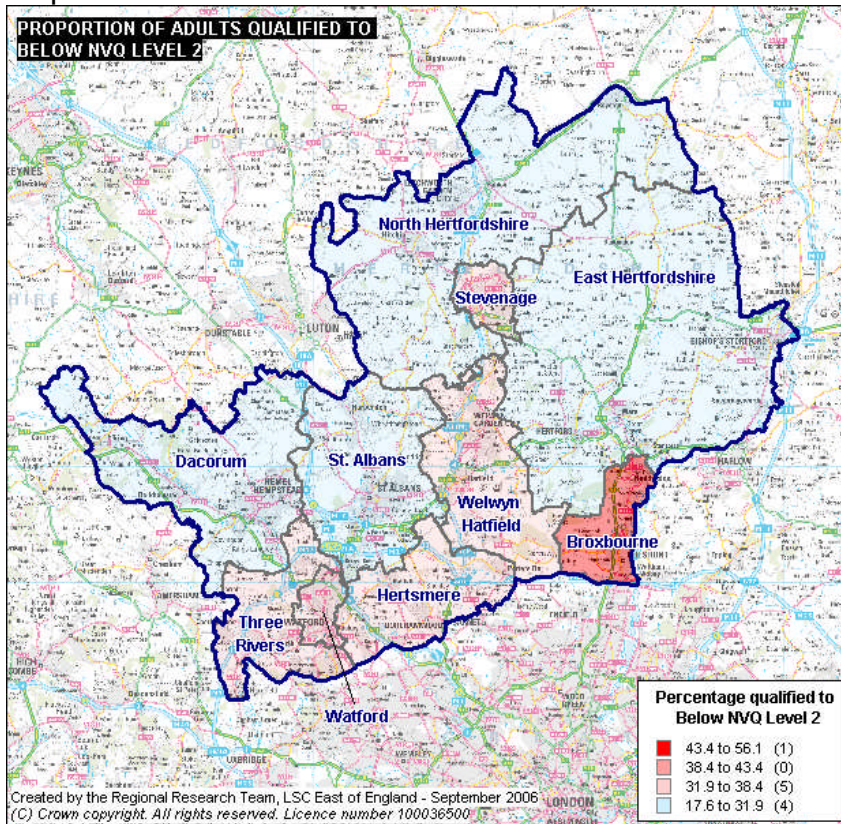
Table 8: Adult qualifications levels in Hertfordshire

	% with no qualifications - working age		% with NVQ3+ - working age		% with NVQ2+ - working age		% with NVQ1+ - working age	
	number	percent	number	percent	number	percent	number	percent
Broxbourne	7,500	14.0	18,800	34.7	30,400	56.2	43,400	80.2
Dacorum	4,600	5.4	48,600	56.8	62,100	72.5	74,600	87.2
East Hertfordshire	6,100	7.4	45,200	54.6	60,200	72.7	71,900	86.9
Hertsmere	5,100	8.7	30,000	51.4	39,700	68.0	47,800	81.9
North Hertfordshire	7,600	10.4	36,000	48.9	50,500	68.6	61,400	83.3
St Albans	4,000	5.0	53,800	67.0	66,200	82.4	71,200	88.6
Stevenage	6,100	12.3	22,600	45.5	31,700	63.8	40,200	80.9
Three Rivers	6,300	12.5	24,600	48.6	32,600	64.5	40,700	80.4
Watford	6,400	12.4	25,800	49.7	33,900	65.2	39,100	75.3
Welwyn Hatfield	7,900	13.8	27,300	48.0	36,100	63.4	44,300	77.7
LSC Hertfordshire	61,600	10.2	332,700	50.5	443,400	67.7	534,600	82.2
East of England	438,200	13.2	1,411,900	42.4	2,082,100	62.6	2,626,100	78.9

Source: Annual Population Survey, Office for National Statistics, 2005

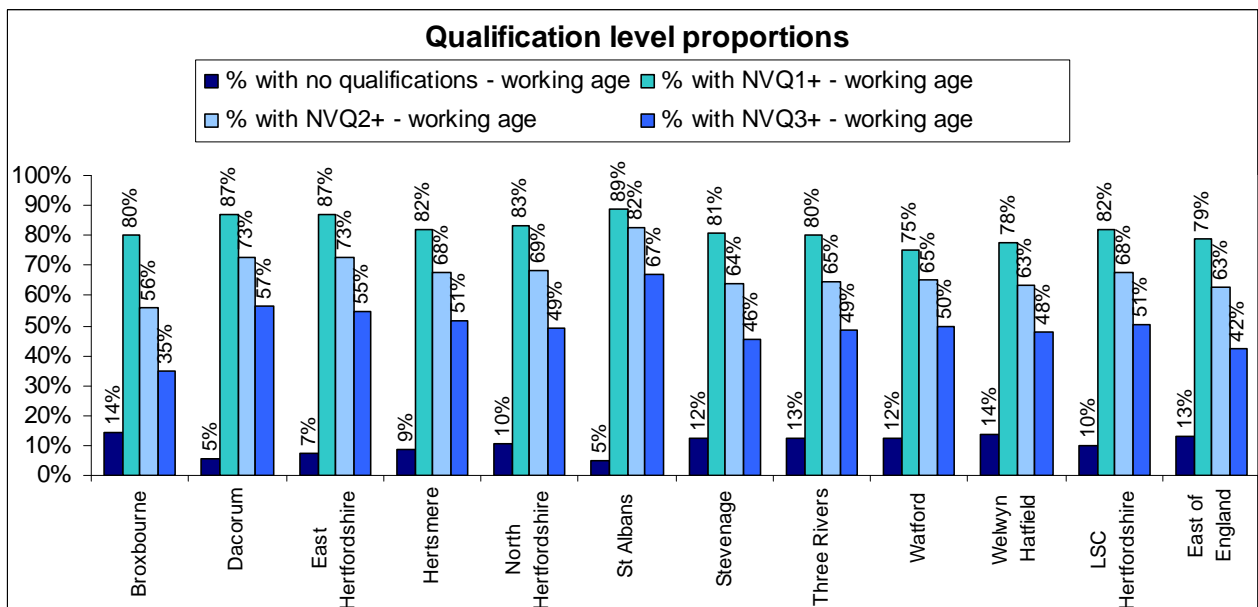
The following map shows the distribution of those adults who are not qualified to a Level 2 standard. In this case Broxbourne is the most affected district. The levels are relatively low throughout the rest of the county. The following chart breaks this data down even further, so it is possible to see the achievements of adults at different levels for each district. St Albans stands out as having excellent achievement at all levels and again we see the poor performance of Broxbourne at NVQ Level 3+ in relation to the county.

Map 2



Source: Annual Population Survey, Office for National Statistics, 2005

Chart 12



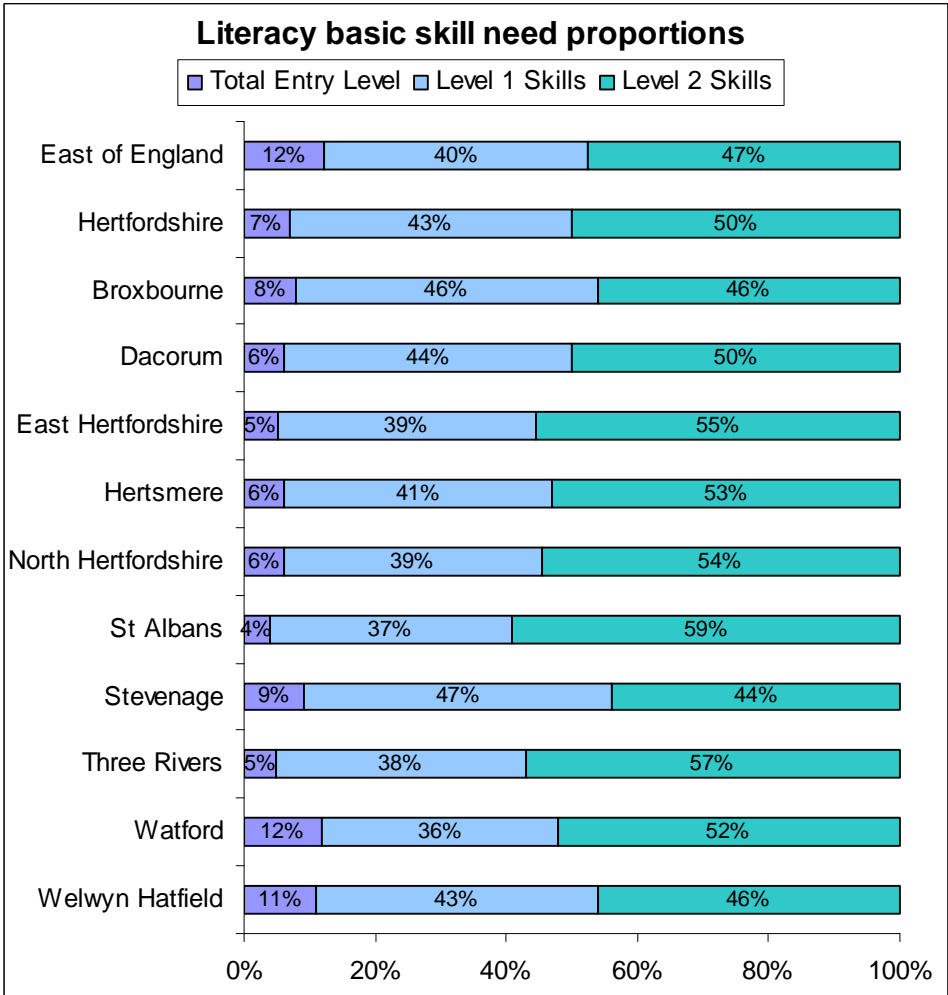
Source: Annual Population Survey, Office for National Statistics, 2005

### 3.3 Skills for Life

The following chart shows the literacy and numeracy needs within Hertfordshire LSC. While there is, of course, a need to improve literacy and numeracy at all skills for life levels there are particular differences between the two measures. Following the pattern for other LSCs and indeed for the region, the need for entry level numeracy is much greater than that of literacy, in particular Broxbourne and Stevenage.

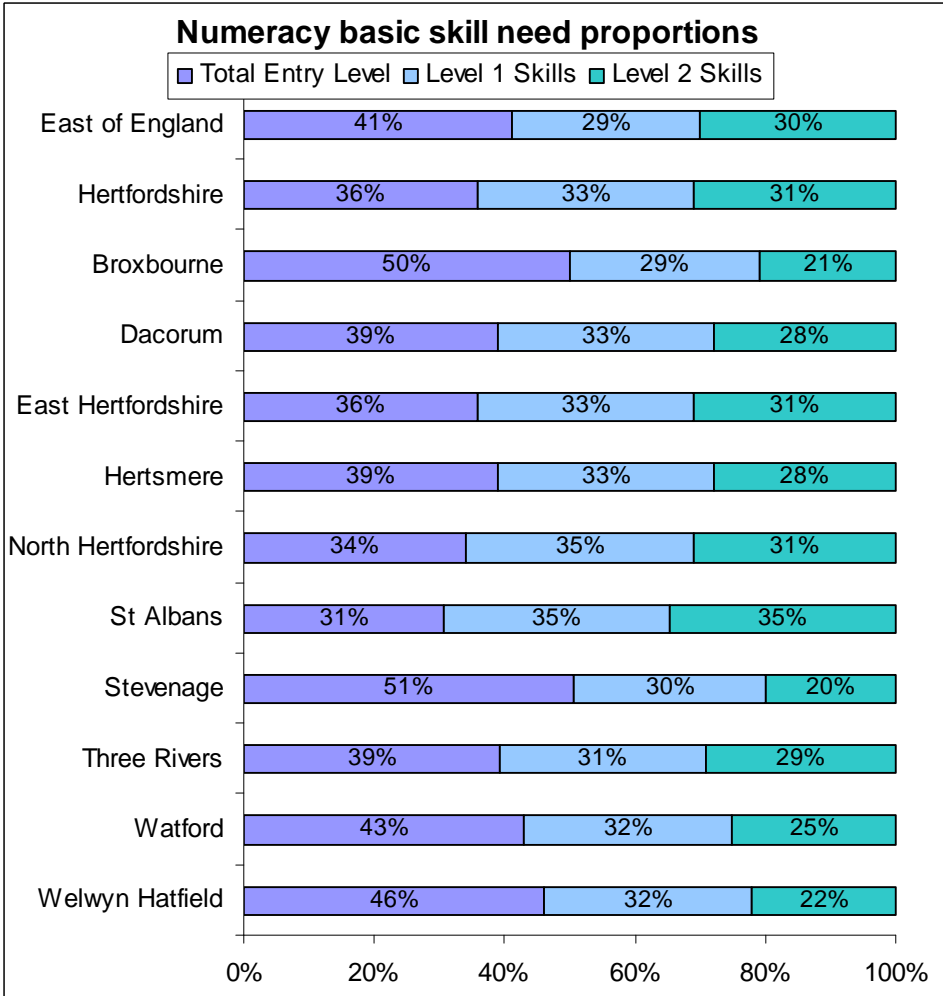
These obvious gaps between literacy and numeracy at entry level present the LSC with issues to overcome. This is mainly identifying why the difference in need is so great and the best way to meet that need. The gulf between the two could be the results of learners themselves choosing to improve literacy over numeracy, or possibly availability of suitable courses. Whatever the reason is, the number of adults with an entry level numeracy need in Hertfordshire is over 233,000.

Chart 13



Source: Skills for Life Survey: A national needs and impact survey of literacy, numeracy and ICT skills, Department for Education & Skills, 2003

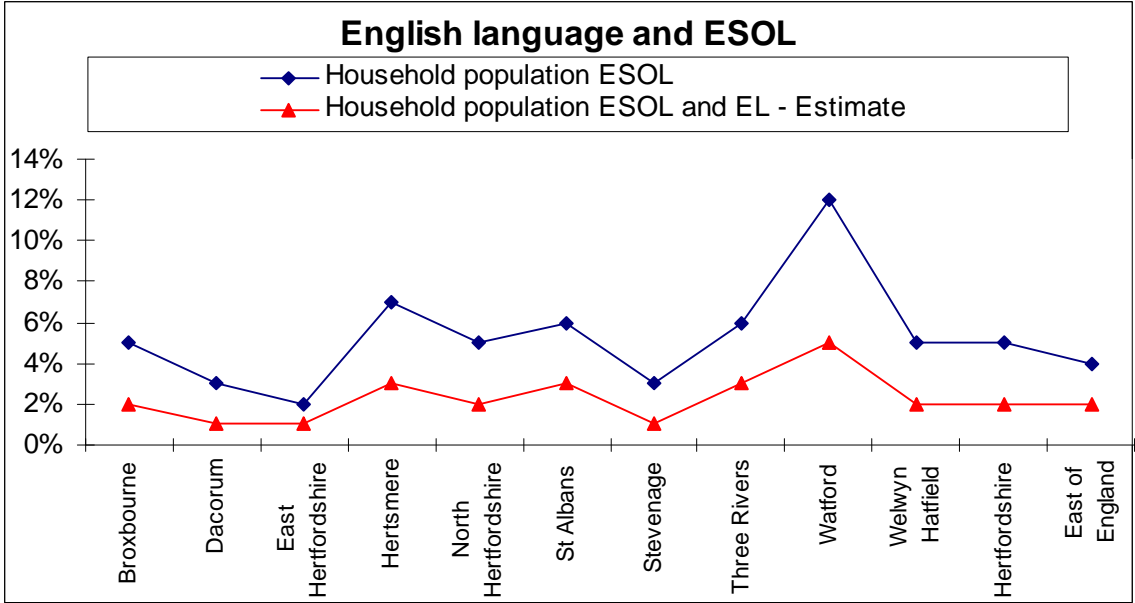
Chart 14



Source: Skills for Life Survey: A national needs and impact survey of literacy, numeracy and ICT skills, Department for Education & Skills, 2003

The next skills for life chart focuses on the ESOL (English for Speakers of Other Languages) need within Hertfordshire for the household population and also those households with ESOL and ET (entry level literacy). While the ESOL needs are generally quite low, there is a peak within Watford indicating more need in that area. However, we also see that the proportions of households with ESOL that also have some ET are quite linear with the ESOL need.

Chart 15



Source: Skills for Life Survey: A national needs and impact survey of literacy, numeracy and ICT skills, Department for Education & Skills, 2003

**4. Skills and Sectors**

**4.1 Employers**

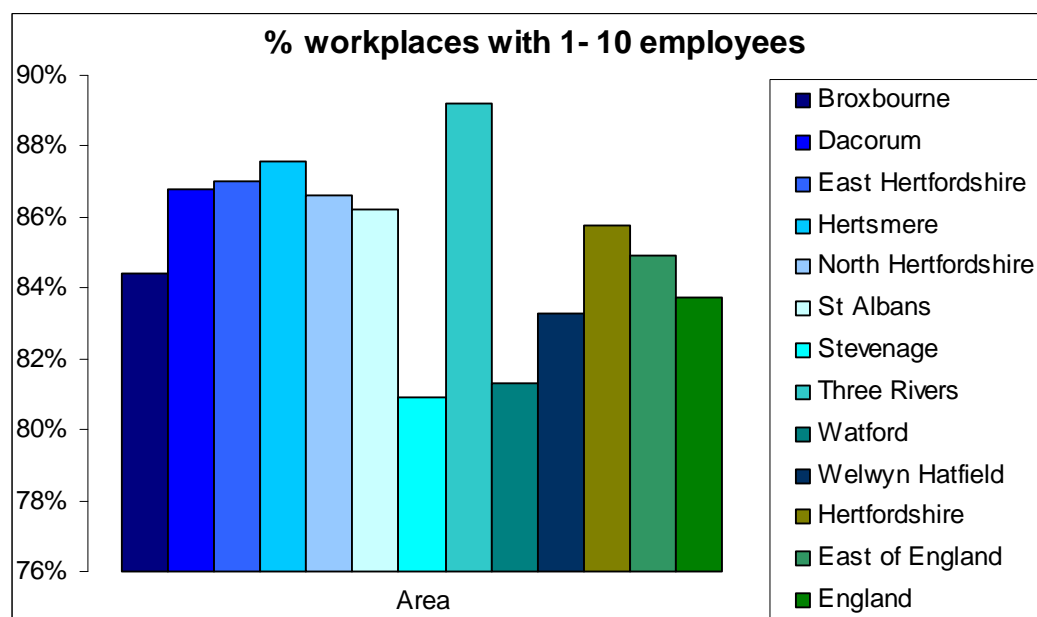
There are almost 49,000 businesses in Hertfordshire, of which the majority are small and medium enterprises (SMEs) which employ 1-10 people (86%). This pattern is the same as the regional picture, however, these 86% of businesses employ just 22% of the workforce. While Dacorum has the largest volume of businesses that employ 1-10 people, the following chart shows us that in relation to total number of businesses, Three Rivers has the greatest proportion, although only by a small amount.

Table 9: Number of employers in Hertfordshire

	Number of employees by business size						
	1-4	5-10	11-24	25-49	50-99	100+	Total
Broxbourne	2,400	410	280	140	60	40	3,330
Dacorum	5,140	840	480	220	120	90	6,890
East Hertfordshire	4,990	850	470	220	100	80	6,710
Hertsmere	3,460	550	250	170	70	70	4,580
North Hertfordshire	4,430	880	470	210	100	50	6,130
St Albans	5,050	770	500	220	130	80	6,750
Stevenage	1,780	380	240	140	70	60	2,670
Three Rivers	3,010	370	210	120	40	40	3,790
Watford	2,500	590	370	190	90	80	3,800
Welwyn Hatfield	2,950	540	350	160	100	100	4,190
Hertfordshire	35,730	6,160	3,620	1,780	860	700	48,850
East of England	162,150	30,100	17,900	8,740	7,560	3,170	226,440
England	1,368,760	284,330	166,780	80,460	73,600	31,930	1,973,940

Source: Annual Business Inquiry, 2004

Chart 16



Source: Annual Business Inquiry, 2004

The next table looks at the number of businesses in the area by the type of industry. Agriculture and Energy related industries have been omitted due to the small sample size being unable to provide any robust data at a local level.

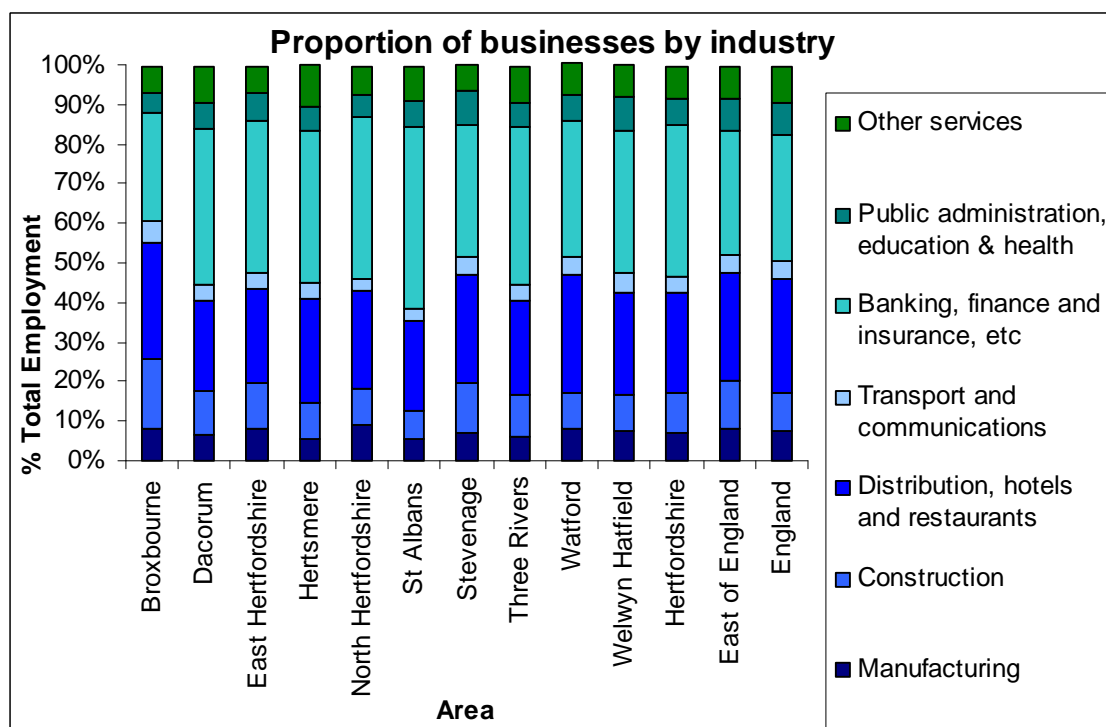
Following the pattern and distribution of the region the Distribution, hotels and restaurants and Banking, finance and insurance industries are the majority of businesses within the county, as can be seen in the table and following chart.

Table 10: Number of businesses in Hertfordshire by type of industry

	Manu- facturing	Constru- ction	Distribution hotels and restaurants	Transport and communi- cations	Banking, finance and insurance etc	Public admin- istration, education & health	Other services	Total
Broxbourne	270	580	980	180	920	170	220	3,330
Dacorum	460	770	1,550	290	2,700	450	650	6,890
East Hertfordshire	530	780	1,620	260	2,570	460	450	6,710
Hertsmere	260	410	1,200	180	1,760	290	470	4,580
North Hertfordshire	550	550	1,520	210	2,480	370	430	6,130
St Albans	360	490	1,530	210	3,110	450	580	6,750
Stevenage	190	330	730	130	890	230	170	2,670
Three Rivers	230	400	900	150	1,510	230	350	3,790
Watford	310	340	1,140	170	1,300	250	300	3,800
Welwyn Hatfield	310	390	1,070	210	1,520	360	330	4,190
Hertfordshire	3,450	5,050	12,240	1,970	18,750	3,260	3,940	48,850
East of England	18,120	27,110	61,760	11,350	70,740	17,640	18,110	226,440
England	151,220	184,470	569,880	87,950	628,530	166,960	173,600	1,973,940

Source: Annual Business Inquiry, 2004

Chart 17

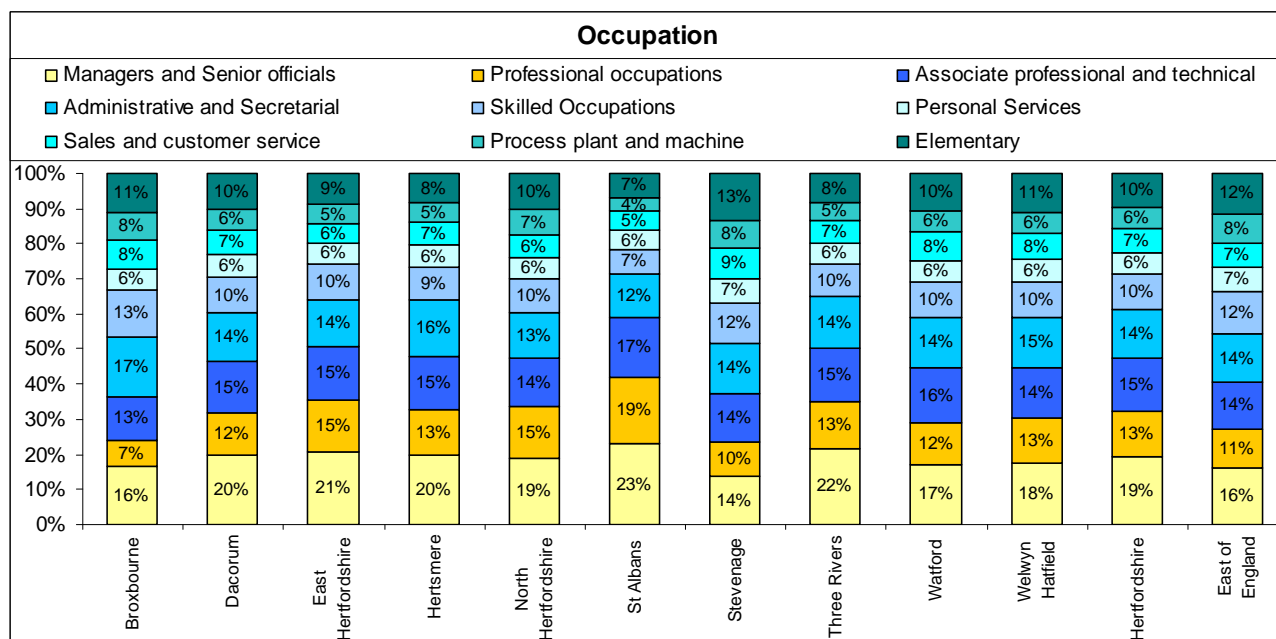


Source: Annual Business Inquiry, 2004

The final employer related chart shows the distribution of people within the specific occupational groups. While there are similarities across all of the districts within the county and indeed with that of the region, there remain some notable

differences. For example, 59% of those employed within St Albans are in managerial and professional related occupations, this is the largest proportion within these groups in the East of England for a district. Also both East Hertfordshire and Three Rivers have the same occupational groups at 50% or over. In contrast, for Broxbourne and Stevenage these occupational groups are 36% and 38% respectively.

Chart 18



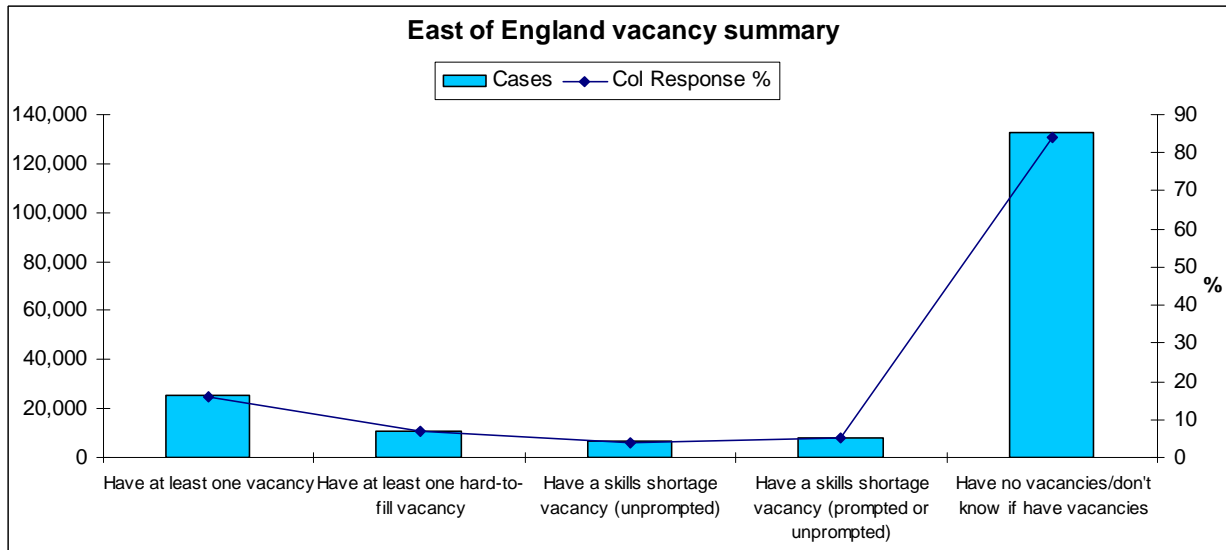
Source: Annual Business Inquiry, 2004

## 4.2 Workforce Development

All of the following charts within this section are taken from the National Employer Skills Survey 2005 (NESS). The following analysis relates to the region as a whole as the sample size for individual LSCs in the region is relatively small.

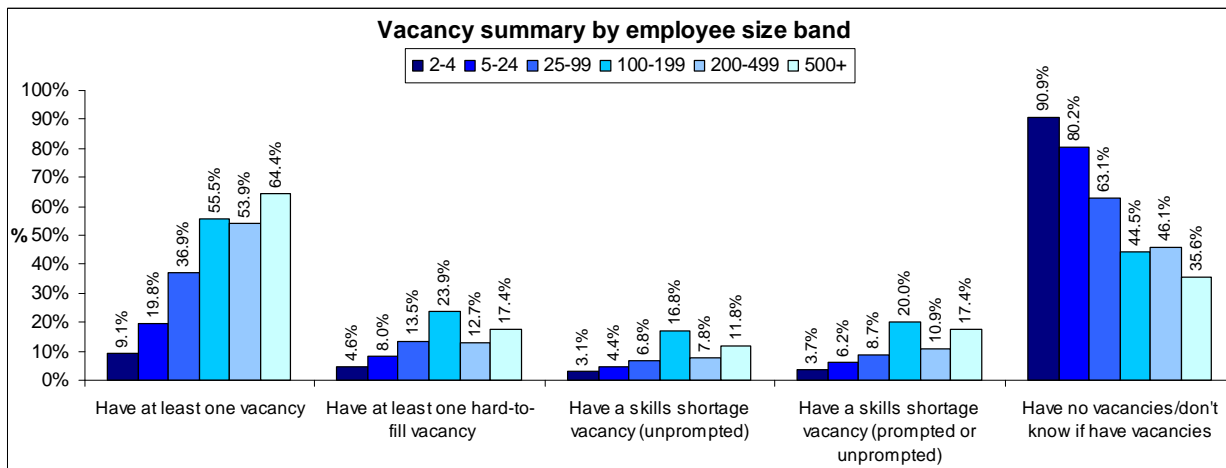
Further details from the NESS can be found in both the Regional Strategic Analysis report and the Research Team data files, both of which can be found on the Planning and Performance Sharepoint Site. The Regional Strategic Analysis can also be downloaded from the East of England LSC website <http://www.lsc.gov.uk/Regions/EastofEngland/Publications/Latestdocuments>. In addition the following website gives access to external partners to NESS: <http://researchtools.lsc.gov.uk/KMSResearchTools/>.

Chart 19



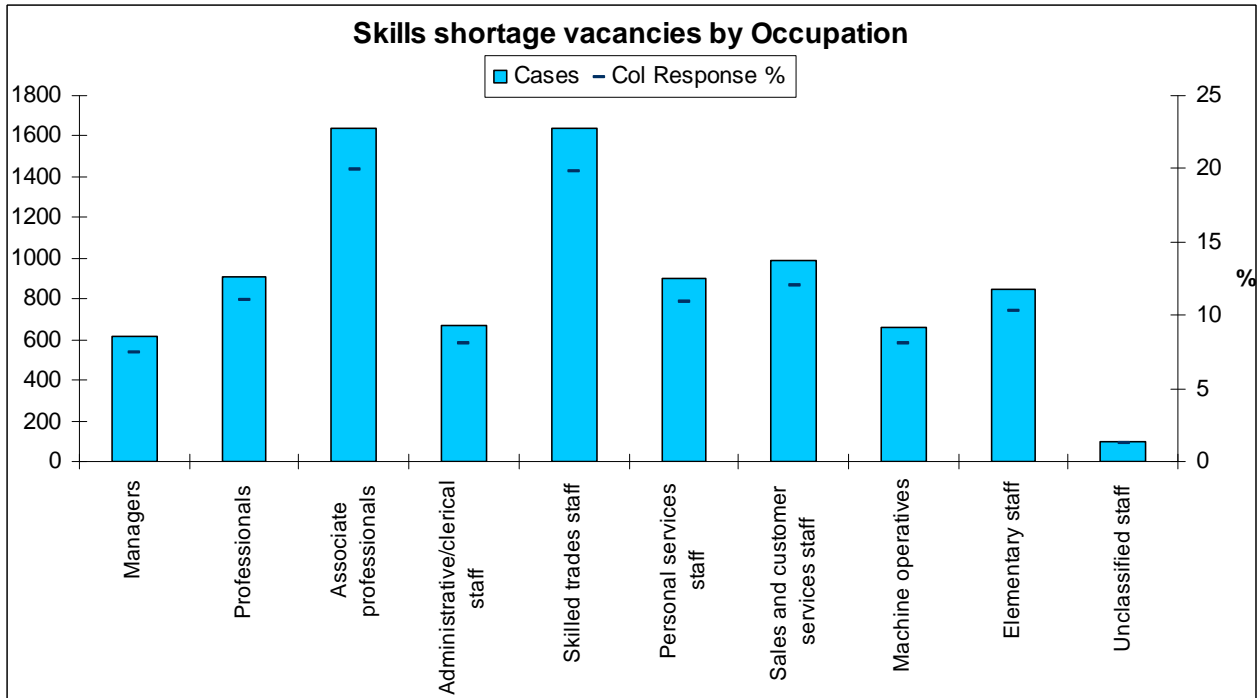
Source: National Employers Skills Survey, LSC, 2005

Chart 20



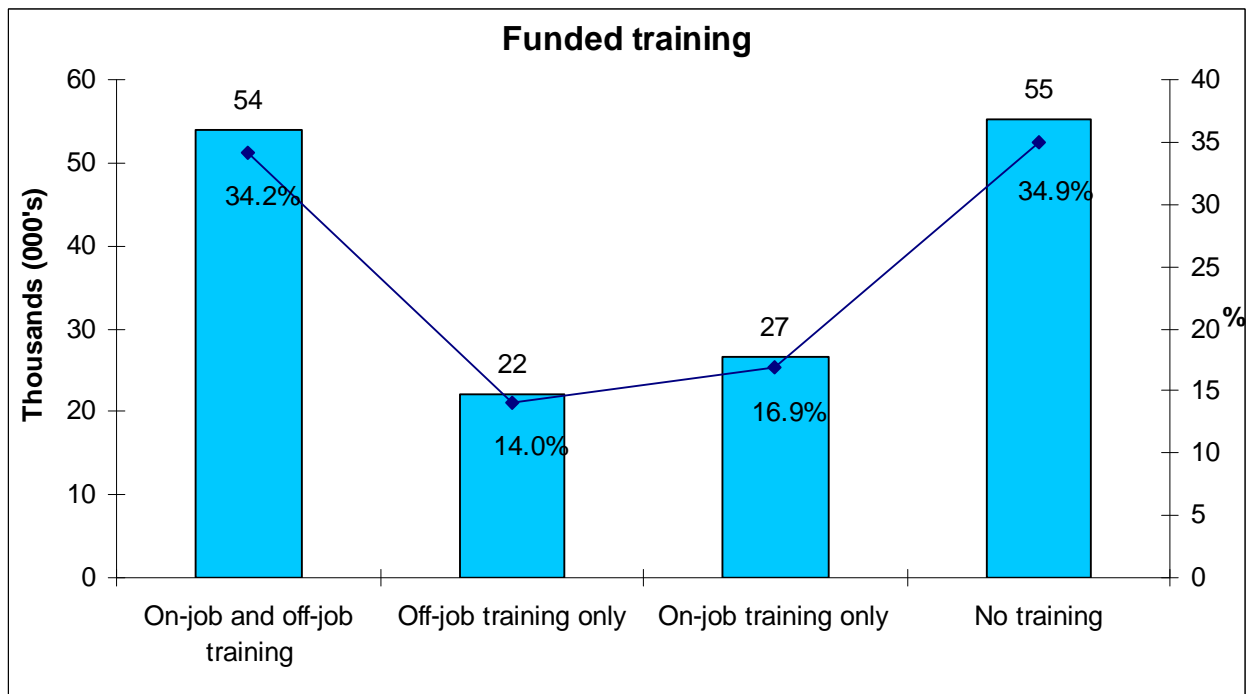
Source: National Employers Skills Survey, LSC, 2005

Chart 21



Source: National Employers Skills Survey, LSC, 2005

Chart 22



Source: National Employers Skills Survey, LSC, 2005

### 4.3 Sectors

#### **Retail**

The Sector Skills Council for the industry is Skillsmart.

The sector is a key driver of the UK's economic growth and is the UK's largest private sector employer, employing three million people and creating more new jobs over the last five years than any other sector. The UK retail sector faces many new challenges as consumer demand shifts and buying patterns alter with the increased use of technology.

The retail sector has an important role in the future economy of the region through, for example, sustaining rural communities, the redevelopment of market towns, providing employment within major cities and attracting workers for other sectors by providing good facilities. Within the East of England, the retail sector employs approximately 290,000 people in approximately 25,000 workplaces. There is a slightly lower than average proportion of the workforce qualified to Level 3 and a higher than average proportion of employees qualified to Level 2 when compared to national figures.

Employers in the region report that the skills of their workforce need to improve in oral communication, customer handling, team working and personal attributes. Significantly though, employers in the retail sector tend to have low commitment to training, with two fifths of retail businesses in the East of England failing to train their staff in 2005 and only a quarter having a budget for training.

Early evidence from Skillsmart research suggests that retailers need bite sized/modular training to address their business needs, with attention focussing on hard to reach employers employing 4-50 staff.

#### **Construction**

There are two Sector Skills Councils for the industry: Construction Skills (CITB) and Summit Skills.

Nationally, the construction industry has seen sustained growth over the last 10 years and it is predicted that from 2006 to 2010 the sector will experience an average national output growth of 4.5% a year. The 2012 Olympics, regeneration and development projects will most likely lead to an increased importance of modern methods of construction as a delivery mechanism.

In the East of England region, the construction industry accounts for 8% of total employment, with around 150,000 employees across approximately 34,500 businesses. The age distribution of the workforce in the East of England is similar to the national picture, with the highest proportion aged between 25 and 44. The sector has a relatively low qualification base and skills gaps and shortages exist across the sector in the East of England region (and include oral communication, problem solving and management skills).

The main priority for the sector is to meet the target of a fully qualified workforce by 2010 and towards that end, to increase numbers on construction apprenticeship programmes, especially Programme Led Apprenticeships. At the same time Construction Skills predict a strong need to recruit qualified managers.

### **Health and Social Care**

The health and social care sector is covered by two Sector Skills Councils: Skills for Health and Skills for Care (including Early Years).

Nationally, both sectors are growing in line with the needs of the UK's growing and ageing population.

The health and social care sector is subject to wide and intense public and political debate and to a constant stream of interventions and legislation to regulate the sector. This has significant implications for skills within the sector. Increased Government investment into Health will finish after 2007/08 and there will be pressure to move from workforce growth to increased productivity which will bring skills shortages and gaps very strongly into focus and may generate further, currently latent, demand for employees to reskill or upskill.

The sector is a major source of employment across each of the six areas in the region, accounting for 10% share of employment - the sector employs nearly 243,000 people in over 9,200 workplaces.

The health sector has a greater proportion of employees qualified to Level 3 or above, reflecting the high proportion of clinical specialists within it. However, the distribution of qualifications in both sectors in the East of England is comparable to the national position.

Across the region, hard to fill vacancies are a greater problem in the health and social care sectors than for employers as a whole. Skills gaps also exist within the existing workforce. For the health sector, the majority of regional employers suggest that technical, practical or job specific skills need improving. In the social care sector, employers in the region state a need to improve team working, customer handling, problem solving and oral communication.

Identified regional priorities within the health sector are:

- management and leadership;
- improve numeracy and literacy skills, including ESOL;
- increase the ICT skills of the workforce;
- increase the numbers of the workforce with a Level 2 or 3 qualification.

Identified regional priorities within the care sector are:

- increase the numbers of the workforce with a Level 2 qualification;
- increase the numbers of young people attracted to and entering the sector at Level 2;
- develop a strategy to support the attainment of Level 3 qualifications;

- ensure that registered care home owners and managers in children's/early years settings are able to access relevant management qualifications programmes;
- extend management training/qualifications into the voluntary sector;
- improve numeracy and literacy skills, including ESOL.

### **Hospitality**

The Sector Skills Council for the industry is People First.

The sector employs a workforce of over 1.9 million across the UK, in more than 180,000 establishments generating an estimated total turnover of £135 billion per year. The diversity of the sector is demonstrated by the fact that the SSC represents 14 industries. The sector is highly sensitive to overall levels of economic prosperity and rising business profitability and consumer confidence and higher disposable incomes have driven industry growth over the last decade.

The East of England has a thriving hospitality sector. Hotels and restaurants alone account for 4% of the employment in the region. The strong growth in tourism nationally is reflected in the East of England with the overall number of tourism visits to the East of England more than doubling between 1991 and 2001.

Regional sector employment is nearing 160,000 in over 15,000 workplaces. A growing number of migrant workers are employed in the sector is increasing demand for ESOL. The sector experiences a high staff turnover which has a negative impact on employer's attitudes to investment in training.

In the region, over a third of the workforce is qualified to Level 2, almost a third are qualified to Level 1 or below and the remainder at Level 3 and above.

Skills shortages are a continuing issue. The majority of hospitality employers in the region report a need to improve the customer handling skills of their workforce, with team working skills and oral communication also rated highly.

Skills issues emerging from research undertaken by People First include an increasing need to up skill all levels of employees across the sector and for the qualifications to better respond to the needs of employers. New methods of delivery and assessment are being cited as critical to both the engagement of employers and the skills development of an increasingly diverse workforce as is the need to improve numeracy and literacy skills, including ESOL.

### **Land based industries**

Launched in 2004, LANTRA is the Sector Skills Council for land based industries.

Lantra's remit covers a range of areas, including rural and urban regeneration, sustainable development, environmental protection & enhancement, food farming, animal health & welfare, environmental pollution, business & skills development and health.

Regionally, there are an estimated 16,000 businesses in the land based sector, with a workforce of around 93,000. However, this is likely to underestimate levels of employment due to a high level of migrant workers and casual labourers within the sector. There are a number of skills issues, with many qualifications seen as out of date and not suited to needs of the workforce. Recruitment has worsened in recent years and is now regarded as 'critical'; the poor image of the sector does little to assist. Employer research also suggests there is a trend towards the acquisition of Level 3 qualifications and above across most job roles, in support of the changing nature of the sector.

Across the region, one in ten employers report skills gaps amongst their existing workforce. Over a third of employers acknowledge their failure to train or develop staff as a reason for these skills gaps whilst other factors include employees' lack of motivation, lack of aptitude and inability to keep up with change. Employers in the region report a need to improve oral communication, management and technical or job specific skills of their workforce.

Changes in the rural economy are likely to lead to significant growth in employment in environmental conservation, horticulture, landscaping, equine industries and animal care, with the resulting need for new and updated skill sets such as craft & intermediate skills, management and leadership, improved literacy and numeracy, communication, problem solving, ICT, marketing and sales and strategic business skills.

### **Engineering & Manufacturing**

The sector is extensive, covering a number of Sector Skills Councils, including those listed below. Each of these sub sectors has its own range of particular issues as highlighted by the relevant Sector Skills Council:

- Cogent (chemical, nuclear, oil and gas, petroleum and polymer industries). Key challenges include the need to attract young people into the industry, to adapt the workforce skills to technological advances and to develop the highest standards of safety and competence;
- Proskills (process and manufacturing industries). Issues include the need to improve skills in product development, production and supply chain mechanisms and to accelerate the development and identification of strategic issues such as continuous improvement methodology and change management;
- Semta (science, engineering and manufacturing technologies). There is an established need to improve skill levels in this sector due to the move towards increased value, higher margin manufacturing and the diversification into more specialist markets. Key challenges include the need to attract young people into the industry and to up skill those already employed, particularly in mathematical skills;

- Skillfast (apparel, footwear and textiles and related businesses industry). A key focus for the sector is to promote a positive industry image. The sector is also a major source of employment for people from ethnic minorities. For those who speak English as a second language, the difficulty of accessing training materials in an appropriate language and training providers with an awareness of cultural issues, can be a barrier to developing skills and attaining qualifications;
- Improve (food manufacturing). The sector is characterised by a low qualified workforce, with over 50% of employees having Level 2 or lower qualifications. Areas for the sector to address include increase awareness of opportunities within the sector, improve the overall perception of the industry, up skill staff to enable career paths into more senior positions, encourage more female workers into the sector and improve accessibility to FE training.

### **Logistics**

The Sector Skills Council for the industry is Skills for Logistics.

The logistics sector is growing rapidly and faces a number of challenges such as expansion into new markets and maximising the use of emerging technology. These challenges demand new and/or improved skill sets. The region has some of the most important logistics clusters in the UK based around the ports, airports and key transport links and the Thames Gateway, Haven Gateway and Stansted Airport hubs are developing fast.

Regional employment within the logistics sector is nearing 98,000 in over 7,000 workplaces with the largest number of employees working in freight transport and storage and warehousing. The sector is aware of the need to update its image, improve management practices and up skill its workforce in a wider variety of generic skills, such as customer service, IT, team working, oral communication and written communication.

The LSC and Skills for Logistics are developing an infrastructure plan for the rollout of a Regional Skills Academy. This will link into a National Skills Academy if approval is gained. Through the Regional Skills Academy, capacity and capability issues will be addressed and private providers and large companies with dedicated training functions will be incorporated into the training supply chain. Skills for Logistics in the East of England has identified a number of vocational areas where courses leading to qualifications at Level 2 and Level 3 need to be provided between 2006 and 2012.

## 5. Growth Areas and Growth Points

The Sustainable Communities Plan published in February 2003 recommended that radical action was required to provide additional homes in England above previously planned levels by 2016 to keep pace with the projected number of new households. One of these measures was the creation of four growth areas, based on proposals identified in regional planning guidance for London and the rest of the South East in 2001. Three of the four growth areas are wholly or partly in the East of England:

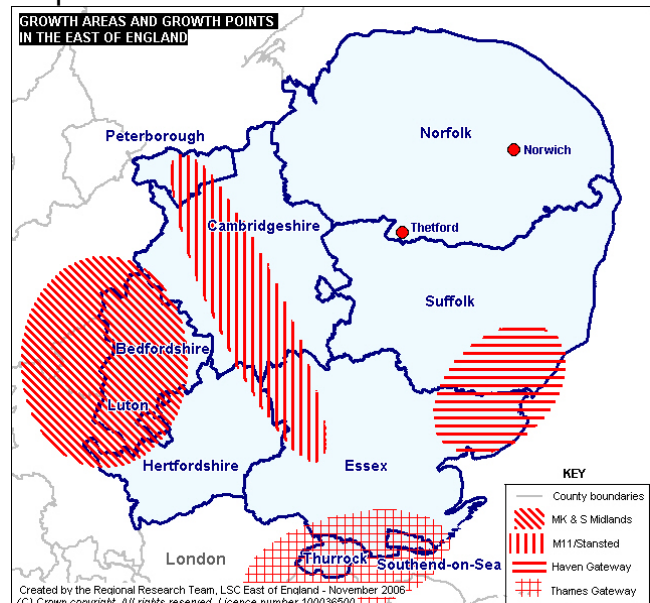
- the Thames Gateway;
- Milton Keynes & South Midlands and
- London-Stansted-Cambridge-Peterborough.

In December 2005, the Government also announced the New Growth Point initiative. This is designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing, through a partnership with Government. Within the East of England, New Growth Points are:

- the Haven Gateway;
- Norwich and
- Thetford.

Together, these areas represent significant economic and social change in the region, which if realised, will provide huge economic and development opportunities. The challenge will be to ensure that local people and businesses derive maximum benefit from these opportunities.

Map 3



### Thames Gateway <sup>1</sup>

The Thames Gateway sub region spans an area 40 miles long and 20 miles wide, with a population of 1.6 million people and covers parts of 3 LSC offices - Essex, London East and Kent. The Thames Gateway in the East of England region includes some of the most deprived areas in the region, notably in parts of Basildon and Thurrock. The Thames Gateway is projected to see enormous growth over the next ten years as the regeneration plans gather pace, with an overall aim to build 120,000 new homes and the opportunity of 194,000 new jobs by 2016. Taken with normal job turnover in the area, this is likely to mean that over three million jobs will need to be filled over the next ten years.

<sup>1</sup> Thames Gateway Skills Audit

Job creation is expected to be concentrated in a number of sectors. Most employment opportunities between 2004 and 2016 are likely to be in offices (126,700), retail and leisure (37,800), industrial and distribution (21,700) and community services (7,500). Furthermore, a large proportion of these jobs will require degree level qualifications or higher education qualifications. Given the projected skill mix requirement, it is vital that low participation rates are addressed. Sustained programmes of skill acquisition will be necessary to ensure that the Thames Gateway creates a long lasting sustainable community with high levels of local employment.

### **London, Stansted, Cambridge, Peterborough Growth Area <sup>2</sup>**

- Stansted airport is a key transport gateway and a major economic driver for the region as a whole. The airport is the third largest handler of airfreight in the UK and passenger numbers have increased by 75% since 2000 to reach just under 21 million.
- Cambridge sub region is a global leader in education, research and knowledge based industry linked to the University of Cambridge. The reputation of Cambridge gives it a key role in promoting the region and in further developing its economic links to key locations and sub regions across the East of England.
- Peterborough sub region has an economy with a strong representation of traditional sectors, for example engineering, agricultural services and a concentration of food production. There is also a cluster of environmentally related businesses. Areas for development include addressing economic underperformance of the rural areas located between major urban centres and supporting business competitiveness and entrepreneurship, particularly for those sectors with growth potential such as the environmental cluster.

### **Milton Keynes & South Midlands Growth Area**

The Milton Keynes & South Midlands (MKSM) Growth Area includes Bedfordshire, Luton, Aylesbury Vale, Northamptonshire and Milton Keynes and involves three Regional Development Agencies, Government Offices, Regional Skills Partnerships and Learning and Skills Councils.

The MKSM Growth Area is to accommodate 170,000 new homes and a similar number of additional jobs by 2021. Within Bedfordshire and Luton, this equates to an additional 45,800 new homes and 50,000 additional jobs by 2021, approximately 3,500 additional jobs per year. The MKSM Growth Area also needs major infrastructure such as roads, health, education, social and cultural facilities delivered upfront or at the same time as the new homes are built and additional jobs created to ensure the development of a sustainable community.

The expansion of London Luton Airport is seen as an important component in the East of England's regional plan. The expansion will advantage of the opportunities

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<sup>2</sup> A Shared Vision - The Regional Economic Strategy for East of England, EEDA

to develop the region's international gateways, have a positive impact on the regeneration of Luton and contribute to the competitive strength and attractiveness of the sub region as a business location and tourist attraction.

### **Haven Gateway New Growth Point** <sup>3,4,5</sup>

This covers parts of two LSC offices in the East of England – Essex and Suffolk and is one of the fastest growing areas of the UK. Its success extends beyond the maritime world and extends to a wide number of industries including financial services, technology, print and publishing, food and research. The five Haven ports of Felixstowe, Harwich International, Harwich Navyard, Ipswich and Mistley represent the single most important cluster of ports in the UK.

Proposals for the Essex University Science Park and a new University Campus Suffolk in Ipswich will benefit growth in both Colchester and Ipswich respectively. The sub region has been declared a 'New Growth Point' by the government. The special status will help deliver critical funding for vital infrastructure and development projects.

Ambitions for the Gateway include:

- an additional 23,000 jobs and 22,850 homes by 2016 with an aspirational target of 40% being affordable homes;
- new container terminal facilities at the ports of Harwich and Felixstowe handling over 3.6m containers per annum;
- an international visual arts centre at Colchester;
- the redevelopment of the Ipswich waterfront including the provision of a new University Campus for Suffolk;
- maintaining the Gateway's high environmental values and quality of life;
- the regeneration of Jaywick;
- maximising the role of the sub region as an international gateway to the UK;
- projects to enhance the sub region's role as an area of creativity and innovation.

### **Norwich New Growth Point** <sup>6</sup>

Norwich is the main centre for East Anglia and supports 43 per cent of the county's jobs. Norwich has the largest regional business clusters for finance and creative industries, as well as Europe's largest single site concentration of research and development in key health and life sciences. At the same time, Norwich is the most deprived local authority district in the Eastern region, and has Neighbourhood Renewal Fund status.

The New Growth Point ambitions are to deliver essential physical, environmental, social and economic infrastructure to support housing growth and deliver high quality public transport, to support large scale regeneration, and to create further high quality streets and spaces in the city centre.

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<sup>3</sup> A Shared Vision - The Regional Economic Strategy for East of England, EEDA

<sup>4</sup> Haven Gateway Partnership

<sup>5</sup> Department for Communities & Local Government

<sup>6</sup> Department for Communities & Local Government

Ambitions for Greater Norwich include:

- an additional 33,000 new homes and 36,000 new jobs in the Greater Norwich area between 2001 and 2021;
- waterfront regeneration of 20 ha Deal Ground and Utilities Site for jobs and homes;
- high quality bus infrastructure throughout Norwich, including linking large scale new housing areas with the city centre;
- implementing the City Centre Spatial Strategy linking liveability, public realm and public transport improvements;
- regeneration of the northern city centre linking with high quality public transport infrastructure to a future urban extension.

### **Thetford New Growth Point <sup>7</sup>**

The town of Thetford is the gateway into Norfolk from London, the South, Cambridge and the Midlands and has the potential to become one of the fastest growing towns in the East of England. The town has been facing issues of deprivation, an increasing dependence upon low paid agriculture, food processing and manufacturing industries and a need for physical regeneration of large parts of the town centre. Breckland Council and its partners have now developed proposals which aim to transform the town by developing its economic potential and facilitating the regeneration of the town centre whilst protecting its regionally important historic and natural setting.

Ambitions for Thetford include:

- an additional 6,000 homes between 2001 and 2021, working to ensure a balanced and sustainable housing market for local people;
- an additional 4,000 new jobs;
- more land allocated for business through the Rural Enterprise Valley (REV) project which focuses on the A11;
- a new country park on the site associated with Boudicca with enhanced foot and cycle links to Thetford Forest;
- regeneration of the Waterfront Area to include new shop units, cafes and bars;
- improved public transport provision and enhanced footpath and cycle links between the town centre and the rest of the town.

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<sup>7</sup> Department for Communities & Local Government