



Contents

Introduction.....	2
The North East region.....	2
Learning provision in the North East.....	3
Regional demographics.....	6
Population profile.....	6
14–19 population change.....	9
Ethnicity.....	12
Refugees and asylum seekers.....	13
Migrant workers.....	15
Learners with learning difficulties and/or disabilities.....	17
Deprivation.....	19
Skills for Life.....	20
The labour market context.....	23
Economic activity.....	26
Employment.....	27
Worklessness.....	27
Economic inactivity.....	28
Unemployment.....	29
Claimant Count.....	30
Young people and learning.....	30
Participation in learning among young people.....	30
The NEET group.....	34
Young people in LSC-funded learning.....	38
Qualifications and attainment among young people.....	53
Adults and learning.....	60
Participation in learning among adults.....	60
Adults in LSC-funded learning.....	63
Qualifications and attainment among adults.....	83
Travel to learn patterns.....	90
Learner recruitment patterns.....	90
Employers' skills needs.....	94
Recruitment difficulties and skills shortages.....	94
Skills gaps.....	95
Employer engagement in training and development.....	96
Participation in job-related training.....	97
Training and qualifications.....	99
Training and development expenditure.....	100
Employer engagement with training providers.....	101
Future demand.....	102
How provision is meeting employer needs.....	105

Train to Gain	105
How provision is meeting sector needs.....	106
Quality of provision	124
Inspections and assessments.....	124
Success rates	125
Provider fee income	136
Learner satisfaction.....	137

Introduction

- 1 The Regional Strategic Analysis forms a key part of the Learning and Skills Council's annual business cycle. Its purpose is to underpin our Regional Plan by providing the evidence to inform decisions about our strategic priorities in 2007/08, and about the learning provision we need to commission from our providers. The Analysis is intended to provide a comprehensive picture of the needs of learners, employers and communities in the North East, and to assess the extent to which the mix and quality of the region's LSC-funded learning provision meets these needs.

The North East region

- The North East is the smallest of the nine English regions in terms of population, and the second smallest (after London) in terms of geographical area.
- Two thirds of the region is rural, and to a large extent the population is concentrated in relatively few urban areas.
- Levels of deprivation across the North East are high, and economic activity, productivity levels, qualifications attainment and participation in learning are all below average.

- 2 The North East is the smallest of the nine English regions in terms of population, and with the exception of Greater London, in terms of geographical area. Two thirds of the region is rural, including much of Durham and Northumberland, and to a large extent the population is concentrated in relatively few urban areas.
- 3 The region includes 12 local authorities¹ – the metropolitan districts of Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland; the unitary authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees; and the counties of Durham and Northumberland. LSC North East's 12 Partnership Areas are coterminous with these local authorities.

¹ This figure excludes district councils in county areas, of which there are six in Northumberland (Alnwick, Berwick-upon-Tweed, Blyth Valley, Castle Morpeth, Tynedale and Wansbeck) and seven in Durham (Chester-le-Street, Derwentside, Durham, Easington, Sedgfield, Teesdale and Wear Valley).

- 4 The North East has seen enormous change over the past 30 years. Between 1981 and 1997, for example, the region lost over 110,000 jobs in primary and manufacturing industries. Although less than 15 per cent of the workforce is now employed in manufacturing, the sector remains an important part of the economy. The manufacturing sector has diversified into new areas such as microelectronics, the offshore industry, biotechnology and automotives. There has also been significant growth in service sectors, public administration, education and health. Tourism is also an increasingly important sector, accounting for some 10 per cent of all jobs in the region, with around 30,000 jobs supported by direct tourist expenditure.
- 5 Despite this diversification the region is still dealing with the economic, social and structural consequences of its past dependence on traditional industries, which is reflected in its poor performance across a range of indicators. While there are wide local variations in relative terms of deprivation, economic activity among the North East's population, regional productivity levels, qualifications attainment and participation in learning are all below average.

Learning provision in the North East

- A wide range of learning providers in the North East receive funding from the LSC.
 - 33 organisations deliver LSC-funded Further Education.
 - 89 organisations deliver LSC-funded Work Based Learning.
 - 65 School Sixth Forms and 35 Special Schools deliver learning to 16–18 year olds, funded by the LSC through the 12 local authorities in the region.
 - A large number of organisations deliver Adult and Community Learning, including many in the Voluntary and Community sector, funded by the LSC through the 12 local authorities.
 - 2 providers deliver LSC-funded learning through the Offender Learning and Skills Service.
 - The LSC is negotiating with 81 organisations to deliver learning provision through Train to Gain.
 - The LSC manages a range of contracts co-financed via the European Social Fund (ESF) and its own matched funding. The total regional ESF budget for 2004–2008, the current ESF round, is £107,000,000.
- 6 A wide range of learning providers in the North East receive funding from the Learning and Skills Council, though not all learning provision in the region is funded by the LSC and there are many other stakeholders in learning provision. The character and mix of learning provision is complex, and is determined by a range of factors including the mix of provision funded by the LSC's predecessors (such as Training and Enterprise Councils and the Further Education Funding Council), current funding arrangements, and the partnership, franchising and subcontracting agreements between providers.

TABLE 1: LSC-FUNDED PROVIDERS IN THE NORTH EAST, 2006/07

Provider type	Number of providers	Funding
Further Education	33	£272,170,000
Work Based Learning	89	£67,000,000
School Sixth Forms / 16–18 Special Schools	65 / 35	£78,400,000
Adult and Community Learning ²	12	£12,000,000
Offender Learning and Skills Service	2	£11,407,000
Train to Gain brokerage / provision ³	1 / 81	£2,689,000 / £10,966,000

Source: LSC

- 7 There are 33 organisations in the region in 2006/07 which deliver Further Education provision funded by the LSC. The majority of these are general FE colleges, with a small number of specialist colleges (e.g. Agricultural colleges, Dance, Drama and Performing Arts institutions, etc.) and some FE provision contracted to other organisations such as local authorities. A total of around £272,170,000 is allocated to Further Education providers in the North East by the LSC, funding provision for 16–18 year olds (56.3 per cent of the total allocation), adult learning (36.8 per cent), Skills for Life provision (7.7 per cent), Personal, Community and Development Learning (0.6 per cent) and providing Additional Learner Support (6.8 per cent).
- 8 89 organisations in the North East in 2006/07 are contracted by the LSC to deliver Work Based Learning, including Apprenticeship provision, National Vocational Qualifications and Entry to Employment. A range of organisations are involved in WBL provision, including FE colleges, employers and local authorities as well as individual training providers. A total of almost £67,000,000 is allocated to Work Based Learning providers in the North East by the LSC, funding provision for 16–18 year olds (59.6 per cent of the total allocation), adult learning (14.5 per cent) and Entry to Employment provision (25.9 per cent). In addition, 61 organisations are funded via the LSC's National Employer Service to deliver training within large, multi-site employers in the region. These providers are not always based in the North East, but deliver learning in the region.
- 9 There are 65 School Sixth Forms and around 35 Special Schools in the North East in 2006/07, funded by the LSC via local authorities and delivering learning to 16–18 year olds. A total of around £78,400,000 was allocated to School Sixth Form provision at the start of 2006/07, predominantly for mainstream provision (85.3 per cent of the total allocation). Funding was also allocated to meet Special Educational Needs (11.4 per cent). School Sixth Form funding will be adjusted to take account of learner numbers.

² The LSC contracts Adult and Community Learning provision through the 12 local authorities in the North East, who in turn subcontract delivery to a wide range of providers.

³ Train to Gain brokerage provision is contracted to one provider, but delivered via the four Business Link organisations in the North East. The LSC is currently negotiating with Train to Gain learning providers.

- 10 In addition to School Sixth Forms funded by the LSC, there are around 15 independent schools with sixth forms, as well as two Academies and one City Technology College delivering learning to 16–18 year olds in the region. There are four independent special schools providing education for 16–18 year olds with learning difficulties and/or disabilities in the region.
- 11 Adult and Community Learning provision is delivered by a range of organisations working through the 12 local authorities in the North East, including many providers in the voluntary and community sector. ACL provision includes a wide variety of accredited and non-accredited learning, basic skills provision and courses focused on widening participation, including provision aimed at encouraging adults back into learning, as well as vocational training, recreational and leisure-related courses. A total of almost £12,000,000 is allocated to Adult and Community Learning in the North East in 2006/07, funding learning offered as an initial entry point into learning, from which learners are actively encouraged to progress to other forms of learning (First Steps provision, 19.1 per cent of the total allocation); learning for its own sake (Personal, Community and Development Learning, 40.5 per cent); and Family and Neighbourhood Learning, which includes learning opportunities in the poorest neighbourhoods (Neighbourhood Learning in Deprived Communities, 17.3 per cent); learning which enables parents and their children to improve their literacy, language and numeracy skills together (Family Literacy, Language and Numeracy programmes, 15.4 per cent) and learning activities designed to engage adult and child learners together, sometimes used as a progression route onto Family Literacy, Language and Numeracy or other programmes (Wider Family Learning, 7.7 per cent)⁴.
- 12 The LSC funds learning for individuals in custody and/or under supervision in the community through the Offender Learning and Skills Service (OLASS). OLASS provision in the North East is contracted to two providers, who deliver mainly within the region's prisons. A small amount of OLASS provision is delivered in the community. Some £11,407,000 is contracted to the two OLASS providers in the region in 2006/07.
- 13 The Skills Brokerage element of Train to Gain is contracted to one provider in the North East, and delivered through the four Business Link organisations. The LSC is negotiating with 81 organisations to deliver learning provision through Train to Gain, including 16 FE colleges (one of which is based outside the region) and 65 private training providers. Some £2,689,000 is allocated to the brokerage element of Train to Gain, while over £10,966,00 is allocated to fund learning provision through Train to Gain.

⁴ Together, Personal, Community and Development Learning and Family and Neighbourhood Learning are known as Safeguarded Adult Learning. Data on Safeguarded Adult Learning provision is not yet available, since this distinction within Adult and Community Learning was only introduced in 2006/07. Analysis in this report therefore describes ACL provision in its broadest sense.

- 14 The LSC manages a range of contracts co-financed via the European Social Fund (ESF) and its own matched funding, to support and deliver learning provision which cannot be financed from mainstream budgets due to funding restrictions. The total regional ESF budget for 2004–2008, the current ESF round, is £107,000,000. Of this, approximately £21,000,000 is contracted to support delivery from July 2006 to August 2007. Over 150 organisations are contracted through ESF, including FE colleges, universities, local authorities, voluntary organisations, employers and private training providers. Since 2004, over 10,000 individuals have benefited from ESF-funded interventions.
- 15 ESF supports a wide range of projects, including those aiming to:
- improve basic skills
 - upskill the workforce to Levels 2, 3 and 4
 - provide brokerage services
 - support capacity building
 - support provision in specific sectors, including call centres, retail, social care, railways and forestry
 - support provision targeting specific client groups, including learners with learning difficulties and/or disabilities, young people without Level 2, women, offenders, the unemployed and volunteers
 - support Information, Advice and Guidance provision
 - support Education Business Links
 - support Apprenticeships; and
 - improve social inclusion and support widening participation projects.

Regional demographics

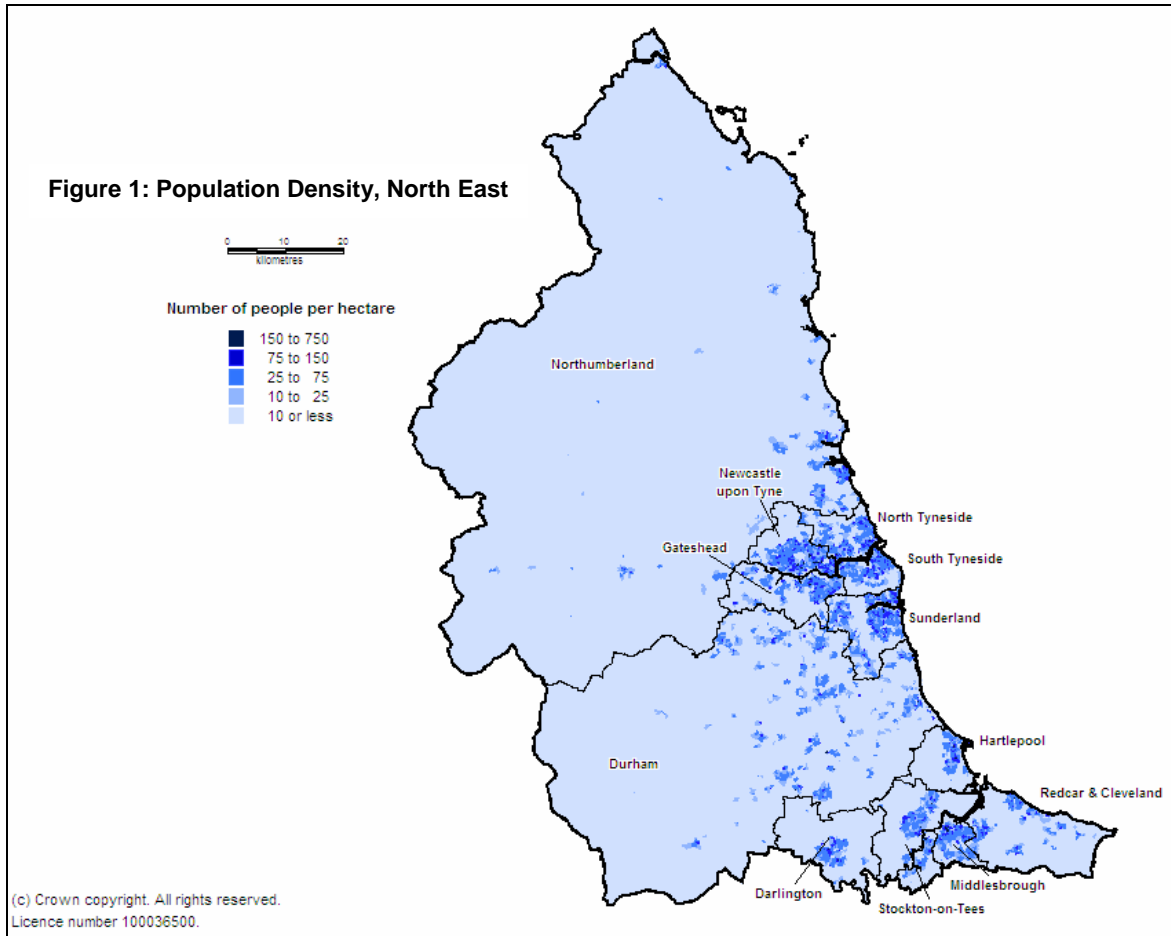
Population profile

- Around 2,545,000 people live in the North East.
- Recent population growth in the region has been slower than that seen nationally.
- This trend is projected to continue, with population growth in the North East projected to be slower than in any other region.
- The region's population is ageing faster than the national rate.

- 16 The North East region is home to an estimated 2,545,000 people. 48.6 per cent of residents are male, and 51.4 per cent female⁵.
- 17 Some 43 per cent of the region's population live in the five Partnership Areas that comprise Tyne and Wear, which covers little more than 5 per cent of the region. A further 26 per cent of the population live in the five Partnership Areas that make up the former Tees Valley local LSC area. The Durham Partnership Area houses around 20 per cent of the population. Although it is

⁵ ONS Mid-Year Population Estimates 2004.

by far the largest Partnership Area in the region, covering almost 60 per cent of the region, Northumberland houses just 12 per cent of the population.



Source: ONS Census of Population 2001

- 18 There is constant movement between the populations of different Partnership Areas, with people moving from one area to another, and there is some evidence of a 'rural drift' in the region, with more people migrating to rural areas than leaving them, and in contrast more people leaving urban areas than moving into them. This phenomenon is not new, however, and the numbers involved do not suggest that there has been a rapid exodus from urban areas. However, there is clearly a redistribution of the population from the centre of urban areas to less dense areas or suburbs⁶. This redistribution of the population may have some implications for provision, particularly in terms of travel-to-learn patterns.
- 19 The age structure of the North East population is broadly similar to the national average. However, there are fewer people aged 14 or younger among the region's population than among England's, and fewer people aged 25–34 years old. There are slightly more people aged 15–24 among the

⁶ *A Study of Recent Population Migration Trends*, North East Regional Information Partnership, 2006.

North East population than in England (possibly due to the number of students at the region's five universities), and more people aged 50 or older.

TABLE 2: POPULATION BY AGE			
Age group	North East (number of people, estimated)	North East England	
		(% of population)	
14 years or younger	446,800	17.6%	18.2%
15–19 years	174,200	6.8%	6.5%
20–24 years	170,400	6.7%	6.3%
25–34 years	300,700	11.8%	13.4%
35–49 years	559,100	22.0%	22.0%
50–64 years	465,300	18.3%	17.6%
65 years and over	428,500	16.8%	16.0%
All people	2,545,000	100.0%	100.0%

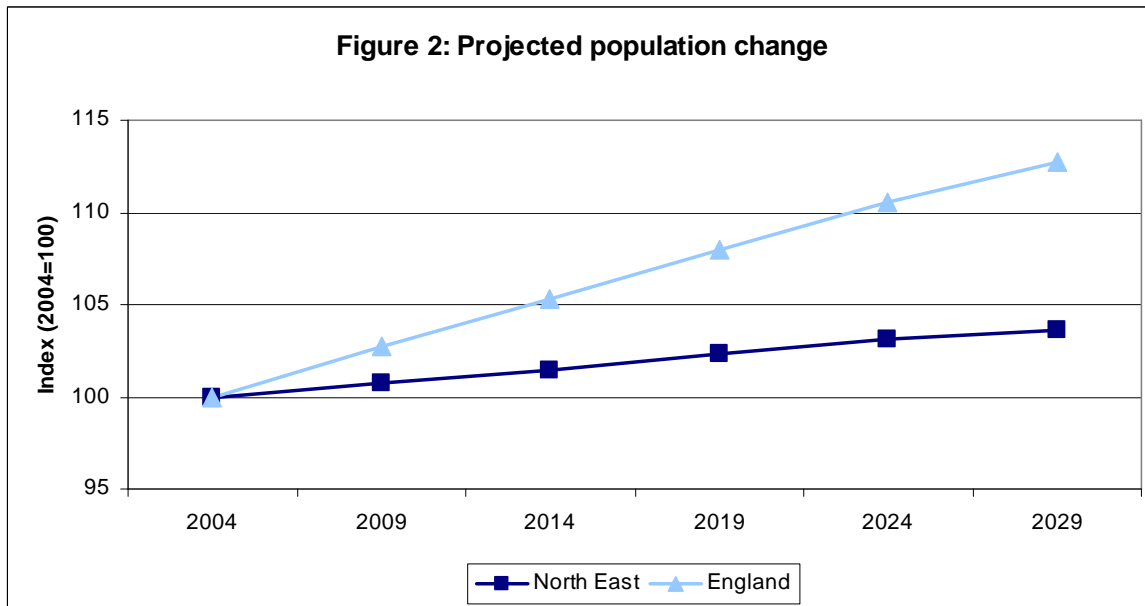
Source: ONS Mid-Year Population Estimates 2004

- 20 This reflects long term demographic trends. Between 1981 and 2001, the population of England rose by 5.0 per cent while the North East population declined by 4.6 per cent due to outward migration among more mobile, younger people, resulting in a faster ageing of the population⁷. Recent population growth has been slower in the North East than in England (0.1 per cent in the region from 2000 to 2004, compared with 1.7 per cent nationally), continuing this trend⁸.
- 21 The proportion of the population aged under 20 years decreased from 29 per cent in 1981 to 24 per cent in 2001 – further decline to 21 per cent is projected to 2021. The proportion aged 60 years and over, meanwhile, increased from just under 20 per cent in 1981 to 22 per cent in 2001 – a marked increase to nearly 29 per cent is projected to 2021⁹.
- 22 Recent projections suggest that population growth in the region will continue to be significantly slower than in England – indeed, population growth in the North East is projected to be slower than in any other region in England. The North East population is projected to increase by 1.4 per cent between 2004 and 2014, compared with growth of 5.3 per cent in England. In the longer term, the region's population is projected to grow by 3.7 per cent between 2004 and 2029, compared with growth nationally of 12.7 per cent.

⁷ ONS Census of Population 1981 and 2001.

⁸ ONS Mid-Year Population Estimates 2000 and 2004.

⁹ *State of the Region 2006*, North East Regional Information Partnership, 2006.



Source: ONS Subnational Population Projections, 2004-based;
Government Actuary 2004-based Population Projections for England

- 23 Population growth is not expected to be uniform across the region, with growth to 2014 projected to be above the regional average in Northumberland (3.5 per cent), Newcastle (4.7 per cent), North Tyneside (4.6 per cent), Darlington (4.7 per cent) and Stockton-on-Tees (4.7 per cent), compared with population decline in Sunderland (–1.3 per cent), Redcar and Cleveland (–1.5 per cent), South Tyneside (–2.4 per cent) and Middlesbrough (–6.1 per cent)¹⁰.

14–19 population change

- Recent growth in the North East’s 14–19 population has been slower than the growth seen nationally.
- Projections suggest that the region’s 14–19 population will decline in future years. This decline will be more significant than that projected in England.
- Between 2006 and 2007, the 14–19 population is projected to decline by 1,900 people (1.1 per cent), with a further decline of 1,200 people (0.7 per cent) between 2007 and 2008.
- The rate of decline is projected to intensify after 2009.

- 24 Slow growth in the region’s total population in the period to 2004 is reflected in the 14–19 age group. While the region’s 14–19 population grew by 3.0 per cent between 2004 and 2005, this compares with growth of 7.5 per cent in England. Recent growth is expected to reverse in future years, with decline in the region’s 14–19 population expected to be more significant than that seen nationally. The 14–19 population in the North East is projected to decline by

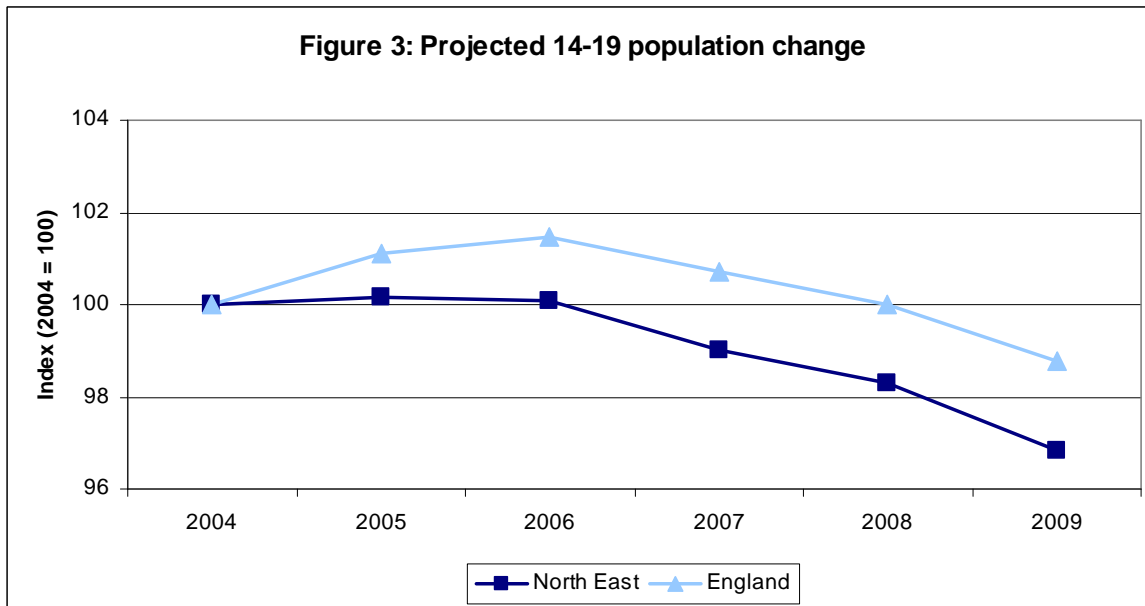
¹⁰ ONS Subnational Population Projections, 2004-based; Government Actuary 2004-based Population Projections for England.

13.1 per cent between 2004 and 2014, compared with decline of 7.2 per cent nationally. In some Partnership Areas, decline of around 20 per cent or more is projected in the 14–19 population.

TABLE 3: 14–19 AND TOTAL POPULATION, AND PROJECTED CHANGE 2004–2014				
Partnership Area	14–19 population		Total population	
	Estimated number of people, 2004	Projected change, 2004–2014	Estimated number of people, 2004	Projected change, 2004–2014
Northumberland	19,700	–10.8%	310,800	3.5%
Gateshead	12,500	–13.0%	191,300	0.2%
Newcastle upon Tyne	17,000	–10.8%	269,500	4.0%
North Tyneside	12,300	–12.9%	190,700	4.6%
South Tyneside	10,700	–19.0%	151,500	–2.4%
Sunderland	19,400	–19.0%	282,700	–1.3%
Durham	31,800	–9.0%	496,800	1.7%
Darlington	6,500	–9.1%	98,600	4.7%
Hartlepool	6,500	–11.2%	90,100	1.8%
Middlesbrough	10,600	–23.9%	137,900	–6.1%
Redcar & Cleveland	9,800	–16.5%	139,100	–1.5%
Stockton-on-Tees	13,100	–8.0%	186,200	4.7%
North East region	169,900	–13.1%	2,545,100	1.4%
England	3,259,100	–7.2%	50,093,800	5.3%

Source: ONS Mid-Year Population Estimates 2004; ONS Subnational Population Projections, 2004-based; Government Actuary 2003-based Population Projections for England

- 25 While some decline is projected between 2004 and 2009 (3.2 per cent in the North East compared with 1.2 per cent in England), much of the decline projected for the decade will occur between 2009 and 2014 (10.3 per cent in the North East compared with 6.0 per cent in England). Long term projections suggest decline will continue to 2019, with some growth in the following decade – though not enough to reverse the decline projected between 2004 and 2019, resulting in an overall decline of 16.3 per cent in the North East’s 14–19 population between 2004 and 2029 (compared with a decline of 6.5 per cent in England).
- 26 Year-on-year projections suggest that decline in the 14–19 age group will begin in 2006/07, with the region’s 14–19 population remaining relatively stable in the in the previous two years while slight growth is seen in England. Year-on-year decline in the region from 2006 reflects national trends, though generally at a slightly faster rate. Between 2006 and 2007, the 14–19



Source: ONS Subnational Population Projections, 2004-based;
Government Actuary 2004-based Population Projections for England

population in the North East is projected to decline by almost 1,900 people (1.1 per cent, compared with 0.8 per cent in England). Further decline of around 1,200 people is projected between 2007 and 2008 (0.7 per cent, in line with national projections).

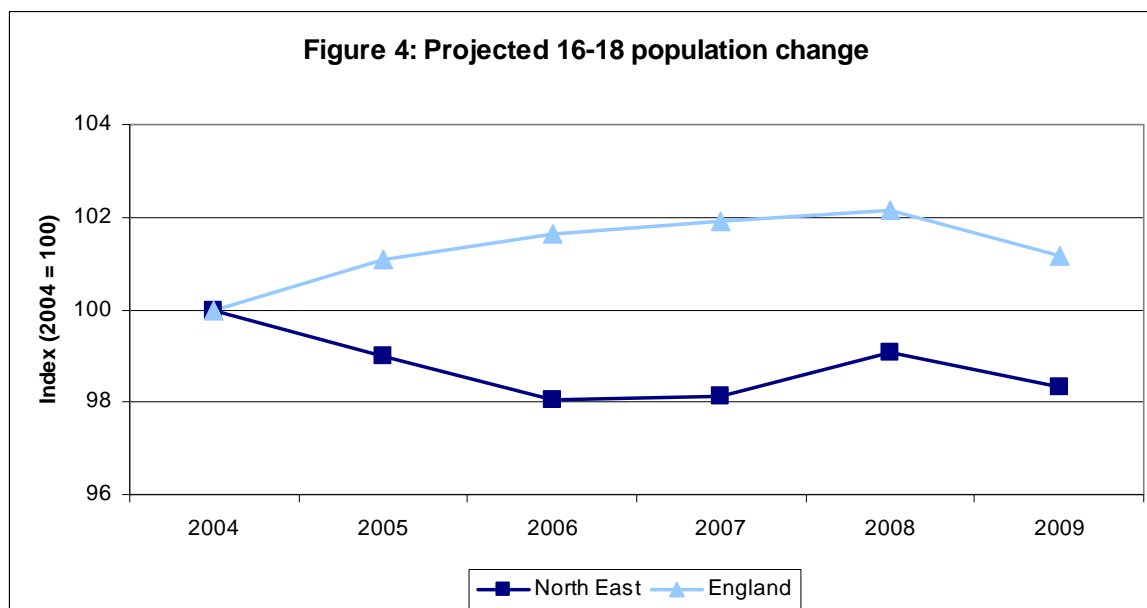
16–18 population change

- Recent growth in the North East’s 16–18 population has been slightly slower than that seen nationally.
- Indicative projections suggest that growth will reverse in the future, with decline projected to be far more significant among the North East’s 16–18 population than that projected nationally.
- Despite projected long-term decline, the 16–18 population is expected to remain relatively stable between 2006 and 2007, at around 102,000 people. Slight growth to 103,000 people is projected between 2007 and 2008. Decline is projected to continue after 2008.

27 The North East’s 16–18 population grew by an estimated 7.1 per cent between 2000 and 2004, compared with growth of 9.7 per cent in England. Indicative projections¹¹ suggest this trend will reverse between 2004 and 2014, with decline of 11.9 per cent expected in the region’s 16–18 population, compared with decline of 5.1 per cent in England. Longer term projections suggest the 16–18 population in the North East will decline

¹¹ Projections for the 16–18 population in the North East are derived from 2004-based subnational population projections published by the Office for National Statistics. Subnational projections are considered robust for five-year age bands (including the 14–19 population), but should be considered indicative for smaller age groups.

by 17.4 per cent between 2004 and 2029, compared with decline of 6.4 per cent in England.



Source: ONS Subnational Population Projections, 2004-based (derived);
Government Actuary 2004-based Population Projections for England

28 Year-on-year projections indicate that the North East's 16–18 population fell between 2004 and 2006, in contrast to slight growth nationally. Between 2006 and 2007, the region's 16–18 population is projected to remain relatively stable at around 102,000 people. Slight growth (1.0 per cent) is projected between 2007 and 2008, with the 16–18 population increasing to almost 103,000 people. Most Partnership Areas are expected to see a slight increase, although some decline is projected in North Tyneside, South Tyneside and Middlesbrough. From 2008 on, the 16–18 population is projected to continue to decline across the region.

Ethnicity

- While growing, the black and minority ethnic population in the North East remains small. The proportion of people from BME communities among the region's population (2.4 per cent) is significantly lower than the national average (9.1 per cent).
- The BME population is larger in Middlesbrough (6.3 per cent) and Newcastle (6.9 per cent) than in other Partnership Areas.
- There is a wide diversity in ethnic backgrounds among the region's BME population.
- Local authority data suggests the number of young people from black and minority ethnic backgrounds is growing.

29 The proportion of people from black and minority ethnic communities among the North East population (2.4 per cent) is significantly lower than the

national average (9.1 per cent) and well below the proportion in many other regions (in the West Midlands, for example, 11.3 per cent of the population are from black and minority ethnic communities; in Yorkshire and the Humber, the proportion is 6.5 per cent). Newcastle and Middlesbrough each have larger black and minority ethnic communities than other Partnership Areas in the region (6.9 per cent and 6.3 per cent respectively)¹².

- 30 There is a wide diversity in ethnic backgrounds among the region's population. The largest groups among the black and minority ethnic population in the North East are from Pakistani and Indian communities. In some Partnership Areas, Bangladeshi and other ethnic communities are more significant¹³.
- 31 The black and minority ethnic population in the region is growing. There were some 24,000 more people from black and minority ethnic backgrounds living in the region in 2001 than there were in 1991. Growth was particularly apparent in Asian communities, among Black Africans and among people of Chinese heritage¹⁴. Local authority data also suggests the number of young people from black and minority ethnic backgrounds is growing. Almost 12 per cent of pupils in Newcastle schools are from black and minority ethnic backgrounds, for example, compared with around 7 per cent of the city's population as a whole¹⁵. It will therefore become increasingly important for learning provision to be able to respond to the needs and aspirations of particular ethnic groups as more young people from black and ethnic minority communities leave school and seek to enter education and training.

Refugees and asylum seekers

- Home Office figures suggest that around 8 per cent of asylum seekers in England (some 3,300 people) are dispersed to the North East, with a third of these housed in Newcastle.
- A quarter of asylum seekers dispersed to the North East are believed to settle in the region. The number of refugees – former asylum seekers – living in the region is much higher than the number of asylum seekers.
- Refugees and asylum seekers are a diverse group, comprising many different nationalities, with a high degree of language capability and variety.
- Many refugees and asylum seekers speak English, though a small but significant minority cannot. Refugees and asylum seekers' confidence in their ability to write in English tends to be lower than their confidence in speaking English.
- Few refugees and asylum seekers appear to receive information, advice or guidance on training and employment.

¹² ONS Census of Population 2001.

¹³ A detailed picture of the black and minority ethnic population in the North East is presented in Appendix 1.

¹⁴ ONS Census of Population 1991 and 2001.

¹⁵ *Draft School Organisation Plan 2003–2008*, Newcastle City Council, 2003.

- 32 Home Office statistics suggest that there were 3,270 asylum seekers and their dependents dispersed to National Asylum Support Service accommodation in the North East in December 2005. A further 75 asylum seekers receiving subsistence support only from NASS were dispersed within the region. Around 8 per cent of asylum seekers in England were dispersed to the North East, fewer than in the West Midlands, the North West, Yorkshire and the Humber and London. A third (32.7 per cent) of asylum seekers in the region were housed in Newcastle, which ranked as the fifth most important local authority in England in terms of asylum seeker dispersals. Middlesbrough (16.7 per cent), Gateshead (12.1 per cent) and Sunderland (10.6 per cent) each have relatively large shares of the region's asylum seeker population compared with other Partnership Areas¹⁶.
- 33 In addition, there are a number of people described as refugees – often defined as former asylum seekers – in the region. While it is difficult to estimate how many refugees there may be, the number is likely to be much larger than the number of asylum seekers in the region. Estimates suggest that in 2003, there were 14,000 refugees living in Tyne and Wear, compared with 4,500 asylum seekers. Around a quarter of asylum seekers dispersed to the North East are believed to remain in the region if their application for asylum is successful¹⁷.
- 34 Refugees and asylum seekers are a diverse group. In June 2006, there were 77 known nationalities represented among asylum seekers in the region. The main nationalities of asylum seekers in the North East are Iranian (7.9 per cent), Angolan (7.2 per cent), Zimbabwean (6.9 per cent) and Turkish (6.8 per cent), with small numbers of many other nationalities¹⁸.
- 35 Research conducted in 2003¹⁹ indicated that refugees and asylum seekers in the region have a high degree of language capability and variety, with 39 different languages spoken by those surveyed. Over 20 per cent of respondents spoke English fluently, with around a third speaking English to some degree. 7.5 per cent, however, could not speak English. Refugees and asylum seekers' confidence in their ability to write in English tended to be lower than their confidence in speaking English.
- 36 Around 28 per cent of the asylum seekers and refugees surveyed had been students before coming to the UK. Nearly 60 per cent had been in employment prior to leaving their country of origin, with diverse experiences of work ranging from manual to managerial occupations and from manufacturing to service industries. 69 per cent had gained qualifications at school and over half had achieved qualifications after leaving school, with 20 per cent holding a qualification equivalent to NVQ Level 3 or above. Despite

¹⁶ *Asylum Statistics United Kingdom 2005*, Home Office, 2006.

¹⁷ *Learning and Skills Needs and Issues of Refugees and Asylum Seekers in Tyne and Wear*, BOW Community Projects, 2003.

¹⁸ *Asylum Statistics for the North East, June 2006*, North of England Refugee Service/North East Strategic Partnership for Asylum And Refugee Support, 2006.

¹⁹ *Learning and Skills Needs and Issues of Refugees and Asylum Seekers in Tyne and Wear*, BOW Community Projects, 2003.

their qualifications, skills and experience, however, 75 per cent of those surveyed were not eligible to work under current Government regulations and 90 per cent were not in paid employment.

Migrant workers

- The North East has the lowest foreign-born population of any region in England, though in relative terms this population is growing rapidly. In the last two years, for example, 4,700 migrants came to the North East from the eight Central and Eastern European states which joined the EU in May 2004.
- The potential of migrant workers to help meet skills needs in the North East and contribute to economic growth is increasingly being recognised.
- Migrant workers are employed across the region, increasingly in smaller towns and rural areas. Migrant workers are mainly employed in jobs that have previously been hard to fill, often in Tourism and Hospitality, Manufacturing, Health and Social Care, Retail and Education.
- There are significant barriers to the integration of the migrant workforce. In particular, many migrants have only limited English language skills, though most migrants are keen to improve their English.
- The perceived inflexibility of current ESOL provision, coupled with the employment conditions of many migrant workers, means that take-up of ESOL provision has been low among migrant workers.
- Poor English skills can also act as a barrier to further learning. Some North East employers have been reluctant to access Train to Gain provision for migrant workers because of their poor English skills.
- Research suggests that a lack of information, advice and guidance can also impact on migrant workers' access to appropriate learning provision.

- 37 The North East has the lowest foreign-born population of any region in England (2.7 per cent of the total population in 2001). While still small, this population is growing rapidly – between 1991 and 2001, the number of people living in the North East who were born outside Great Britain increased by 42 per cent, the second largest regional increase after London²⁰. Migration since 2001, particularly from the eight Central and Eastern European countries which joined the European Union in May 2004, is likely to have further increased the number of foreign-born people living in the region.
- 38 Between May 2004 and March 2006, some 4,700 migrants came to the North East from the eight EU accession states (the A8). The largest group among A8 migrants were Polish, followed by Lithuanians and Czechs. A8 migrants are contributing to the increasing diversity of the North East population, joining more settled migrant communities, predominantly black and Asian people from Commonwealth countries who migrated to the region during the second half of the twentieth century.

²⁰ *Destination North East? Harnessing the Regional Potential of Migration*, Institute for Public Policy Research, 2006.

- 39 Recent migrants from A8 countries are most commonly aged 18–34, single, and relatively well educated. Migrants from outside the EU are also often relatively highly qualified, but members of this group are also more likely to have only low qualifications or to hold no formal qualifications at all.
- 40 Migration to the North East often appears to be relatively short term in nature. Economic migrants are not usually resident in the UK for more than three years, and many are on temporary contracts. Evidence suggests that many recent migrants are coming to the region to work, but not necessarily settle²¹.
- 41 Economic migrants in the North East are mainly employed in jobs that have previously been hard to fill. EU-born migrants commonly work in the Tourism and Hospitality sector, the Manufacturing sector (particularly in Clothing and Textiles or Food and Drink) and in Health and Social Care. Migrants born outside the EU are most likely to work in Health and Social Care, in Retail, Manufacturing, Education or Hotels and Restaurants. While there is a concentration of migrants living and working in Newcastle, migrants are employed across the region, increasingly in smaller towns and rural areas²².
- 42 In view of their relatively high levels of education, the concentration of migrant workers in relatively low-skilled sectors indicates a degree of underemployment among A8 migrants in particular. In part, this is likely to be due to issues relating to migrants' English language skills. However, there are also issues relating to the recognition or acceptance of the skills, qualifications and experience that migrant workers have developed before coming to the UK, and many migrant workers are reported to be down-skilling in order to secure employment²³. At the same time a concentration of migrant labour in relatively high-skilled sectors suggests that migrant workers are also filling hard-to-fill vacancies at the higher end of the skills spectrum.
- 43 The potential of migrant workers to help meet skills needs in the region (including ongoing needs in low-skilled occupations), reverse historical population decline and contribute to economic growth is increasingly being recognised²⁴. However, there are significant barriers to the integration of the migrant workforce. In particular, many migrants have only limited English language skills, though most migrants are keen to improve their English. The opportunity to develop language skills is a key motivation among A8 migrants for coming to the UK, for example, and appears to be an important factor influencing whether migrant workers settle in the UK²⁵. The reported inflexibility of current provision, however, coupled with the employment conditions of many migrant workers and, in many cases, their location in rural areas with limited local provision and associated travel difficulties, means that

²¹ *The Impact of Free Movement of Workers from Central and Eastern Europe on the UK Labour Market: Early Evidence*, Department for Work and Pensions, 2005.

²² *Destination North East? Harnessing the Regional Potential of Migration*, Institute for Public Policy Research, 2006.

²³ *Learning and Skills Planning and Provision for Migrants from the Accession States: An Exploratory Study*, Learning and Skills Network, 2006.

²⁴ *Leading the Way: Regional Economic Strategy 2006–2016*, One NorthEast, 2006.

²⁵ *Destination North East? Harnessing the Regional Potential of Migration*, Institute for Public Policy Research, 2006.

take-up of ESOL provision among the migrant workforce has been low. In addition, the number of migrants coming to the region over a relatively short period of time means that demand can sometimes outstrip supply, a problem exacerbated by increasing inflows and churning of migrants²⁶.

- 44 Research suggests that a lack of information, advice and guidance can also impact on migrant workers' access to appropriate learning provision. There is no specific package of advice available for migrant workers, and the knowledge among IAG providers of eligibility criteria and the relevance and availability of learning opportunities is reported to be variable. In particular, there appears to be little knowledge among IAG providers of qualification recognition schemes such as Europass, which can establish equivalence between qualifications gained outside England and those recognised in this country, benefiting both migrant workers and the region's employers.
- 45 Poor English skills can also act as a barrier to further learning, while employers often see little value in investing in training their migrant workforce, particularly when employment is short-term in nature or in low-skilled occupations. Anecdotal evidence suggests that some North East employers have been reluctant to access Train to Gain provision for migrant workers because of their poor English skills. Given appropriate access to ESOL provision, however, the majority of migrant workers are expected to be able to progress through courses quickly and move on to employment better suited to their prior experience and qualifications²⁷. The introduction of new ESOL international qualifications, expected to be available from August 2007, will support a shorter, more job-focused, practical approach to English language skills that will be particularly attractive to migrant workers.

Learners with learning difficulties and/or disabilities

- The North East has a higher proportion of young learners with learning difficulties and/or disabilities than the national average, but fewer adult learners.
- Demand is greatest from young people with learning difficulties and/or disabilities who consider that help with finding employment is the most important reason for continuing in post-16 learning.
- There are concerns that there is a lack of provision to meet demand, particularly in E2E and in provision to meet the needs of learners with specific learning difficulties and/or disabilities, such as autistic spectrum disorders or dyslexia.
- Transport issues can act as a barrier to learning among learners with learning difficulties and/or disabilities.
- Progression opportunities for learners with learning difficulties and/or disabilities are limited.

²⁶ *Migrant Workers: Key Issues and Challenges for Skills and Learning*, Institute for Employment Research, 2006.

²⁷ *Learning and Skills Planning and Provision for Migrants from the Accession States: An Exploratory Study*, Learning and Skills Network, 2006.

- 46 The North East has a higher proportion of 14–19 year old students with Special Educational Needs than the national average (15.4 per cent in 2004/05, compared with 14.7 per cent in England)²⁸. In contrast, the proportion of adult learners with learning difficulties and/or disabilities is slightly lower in the region than in England.
- 47 Around twice as many young male learners than female learners in the North East are identified as having learning difficulties and/or disabilities. The gender ratio is not so pronounced in Further Education as it is in schools or Work Based Learning, though males continue to predominate. There are very few learners from black and minority ethnic groups with learning difficulties and/or disabilities in the North East.
- 48 Dyslexia is the most commonly recorded learning difficulty or disability in FE, with moderate learning difficulties and ‘other’ coming second and third. In Work Based Learning, moderate learning difficulties is the most common learning difficulty or disability recorded.
- 49 Adult and Community Learning provision does not appear to make a significant contribution to provision for learners with learning difficulties and/or disabilities.
- 50 In the North East, demand is greatest from young people with learning difficulties and/or disabilities who consider that help with obtaining employment is the most important reason for continuing in post-16 learning. However, there is concern that there is a lack of learning provision, particularly in E2E, to meet the demand. Moreover, there are insufficient progression opportunities available to meet the demand from young people with learning difficulties and/or disabilities once they have completed college courses. Where there is demand outside the local area, there are problems with transport to permit learners to access the learning of their choice.
- 51 Recent research across the region²⁹ has concluded that there is a need to develop provision to meet demand among young people and young adults with particular learning difficulties and disabilities. This includes developing provision for learners with autistic spectrum disorders, improving support for learners with dyslexia, and ensuring vocational and work-related opportunities are available both generally, and specifically for young people with learning difficulties and emotional and behavioural difficulties. In some areas, there is also a lack of provision to meet the demand of young people with long-term health conditions which require them to learn at home.

²⁸ *Inclusion Review: Improved Provision for Learners with Learning Difficulties and/or Disabilities in the North East*, Learning and Skills Network, 2006.

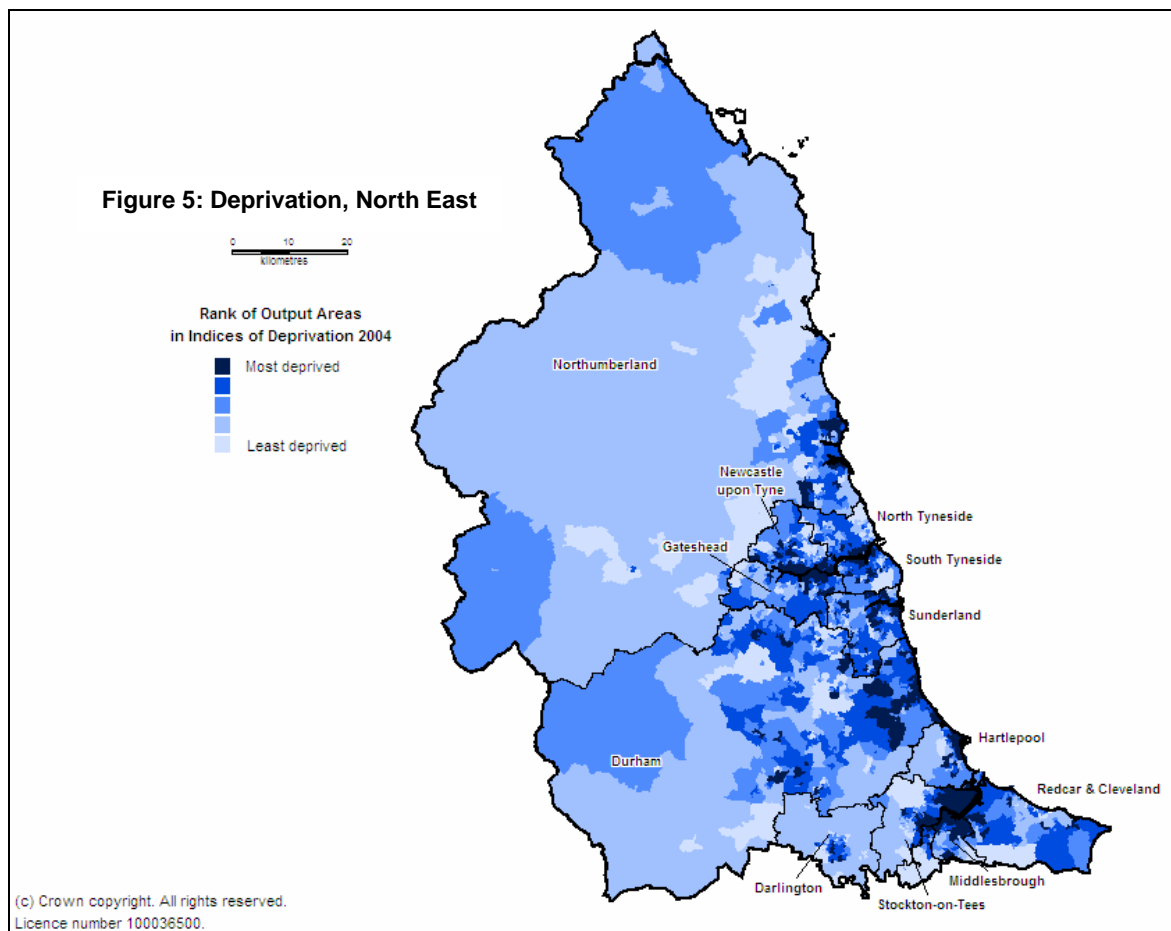
²⁹ See, for example, *Themed Review of Provision for Learners with Learning Difficulties and/or Disabilities*, Pye Tait, 2005 and *An Examination of Vocational Opportunities for Learners with Learning Difficulties and/or Disabilities*, Learning and Skills Council Tyne and Wear, 2006.

Deprivation

- The level of deprivation in many parts of the North East is high, particularly in densely populated urban areas.
- Some 548,000 people in the region – 21.8 per cent of the population – live in areas ranked among the 10 per cent most deprived in England.
- There are close correlations between areas with high levels of deprivation and low qualification levels, low participation in learning and high unemployment among the population.

- 52 The level of deprivation in many parts of the region is high, particularly in densely populated urban areas. Gateshead, Newcastle, South Tyneside and Middlesbrough, for example, are all among the 20 per cent most deprived districts in England according to all six summary measures in the Index of Multiple Deprivation 2004. Sunderland is among the 10 per cent most deprived districts³⁰.
- 53 Overall, some 548,000 people in the North East – 21.8 per cent of the region's population – live in areas ranked among the 10 per cent most deprived in England. There are even higher concentrations of the population of several of the region's Partnership Areas living in deprived areas – 49.8 per cent of Middlesbrough's population (over 67,000 people), 40.7 per cent of the population in Hartlepool (36,000 people), 31.9 per cent of Newcastle's population (almost 83,000 people), 28.6 per cent of Sunderland's population (over 80,000 people) and 26.3 per cent of the population of Gateshead (over 50,000 people) live in areas ranked among the 10 per cent most deprived in the country.
- 54 Deprivation appears to be less severe in Durham and Northumberland, though there are pockets of deprivation in both Partnership Areas. In particular, the level of deprivation is relatively high across the Easington district in Durham, and across the Wansbeck and Blyth Valley districts in Northumberland. There are also pockets of relative prosperity across the region, even in districts where high levels of deprivation are widespread.
- 55 There are close correlations between densely populated urban areas with high levels of deprivation and low levels of qualification, low participation in learning and high unemployment among the population. Different aspects of deprivation, meanwhile, may affect those in more sparsely populated areas which may appear less deprived in overall terms. In particular, individuals living in these areas may have far more limited access to a range of services, including learning provision. Some groups are likely to be more adversely affected than others, for example women on low incomes or in unemployment, particularly those who also have childcare responsibilities. More generally, the population drift towards more rural areas may impact on participation in learning if this trend continues over the long term.

³⁰ ODPM Index of Multiple Deprivation 2004.



Source: ODPM Index of Multiple Deprivation 2004

Skills for Life

- More people in the North East have poor literacy and/or numeracy skills than in England.
- 63 per cent of the working age population in the region have literacy skills below Level 2, compared with the national average of 56 per cent.
- 79 per cent of the region's population have numeracy skills below Level 2, compared with 75 per cent in England.
- Few adults acknowledge a need to improve their literacy or numeracy skills.
- People with poor basic skills are less likely than average to participate in learning. They are also less likely to identify incentives which might encourage them to do so.

56 The Skills for Life Survey³¹ provides estimates of adult literacy and numeracy over five broad levels of competence. Literacy and numeracy skills are considered poor if they are below Level 2, comparable with a GCSE at grades A*–C. Level 1 skills are comparable to a GCSE at grades D–G, while

³¹ DfES Skills for Life Survey 2003.

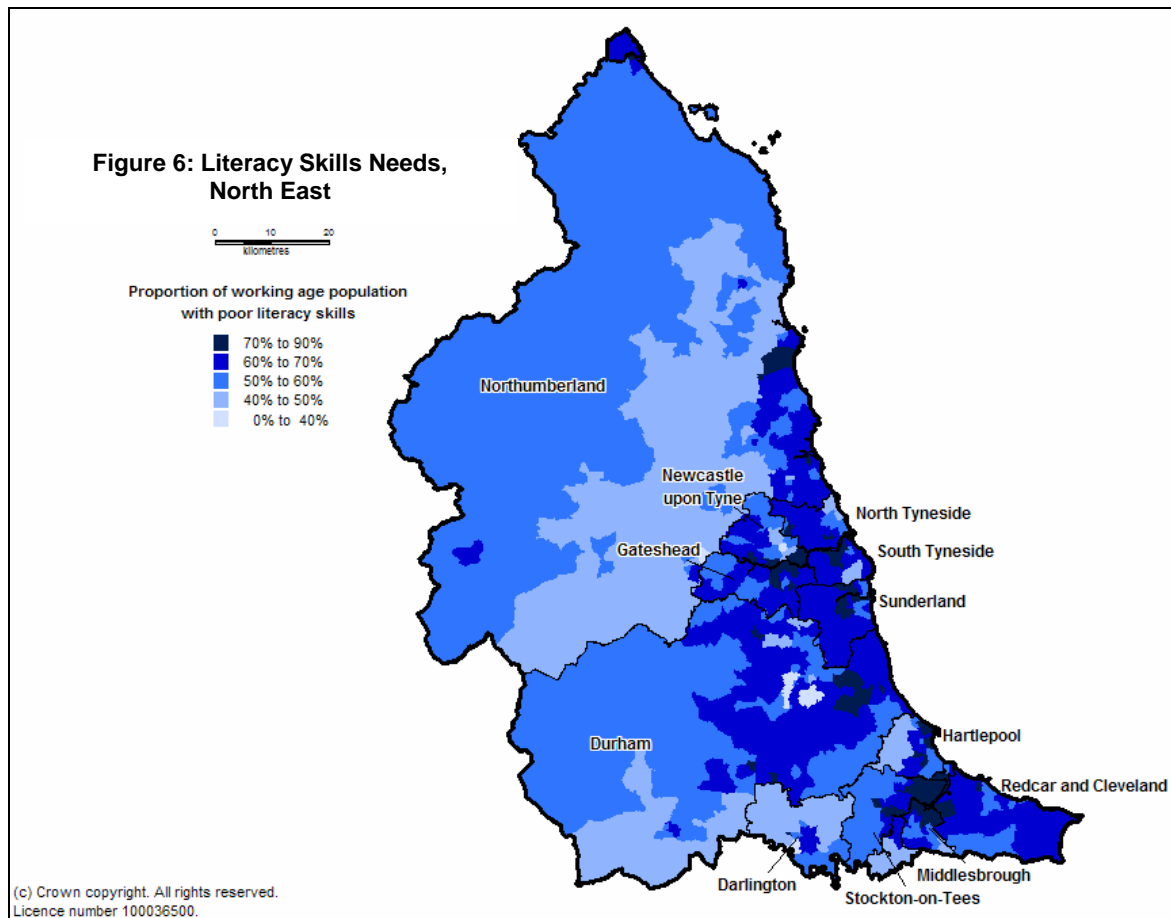
skills at Entry Level 1, 2 and 3 are below GCSE level, with Entry Level 1 being the lowest.

Partnership Area	Working age adults with Literacy below Level 2		Working age adults with Numeracy below Level 2	
	Point estimate	Credible range	Point estimate	Credible range
Northumberland	61%	54%–69%	85%	79%–90%
Gateshead	70%	63%–77%	88%	82%–93%
Newcastle upon Tyne	58%	50%–65%	85%	79%–90%
North Tyneside	65%	58%–72%	82%	76%–87%
South Tyneside	70%	63%–77%	86%	80%–91%
Sunderland	68%	60%–74%	88%	83%–93%
Durham	63%	57%–69%	86%	81%–90%
Darlington	64%	57%–71%	86%	81%–91%
Hartlepool	71%	64%–78%	90%	84%–94%
Middlesbrough	70%	63%–77%	89%	83%–93%
Redcar & Cleveland	71%	64%–77%	90%	86%–94%
Stockton-on-Tees	60%	52%–68%	87%	81%–91%
North East region	63%	60%–66%	79%	76%–82%
England	56%	55%–57%	75%	74%–75%

Source: DfES Skills for Life Survey 2003

- 57 A significant proportion of the working age population in the North East have literacy skills below Level 2 (63 per cent, compared with 56 per cent in England). People with poor literacy skills may be able to read short articles in tabloid newspapers, but cannot find details for plumbers in the Yellow Pages. Those with very poor literacy skills have great difficulty reading.
- 58 The proportion of the working age population with poor literacy skills is estimated to be greater than the national average in all Partnership Areas in the North East. The proportion is highest in Hartlepool (71 per cent), Redcar and Cleveland (71 per cent), Gateshead (70 per cent), South Tyneside (70 per cent) and Middlesbrough (70 per cent). Newcastle is estimated to have the lowest proportion of the working age population with poor literacy skills (58 per cent), though there are some areas in Newcastle where more than 70 per cent of the population have literacy skills below Level 2.

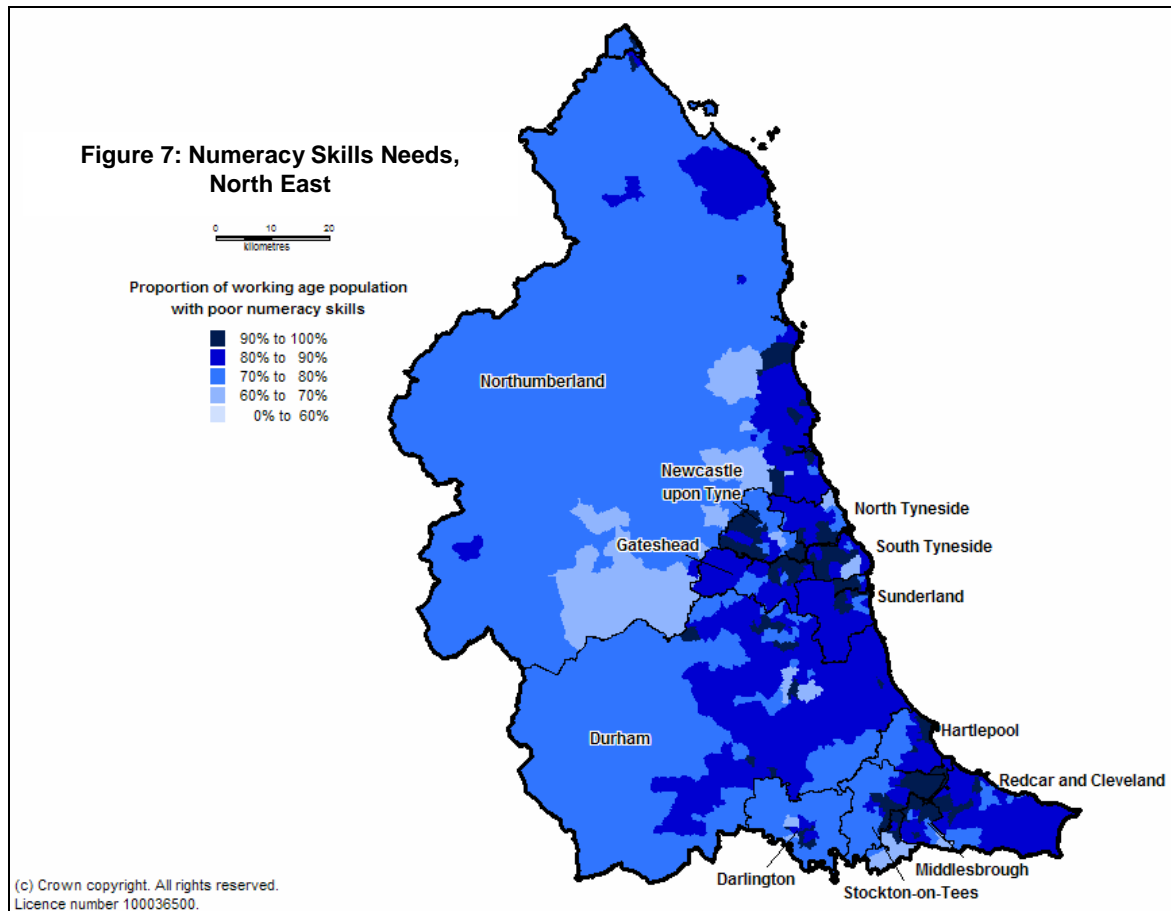
³² The Skills for Life Survey provides sound estimates of literacy and numeracy skills at regional and national levels, direct from the survey results. Below regional level, estimates are modelled from the socio-economic information collected during the survey, and are subject to wider margins of error. The table shows, firstly, the figures regarded as the *most likely* rates of literacy and numeracy skills (the 'point estimate'), and secondly, taking margins of error into account, the 'credible range' within which the *actual* rates of literacy and numeracy skills lie.



Source: DfES Skills for Life Survey 2003

- 59 The proportion of the working age population in North East who have numeracy skills below Level 2 (79 per cent, compared with 75 per cent in England) is even higher than the proportion with poor literacy skills. People with poor numeracy skills can cope with simple transactions but find percentages and fractions difficult. Those with very poor numeracy skills are unable to perform even the simplest of calculations.
- 60 As with literacy, the proportion of the working age population with poor numeracy skills is estimated to be greater than the national average in all Partnership Areas in the region. The proportion is estimated to be highest in Stockton-on-Tees (90 per cent), Durham (90 per cent) and Northumberland (89 per cent), and lowest in South Tyneside (82 per cent). Again, however, there are concentrations of adults with poor numeracy skills in all areas.
- 61 Local research suggests that despite the high proportion of the adult population considered to have poor basic skills, few adults acknowledge a need to improve their literacy and numeracy skills. People who are believed to be most at risk of experiencing problems due to poor basic skills are less likely than average to have recently undertaken learning, and less likely than average to express plans to undertake learning in the future. They are also

less likely than average to identify potential incentives which would encourage them to undertake learning in the future³³.



Source: DfES Skills for Life Survey 2003

The labour market context

- There are around 67,800 workplaces in the North East. A little over 1 million jobs are located in the region.
- The Retail sector, the Science, Engineering and Manufacturing Technologies sector, the Hospitality, Leisure, Travel and Tourism sector and the Public Services are the largest employers in the region.
- There has been a shift in the economy towards service sectors and related occupations, exemplified by employment decline in manufacturing sectors and growth in service sectors.

62 There are around 67,800 workplaces in the North East region³⁴. This is not necessarily a reflection of the number of employers, however, as one employer may have many individual workplaces. While the largest shares of

³³ *The Characteristics of Individuals with Poor Basic Skills*, Learning and Skills Council Tyne and Wear, 2003.

³⁴ ONS Annual Business Inquiry 2004.

workplaces are found in the two largest Partnership Areas in the region – 18.7 per cent are located in Durham, and 14.2 per cent in Northumberland – there is also a concentration in Newcastle, where 12.7 per cent of workplaces are found.

- 63 There are relatively few large establishments in the North East, but workplaces with 200 or more jobs account for a slightly higher than average proportion of all workplaces in the region (1.0 per cent, compared with 0.7 per cent in England). Small establishments with 11–49 jobs, and to a lesser extent medium-sized establishments with 50–199 jobs are also slightly more significant regionally than nationally. Micro-establishments with 1–10 jobs are the most common workplace by size, but account for a lower proportion of workplaces in the region than in England (78.1 per cent compared with the national average of 83.7 per cent). Large workplaces are more significant in Newcastle, Middlesbrough, Stockton-on-Tees, Sunderland and Hartlepool than in other Partnership Areas in the region. There are very few large workplaces in Northumberland, where micro-establishments are more common than in other areas.
- 64 Micro-establishments account for a smaller than average proportion of jobs in the North East (17.2 per cent compared with 20.6 per cent in England). Conversely, the largest workplaces account for a higher proportion of jobs in the region (32.2 per cent) than in England (30.6 per cent). Newcastle has a particularly high concentration of jobs in large workplaces compared with other Partnership Areas in the region; Middlesbrough also has a higher than average concentration of jobs in large workplaces. Micro-establishments and small workplaces account for relatively few jobs in these areas. In contrast, large workplaces account for relatively few jobs in South Tyneside and Northumberland, where micro-establishments and small workplaces are more significant than average.
- 65 The sectoral structure of the North East is broadly similar to that in England. The North East has a larger than average share of workplaces in the Retail sector, in the Hospitality, Leisure, Tourism and Travel sector and in Public Services. It has a smaller than average share of workplaces in Business Services.
- 66 A little over 1 million jobs are located in the North East. The sectoral structure of employment in the North East is also broadly similar to the national picture. The region has a slightly larger than average share in the Science, Engineering and Manufacturing Technologies sector and in the Construction sector, and a larger than average share of employment in Public Services. The share of employment in other service sectors in the region is smaller than average.
- 67 There are greater differences in the sectoral structure of employment between Partnership Areas in the North East. Stockton-on-Tees and Redcar and Cleveland, for example, have a significantly greater share of employment in the Chemicals, Nuclear, Oil and Gas, Petroleum and Polymers sector than other Partnership Areas in the region; Stockton also has a significantly larger than average share of employment in the Construction sector. Durham and

Sunderland, and to a lesser extent Gateshead and South Tyneside, have a larger than average share of employment in the Science, Engineering and Manufacturing Technologies sector. Northumberland has a larger than average share of employment in Hospitality, Leisure, Travel and Tourism. Newcastle has larger than average shares of employment in the Business Services and Financial Services sectors and, like Gateshead, in the Public Administration and Defence sector. Middlesbrough has larger than average shares of employment in the Lifelong Learning sector and the Health sector.

- 68 Between 2001 and 2004, employment decline was more significant in a number of the region's manufacturing sectors than in England (in particular, employment in the Clothing and Textiles sector in the North East declined by 40 per cent, compared with a decline of 23 per cent in England). This decline was offset by employment growth in many service sectors, including the Business Services sector (growth of 10.8 per cent in the North East, compared with 4.7 per cent in England), the Financial Services sector (growth of 14.1 per cent in the region, compared with decline of 5.1 per cent in England), the IT, Telecommunications and Contact Centres sector (growth of 10.4 per cent in the North East, compared with decline of 2.6 per cent in England), the Education and Lifelong Learning sectors (growth of 16.5 per cent and 22.5 per cent respectively, compared with 10.5 per cent and 13.1 per cent in England) and the Public Administration and Defence sector (growth of 15.8 per cent in the North East, compared with 8.0 per cent in England). Overall, employment in the North East grew at a slightly faster rate (2.9 per cent) between 2001 and 2004 than in England (2.0 per cent).
- 69 There has also been a shift towards employment in service-related occupations since 2001, with growing proportions of employed people in the North East working in Personal Service occupations and in Sales and Customer Service occupations. Conversely, the proportions working in Elementary occupations and as Process, Plant and Machine Operatives have fallen. The proportions working in Associate Professional and Technical occupations and as Managers and Senior Officials have also increased³⁵.
- 70 The proportion of employed people in the North East who work in higher level occupations with relatively high skills needs and high demand for qualifications³⁶, however, is well below the national average (34.8 per cent compared with 42.1 per cent in England). In contrast, the proportion working in lower level occupations, with relatively low skills needs and low demand for qualifications³⁷, is higher than average (21.5 per cent compared with 18.7 per cent in England). The proportion working in intermediate level occupations³⁸ is also higher than average (31.0 per cent compared with 28.0 per cent in

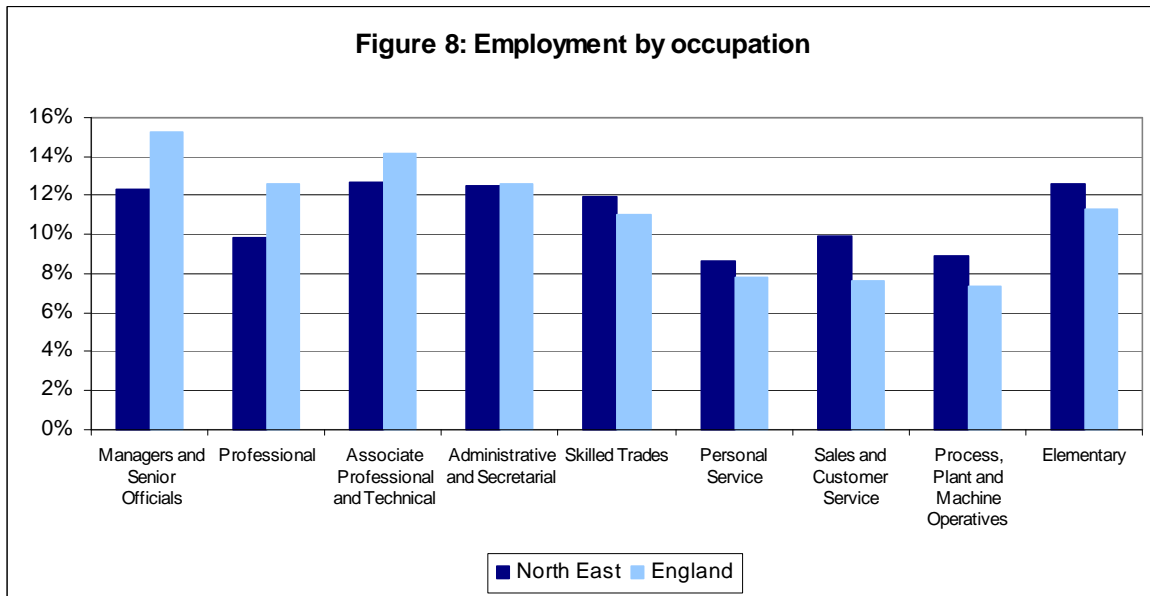
³⁵ ONS Annual Population Survey 2001/02 and 2005.

³⁶ Higher level occupations include Managers and Senior Officials, Professional occupations and Associate Professional and Technical occupations.

³⁷ Lower level occupations include Process, Plant and Machine Operatives and Elementary occupations.

³⁸ Intermediate level occupations include Administrative and Secretarial occupations, Personal Service occupations, and Sales and Customer Service occupations.

England). The proportion working in Skilled Trades occupations is slightly higher than average (12.0 per cent compared with 11.0 per cent in England).



Source: ONS Annual Population Survey 2005

Economic activity

- Economic activity in the North East (75.1 per cent) is below the national average (78.5 per cent).
- The employment rate in the North East (70.6 per cent) is also below average (74.7 per cent).
- The lower the level of qualification a person holds, the less likely they are to be in employment.

71 Reflecting long-term trends, the economic activity rate in the North East (75.1 per cent) is below the national average (78.5 per cent)³⁹. Economic activity rates count working age people who are in employment, seeking work or undertaking work-related training. They exclude people who are in full-time education, people who are incapacitated, carers (whether looking after home or family) and the retired.

72 The economic activity rate is lower than the national average in all Partnership Areas in the North East, with the exception of North Tyneside (80.4 per cent). Economic activity rates are lowest in Middlesbrough (71.6 per cent), Hartlepool (72.4 per cent) and Newcastle (72.5 per cent).

³⁹ ONS Annual Population Survey 2005.

Employment

73 The employment rate in the region (70.6 per cent) is also below the national average (74.7 per cent). The proportion of employed people in the North East who are self-employed (8.7 per cent) is well below the national average (12.6 per cent). This reflects a wider concern regarding the level of entrepreneurship in the region. The North East has the lowest number of business per capita among the English regions, and performs poorly in terms of business formation and growth⁴⁰.

TABLE 5: EMPLOYMENT RATE BY HIGHEST LEVEL OF QUALIFICATION

Highest level of qualification	North East (% of working age population)	England
Level 4 or above	87.1%	87.1%
Level 3	78.2%	78.0%
Level 2	73.0%	75.4%
Below Level 2	66.5%	72.7%
No qualifications	39.8%	48.8%
Overall employment rate	70.6%	74.7%

Source: ONS Annual Population Survey 2005

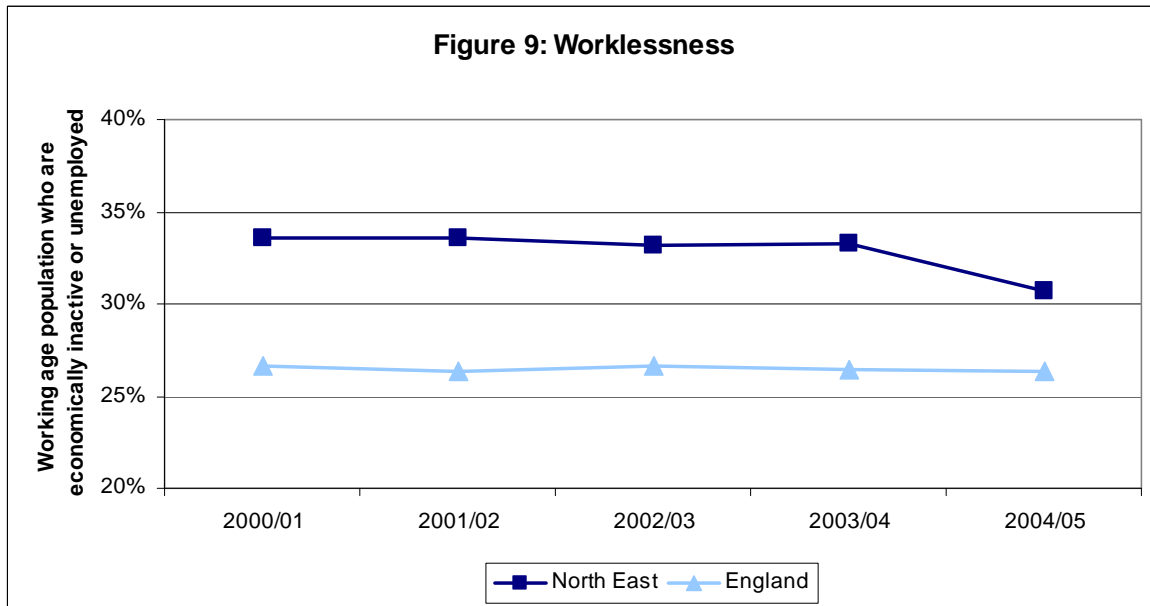
74 The lower the level of qualification a person holds, the less likely they are to be in employment. Among people qualified to Level 3 or above, the employment rate in the North East compares favourably with that in England. The employment rate among people in the North East with qualifications at Level 2 or below is lower than the national average. The employment rate among those with no formal qualifications at all is significantly lower than average, suggesting particular issues relating to the employability skills of this group.

Worklessness

- An estimated 444,000 working age people in the North East are workless. Both economic inactivity and unemployment in the region are above average.
- Around a quarter of the economically inactive people in the North East would like a job, but they are not actively seeking work. The most common reason for this is long-term sickness.
- A higher than average proportion of the population in the North East claim Incapacity Benefit.
- Long term unemployment is slightly lower than average in the North East. Unemployment is often a recurring situation, however, and for many people the available employment opportunities are short term in nature with little continuity between jobs.

⁴⁰ *Policy Implementation Frameworks: Delivering the Regional Economic Strategy, One NorthEast, 2003.*

75 An estimated 444,000 working age people in the North East – 30.7 per cent of the population compared with 26.3 per cent in England – are workless (defined as economically inactive or unemployed)⁴¹. The level of worklessness in the region appears to have declined in the last year, and the gap between the North East and England has closed during this period. It is not yet clear whether this trend will continue over the longer term. Estimates suggest that some 90,000 workless people in the North East need to start work for the rate of worklessness to fall to a level equal to the national average⁴².



Source: ONS Local Area Labour Force Survey; ONS Annual Population Survey

76 The level of worklessness is above the national average in most Partnership Areas in the North East, with the exception of North Tyneside (25.5 per cent of the working age population) and Darlington (25.8 per cent). Worklessness is particularly high in Newcastle (34.2 per cent), Hartlepool (34.2 per cent), South Tyneside (34.6 per cent) and Middlesbrough (36.8 per cent).

Economic inactivity

77 Some 380,000 working age people in the North East – 24.9 per cent of the population, compared with the national average of 21.5 per cent – are economically inactive⁴³. Economically inactive people include those who are not in employment, and are neither seeking work nor undertaking work-related training. Economically inactive people may be in full-time education, unable to work because they are incapacitated or because they are caring for someone else, or retired before reaching state pension age.

⁴¹ ONS Annual Population Survey 2005.

⁴² *What is the Economic Status of the Working Age Population?* North East Regional Information Partnership, 2005.

⁴³ ONS Annual Population Survey 2005.

- 78 Around a quarter (25.3 per cent) of the economically inactive people in the North East would like a job, a slightly higher proportion than the national average (23.7 per cent). However, they are not actively seeking work. Relatively high proportions of the economically inactive people in Newcastle (35.0 per cent) and North Tyneside (31.0 per cent) want a job; in contrast, a low proportion of the economically active people in Durham (19.8 per cent) want a job.
- 79 The most common reason that economically inactive people who want a job are not actively seeking work is long term sickness. The proportion of economically inactive people in the North East who want a job but say that long term sickness prevents them from actively seeking work (39.0 per cent) is higher than the national average (32.4 per cent).
- 80 Statistics from the Department for Work and Pensions⁴⁴ suggest that 9.8 per cent of the North East's working age population – 149,000 people – were claiming Incapacity Benefit at Jobcentre Plus offices in the North East in November 2005, compared with the national average of 6.2 per cent. Incapacity Benefit is paid to people who have been incapable of work because of sickness or disability for at least four days in a row, and who have paid sufficient National Insurance contributions throughout their working lives. The majority of Incapacity Benefit claimants were also claiming other benefits, including Income Support and/or Disability Living Allowance.

Unemployment

- 81 Reflecting long term trends, the unemployment rate in the North East (5.8 per cent) is higher than the national average (4.8 per cent)⁴⁵. The unemployment rate includes working age people who are out of work and want a job, and have either actively sought work in the last four weeks and are available to start work in the next two weeks, or have a job that they will start within the next two weeks – regardless of whether they claim or are eligible for unemployment-related benefits.
- 82 An estimated 66,300 people in the North East are unemployed and actively seeking work. Since 2000/01, unemployment in the North East has declined at a faster rate than in England, and the gap between regional and national unemployment rates has closed over this period (from 2.7 percentage points in 2000/01 to 1.0 percentage points in 2004/05).
- 83 Unemployment rates are above average in almost all Partnership Areas in the North East, with the exception of Stockton-on-Tees (4.6 per cent) and North Tyneside (3.5 per cent). Unemployment is particularly high in South Tyneside (8.3 per cent) and Middlesbrough (8.4 per cent).

⁴⁴ DWP Benefit Claimants (5% data – working age client group), November 2005.

⁴⁵ ONS Annual Population Survey 2005.

Claimant Count

- 84 The Claimant Count records the number of people claiming Jobseeker's Allowance (JSA) at Jobcentre Plus offices. Claimants must declare that they are out of work, that they are capable of working, and that they are available for and actively seeking work. Not all unemployed people are eligible for Jobseeker's Allowance, so the Claimant Count records a lower level of unemployment than the official unemployment rate.
- 85 In part reflecting the level of unemployment in the North East, the proportion of the region's residents who claim Jobseeker's Allowance (3.2 per cent – some 50,000 people) is higher than the national average (2.5 per cent)⁴⁶. The Claimant Count is above the national average in all Partnership Areas in the North East except Durham (2.3 per cent).
- 86 The proportion of JSA claimants in the North East who are experiencing long term unemployment, of six months or longer without interruption (35.3 per cent), is slightly lower than the national average (37.0 per cent). Long term unemployment is more common in Redcar and Cleveland (42.6 per cent of JSA claimants) and Middlesbrough (43.3 per cent) than elsewhere in the region. Although the majority of people who claim Jobseeker's Allowance have been doing so for less than six months, however, unemployment is often a recurring situation. For many people, the available employment opportunities are short term in nature, with little continuity between jobs. Regional research⁴⁷ suggests that as many as 60 per cent of JSA claimants at any time may also have had a separate claim in the previous year, while half of those ceasing to claim may begin to do so again in the following six months. Additionally, about 30 per cent of those who end a claim for JSA do so for reasons other than starting work. Some of these begin to claim again without having had a job.

Young people and learning

Participation in learning among young people

- DfES figures suggest the overall level of participation in education and training among 16 year olds in the North East is slightly higher than the national average, while participation among 17 year olds is in line with the national average.
- Participation in Work Based Learning among young people in the region is higher than average, while participation in full time education is below average.
- Participation in learning among 17 year olds is significantly lower than among 16 year olds. The decline in participation between ages 16 and 17 is greater in the region than nationally.

⁴⁶ ONS Claimant Count with rates and proportions, June 2006.

⁴⁷ *State of the Region 2003*, North East Regional Information Partnership, 2003.

- The decline in participation between ages 16 and 17 is most significant in full-time education, while participation in Work Based Learning and part-time education among 17 year olds is higher than among 16 year olds.
- Connexions data shows a further decline in participation at age 18, with a significant increase in employment rates between each age group.
- Almost one in four young people in the region who are in employment are without training to Level 2.
- The decline in participation between ages 16 and 17 also means that 17 year olds are more likely not to be in education, employment or training than 16 year olds.

- 87 The latest statistics from the Department for Education and Skills suggest that the overall level of participation in education and training among 16 year olds in the North East is slightly higher than the national average. The pattern of participation in the region differs from the national picture, however. Participation in full-time education is lower in the North East than in England. Conversely, participation in Work Based Learning in the region is significantly higher than average.
- 88 At Partnership Area level, differences in the pattern of participation in full-time education tend to reflect the different organisation of post-16 education between local authorities. In South Tyneside, for example, 16–18 provision is delivered by the local Further Education college; in the south of the region (the former LSC Tees Valley area), 16–18 provision is mainly delivered through Sixth Form Colleges. Other differences in the pattern of participation are also apparent. The level of participation in Work Based Learning, for example, is particularly high among 16 year olds in South Tyneside and Sunderland. The level of participation in part-time education is higher among 16 year olds in Gateshead than in other Partnership Areas.
- 89 Nationally, participation rates among 16 and 17 year olds have remained relatively stable. Regional participation rates show greater fluctuation, with a decline in participation among both 16 and 17 year olds between 2001 and 2002, and further decline among 17 year olds between 2002 and 2003, followed by slight increases in participation rates among both age groups to 2004. Despite these fluctuations, participation among 16 year olds has remained slightly higher than the national average throughout this period. In contrast, participation among 17 year olds fell just below the national average in 2003, though the most recent figures suggest that slight improvement between 2003 and 2004 meant that participation among 17 year olds was in line with the average in 2004.
- 90 Participation rates calculated by DfES show a significant decline in participation in education and training between ages 16 and 17, which is greater in the North East than in England, and 17 year olds are significantly less likely to participate in learning than 16 year olds. Within the region, the fall in participation rates appears to be due in particular to declining participation among young people in Gateshead, Sunderland and

Middlesbrough, and to a lesser extent in Darlington, Hartlepool, Redcar and Cleveland and South Tyneside. The decline in Northumberland is smaller than in other Partnership Areas in the North East.

TABLE 6: PARTICIPATION IN LEARNING AMONG 16 YEAR OLDS, END 2004

Partnership Area	Proportion of cohort aged 16 who are:							
	in maintained schools (inc. schools with Sixth Forms)	in independent schools (inc. schools with Sixth Forms)	in Sixth Form Colleges	in other Further Education (inc. FE and HE institutions)	all in full time education	in Work Based Learning	in part time education	all in education and training (total participation)
Northumberland	54%	1%	0%	15%	69%	11%	4%	84%
Gateshead	36%	4%	0%	28%	68%	12%	7%	86%
Newcastle upon Tyne	40%	14%	0%	19%	74%	8%	3%	85%
North Tyneside	35%	3%	12%	20%	71%	11%	3%	85%
South Tyneside	12%	0%	0%	49%	61%	18%	5%	84%
Sunderland	16%	2%	0%	50%	68%	17%	4%	89%
Durham	27%	3%	5%	32%	68%	13%	4%	85%
Darlington	7%	2%	34%	30%	73%	10%	2%	86%
Hartlepool	10%	0%	26%	34%	70%	15%	3%	88%
Middlesbrough	2%	10%	20%	39%	70%	12%	3%	86%
Redcar & Cleveland	1%	0%	32%	33%	66%	13%	3%	83%
Stockton-on-Tees	11%	6%	29%	27%	73%	14%	3%	91%
North East region	25%	4%	10%	31%	69%	13%	4%	86%
England	29%	6%	10%	28%	73%	7%	4%	84%

Source: *Participation in Education and Training by 16 and 17 year olds in each local area in England: 2003 and 2004*, DfES, 2006

- 91 Decline in participation in full-time education is most significant, and again is more noticeable in the North East than in England. In contrast, participation rates in Work Based Learning tend to show a slight increase between ages 16 and 17, with a particularly significant increase in Hartlepool and Darlington. Participation rates in part-time education also tend to rise between ages 16 and 17, with a larger increase in participation across all Partnership Areas in the North East (with the exception of Hartlepool) than in England.
- 92 Data from Connexions confirms the decline in participation in learning between the ages of 16 and 17, with a further, larger decline between the ages of 17 and 18. As well as a shift in participation from full time education towards Work Based Learning, Connexions data also shows a significant increase in employment rates between each age group, suggesting that large

numbers of young people who leave school and engage in post-16 education and training may do so for a relatively short length of time. In May 2006, for example, Connexions data shows an employment rate of 6.9 per cent among

TABLE 7: PARTICIPATION IN LEARNING AMONG 17 YEAR OLDS, END 2004

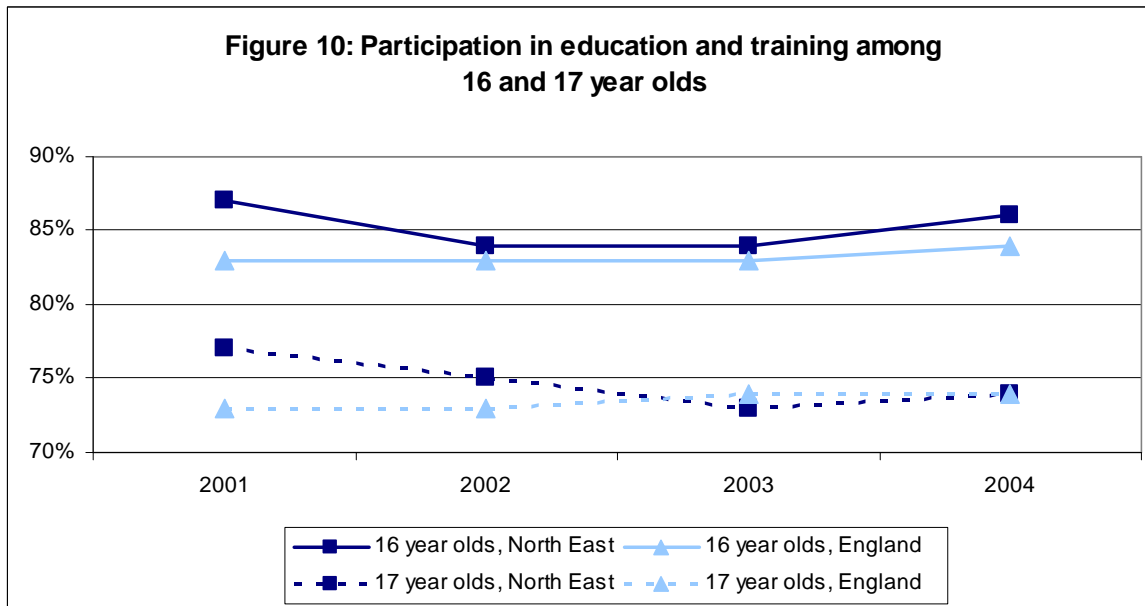
Partnership Area	Proportion of cohort aged 17 who are:							
	in maintained schools (inc. schools with Sixth Forms)	in independent schools (inc. schools with Sixth Forms)	in Sixth Form Colleges	in other Further Education (inc. FE and HE institutions)	all in full time education	in Work Based Learning	in part time education	all in education and training (total participation)
Northumberland	40%	1%	0%	14%	55%	14%	6%	75%
Gateshead	24%	3%	0%	22%	49%	13%	9%	71%
Newcastle upon Tyne	27%	12%	0%	19%	59%	11%	5%	75%
North Tyneside	26%	3%	10%	16%	55%	13%	6%	75%
South Tyneside	8%	0%	0%	38%	46%	19%	9%	73%
Sunderland	14%	1%	0%	34%	49%	18%	7%	74%
Durham	22%	3%	3%	24%	51%	16%	7%	74%
Darlington	6%	2%	25%	19%	53%	15%	6%	73%
Hartlepool	9%	0%	19%	23%	51%	21%	3%	75%
Middlesbrough	2%	6%	14%	31%	53%	13%	6%	72%
Redcar & Cleveland	1%	0%	24%	25%	49%	16%	5%	70%
Stockton-on-Tees	10%	5%	24%	20%	60%	15%	6%	81%
North East region	19%	3%	7%	24%	53%	15%	6%	74%
England	23%	6%	8%	23%	60%	9%	5%	74%

Source: *Participation in Education and Training by 16 and 17 year olds in each local area in England: 2003 and 2004*, DfES, 2006

16 year olds, compared with 33.1 per cent among 17 year olds and 60.0 per cent among 18 year olds. While most young people in employment (77.5 per cent) were in work with planned training, almost one in four (22.5 per cent) were in work without training to Level 2⁴⁸.

- 93 In addition, the decline in participation between the ages of 16 and 17 also means a higher proportion of 17 year olds are not in education, employment or training (the NEET group) compared with the proportion of 16 year olds. In May 2006, 9.5 per cent of 16 year olds were NEET, compared with 11.3 per

⁴⁸ Employment with planned training includes Work Based Learning with employed status, employment with training to Level 2 or above, and employment with locally recognised training (for example, company-specific training schemes equivalent to a Level 2 but not formally accredited). Temporary employment and part-time employment are discounted for the purposes of calculating the proportions of young people in employment with and without training.



Source: *Participation in Education and Training by 16 and 17 year olds in each local area in England: 2003 and 2004*, DfES, 2006

cent of 17 year olds. However, the further decline in participation in learning at age 18 does not appear to result in an increase in the proportion of 18 year olds who are not in education, employment or training. 10.7 per cent of 18 year olds were NEET in May 2006, probably reflecting the scale of flows into employment between ages 17 and 18.

The NEET group

- Young people in the North East are more likely than average not to be in education, employment or training. In March 2006, 10.7 per cent of 16–18 year olds in the region were NEET, compared with the national average of 7.9 per cent.
- The NEET group has not reduced significantly in the last two years, despite successes in moving young people into employment or learning, as there has been a balancing flow into the NEET group from successes in identifying young people whose activity is not known.
- There is also a significant inflow into the NEET group at age 17 among young people who leave learning or fail to progress.
- Most NEET young people are available for work or learning. The older they are, however, the less likely they are to be so.
- Among young people who are not available for work or learning, illness is a common cause of being NEET.
- A small but significant proportion of young people in the North East are NEET because of teenage pregnancy or parental responsibilities.

- 94 While DfES figures suggest that young people in the North East are at least as likely as average to be participating in education and training, data from Connexions suggests that young people in the region are more likely than average *not* to be in education, employment or training⁴⁹. In March 2006, some 10.7 per cent of the North East cohort aged 16–18 years old – over 8,200 young people – were not in education, employment or training, compared with 7.9 per cent of the national cohort. The activities of a further 6.6 per cent of the regional cohort – almost 5,500 young people – were not known, compared with 5.5 per cent of the national cohort. It is likely that some (though not all) young people whose activities were not known were actually NEET.
- 95 As a proportion of the total cohort, the size of the NEET group is particularly significant in South Tyneside, Sunderland and Gateshead. In numerical terms, a particularly large number of young people in Durham are NEET. Sunderland also appears to account for a disproportionate number of the region's NEET young people. The NEET group is not dispersed evenly across Partnership Areas, however, but is often concentrated in particular areas in which deprivation is high and there are long term problems of low educational attainment and worklessness.
- 96 The size of the NEET group in the North East as a whole has not reduced significantly in the last two years, despite successes in moving increasing numbers out of the NEET group and into employment or learning. There appears to have been a balancing flow of young people into the NEET group as similar successes have been achieved in identifying young people whose activity is not known. There is also significant inflow into the NEET group at age 17, reflecting the number of young people leaving learning, or failing to progress.
- 97 In the last year, improvements have been seen in some Partnership Areas, but the size of the NEET group has increased in others. Middlesbrough, Redcar and Cleveland, Darlington, Stockton-on-Tees and Newcastle all saw improvements in the size of the NEET group, with the most significant fall (6.9 percentage points) in Middlesbrough. In contrast, other Partnership Areas saw increases in the size of the NEET group, most significantly in Northumberland (1.4 percentage points, an additional 126 young people), Sunderland (1.8 percentage points, an additional 123 young people) and South Tyneside (3.6 percentage points, an additional 104 young people).

⁴⁹ This apparent discrepancy between DfES and Connexions figures is likely to arise from differences in the way the figures are calculated. In particular, DfES figures are based on administrative returns, while Connexions figures are survey-based and (theoretically at least) are therefore subject to greater margins of error. There are also differences in definitions between the two sources. Unlike DfES figures, Connexions count young people in employment. Connexions also consider the whole of the 16–18 year old cohort, while DfES look at 16 and 17 year olds only. Finally, the 'not known' group in the Connexions figures may account for some difference – in essence, this might be considered the minimum margin of error in the Connexions figures.

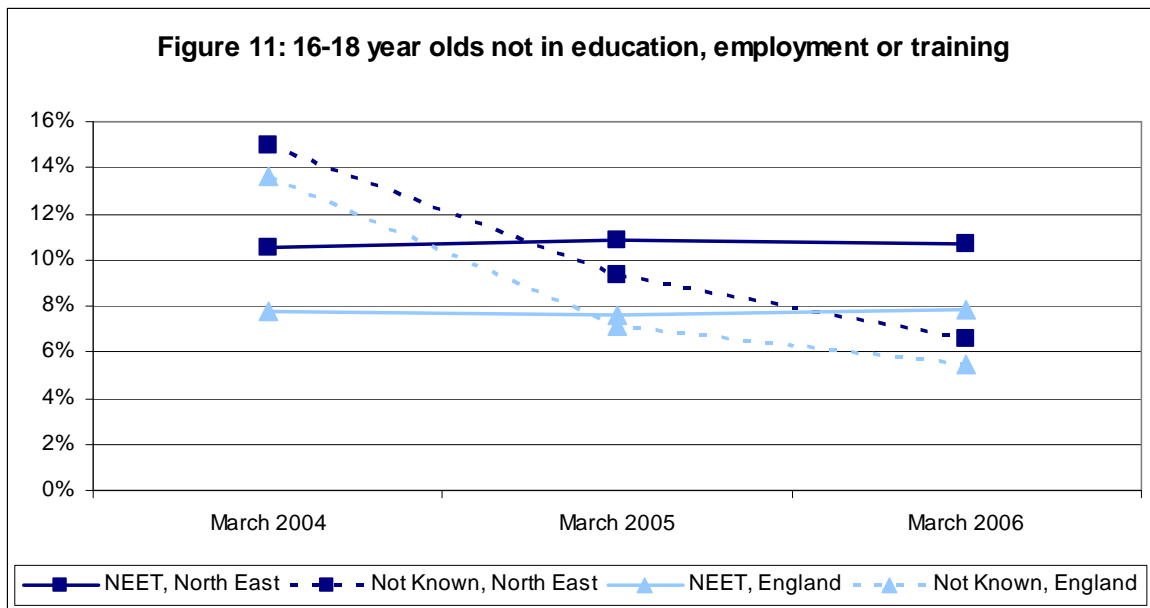
TABLE 8: 16–18 YEAR OLDS WHO ARE NOT IN EDUCATION, EMPLOYMENT OR TRAINING

Partnership Area		March 2005		March 2006	
		n	%	n	%
Northumberland	NEET	604	7.3%	730	8.7%
	Not known	610	6.8%	386	4.3%
Gateshead	NEET	597	11.5%	625	12.0%
	Not known	546	9.5%	447	7.9%
Newcastle upon Tyne	NEET	745	8.6%	804	8.4%
	Not known	942	9.8%	862	8.2%
North Tyneside	NEET	538	10.3%	573	10.8%
	Not known	577	10.0%	523	9.0%
South Tyneside	NEET	499	10.6%	603	14.2%
	Not known	612	11.5%	336	7.3%
Sunderland	NEET	1,097	12.0%	1,220	13.8%
	Not known	596	6.1%	434	4.7%
Durham	NEET	1,402	10.6%	1,520	11.3%
	Not known	1,355	9.3%	896	6.3%
Darlington	NEET	306	9.2%	234	6.6%
	Not known	524	13.6%	255	6.7%
Hartlepool	NEET	304	10.3%	336	10.8%
	Not known	429	12.6%	158	4.8%
Middlesbrough	NEET	833	18.2%	505	11.3%
	Not known	557	10.8%	626	12.2%
Redcar & Cleveland	NEET	596	13.2%	472	9.8%
	Not known	708	13.6%	200	4.0%
Stockton-on-Tees	NEET	742	11.9%	622	10.0%
	Not known	406	6.1%	316	4.8%
North East region	NEET	8,263	10.9%	8,244	10.7%
	Not known	7,862	9.4%	5,439	6.6%
England	NEET	103,987	7.6%	108,799	7.9%
	Not known	105,529	7.1%	80,001	5.5%

Source: Connexions/LSC

98 Across the region as a whole, the size of the group whose activities are unknown has reduced in the two years since March 2004. In the last year, significant reductions have been seen in Redcar and Cleveland, Hartlepool and Darlington. Despite these efforts, however, the size of this group as a proportion of the total cohort remains significant in Middlesbrough, and is

also relatively large in North Tyneside, Newcastle and Gateshead. In contrast, the activities of relatively few young people in Northumberland and Redcar and Cleveland are unknown.



Source: Connexions/LSC

- 99 In some areas where reductions were seen in the size of the group whose activities are not known, increases in the size of the NEET group were also seen. However, this is not a consistent pattern and in some Partnership Areas the opposite is true – the size of the group whose activities are unknown has reduced, while the size of the NEET group has also reduced. In Darlington, for example, the size of the group whose activities are not known reduced by 6.9 percentage points in the last year, while the size of the NEET group reduced by 2.6 percentage points. In Redcar and Cleveland, the size of the group whose activities are unknown reduced by 9.6 percentage points in the last year, while the size of the NEET group reduced by 3.4 percentage points.
- 100 The NEET group is not homogeneous, of course, and there are many reasons why young people may not be in education, employment or training. Most NEET young people (79.3 per cent in May 2006) are regarded as available to the labour market, and the majority of these are seeking employment or training. A small number are awaiting a place on a learning programme.
- 101 The older a NEET young person is, however, the less likely they are to be considered to be available to the labour market. 27.0 per cent of 18 year olds among the NEET group in May 2006 were not available to the labour market, compared with 17.0 per cent of NEET 17 year olds and 11.3 per cent of NEET 16 year olds. Illness is a common cause of being NEET, accounting for almost one in three (29.3 per cent) of those not available to the labour market in May 2006. A small number of young people are NEET because of

care responsibilities. A more worrying reason for being NEET, however, is teenage pregnancy. One in five young people not available to the labour market in May 2006 were pregnant (19.7 per cent), while more than two in five (44.7 per cent) were teenage parents. As with pregnancy, it is likely that the impact of parental responsibilities on participation in work and learning among young people disproportionately affect young women.

Young people in LSC-funded learning

- Over 70,000 young people aged 16–18 were in LSC-funded learning with North East providers in 2005/06, predominantly in Further Education.
- Participation among 16–18 year olds declined by 2.8 per cent between 2003/04 and 2005/06, compared with a slight increase nationally. The decline was particularly significant in Work Based Learning and Entry to Employment.
- The decline does not appear to be due to a shift towards participation in the independent sector, for example in Academies. The introduction of pre-E2E provision may account partly for the decline, though further analysis is needed.

102 Over 70,000 young people were in LSC-funded learning with North East providers in 2005/06. This figure includes mainstream-funded provision only, and does not include young people in other LSC-funded provision such as pre-E2E or other learning funded from the European Social Fund. It is therefore likely to be an under-estimate.

TABLE 9: 16–18 YEAR OLDS IN LSC-FUNDED PROVISION, NORTH EAST

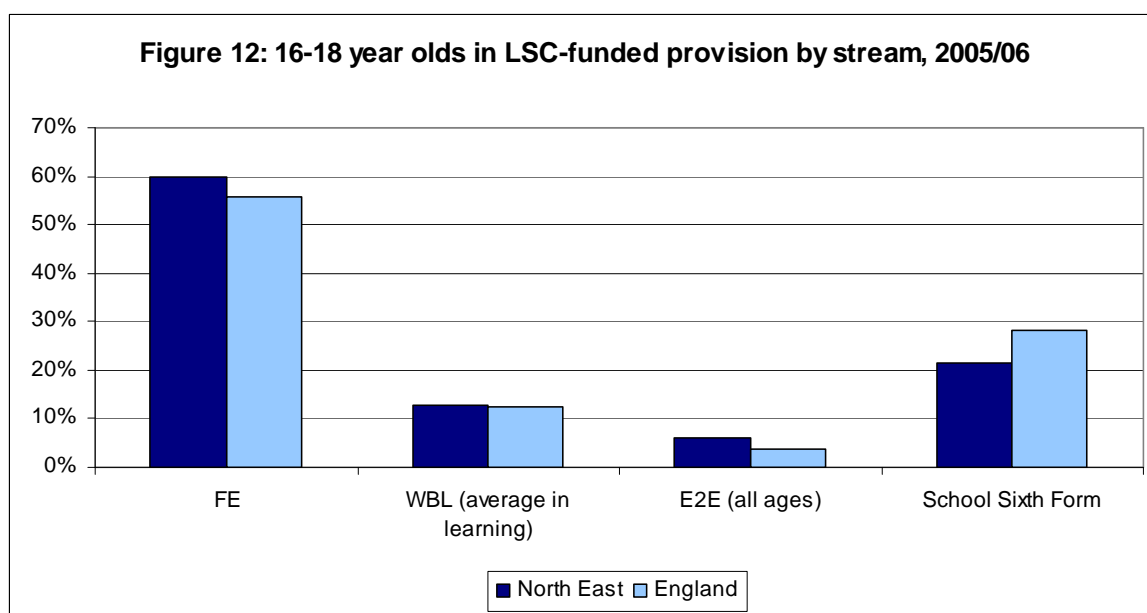
Year	Number of learners by funding stream				Total
	FE	WBL (average in learning)	E2E (all ages)	School Sixth Form	
2003/04	43,334	9,874	5,182	15,567	73,957
2004/05	43,480	9,594	5,016	15,338	73,428
2005/06 ⁵⁰	42,978	9,166	4,371	15,361	71,876

Source: LSC Individualised Learner Record 2003/04 F05/Period 13, 2004/05 F05/Period 13, 2005/06 F04/Period 12

103 Further Education provision accounts for the majority of young people in LSC-funded learning in the region (59.8 per cent in 2005/06), and is more significant in the region than in England (55.7 per cent). There are slightly more male learners (50.3 per cent) than female learners (49.7 per cent) in FE. The relative importance of FE provision is likely to be explained by the structure of post-16 education in the North East, with Sixth Form provision delivered in FE colleges in some Partnership Areas rather than in School Sixth Forms.

⁵⁰ 2005/06 data may not be complete for FE and ACL provision; there may also be slight changes to learner counts in other provision.

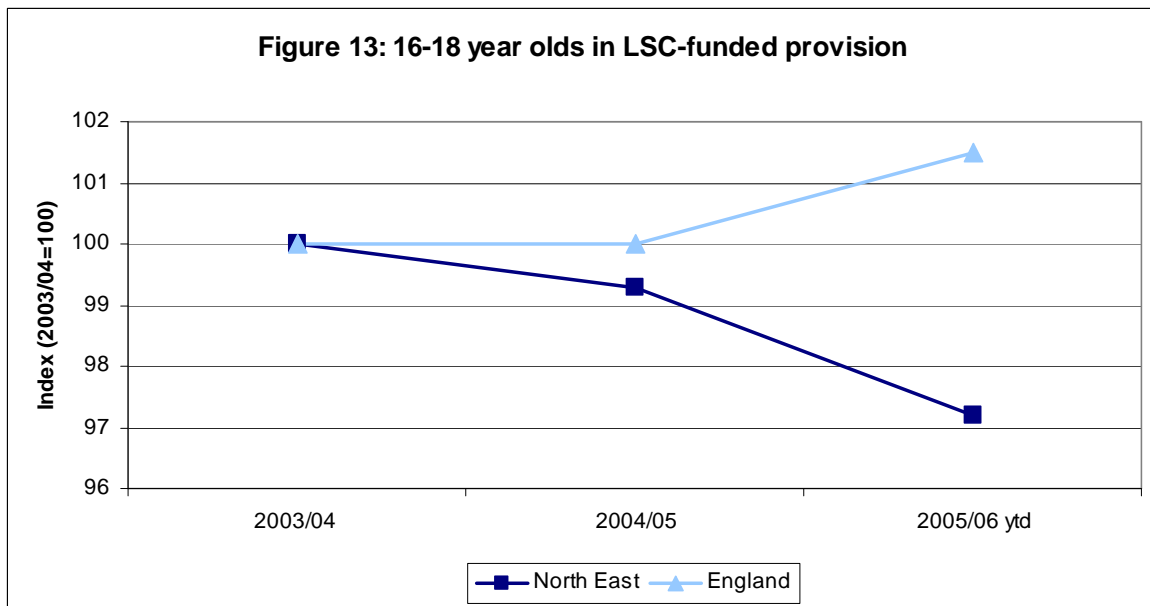
104 School Sixth Forms account for a smaller share of young people in learning in the North East (21.4 per cent in 2005/06) than in England (28.1 per cent). Work Based Learning accounts for a similar share of 16–18 year old learners in the North East (12.8 per cent in 2005/06) to that in England (12.3 per cent). There are more male learners (57.6 per cent) than female learners (42.4 per cent) in Work Based Learning. Though accounting for fewer learners, Entry to Employment is more significant in the region (6.1 per cent of young people in learning in 2005/06) than in England (3.9 per cent).



Source: LSC Individualised Learner Record 2003/04 F05/Period 13, 2004/05 F05/Period 13, 2005/06 F04/Period 12

- 105 The number of 16–18 year olds in LSC-funded provision in the North East showed a slight decline between 2003/04 and 2004/05, while remaining relatively stable in England. Between 2004/05 and 2005/06, the number of young people in LSC-funded learning in the region declined further. In contrast, learner numbers in England rose.
- 106 Overall, learner numbers in the North East declined by 2.8 per cent between 2003/04 and 2005/06, compared with an increase of 1.5 per cent in England. Participation in all strands of learning in the North East has seen a decline. In numerical terms, the greatest decline has been in Entry to Employment and Work Based Learning programmes, while the numbers of learners in School Sixth Forms and Further Education have fallen only slightly.
- 107 The number of learners in Entry to Employment programmes in the North East declined by 15.7 per cent between 2003/04 and 2005/06, a less significant fall than seen nationally (18.1 per cent). The decline in learner numbers in other strands of learning in the North East over this period, however, was in contrast to national trends. The number of learners in Work Based Learning fell by 7.2 per cent in the North East, compared with a decline of 3.7 per cent in England. School Sixth Form numbers declined by

1.3 per cent in the North East, but grew by 2.0 per cent in England. Further Education numbers fell by just 0.8 per cent in the North East, but this compares with growth of 4.2 per cent nationally.



Source: LSC Individualised Learner Record 2003/04 F05/Period 13, 2004/05 F05/Period 13, 2005/06 F04/Period 12

- 108 The decline in participation in LSC-funded learning among young people is likely to be due to several factors. The decline does not appear to be reflected in an increase in participation in independent learning provision. Between 2003/04 and 2004/05, the number of 16–18 year olds in independent schools (including Academies and City Technology Colleges) increased by fewer than 100 learners⁵¹, compared with decline of over 500 learners in LSC-funded provision. Academy provision for 16–18 year olds is expected to have increased in 2005/06 (for which data is not yet available), but growth is unlikely to account for the more significant decline in LSC-funded provision of over 1,500 young learners in this year.
- 109 The expansion of provision funded from the LSC’s non-mainstream budgets in 2005/06, and in particular the introduction of pre-E2E programmes, is likely to have lead to a reduction in learner numbers in some mainstream LSC-funded provision⁵². However, the reasons for the decline in participation among young people in 2005/06 are not entirely clear.

⁵¹ DfES School and College Achievement and Attainment Tables.

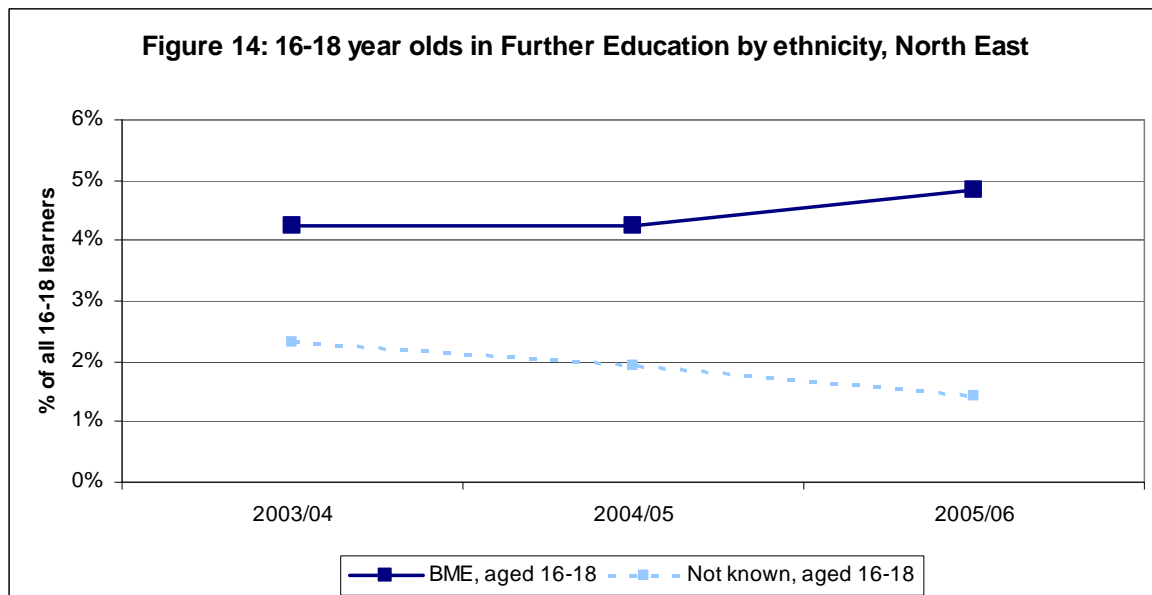
⁵² A policy shift in 2005/06 meant that young people who were not considered to be ready for E2E provision were instead directed to ESF-funded pre-E2E programmes such as Preparation for Progression. Pre-E2E programmes were delivered to 1,260 young people in the region in 2005/06 to prepare them for further learning and employment.

Young people in LSC-funded learning by ethnicity

- The number of young people from black and minority ethnic communities in Further Education in the North East increased between 2004/05 and 2005/06. The proportion of young learners from BME communities also increased.
- The number of young people from BME communities in Work Based Learning in the region declined between 2004/05 and 2005/06.
- Young people from BME communities are under-represented in WBL compared with FE. 1.2 per cent of 16–18 year olds in WBL in 2005/06 were from BME communities, compared with 4.8 per cent in FE.
- The largest ethnic group among young learners from BME communities in both FE and WBL in 2005/06 were from Asian or Asian British backgrounds.

110 The number of young people from black and minority ethnic communities in Further Education in the North East increased between 2004/05 and 2005/06, and as a proportion of all learners in FE participation among those from BME communities appears to have increased over this period. This may reflect the fall in the proportion of learners whose ethnicity is recorded as unknown, however, as well as a real increase in participation.

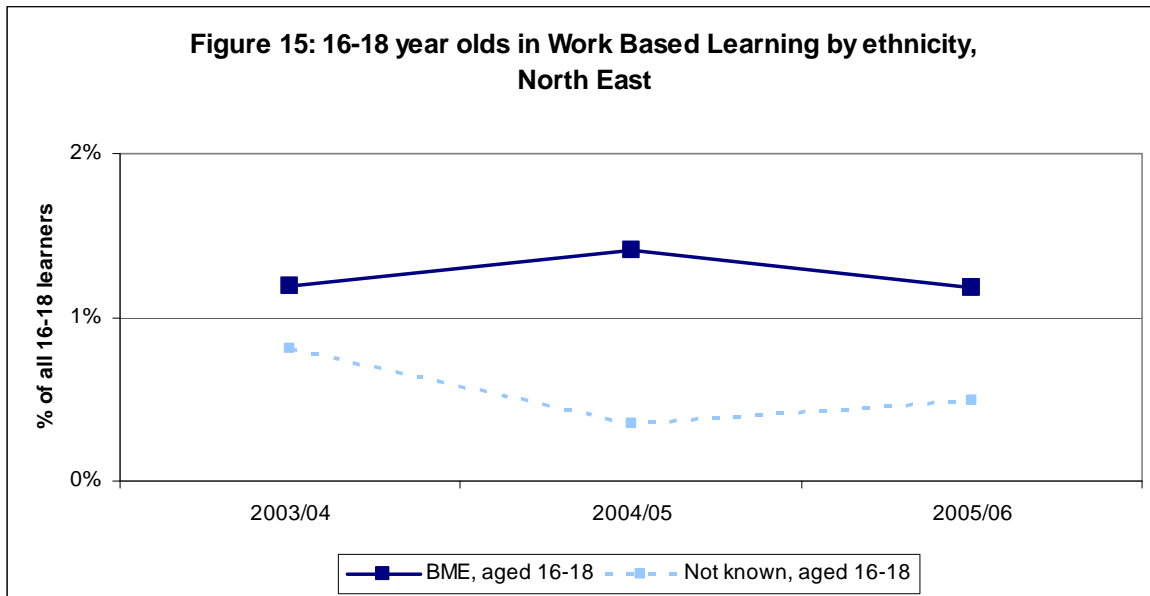
111 The number of young learners from black and minority ethnic communities in Work Based Learning fell slightly between 2004/05 and 2005/06. While the total number of learners in WBL also decreased, the decline in the number of learners from BME communities means that participation rates among this group as a proportion of all young learners declined over this period.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

112 Young people from BME communities are under-represented in Work Based Learning compared with Further Education – 1.2 per cent of 16–18 year old learners in Work Based Learning in 2005/06 were from BME communities,

compared with 4.8 per cent of 16–18 year old learners in FE. The actual number of learners from BME communities in Work Based Learning is very small, with around 135 young people in 2005/06. As in FE, the largest ethnic group among young learners from BME communities in Work Based Learning were from Asian or Asian British backgrounds.



Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 13, 2005/06 Period 13

Young people in LSC-funded learning by subject

- Despite the decline in the number of young people participating in Further Education between 2003/04 and 2005/06, the number of learning aims taken up by young learners increased by 3.7 per cent over this period.
- Two in every five learning aims taken up by young people in FE in the region in 2005/06 were in Preparation for Life and Work subjects. In most cases, this learning is likely to be delivered alongside learning in other subjects.
- There is a strong gender bias in many subject areas in FE. Construction, Planning and the Built Environment subjects and Engineering and Manufacturing Technologies are dominated by young men. Retail and Commercial Enterprise subjects and Languages, Literature and Culture subjects are dominated by young women.
- In contrast to FE, take-up of Work Based Learning among young people in the North East is concentrated in relatively few subject areas.
- As in Further Education, there is a strong gender bias in Work Based Learning, with male learners dominating most subject areas. Young women dominate learning in Health, Public Services and Care subjects, and to a lesser extent in Retail and Commercial Enterprise subjects and Business, Administration and Law subjects.

- 113 Young people took up more than 200,000 learning aims in Further Education provision in the North East in 2005/06, equivalent to some 4.8 learning aims per learner. Despite the decline in the number of young people participating in Further Education between 2003/04 and 2005/06, the number of learning aims taken up by young learners increased by 3.7 per cent over this period.
- 114 Two in every five learning aims taken up by young people in FE in the region in 2005/06 were in Preparation for Life and Work subjects (e.g. key skills, employability skills, etc.). Take-up of learning in Preparation for Life and Work subjects is more significant in the North East than in England. In most cases, this learning activity is likely to be delivered alongside learning in other subjects.
- 115 Other learning aims were taken up in a wide range of subjects. Health, Public Services and Care subjects were most popular (and were more popular among young learners in the North East than in England), followed by Arts, Media and Publishing subjects and Science and Mathematics subjects (which were less popular in the region than nationally).
- 116 There is a strong gender bias in many subject areas in FE. In particular, Construction, Planning and the Built Environment subjects are dominated by male learners (who accounted for 97.5 per cent of enrolments in 2005/06), as are Engineering and Manufacturing Technologies subjects (92.2 per cent) and, to a lesser extent (Information and Communication Technology subjects (67.0 per cent). Conversely, Retail and Commercial Enterprise subjects are dominated by young women (82.2 per cent of enrolments in 2005/06), as are Languages, Literature and Culture subjects (66.8 per cent) and, to a lesser extent, several other subject areas⁵³.
- 117 The number of enrolments among young people in FE fell in many subjects between 2003/04 and 2005/06. In relative terms, the most significant decline in enrolments was seen in Information and Communication Technology subjects, though this remained a relatively popular subject area. Enrolments also fell in Agriculture, Horticulture and Animal Care subjects, in Science and Mathematics subjects, in Business, Administration and Law subjects, in Languages, Literature and Culture subjects and in Leisure, Travel and Tourism subjects. The decline in enrolments in these subject areas in the North East was greater than any decline seen nationally. In contrast, the slight decline in enrolments in Social Science subjects in the region was far less significant than that across England as a whole.
- 118 Enrolments increased in other subject areas, most significantly (in relative terms) in Education and Training subjects, though this remains the least popular subject area among young people in FE. Health, Public Services and Care subjects, Preparation for Life and Work subjects and History, Philosophy and Theology subjects also saw increases in enrolments. The growth in these subjects was more significant than that seen nationally.

⁵³ A more detailed picture of participation in learning among young people by gender can be found in Appendix 2.

**TABLE 10: ENROLMENTS AMONG 16–18 YEAR OLDS IN FURTHER EDUCATION
BY SECTOR SUBJECT AREA, 2005/06**

Sector Subject Area	North East			England	
	Number of enrolments	Share of enrolments	Change since 2003/04	Share of enrolments	Change since 2003/04
Health, Public Services and Care	17,465	8.4%	19.1%	6.0%	9.4%
Science and Mathematics	12,118	5.8%	-17.6%	7.8%	-2.7%
Agriculture, Horticulture and Animal Care	844	0.4%	-19.9%	1.1%	10.0%
Engineering and Manufacturing Technologies	6,979	3.4%	-3.4%	2.7%	0.8%
Construction, Planning and the Built Environment	4,692	2.3%	1.8%	2.0%	11.2%
Information and Communication Technology	8,017	3.8%	-35.5%	4.0%	-32.3%
Retail and Commercial Enterprise	6,888	3.3%	2.5%	3.2%	2.3%
Leisure, Travel and Tourism	8,422	4.0%	-7.3%	4.1%	0.8%
Arts, Media and Publishing	13,274	6.4%	-1.6%	8.0%	3.5%
History, Philosophy and Theology	4,285	2.1%	16.5%	2.9%	14.4%
Social Sciences	4,499	2.2%	-3.8%	2.3%	-16.4%
Business, Administration and Law	6,632	3.2%	-15.2%	4.3%	-4.8%
Languages, Literature and Culture	6,398	3.1%	-11.1%	4.5%	-1.8%
Education and Training	372	0.2%	287.5%	0.1%	143.0%
Preparation for Life and Work	84,890	40.8%	17.8%	33.0%	5.1%
Unknown	22,473	10.8%	5.3%	14.1%	23.9%
Total	208,248	100%	3.7%	100%	3.1%

Source: LSC Individualised Learner Record 2003/04 F05, 2005/06 F04

- 119 In contrast to FE, take-up of Work Based Learning among young people in the North East is concentrated in relatively few subject areas. In broad terms, the subject mix in WBL provision in the region reflects that in England. However, the proportions of learners in Engineering and Manufacturing Technologies subjects, and in Construction, Planning and the Built Environment subjects, are below average. The proportion in Business, Administration and Law subjects, on the other hand, is above average. The proportion of learners in unknown subject areas is also above average.
- 120 As in Further Education, there is a strong gender bias in Work Based Learning, with male learners dominating most subject areas. Young women dominate learning in Health, Public Services and Care subjects (where, on average, they accounted for 95.1 per cent of learners in 2005/06), and to a lesser extent in Retail and Commercial Enterprise subjects (79.2 per cent) and in Business, Administration and Law subjects (75.1 per cent).

TABLE 11: 16–18 YEAR OLD AVERAGE IN LEARNING IN WORK BASED LEARNING BY SECTOR SUBJECT AREA, 2005/06

Sector Subject Area	North East			England	
	Average in learning	Share of all in learning	Change since 2003/04	Share of all in learning	Change since 2003/04
Health, Public Services and Care	1,028	9.0%	2.9%	8.1%	–5.1%
Science and Mathematics	13	0.1%	–63.6%	<0.1%	–67.9%
Agriculture, Horticulture and Animal Care	143	1.3%	–9.5%	2.0%	–9.9%
Engineering and Manufacturing Technologies	2,263	19.9%	–7.1%	26.8%	9.5%
Construction, Planning and the Built Environment	1,515	13.3%	19.9%	17.6%	–7.5%
Information and Communication Technology	201	1.8%	–24.6%	2.2%	–24.6%
Retail and Commercial Enterprise	1,974	17.4%	–10.6%	17.0%	–7.5%
Leisure, Travel and Tourism	73	0.6%	–20.5%	2.4%	10.9%
Arts, Media and Publishing	34	0.3%	68.1%	0.2%	–15.7%
Business, Administration and Law	1,855	16.3%	–22.5%	9.6%	–21.8%
Education and Training	1	<0.1%	–8.0%	<0.1%	40.7%
Preparation for Life and Work	0	0.0%	–100.0%	<0.1%	–39.0%
Unknown	2,273	20.0%	–18.9%	14.1%	–12.4%
Total	11,373	100%	–10.3%	100%	–6.0%

Source: LSC Individualised Learner Record 2003/04 Period 13, 2005/06 Period 12

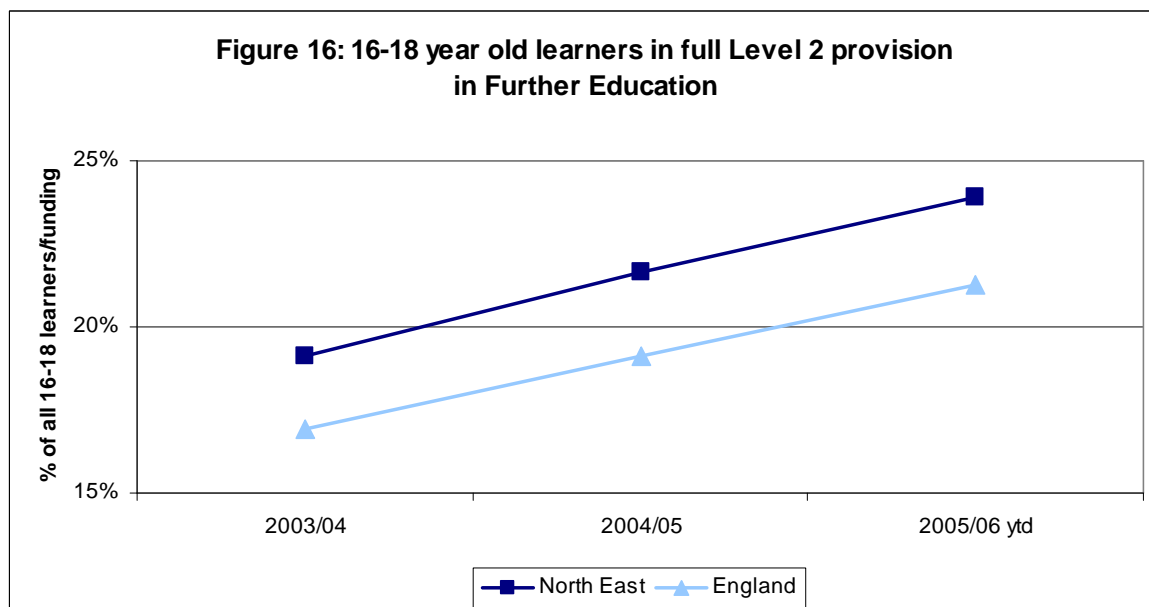
121 The number of young people in Work Based Learning in the North East declined in most subject areas between 2003/04 and 2005/06. There was a large relative increase in the number of learners in Arts, Media and Publishing subjects, though this subject area accounts for a small number of young people in Work Based Learning. Health, Public Services and Care subjects saw a slight increase, in contrast to decline nationally. The number of young people in Construction, Planning and the Built Environment subjects also increased, in contrast to a fall in England as a whole.

Young people in LSC-funded learning by level

- There has been a marked increase in participation among young people in full Level 2 provision in FE, though growth is slower than in England (24.0 per cent between 2003/04 and 2005/06, compared with 30.6 per cent nationally).
- The proportion of 16–18 year olds in FE who are in full Level 2 provision in the North East is higher than average (23.9 per cent in 2005/06, compared with 21.3 per cent in England).
- Participation among young people in full Level 3 provision in FE has also increased, again at a slower rate than nationally (2.6 per cent in the region between 2003/04 and 2005/06, compared with 6.6 per cent in England).

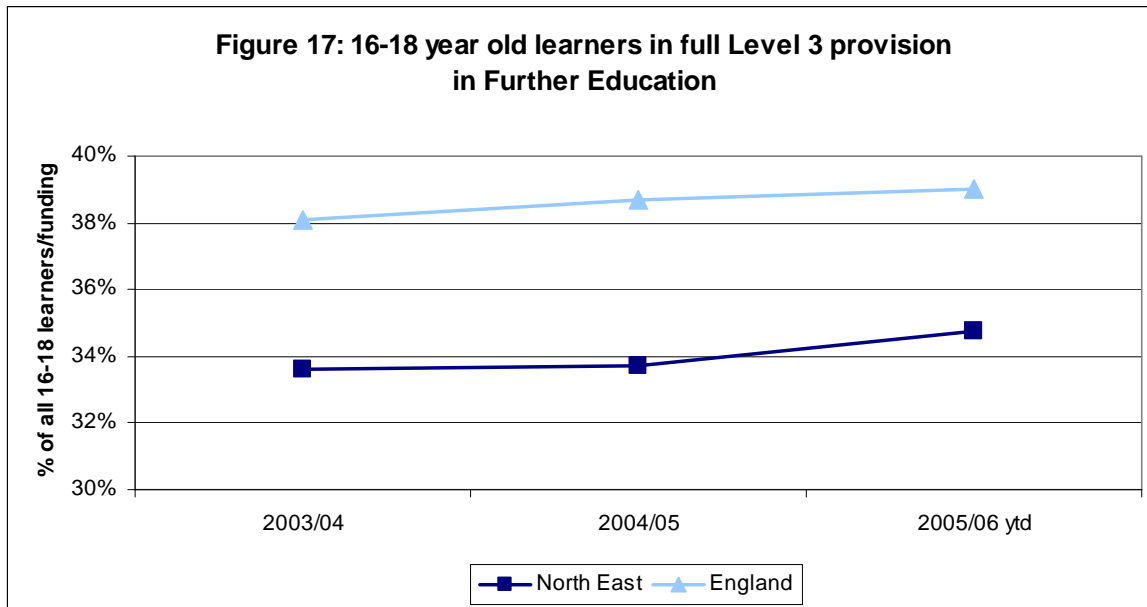
- The proportion of 16–18 year olds in FE who are in full Level 3 provision in FE in the North East is below average (34.7 per cent in 2005/06, compared with 39.0 per cent in England).
- Participation among young people in full Level 2 provision in WBL has declined slightly (by 1.4 per cent between 2003/04 and 2005/06), in contrast to slight growth nationally (0.9 per cent).
- The proportion of 16–18 year olds in WBL who are in full Level 2 provision in the North East is higher than average (70.0 per cent in 2005/06, compared with 65.9 per cent in England).
- Participation among young people in full Level 3 provision in WBL has fallen (by 18.4 per cent between 2003/04 and 2005/06). The decline is more significant than that seen nationally (11.4 per cent).
- The proportion of 16–18 year olds in WBL who are in full Level 3 provision in the North East is below average (29.8 per cent in 2005/06, compared with 34.0 per cent in England).

122 While the overall number of 16–18 year old learners in Further Education in the North East saw a slight decline between 2003/04 and 2004/05, there has been a marked increase in participation in full Level 2 provision in FE, from 8,280 learners in 2003/04 to 10,269 in 2005/06. Reflecting differences in trends in participation between the North East and England, however, this growth is slower than that seen nationally – the number of 16–18 year olds in full Level 2 provision in FE increased by 24.0 per cent in the North East between 2003/04 and 2005/06, compared with an increase of 30.6 per cent in England.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

123 Young learners in FE in the North East, nevertheless, are more likely to participate in full Level 2 provision than learners across England as a whole. Moreover, growth in participation in full Level 2 FE provision among 16–18 year olds in the region as a proportion of all young learners in FE has been slightly ahead of the national trend, increasing by 4.8 percentage points in the North East between 2003/04 and 2005/06, compared with an increase of 4.3 percentage points in England.



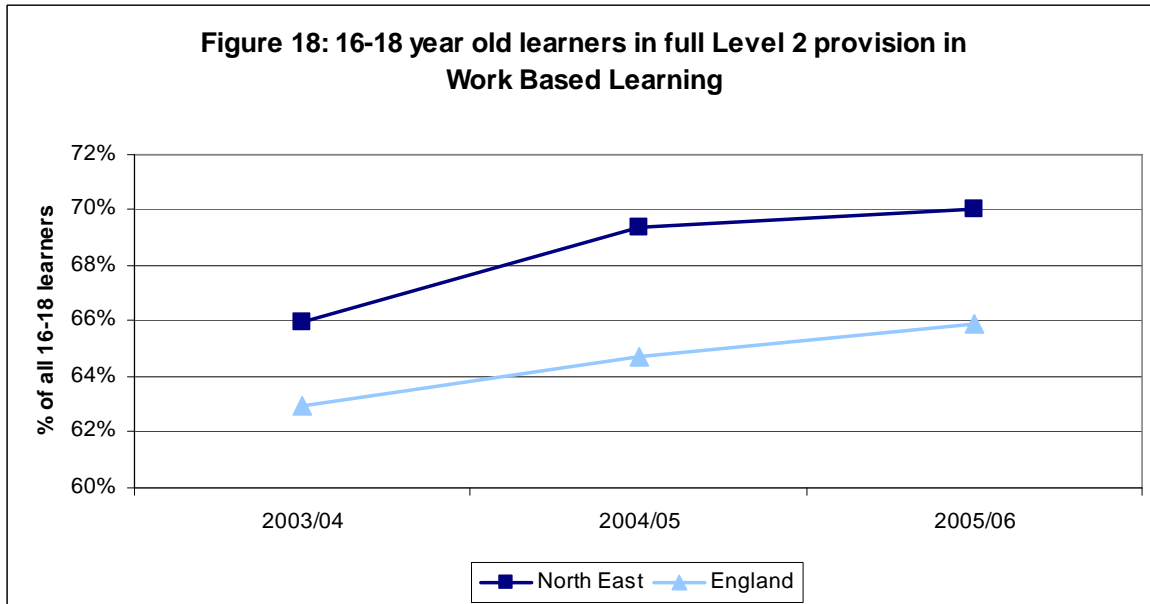
Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

124 The number of 16–18 year olds in full Level 3 provision in FE in the North East has also seen a slight increase, from 14,555 learners in 2003/04 to 14,928 in 2005/06. Again, this growth is slower than that seen nationally – the number of 16–18 year olds in full Level 3 provision in FE increased by 2.6 per cent in the North East between 2003/04 and 2005/06, compared with an increase of 6.6 per cent in England.

125 Young learners in FE in the North East are less likely to participate in full Level 3 participation than learners across England as a whole. Between 2003/04 and 2005/06, growth in participation in full Level 3 FE provision among 16–18 year olds in the North East as a proportion of all young learners in FE was in line with the national trend, increasing by 1.1 percentage points in the region compared with an increase of 0.9 percentage points in England. In the North East, this slight growth was seen almost entirely within the last year, while growth in England has been more regular.

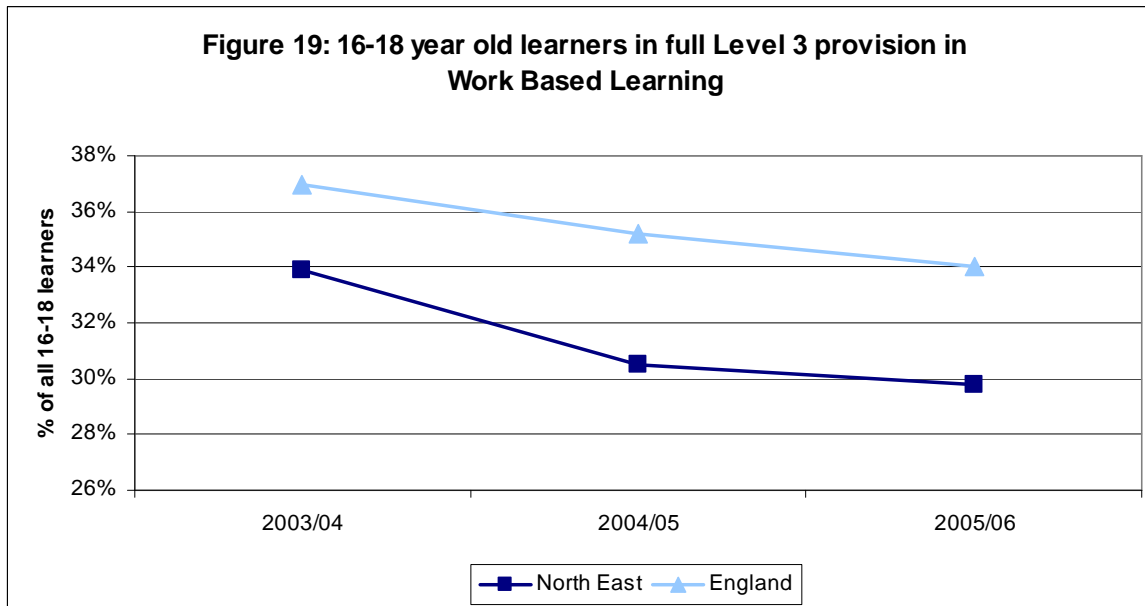
126 The average number of 16–18 year old learners in full Level 2 provision in Work Based Learning in the North East fell slightly between 2003/04 and 2005/06, from 6,513 to 6,420. This decline is in contrast to slight growth in England over this period (the average number of young people in full Level 2

provision in Work Based Learning in the North East fell by 1.4 per cent between 2003/04 and 2005/06, compared with growth of 0.9 per cent in England) but is not as significant as the overall downturn in the number of young learners in Work based learning in the region.



Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 13, 2005/06 Period 13

- 127 Young people in Work Based Learning in the North East are more likely to participate in full Level 2 provision than young learners across England as a whole. Between 2003/04 and 2005/06, growth in young people’s participation in full Level 2 provision in WBL as a proportion of all 16–18 year olds in WBL in the North East was slightly ahead of the national growth rate, with an increase of 4.1 percentage points in the region compared with 3.0 per cent in England. Much of the growth in the region, however, was seen between 2003/04 and 2004/05, with growth in 2005/06 falling below the national level.
- 128 The number of 16–18 year olds participating in full Level 3 provision in Work Based Learning in the North East saw a sharp decline between 2003/04 and 2005/06. This downturn was much more significant than the overall decline in the number of young people in Work Based Learning seen over this period, and was also more significant in the North East than in England as a whole. There were an average 2,729 young people in full Level 3 provision in Work Based Learning in the North East in 2005/06 compared with 3,346 in 2003/04, a fall of 18.4 per cent compared with a decline of 11.4 per cent seen nationally.
- 129 Reflecting levels of participation in full Level 2 provision in Work Based Learning, young people in WBL in the North East are less likely to participate in full Level 3 provision than young learners across England as a whole. Participation of 16–18 year olds in full Level 3 provision as a proportion of all



Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 13, 2005/06 Period 13

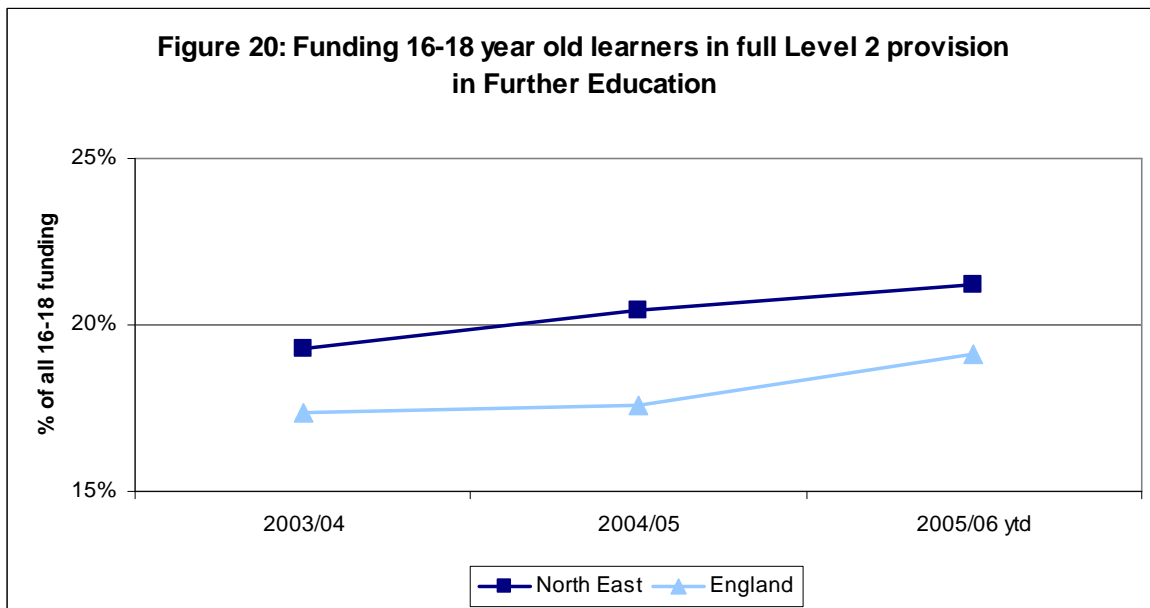
young people in Work Based Learning has fallen since 2003/04, with the decline slightly larger in the North East than in England. Much of the decline in the region, however, was seen between 2003/04 and 2004/05, with the rate of decline slowing in the following year below that seen nationally.

Funding young people's learning

- Funding for 16–18 year old learners in FE increased between 2003/04 and 2005/06, though growth in the North East (22.0 per cent) was slightly smaller than that seen nationally (24.7 per cent).
- Funding for full Level 2 qualifications in FE for 16–18 year olds increased by 34.2 per cent in the North East between 2003/04 and 2005/06.
- A higher proportion of FE funding for young learners funds full Level 2 provision in the North East (21.2 per cent in 2005/06) compared with the national average (19.1 per cent).
- Funding for full Level 3 in FE for young learners increased between 2003/04 and 2005/06, though as at Level 2 the increase was slightly smaller in the North East (20.9 per cent) than in England as a whole (22.7 per cent).
- While young learners in FE in the region are less likely to participate in full Level 3 provision than in England as a whole, the proportion of FE funding for 16–18 year olds which funds full Level 3 provision in the North East (39.9 per cent in 2005/06) is very similar to the national average (40.1 per cent).

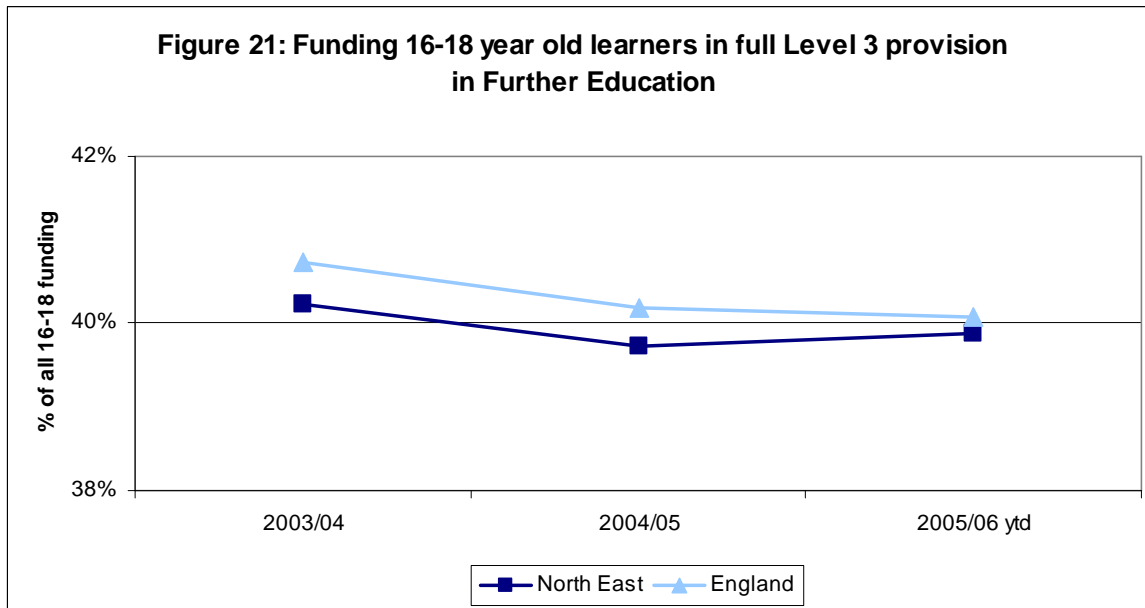
130 Funding for 16–18 year old learners in FE increased between 2003/04 and 2005/06, though growth in the North East (22.0 per cent) was slightly smaller than that seen nationally (24.7 per cent). The increase largely reflects the shift in provision towards full Level 2 qualifications. Funding for full Level 2 qualifications in FE for 16–18 year olds increased by 34.2 per cent in the

North East between 2003/04 and 2005/06, but reflecting the larger national growth in overall FE funding for young learners this was slightly behind the national increase of 37.1 per cent.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

- 131 Growth in funding in the North East for full Level 2 provision in FE for young learners as a proportion of total FE funding for 16–18 year olds was slightly ahead of the national trend, with an increase of 1.9 percentage points in the region compared with 1.7 percentage points in England. A higher proportion of FE funding for young learners funds full Level 2 provision in the North East (21.2 per cent in 2005/06) compared with the national average (19.1 per cent), reflecting higher participation in full Level 2 provision among young learners in FE in the region.
- 132 Funding for full Level 3 in FE for young learners increased between 2003/04 and 2005/06, though as at Level 2 the increase was slightly smaller in the North East (20.9 per cent) than in England as a whole (22.7 per cent). Funding for full Level 3 provision for young people in FE as a proportion of all FE funding for 16–18 year olds has remained relatively stable over this period. While young learners in FE in the region are less likely to participate in full Level 3 provision than in England as a whole, the proportion of FE funding for 16–18 year olds which funds full Level 3 provision in the North East (39.9 per cent in 2005/06) is very similar to the national average (40.1 per cent), suggesting a higher average unit cost in the full Level 3 provision undertaken by young people in FE in the region.
- 133 The North East region’s budget for 16–18 year olds in Work Based Learning increased by 8.5 per cent between 2004/05 and 2005/06, compared with a decline of –2.1 per cent in England. The trend reversed in 2006/07, with a reduction of –10.9 per cent in the regional budget compared with growth of 2.4 per cent nationally.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

134 Pupil adjusted funding allocations for School Sixth Forms also increased in the North East between 2004/05 and 2005/06, though the increase was smaller than that seen nationally. Pupil adjusted allocations in the region (excluding funding to meet Special Educational Needs) increased by 2.5 per cent in this period, compared with an increase of 7.5 per cent in pupil adjusted allocations in England. Pupil adjusted allocations for 2006/07 are not yet known.

Young people and the provision mix

- 67.5 per cent of the funding of young people's learning in Further Education in the North East directly contributes to LSC targets, while 26.6 per cent funds other priority provision.
- The proportion of funding that contributes directly to LSC targets is slightly below the national average, while the proportion in other priority provision is a little above average.
- Relatively little funding is in lower priority provision, though the proportion of lower priority funding in the region is slightly above average.

135 More than two thirds of the funding of young people's learning in Further Education in the North East is in provision that directly contributes to LSC targets, while more than a quarter is in other priority provision (e.g. learning aims which are included in the National Qualifications Framework). The proportion of funding in FE provision in the North East that contributes directly to LSC targets is a little below the national average, while the proportion in other priority provision is a little above average. Relatively little funding is in lower priority provision, though the proportion of lower priority funding in the region is also slightly above average.

TABLE 12: FURTHER EDUCATION PROVISION MIX AMONG 16–18 YEAR OLD LEARNERS, 2005/06

	North East		England	
	n	%	n	%
Funding that directly contributes to targets	£97,339,822	67.5%	£1,756,165,128	72.2%
Other priority funding	£38,315,564	26.6%	£543,036,102	22.3%
Lower priority funding	£8,583,857	8.8%	£131,519,620	7.5%
Learning aims that directly contribute to targets	92,946	44.0%	1,560,807	50.2%
Other priority learning	68,284	32.3%	812,452	26.1%
Lower priority learning	49,944	23.7%	736,299	23.7%

Source: LSC Individualised Learner Record 2005/06 Period 12

- 136 The proportion of learning aims taken up by young people in FE in the North East which contributes directly to LSC targets is below the national average. The proportion of learning aims taken up in other priority provision, in contrast, is above average. The proportion of learning aims taken up in lower priority provision, meanwhile, is in line with the national average.
- 137 Between 2004/05 and 2005/06, there was little change in the proportion of FE funding in provision which contributes directly to LSC targets in the North East (an increase of 0.4 percentage points), while this saw a slight increase nationally (1.8 percentage points). Growth in funding in other priority learning was more significant in the North East (1.8 percentage points) than in England (0.9 percentage points). The reduction in lower priority funding in the region (–3.7 percentage points) was only slightly behind that in England (–4.1 percentage points).
- 138 Similarly, the proportion of learning aims which contribute directly to LSC targets, taken up by young people in FE in the North East, changed little between 2004/05 and 2005/06 (–0.1 percentage points) while increasing slightly in England (1.0 percentage points). There was a greater increase in the proportion of learning aims in other priority provision in the region (2.1 percentage points) than that seen in England (0.9 percentage points). The reduction in the proportion of learning aims taken up in lower priority provision was more significant in the North East (–3.7 percentage points) than in England (–1.7 percentage points).

Qualifications and attainment among young people

Level 2 at 19

- Young people in the North East are less likely than average to achieve Level 2 qualifications. 67.4 per cent of the region's cohort aged 19 in 2005 had achieved a Level 2, compared with 69.8 per cent in England.
- 22.9 per cent of the North East cohort achieved a Level 2 between their 16th and 19th birthdays, compared with 19.5 per cent of the national cohort. They were most likely to do so through NVQ/VRQ Level 2 provision in FE colleges.
- Young women were more likely to have achieved a Level 2 than young men. Young people from black and minority ethnic communities, and learners with learning difficulties and/or disabilities, were less likely to have achieved a Level 2 than average.

- 139 67.4 per cent of the North East cohort aged 19 in 2005 had achieved a Level 2 qualification or higher, compared with 69.8 per cent in England⁵⁴. Regionally, this was an improvement of 2.4 percentage points over the proportion of the 2004 cohort who achieved a Level 2 qualification, compared with an improvement of 3.0 percentage points among the cohort across England as a whole.
- 140 Although the rate of improvement in the region is slower than the rate nationally, projections suggest that performance in the region will exceed the equivalent of the national Public Service Agreement target to increase the proportion of 19 year olds who achieve at least Level 2 by three percentage points between 2004 and 2006, and is potentially on track to deliver the further increase of two percentage points (against the 2006 baseline) by 2008 specified by the PSA target.
- 141 44.5 per cent of the North East cohort aged 19 in 2005 had achieved a Level 2 by age 16 (in 2002), compared with 50.4 per cent in England. A further 22.9 per cent of the regional cohort achieved Level 2 between their 16th and 19th birthdays, compared with 19.5 per cent nationally. The majority of those achieving a Level 2 after their 16th birthday did so before they were 18. Relatively few young people who had not achieved a Level 2 by the time they were 18 did so by the time they were 19. Almost 11,000 people who reached the age of 19 in 2005 had not achieved a Level 2 qualification.
- 142 Young people achieving a Level 2 between the ages of 16 and 19 are most likely to do so through NVQ Level 2 provision in FE colleges – one in five (19.5 per cent) of the North East cohort aged 19 in 2005 who achieved a Level 2 between the ages of 16 and 19 did so via this learning route. FE colleges also offer important routes to Level 2 achievement through VRQ Level 2 provision (11.3 per cent), Level 3 provision or a combination of Level 2 and Level 3 qualifications (10.0 per cent), a mix of GNVQ and GCSE provision (6.0 per cent) and Apprenticeship provision (8.1 per cent).

⁵⁴ LSC/DfES Matched Administrative Dataset 2005.

- 143 Work Based Learning providers offers a significant route to Level 2 achievement through Apprenticeships – an estimated 15 per cent of the North East cohort aged 19 in 2005 who achieved a Level 2 between the ages of 16 and 19 did so via Apprenticeships. Level 2 qualifications are less likely to be achieved through NVQ provision in Work Based Learning.
- 144 In School Sixth Forms and Sixth Form Colleges, Level 2 qualifications are most likely to be achieved through a combination of GNVQ and GCSE provision (5.7 per cent of the North East cohort aged 19 in 2005 who achieved a Level 2 between the ages of 16 and 19 did so via this learning route). Fewer 16–19 year olds achieved a Level 2 qualification through GCSE-only provision (4.3 per cent) than through combined GNVQs and GCSEs. Achievement through GCSE-only routes was relatively even in School Sixth Forms, Sixth Form Colleges and FE colleges.
- 145 Among the North East cohort aged 19 in 2005, 70 per cent of females and 65 per cent of males had achieved a Level 2 qualification, compared with 75 per cent of females and 65 per cent of males in England. 55 per cent of North East learners from black and minority ethnic backgrounds had achieved a Level 2 compared with 72 per cent of White learners. In the national cohort, by comparison, 67 per cent of learners from BME backgrounds and 76 per cent of White learners had achieved a Level 2.
- 146 Among North East learners from black and minority ethnic backgrounds, attainment of Level 2 qualifications was highest among those with a Mixed heritage (71 per cent compared with 68 per cent in England). 59 per cent of learners from Asian communities (74 per cent in England), 46 per cent of those from Black communities (56 per cent in England) and 43 per cent from Chinese and Other Ethnic Minority communities (62 per cent in England) had achieved a Level 2. There are a large number of learners for whom information on ethnicity is not available, however, and it is difficult to draw firm conclusions in this area.
- 147 42 per cent of North East learners with a learning difficulty and/or disability had achieved a Level 2, compared with 71 per cent of those without. Nationally, 51 per cent of learners with learning difficulties and/or disabilities and 73 per cent of those without had achieved a Level 2. As with ethnicity, however, there are a large number of learners for whom information on learning difficulties and disabilities is not available, and it is difficult to draw firm conclusions.
- 148 At Partnership Area level⁵⁵, estimates suggest that attainment of Level 2 qualifications among the cohort aged 19 in 2005 was highest in Darlington (70 per cent), Stockton-on-Tees (69 per cent), Redcar and Cleveland (68 per cent) and Northumberland (67 per cent). Attainment was estimated to be lowest in Middlesbrough (58 per cent).

⁵⁵ Attainment of Level 2 qualifications by 19 are calculated using different population estimates at Partnership Area level to those used for larger geographies. Figures on attainment at Partnership Area level are therefore only broadly comparable with figures on attainment at regional and national levels.

Level 2 including English and mathematics

- 39.1 per cent of the North East cohort aged 19 in 2005 had achieved a Level 2 qualification including English and mathematics, compared with 45.3 per cent in England.
- Improvement in attainment of Level 2 qualifications including English and maths is slower than improvement in overall attainment of Level 2 qualifications.
- Few young people appear to achieve success in GCSE English and maths after the age of 16. Only 1.8 per cent of the region's cohort achieved a Level 2 including English and maths between the ages of 16 and 19.

- 149 From 2008, the PSA target for attainment of Level 2 qualifications by age 19 will require attainment of qualifications in English and mathematics, in line with performance measures at age 16. There remains some debate as to what English and maths qualifications should be included in the target measure, and whether these should be restricted to GCSE attainment or should be a broader measure of functional literacy and numeracy. Currently, attainment is measured using GCSE qualifications.
- 150 39.1 per cent of the North East cohort aged 19 in 2005 had achieved a Level 2 qualification including English and mathematics, compared with 45.3 per cent in England. Both regionally and nationally, this was an improvement of one percentage point over the 2004 cohort.
- 151 Attainment of Level 2 qualifications including English and mathematics among the cohort aged 19 in 2005 was estimated to be highest in Darlington (47 per cent), Northumberland (45 per cent) and Stockton-on-Tees (44 per cent). Estimates suggest that attainment was significantly lower in Middlesbrough (29 per cent) than in other Partnership Areas⁵⁶.
- 152 Most of the North East cohort aged 19 in 2005 who had achieved a Level 2 qualification including English and mathematics – 37.3 per cent compared with 43.0 per cent in England – had done so by age 16. Only 1.8 per cent more of the region's cohort achieved a Level 2 including English and mathematics between their 16th and 19th birthdays, compared with 2.3 per cent of the national cohort. The difference between this small percentage and that achieving a Level 2 generally suggests that few young people achieve success in GCSE English and mathematics after the age of 16, reflecting the small proportion of learners achieving a Level 2 between the ages of 16 and 19 who do so through GCSEs.

⁵⁶ Differences in the population estimates used to calculate attainment at Partnership Area level and at other geographical levels means that attainment at Partnership Area level can only be broadly compared with attainment at regional and national levels.

Attainment at 16

- While improving, attainment of GCSE and equivalent qualifications among Key Stage 4 pupils in the North East remains below average.
- Provisional results for 2005/06 suggest that 57 per cent of school pupils in the North East had achieved five or more GCSEs at grades A*–C by the end of Key Stage 4, compared with 59 per cent in England.
- In the North East, only two in five school pupils ended Key Stage 4 in 2005/06 with five GCSEs at grades A*–C including English and mathematics, well below average.
- The move to a performance measure which includes GCSE attainment in English and maths at grades A*–C will have a significant effect on the relative performance of many Partnership Areas.

- 153 Attainment of GCSE and equivalent qualifications among Key Stage 4 pupils in the North East is generally below average. Provisional results for 2005/06 suggest that 57 per cent of school pupils in the North East had achieved five or more GCSEs at grades A*–C by the end of Key Stage 4. While this is in line with attainment among pupils in maintained schools in England, it is below the level of attainment in all schools in the country (59 per cent). In 2005/06, 3.5 per cent of school pupils in the North East ended Key Stage 4 with no passes at GCSE or equivalent, compared with the national average of 2.0 per cent.
- 154 Levels of attainment vary across Partnership Areas, with performance exceeding the national average in Northumberland, North Tyneside and, in particular, in Gateshead. This is offset by lower attainment in other areas, with relatively few pupils achieving five or more GCSEs at grades A*–C by the end of Key Stage 4 in Redcar and Cleveland and in Middlesbrough. Significant proportions of school pupils in Middlesbrough and Newcastle ended Key Stage 4 with no passes at GCSE or equivalent.
- 155 Reflecting overall attainment levels, attainment of five or more GCSEs at grades A*–C including English and maths is also below average. Attainment including English and maths is particularly low in Sunderland, Newcastle and Middlesbrough. While levels of attainment in Northumberland and North Tyneside remain higher than the national average, attainment in Gateshead falls slightly below average.
- 156 Across the North East in 2005/06, only two in five school pupils ended Key Stage 4 with five GCSEs at grades A*–C including English and maths. In other words, up to three in five young people left school without evidence to suggest their literacy and numeracy skills should not be considered poor. For many, lack of attainment in English and maths is likely to impact on success in post-16 learning, and in employment.
- 157 Of course, not all school pupils who did not achieve five GCSEs at grades A*–C including English and maths failed to achieve *both* qualifications – many will have achieved one or the other, while others may actually have achieved both but fewer than three other GCSEs at grades A*–C. Still others

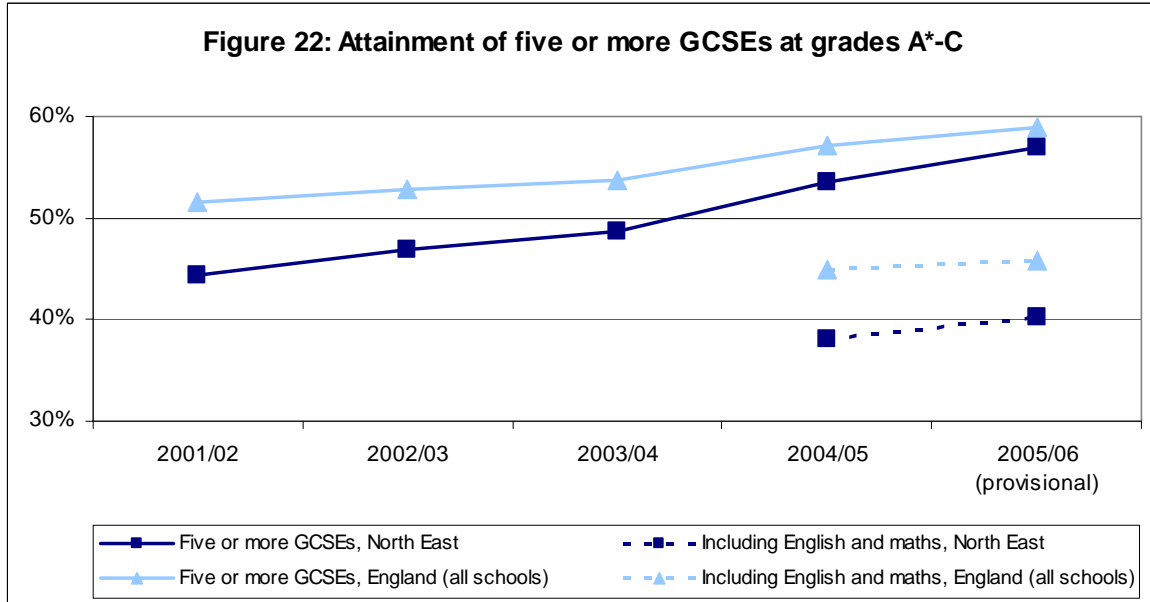
may have developed functional literacy or numeracy during school education while lacking GCSE qualifications. However, the level of attainment of five or more GCSEs at any grades, with up to one in ten school pupils not achieving a GCSE in English and/or maths, reinforces the potential impact of poor literacy and numeracy skills post-16. This is likely to be a particular issue among young people in Newcastle and Middlesbrough, where as many as one in five school pupils in 2005/06 may have ended Key Stage 4 without a GCSE at any grade in English and/or maths.

TABLE 13: GCSE AND EQUIVALENT RESULTS, 2005/06 (PROVISIONAL)							
Partnership Area	Number of pupils	Percentage of pupils achieving at GCSE and equivalent at end of Key Stage 4					
		5+ A*-C grades	5+ A*-C inc. English and maths	5+ A*-G grades	5+ A*-G inc. English and maths	Any passes	No passes
Northumberland	3,916	61.8%	48.7%	92.1%	90.9%	97.9%	2.1%
Gateshead	2,285	69.6%	44.5%	89.6%	87.9%	96.3%	3.7%
Newcastle upon Tyne	2,868	55.3%	33.3%	83.0%	80.4%	93.6%	6.4%
North Tyneside	2,285	61.9%	47.7%	90.7%	89.2%	97.5%	2.5%
South Tyneside	2,002	54.9%	39.3%	91.1%	88.9%	96.7%	3.3%
Sunderland	3,731	54.1%	33.5%	88.9%	85.2%	96.8%	3.2%
Durham	5,943	56.0%	40.2%	89.1%	87.6%	97.6%	2.4%
Darlington	1,218	57.6%	44.7%	88.5%	86.3%	96.1%	3.9%
Hartlepool	1,197	57.1%	37.2%	90.6%	88.4%	97.2%	2.8%
Middlesbrough	1,776	48.5%	30.0%	82.3%	79.7%	92.7%	7.3%
Redcar & Cleveland	2,033	50.0%	39.9%	90.7%	89.1%	95.6%	4.4%
Stockton-on-Tees	2,451	55.0%	41.0%	90.2%	88.9%	97.3%	2.7%
North East region	31,705	57.0%	40.2%	89.0%	87.0%	96.5%	3.5%
England (maintained schools only)	593,786	57.0%	43.8%	90.6%	88.7%	97.3%	2.7%
England (all schools)	644,658	59.0%	45.8%	90.6%	87.9%	98.0%	2.0%

Source: GCSE and Equivalent Results in England 2005/06 (Provisional), DfES, 2006

158 The move to a measure of performance which includes attainment of GCSEs in English and maths at grades A*-C will have a significant effect on the relative performance of many Partnership Areas. For example, Gateshead ranks as the 5th best performing local authority in England in 2005/06 (out of 149) when considering attainment of any five GCSEs at grades A*-C. When attainment in English and maths is taken into account, Gateshead's position relative to other local authorities falls to 64th, a drop of 59 places. Similarly, Newcastle falls 51 places (from 82nd to 133rd), while Hartlepool falls 49 places (from 66th to 115th) and Sunderland falls 34 places (from 98th to 132nd). While less of a fall is seen in other Partnership Areas, Redcar and Cleveland is the only local authority whose relatively position in the rankings

increases, from 122nd to 99th (23 places). Nevertheless, attainment of five or more GCSEs at grades A*–C including English and maths among school pupils in Redcar and Cleveland in 2005/06 remained several percentage points below the national average.



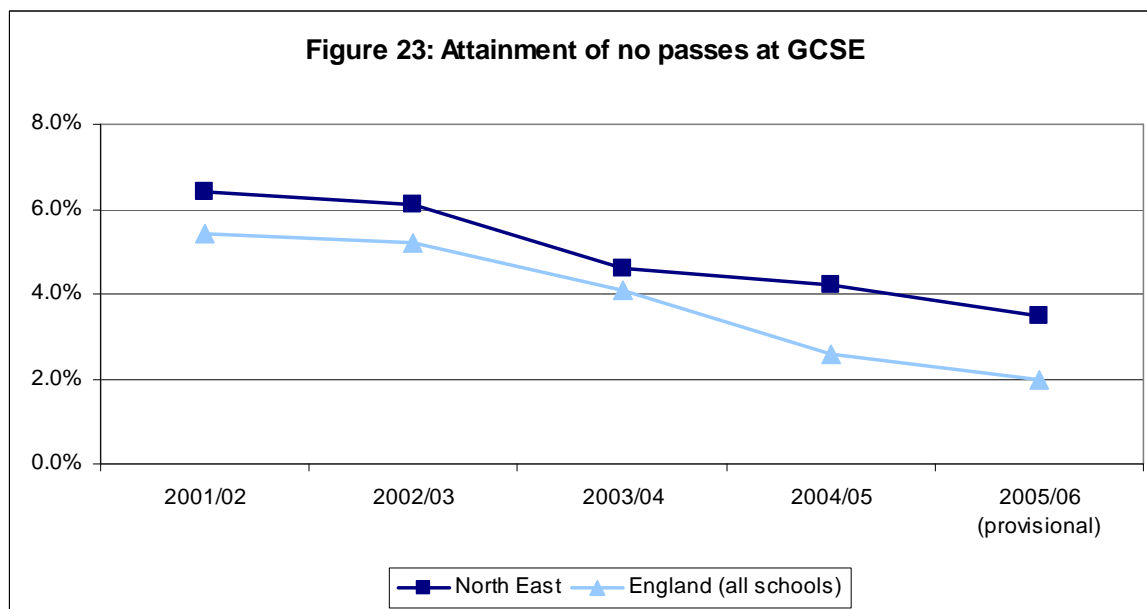
Source: DfES Statistical First Releases⁵⁷

159 The measures of attainment at age 16 published by DfES have changed a number of times in recent years, and it is difficult to make robust comparisons between attainment in different years⁵⁸. Nevertheless, the available data suggests an upward trend in attainment of five or more GCSEs at grades A*–C since 2001/02. Moreover, the rate of improvement appears to have been faster in the North East than in England. Although due in part to changes in the measures used, the gap between attainment in the North East and the national average has closed from 7.3 percentage points in 2001/02 to just 2.0 percentage points in 2005/06.

⁵⁷ DfES, *GCSE and Equivalent Results in England 2005/06 (Provisional)*, 2006; *GCSE and Equivalent Results and Associated Value Added Measures in England 2004/05 (Final)*, 2006; *GCSE and Equivalent Results and Associated Value Added Measures for Young People in England 2003/04 (Final)*, 2005; *GCSE/GNVQ Results and Key Stage 3 to GCSE/GNVQ Value Added Measures for Young People in England, 2002/2003, 2004*; *National Curriculum Assessments for Key Stage 3, GCSE/GNVQ Examinations Results and Associated Value Added Measures for Young People in England, 2001/02 (Final Data)*, 2003.

⁵⁸ Data for the period 2001/02 to 2002/03 measures attainment of GCSE/GNVQ qualifications among pupils aged 15 at the start of the academic year. In 2003/04, DfES moved to a broader measure of attainment of GCSE and equivalent qualifications. The following year, attainment began to be measured among pupils at the end of Key Stage 4. Care should therefore be taken when interpreting the graphs showing trends in GCSE attainment in this section.

160 Similarly, attainment of five or more GCSEs at grades A*–C including English and maths has improved in the last year, with a faster rate of improvement in the North East than in England⁵⁹. Despite the gap closing in the last year, however, attainment in the North East still lags some way (5.6 percentage points) behind the national average.



Source: DfES Statistical First Releases⁶⁰

161 Reflecting improvements in attainment, the available data shows a downward trend in the proportion of school pupils who achieve no passes at GCSE. Again, changes in the measures used make it difficult to draw firm conclusions about year-on-year changes. Overall, however, the rate of improvement between 2001/02 and 2005/06 appears to have been slightly slower in the North East than in England. The performance gap between the region and the national average therefore appears to have widened slightly over this period (from 1.0 percentage points to 1.5 percentage points).

Level 3 at 19

- 40 per cent of the North East cohort aged 20 in 2005 had achieved a Level 3, compared with the national average of 45 per cent.
- The North East has the lowest proportion of the cohort aged 20 who have achieved a Level 3 in any region.
- However, the proportion of the cohort who achieved a Level 3 after the age of 19 (4 per cent) was higher than in any other region.

⁵⁹ DfES introduced the measure of attainment of five or more GCSEs at grades A*–C including English and maths in 2004/05. Earlier data is not available.

⁶⁰ Sources as in previous graph.

- 162 Following on from the PSA target for Level 2 attainment by age 19, a target for Level 3 attainment by age 21 will be set in 2007, when data covering people aged 21 in 2006 becomes available. Currently, DfES publishes figures on attainment at Level 3 by age 19, though some figures relating to attainment by age 20 are also beginning to be made available⁶¹.
- 163 40 per cent of the North East cohort aged 19 in 2005 had achieved a Level 3, the smallest percentage of any region⁶². This was an improvement of 4 percentage points compared with the cohort aged 19 in 2004. Nationally, 46 per cent of the cohort aged 19 in 2005 had achieved a Level 3, a similar improvement of 4 percentage points compared with the cohort aged 19 in 2004.
- 164 40 per cent of the North East cohort aged 20 in 2005 had achieved a Level 3, the smallest percentage of any region. This is the first year that figures are available for the cohort aged 20. 4 per cent of the cohort had achieved a Level 2 since they were 19, the greatest improvement among the regions. Nationally, 45 per cent of the cohort aged 20 in 2005 had achieved a Level 3, an improvement of 3 percentage points compared with achievement among the same cohort at age 19.
- 165 Among the cohort aged 19 in 2005, achievement of Level 3 qualifications was estimated to be highest in Darlington (46 per cent) and Stockton-on-Tees (44 per cent). Estimates suggest that achievement in Middlesbrough (30 per cent) was well below the level in other Partnership Areas in the region. Achievement was also estimated to be relatively low in Sunderland (35 per cent), South Tyneside (36 per cent), Durham (36 per cent) and Hartlepool (37 per cent)⁶³.

Adults and learning

Participation in learning among adults

- The overall level of participation in learning among working age adults in the North East is below average.
- Participation in taught learning, nevertheless, is close to the national level, indicating that adults in the North East are as likely to participate in formal learning as they are nationally.
- Older adults, however, are significantly less likely to participate in learning than their younger counterparts.

⁶¹ There is some uncertainty as to whether the PSA target will be set for Level 3 attainment by age 19 rather than age 21.

⁶² LSC/DfES Matched Administrative Dataset 2005.

⁶³ Attainment of Level 3 qualifications by 19 are calculated using different population estimates at Partnership Area level to those used for larger geographies. Figures on attainment at Partnership Area level are therefore only broadly comparable with figures on attainment at regional and national levels.

- 166 The Annual Population Survey uses a broad definition to measure participation in learning, including learning outside the formal education system, while distinguishing between taught learning and other learning. Taught learning includes:
- any taught course meant to lead to a qualification, whether or not this was achieved
 - any taught course designed to help develop skills used in a job
 - any course, instruction or tuition in driving, playing a musical instrument, art or craft, sport or any other practical skill
 - evening classes
 - learning involving working on one's own from a package of materials provided by an employer, college, commercial organisation or other training provider; and
 - any other taught course, instruction or tuition.
- 167 Other learning (known as non-taught learning, or self-directed learning) includes:
- studying for qualifications without taking part in a taught course
 - supervised training while doing a job
 - time spent keeping up to date with developments in one's job, for example by reading books or attending seminars and conferences; and
 - deliberately trying to improve one's knowledge about anything or teach oneself a skill without taking part in a taught course.
- 168 The overall level of participation in learning among adults in the North East is below average, though participation in taught learning in the region is very close to the national level. The level of participation in taught learning indicates that adults in the North East are as likely to participate in formal learning as they are nationally. However, research shows that older adults are significantly less likely to participate in learning than their younger counterparts⁶⁴.
- 169 Participation in taught learning follows trends in participation in any learning, though at a lower level. Participation in learning declined between 2003/04 and 2004/05, but has remained relatively constant since.
- 170 The overall level of participation in learning is particularly high in North Tyneside, Newcastle, Darlington and Stockton-on-Tees. Participation is lowest in Durham, and is also relatively low in Hartlepool and Middlesbrough. Participation in taught learning tends to be high in Partnership Areas with high rates of participation in any learning. The exception is Darlington, which

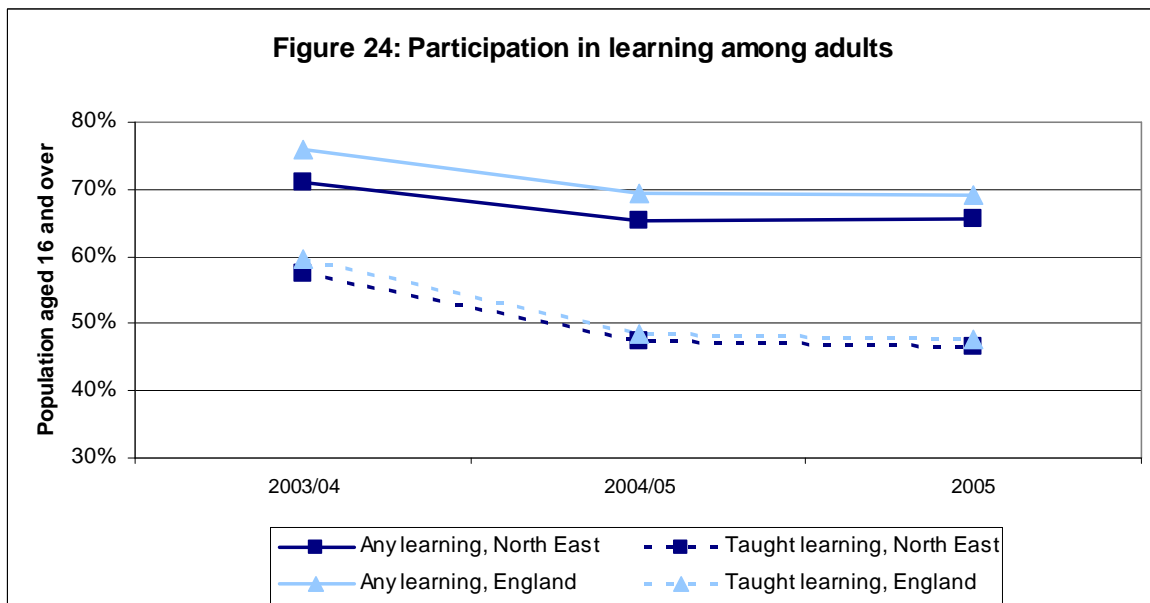
⁶⁴ See, for example, *Widening Participation: Tyne & Wear Household Survey 2004*, Learning and Skills Council Tyne and Wear, 2004.

TABLE 14: PARTICIPATION IN LEARNING AMONG ADULTS AGED 16 AND OVER

Partnership Area	Participating in any learning	Participating in taught learning
Northumberland	64.8%	46.2%
Gateshead	66.3%	47.0%
Newcastle upon Tyne	70.0%	51.9%
North Tyneside	72.3%	50.8%
South Tyneside	66.4%	46.0%
Sunderland	66.1%	44.4%
Durham	60.1%	43.9%
Darlington	69.5%	44.5%
Hartlepool	61.7%	43.3%
Middlesbrough	62.7%	45.6%
Redcar & Cleveland	66.7%	48.5%
Stockton-on-Tees	68.9%	48.9%
North East region	65.7%	46.6%
England	69.1%	47.7%

Source: DfES Qualifications and Participation in Learning at a local level: England 2005

has the largest percentage point gap between participation in taught learning and participation in any learning of the 12 Partnership Areas in the region. This suggests a relatively high level of participation in non-taught learning in Darlington compared with other Partnership Areas in the North East.



Source: DfES Qualifications and Participation in Learning at a local level: England 2005

Adults in LSC-funded learning

- Over 225,000 adults aged 19 and over were in LSC-funded learning with North East providers in 2005/06, mainly in Further Education.
- Adult learner numbers saw a sharp downturn between 2004/05 and 2005/06, though the decline in the North East was not quite so significant as that seen nationally. The greatest decline was in Further Education.

171 Over 225,000 adults aged 19 and over were in LSC-funded learning with North East providers in 2005/06. As with young people, this figure includes mainstream-funded provision only, and is therefore likely to be an underestimate.

TABLE 15: ADULTS IN LSC-FUNDED PROVISION, NORTH EAST

Year	Number of learners by funding stream				Total
	FE	WBL (average in learning)	ACL (all ages)	Employer Training Pilot/Train to Gain	
2003/04	223,192	5,369	39,355	5,693	273,609
2004/05	227,227	4,830	40,408	16,855	289,320
2005/06 ⁶⁵	170,288	4,887	38,974	11,501	225,650

Source: LSC Individualised Learner Record 2003/04 F05/Period 13/C03, 2004/05 F05/Period 13/C03, 2005/06 F04/Period 12/C02

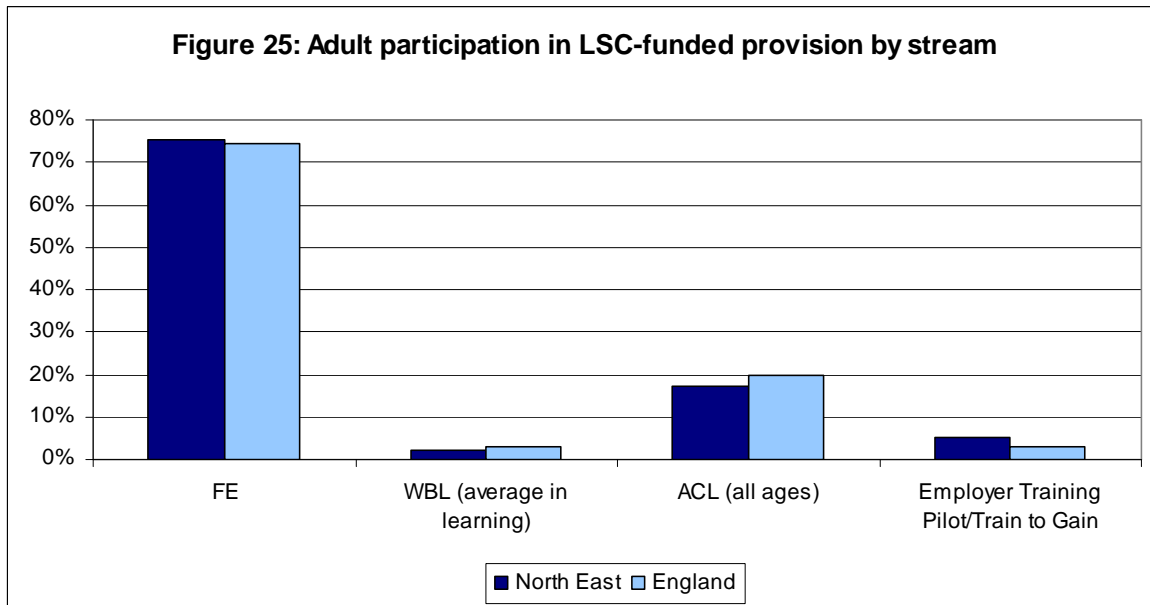
172 Further Education provision accounts for the majority of adults in LSC-funded learning in the North East (75.5 per cent in 2005/06, compared with 74.4 per cent in England). Adult and Community Learning accounts for the second largest share of adult learners, but far fewer learners than FE (17.3 per cent, compared with 19.9 per cent in England). Work Based Learning accounts for relatively few adult learners by comparison (2.2 per cent in the North East, compared with 2.9 per cent in England). The Employer Training Pilot, eQ8, also accounted for a relatively small share of learners overall (5.1 per cent in the North East), but a higher share than nationally (2.8 per cent).

173 There are more female learners among adults in Further Education provision in the North East (59.2 per cent) than male learners (40.8 per cent). Similarly, there are also more female learners among adults in Work Based Learning (54.1 per cent) than male learners (45.9 per cent). Female learners dominate Adult and Community Learning, accounting for more than three in every four learners (76.4 per cent) compared with males (23.6 per cent).

174 The number of adults in LSC-funded provision in the region grew between 2003/04 and 2004/05, while declining slightly nationally. Between 2004/05 and 2005/06, however, learner numbers in the North East saw a sharp downturn. The decline in learner numbers in the region between 2004/05 and

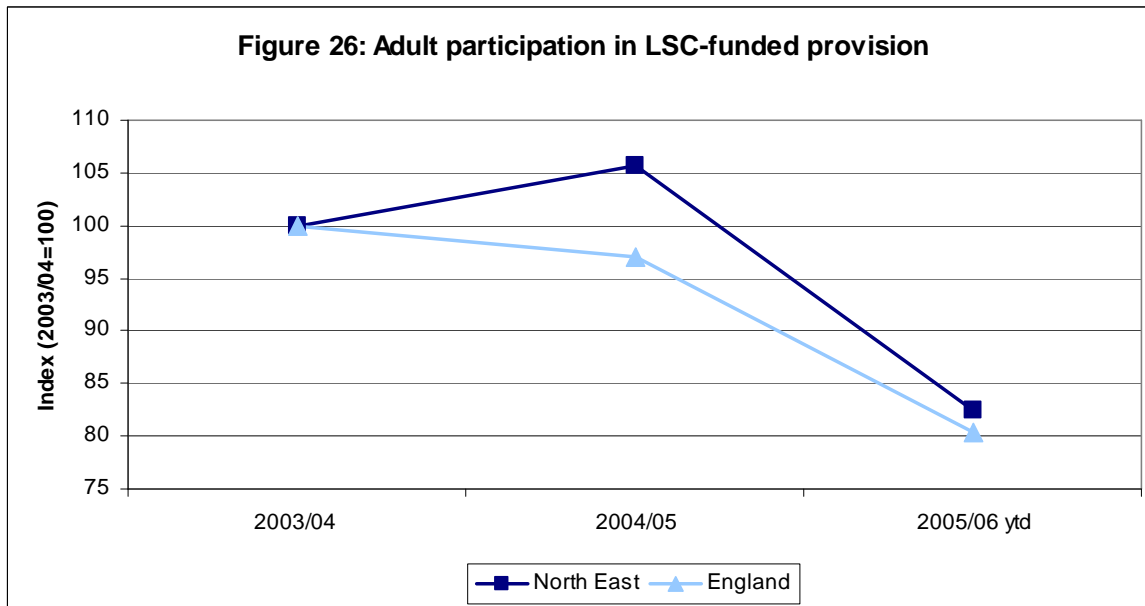
⁶⁵ 2005/06 data may not be complete for FE and ACL provision; there may also be slight changes to learner counts in other provision.

2005/06 was larger than seen nationally. Nevertheless, the overall decline in learner numbers since 2003/04 has not been quite so significant in the North East as it has in England. Between 2003/04 and 2005/06, adult learner numbers in the region fell by 17.5 per cent, compared with a decline of 19.6 per cent nationally. The decline in adult learner numbers is likely to be due largely to changes in national policy, for example the shift towards full Level 2 provision.



Source: LSC Individualised Learner Record 2003/04 F05/Period 13/C03, 2004/05 F05/Period 13/C03, 2005/06 F04/Period 12/C02

- 175 The greatest decline was seen in Further Education. Between 2003/04 and 2005/06, the number of adult learners in FE in the North East fell by almost 53,000 learners – a decline of 23.7 per cent. This was slightly higher than the decline seen nationally (20.3 per cent), and in contrast to the national trend happened entirely between 2004/05 and 2005/06. In England, adult learner numbers in FE have been in decline since 2003/04; in the North East, learner numbers increased between 2003/04 and 2004/05 but saw a sharp downturn the following year.
- 176 The number of adult learner numbers in Work Based Learning in the North East increased very slightly between 2004/05 and 2005/06, but fell the year before and remain lower in 2005/06 than in 2003/04. Adult learner numbers in Work Based Learning in the region fell by 9.0 per cent between 2003/04 and 2005/06, similar to the fall of 8.5 per cent seen nationally. In numerical terms, however, the decline in learner numbers in Work Based Learning in the North East has been relatively small (around 480 learners).



Source: LSC Individualised Learner Record 2003/04 F05/Period 13/C03, 2004/05 F05/Period 13/C03, 2005/06 F04/Period 12/C02

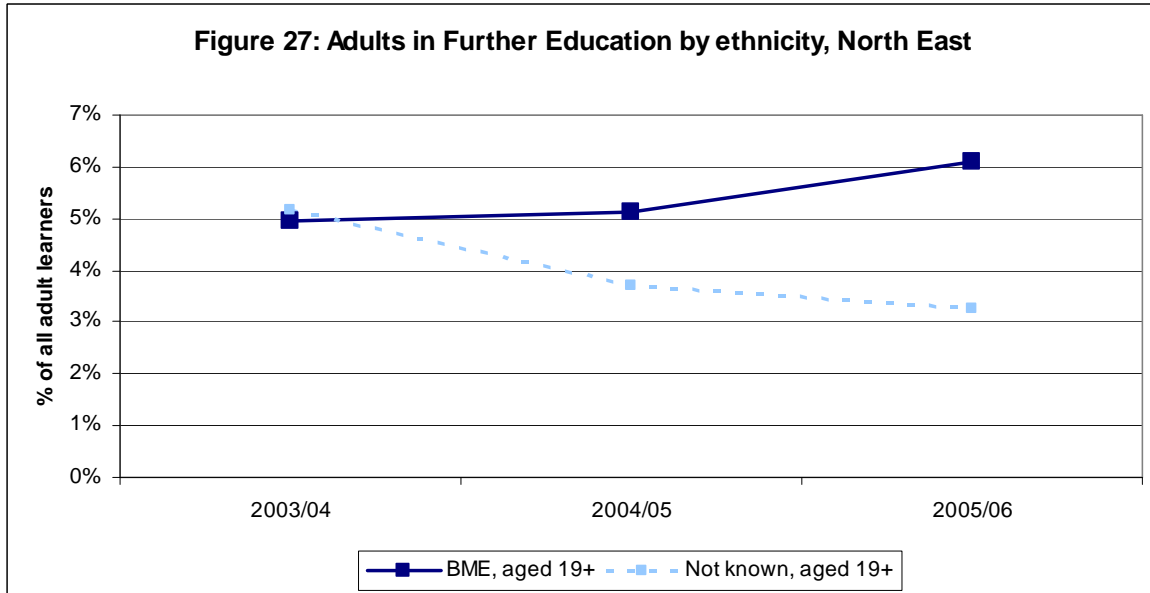
177 In contrast to these trends, the decline in learner numbers in Adult and Community Learning has been far less significant in the North East than in England. Learner numbers in the region fell by just 1.0 per cent in the region between 2003/04 and 2005/06, compared with a fall of 22.9 per cent nationally. The number of adult learners in Employer Training Pilot provision, meanwhile, has grown at a much faster rate in the North East than in England. Learner numbers more than doubled in the region, with growth of 102.0 per cent between 2003/04 and 2005/06 far outstripping growth of 38.7 per cent seen nationally.

Adults in LSC-funded learning by ethnicity

- The number of adult learners from BME communities in FE fell between 2003/04 and 2005/06, though as a proportion of all learners in FE participation among those from BME communities has increased.
- The number of learners from black and minority ethnic communities in Work Based Learning also fell between 2004/05 and 2005/06, though there had been an increase the previous year.
- The proportion of learners in Further Education who are from BME communities is higher than the proportion in the population as a whole.
- In contrast, learners from BME communities are under-represented in Work Based Learning. The actual number of adult learners from BME communities in Work Based Learning is very small.
- The largest ethnic group among adult learners from BME communities in FE and WBL were from Asian or Asian British backgrounds.

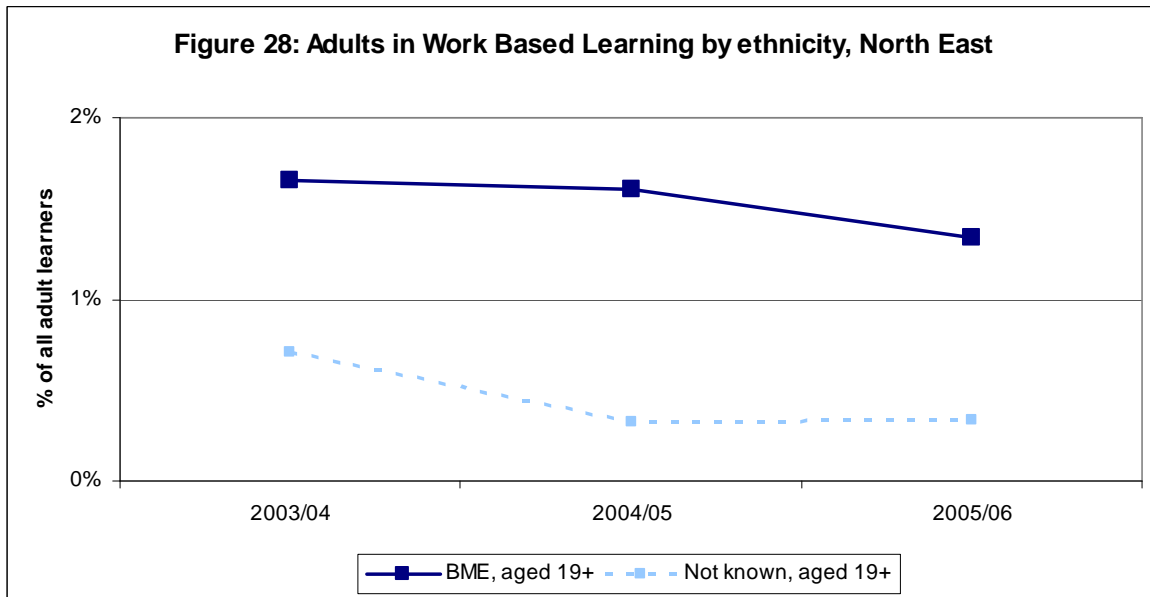
178 The number of adult learners from black and minority ethnic communities in Further Education fell between 2003/04 and 2005/06, though not as

dramatically as the overall fall in learner numbers, and as a proportion of all learners in FE participation among those from BME communities appears to have increased over this period. This is likely to reflect a fall in the proportion of learners whose ethnicity is recorded as unknown, and may not reflect a real increase in participation.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

- 179 Further Education clearly offers attractive learning opportunities to learners from black and minority ethnic communities, as the proportion of learners from BME communities in FE in the North East is higher than the proportion in the population as a whole. However, younger people from BME communities appear to be under-represented in FE compared with older learners. 4.8 per cent of 16–18 year olds in FE in 2005/06 were from BME communities, compared with 6.1 per cent of adult learners. The largest ethnic group among adult learners from BME communities in Further Education were from Asian or Asian British backgrounds.
- 180 The number of learners from black and minority ethnic communities in Work Based Learning also fell between 2004/05 and 2005/06, though there had been an increase the previous year. While the total number of learners in Work Based Learning has also decreased, the decline in the number of learners from BME communities means that participation rates among this group as a proportion of all young learners declined between 2004/05 and 2005/06 while remaining relatively steady the year before. This is likely to reflect trends in the proportion of learners whose ethnicity is recorded as unknown.



Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 13, 2005/06 Period 13

181 In contrast to Further Education, the proportion of learners in Work Based Learning who are from BME communities is lower than the proportion in the population as a whole. 1.3 per cent of adult learners in Work Based Learning in 2005/06, and 1.2 per cent of 16–18 year old learners, were from BME communities. The actual number of adult learners from BME communities in Work Based Learning is very small, with around 65 people in 2005/06. As in FE, the largest ethnic group among adult learners from BME communities in Work Based Learning were from Asian or Asian British backgrounds.

Skills for Life provision

- In line with national trends, the number of Skills for Life learners in the North East saw a sharp increase between 2003/04 and 2004/05, but a slight decline the following year.
- Participation in learning which contributes to the Skills for Life target increased by 11.3 per cent in the North East between 2004/05 and 2005/06, compared with an increase of 2.7 per cent in England.
- There is something of a mismatch between participation in Skills for Life provision and basic skills needs. Often, relatively few Skills for Life learners are recruited from wards where the highest proportions of the population have poor literacy and numeracy skills.
- Achievements in Skills for Life provision which count towards the Skills for Life target have increased between 2003/04 and 2005/06, despite a decline in the last year among young people.
- Adult achievements are less likely to count towards the Skills for Life target than achievements among young people.

- Skills for Life achievements suggest a slight bias towards literacy provision, especially in comparison with basic skills needs which are greatest in relation to numeracy skills.
- It is not clear whether the balance of achievements reflects the existing mix of provision, which has tended towards literacy provision due to a historical shortage of numeracy tutors, or whether it reflects learner demand.

182 The latest available data shows that in 2005/06, over 27,000 young people and almost 52,000 adult learners participated in Skills for Life provision in the North East⁶⁶. Most Skills for Life courses were in Further Education, though FE accounted for a smaller share of Skills for Life learners in the North East than in England. Work Based Learning also accounted for a significant proportion of young Skills for Life learners, particularly in comparison to the proportion of adult Skills for Life learners in WBL. Though far fewer young Skills for Life learners were in other types of provision, ESF-funded learning and to a lesser extent Ufl provision both accounted for a higher proportion of young learners in the North East than in England. Among adult Skills for Life learners, Ufl provision was more significant than Work Based Learning, and accounted for a higher proportion of learners in the region than in England.

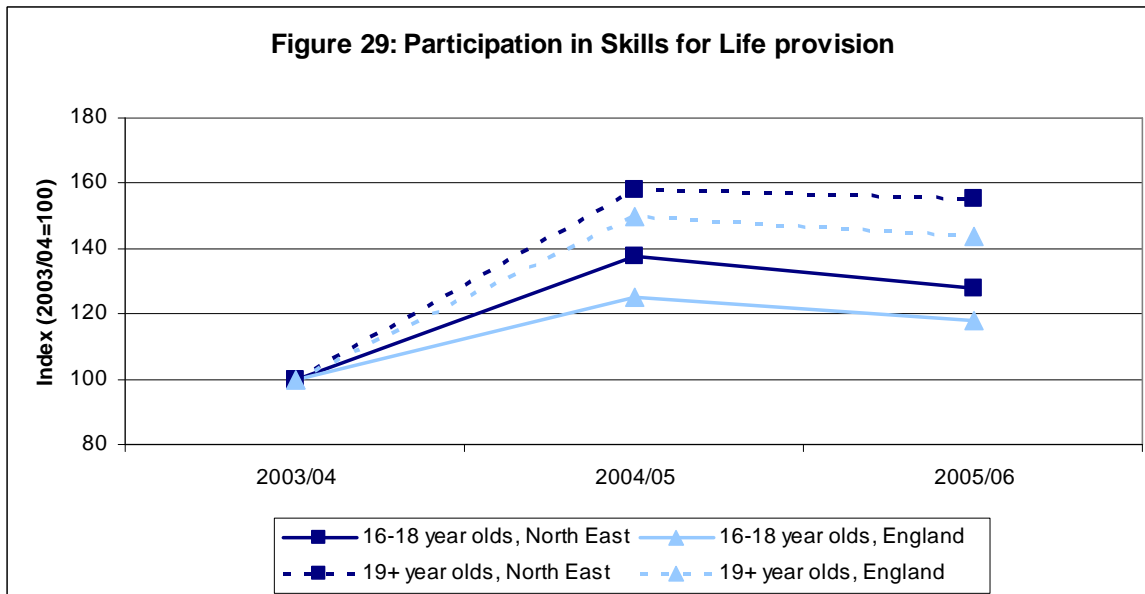
TABLE 16: PARTICIPATION IN SKILLS FOR LIFE PROVISION BY FUNDING STREAM, 2005/06

Funding stream	16–18 year old learners		Adult learners	
	North East	England	North East	England
Further Education	67.7%	75.2%	63.4%	69.4%
Work Based Learning	23.5%	21.4%	5.9%	6.0%
Adult and Community Learning	0.4%	0.3%	8.9%	6.7%
European Social Fund	4.8%	0.8%	1.9%	1.7%
Employer Training Pilot	<0.1%	<0.1%	3.0%	2.1%
Ufl	3.6%	2.3%	16.9%	14.0%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

183 The number of Skills for Life learners saw a sharp increase between 2003/04 and 2004/05, though growth in the number of 16–18 year old learners was not so significant as growth in the number of adult learners. The rate of growth among both young Skills for Life learners and adult learners was faster in the North East than in England. Between 2004/05 and 2005/06, there was a slight decline in the number of Skills for Life learners, in line with the national trend.

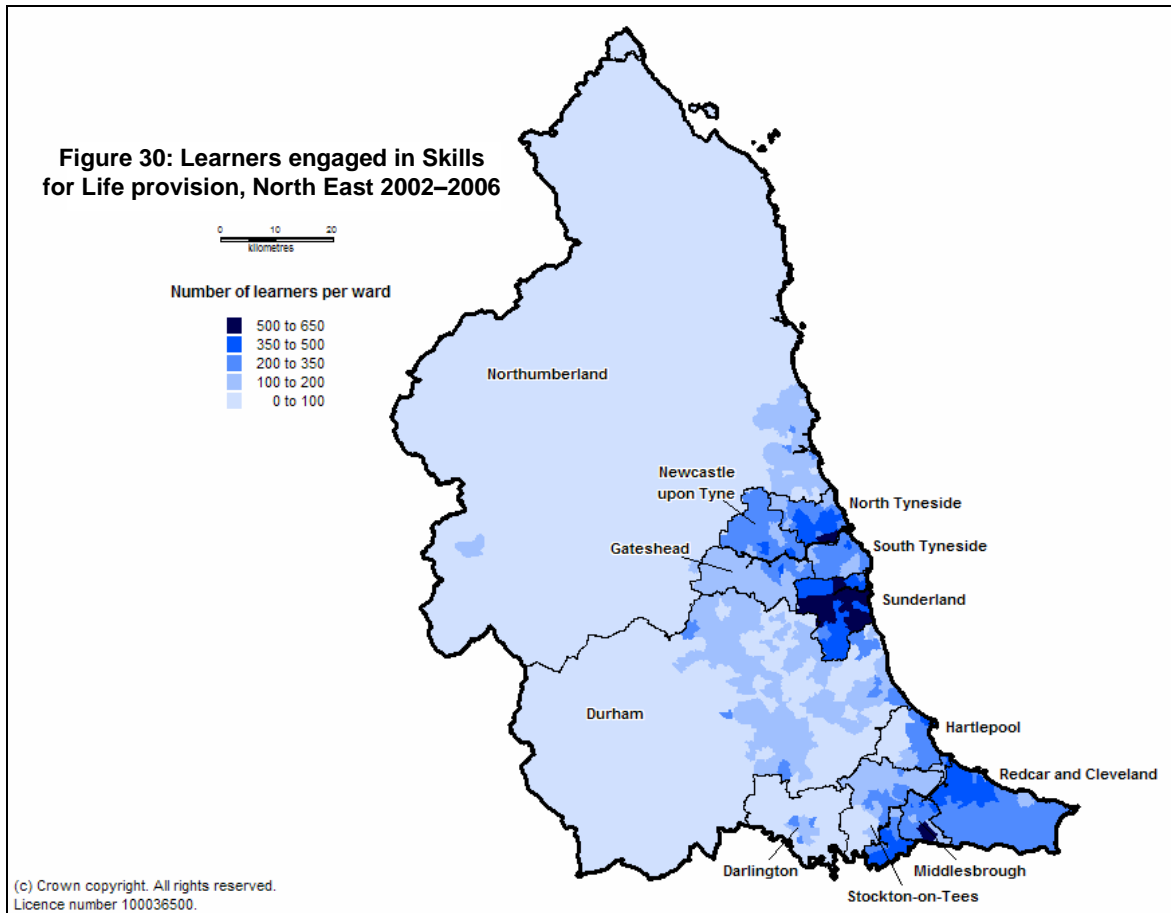
⁶⁶ To allow year-on-year comparisons, these figures are not discounted according to LSC methodology, i.e. the 21 per cent discount for expected repeat learners is not applied. The figures include learners on courses that do not count towards the Skills for Life target.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

- 184 There is, however, something of a mismatch between participation in basic skills provision and needs. Geographical analysis suggests that often, relatively few learners in Skills for Life provision are recruited from wards where the highest proportions of the population have poor literacy and numeracy skills. In particular, few learners from rural areas appear to have engaged in Skills for Life provision between 2002/03 and 2005/06.
- 185 The number of young people participating in learning which contributes to the Skills for Life target increased by 11.3 per cent in the North East between 2004/05 and 2005/06, compared with an increase of just 2.7 per cent in England. There is a clear shift among young learners in the region towards provision which contributes to the target, with the number of young learners in Skills for Life provision which does not count towards the target falling by 15.4 per cent in the same period (compared with a fall of 12.7 per cent nationally). 90.9 per cent of 16–18 year old learners in Skills for Life provision in the North East in 2005/06 were in learning which counts towards the target. In spite of the shift in provision apparent over the previous year, however, this remained below the national average of 91.4 per cent.
- 186 The number of adults participating in learning which contributes to the Skills for Life target increased by 13.8 per cent in the North East between 2004/05 and 2005/06, compared with an increase of 12.5 per cent nationally. The number of adult Skills for Life learners participating in learning which does not count towards the target also increased in the North East, with growth of 1.7 per cent compared with a decline of 5.7 per cent in England. While this means the shift towards provision which contributes to the target in the region was more subtle among adult learners than among young people, a higher proportion of adult Skills for Life learners in the North East are in provision which counts towards the target than in England. Nevertheless, fewer than

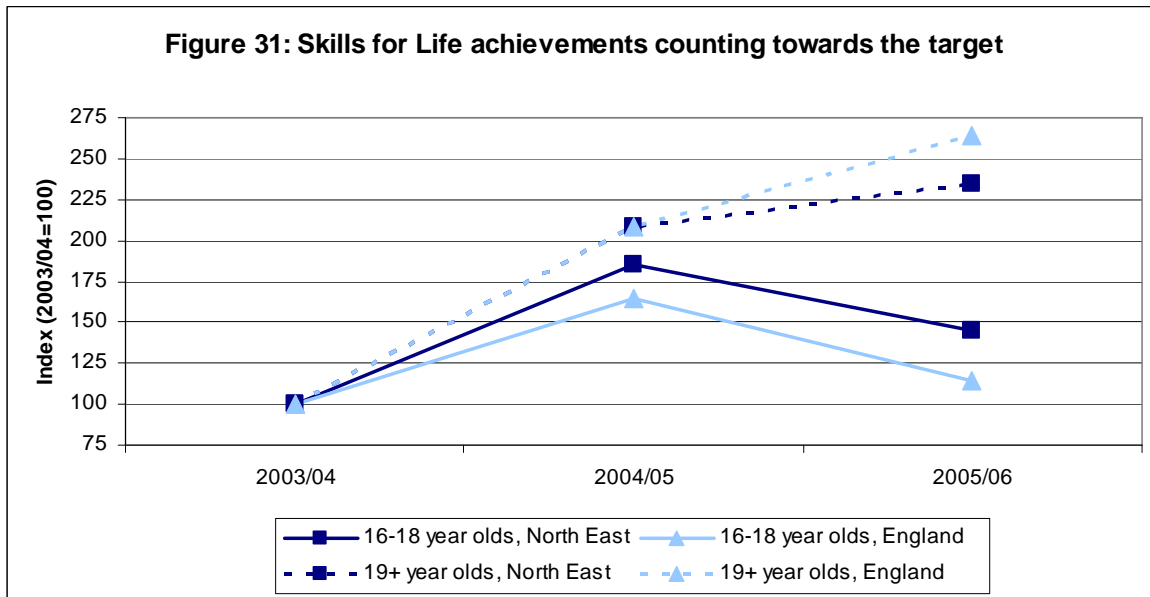
half the adult Skills for Life learners in the region are in learning contributing to the target (47.7 per cent, compared with the national average of 43.6 per cent).



Source: LSC Individualised Learner Record 2002/03 F05, 2003/04 F05, 2004/05 F05, 2005/06 F04

187 While the number of Skills for Life achievements counting towards the target among 16–18 year olds fell between 2004/05 and 2005/06, improvement the previous year was more significant in the North East than in England and the overall improvement between 2003/04 and 2005/06 was greater in the region than nationally. However, the proportion of achievements counting towards the target in the region has not improved over this period, and achievements in the region were slightly less likely than average to contribute to the target. 72.5 per cent of Skills for Life achievements among young learner in the North East in 2005/06 counted towards the target, compared with 77.2 per cent in England⁶⁷.

⁶⁷ To allow year-on-year comparisons, this analysis is based on undiscounted achievements, i.e. the 10 per cent discount for expected repeat achievements has not been applied.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

- 188 There was significant growth in the number of Skills for Life achievements contributing to the target among adult learners between 2003/04 and 2005/06, though improvement in the North East was slightly slower in the second year than in England. The proportion of adult achievements which contribute to the target also saw slower improvement in the region than nationally. While adult Skills for Life achievements in the North East are more likely to count towards the target than average (44.0 per cent in the region compared with the national average of 42.4 per cent), only slightly more than two in five achievements count – significantly fewer than the proportion among young learners⁶⁸.
- 189 Achievements among young people are relatively evenly split between literacy and numeracy, though there is a slight bias in favour of achievements in literacy and the split in the North East (52.2 per cent literacy and 47.8 per cent numeracy) is not quite so even as in England (51.0 per cent literacy and 49.0 per cent numeracy). Achievements among adults are split less evenly, again in favour of achievements in literacy, though the regional split (55.6 per cent literacy and 44.4 per cent numeracy) is closer to the national average (55.3 per cent literacy and 44.7 per cent numeracy). This balance in achievements is a poor reflection of needs in the North East, where people with poor literacy skills account for 44.5 per cent of those with basic skills needs, and people with poor numeracy skills account for 55.5 per cent⁶⁹. It is not clear whether the balance of achievements reflects the existing mix of provision, which has tended towards literacy provision due to historical weaknesses in the availability of suitably qualified and experienced numeracy tutors, or whether it reflects learner demand.

⁶⁸ As with young learners, this analysis is based on undiscounted achievements.

⁶⁹ DfES Skills for Life Survey 2003.

Adults in LSC-funded learning by subject

- One in every four learning aims taken up by adults in FE in the region in 2005/06 were in Preparation for Life and Work subjects. In most cases, this learning is likely to be delivered alongside learning in other subjects.
- Women account for a higher proportion of enrolments than men in most subject areas, reflecting the greater number of women among adults in FE. In particular, women dominate Social Sciences subjects, Retail and Commercial Enterprise subjects, Science and Mathematics subjects and Education and Training subjects.
- Men, on the other hand, dominate take-up in Engineering and Manufacturing Technologies and in Construction, Planning and the Built Environment.
- In contrast to FE, take-up of Work Based Learning among adults in the North East is concentrated in relatively few subject areas.
- There is a particularly strong gender bias among adults in several subjects in Work Based Learning. There are more women than men in Health, Public Services and Care subjects, Education and Training subjects, Business, Administration and Law subjects in WBL.
- In contrast, there were significantly more men than women in Construction, Planning and the Built Environment subjects, and in Engineering and Manufacturing Technologies subjects.

190 Adult learners took up more than 320,000 learning aims in Further Education in the North East in 2005/06, an average of 1.9 learning aims each. Just over a quarter of the learning aims taken up by adults in FE in the region were in Preparation for Life and Work subjects (e.g. key skills, employability skills, etc.). Take-up of learning aims in Preparation for Life and Work subjects was less significant among adult learners than among young people, and slightly lower in the North East than in England.

191 As with young people, adults took up learning in a wide range of subject areas. There was nevertheless a greater concentration of adult learners in Health, Public Services and Care subjects (which accounted for one in five learning aims taken up by adults) and in Information and Communication Technology subjects.

192 Women accounted for a higher proportion of enrolments than men in most subject areas, reflecting the greater number of women among adults in FE. In particular, women dominated Social Sciences subjects (accounting for 74.5 per cent of enrolments in 2005/06), Retail and Commercial Enterprise subjects (71.3 per cent), Science and Mathematics subjects (69.8 per cent) and Education and Training subjects (69.3 per cent). Men, on the other hand, dominated take-up in Engineering and Manufacturing Technologies subjects (80.8 per cent of enrolments in 2006/06) and Construction, Planning and the Built Environment subjects (78.8 per cent)⁷⁰.

⁷⁰ A more detailed picture of adult learning by gender in the North East can be found in Appendix 3.

**TABLE 17: ENROLMENTS AMONG ADULTS IN FURTHER EDUCATION BY SECTOR
SUBJECT AREA, 2005/06**

Sector Subject Area	North East			England	
	Number of enrolments	Share of enrolments	Change since 2003/04	Share of enrolments	Change since 2003/04
Health, Public Services and Care	61,553	19.1%	-13.3%	15.9%	-10.0%
Science and Mathematics	2,982	0.9%	-68.8%	1.4%	-19.4%
Agriculture, Horticulture and Animal Care	2,832	0.9%	-44.5%	1.7%	-21.2%
Engineering and Manufacturing Technologies	19,024	5.9%	-8.0%	3.8%	-7.1%
Construction, Planning and the Built Environment	12,973	4.0%	27.1%	2.9%	10.5%
Information and Communication Technology	40,197	12.4%	-43.6%	14.1%	-16.5%
Retail and Commercial Enterprise	15,373	4.8%	-11.4%	4.3%	-20.3%
Leisure, Travel and Tourism	10,945	3.4%	-53.5%	2.9%	-25.2%
Arts, Media and Publishing	16,889	5.2%	-42.9%	6.8%	-39.6%
History, Philosophy and Theology	3,502	1.1%	35.1%	1.1%	-20.7%
Social Sciences	1,352	0.4%	-61.5%	0.5%	-32.6%
Business, Administration and Law	20,219	6.3%	-30.6%	5.1%	-18.8%
Languages, Literature and Culture	11,111	3.4%	-36.0%	5.1%	10.9%
Education and Training	10,546	3.3%	12.3%	2.7%	-12.6%
Preparation for Life and Work	84,803	26.3%	19.3%	28.4%	-45.9%
Unknown	8,593	2.7%	-27.2%	3.5%	-61.8%
Total	322,894	100%	-19.9%	100%	-17.3%

Source: LSC Individualised Learner Record 2003/04 F05, 2005/06 F04

193 Reflecting the decline in the number of adult learners in FE in the region between 2003/04 and 2005/06, the number of learning aims taken up by adults fell by 19.9 per cent over this period. A decline in take-up was seen in most subject areas, though enrolments increased in Construction, Planning and the Built Environment subjects, in History, Philosophy and Theology subjects, in Education and Training subjects and in Preparation for Life and Work subjects.

194 Take-up of Work Based Learning among adults in the North East is concentrated in relatively few subject areas, broadly reflecting the national picture. In particular, there is a significant concentration of adult learners in Business, Administration and Law subjects, which accounted for more than one in every three adults in WBL in the region in 2005/06, compared with less than one in four nationally. There are also relatively high concentrations of adult learners in Retail and Commercial Enterprise subjects, in Engineering

and Manufacturing Technologies subjects and in Health, Public Services and Care subjects. The proportion of adult learners in these subject areas in the North East is slightly below average.

TABLE 18: ADULT AVERAGE IN LEARNING IN WORK BASED LEARNING BY SECTOR SUBJECT AREA, 2005/06

Sector Subject Area	North East			England	
	Average in learning	Share of all in learning	Change since 2003/04	Share of all in learning	Change since 2003/04
Health, Public Services and Care	670	13.7%	-24.6%	15.0%	-12.2%
Science and Mathematics	7	0.1%	-82.1%	<0.1%	-75.7%
Agriculture, Horticulture and Animal Care	47	1.0%	-15.4%	2.3%	-10.0%
Engineering and Manufacturing Technologies	725	14.8%	14.7%	18.3%	0.9%
Construction, Planning and the Built Environment	366	7.5%	20.4%	11.4%	7.0%
Information and Communication Technology	201	4.1%	115.1%	4.2%	15.6%
Retail and Commercial Enterprise	891	18.2%	-32.9%	19.4%	-19.3%
Leisure, Travel and Tourism	74	1.5%	-40.1%	3.1%	-21.1%
Arts, Media and Publishing	6	0.1%	-7.0%	0.4%	-5.6%
Business, Administration and Law	1,760	36.0%	-5.0%	23.4%	-14.6%
Education and Training	2	<0.1%	-29.2%	0.1%	-15.5%
Preparation for Life and Work	7	0.1%	-81.2%	0.2%	-62.4%
Unknown	138	2.8%	169.1%	2.2%	70.3%
Total	4,895	100%	-9.6%	100%	-9.0%

Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 12

- 195 There is a particularly strong gender bias among adults in several subjects in Work Based Learning. While there were more women than men among adults in WBL in 2005/06, women dominated relatively few subjects. There were more women than men in Health, Public Services and Care subjects (where women accounted for 91.2 per cent of learners in 2005/06), in Education and Training subjects (89.7 per cent), in Business, Administration and Law subjects (71.2 per cent) and, to a lesser extent, in Retail and Commercial Enterprise subjects (60.7 per cent) and in Agriculture, Horticulture and Animal Care subjects (59.9 per cent).
- 196 In contrast, there were significantly more men than women in Construction, Planning and the Built Environment subjects (where men accounted for 99.5 per cent of learners in 2005/06), and in Engineering and Manufacturing Technologies subjects (96.4 per cent). There were also more men than women in Leisure, travel and Tourism subjects (66.6 per cent).

197 The number of adult learners in Work Based Learning fell in most subject areas between 2003/04 and 2005/06. There was a significant increase in the number of adult learners in Information and Communication technology subjects. This increase was far greater than that seen nationally. The number of adult learners in Construction, Planning and the Built Environment subjects and in Engineering and Manufacturing Technologies subjects also increased. Growth in these subject areas was also more significant in the North East than in England.

TABLE 19: ENROLMENTS IN ADULT AND COMMUNITY LEARNING BY SECTOR SUBJECT AREA, 2005/06					
Sector Subject Area	North East			England	
	Number of enrolments	Share of enrolments	Change since 2003/04	Share of enrolments	Change since 2003/04
Health, Public Services and Care	3,890	6.2%	54.1%	6.4%	8.4%
Science and Mathematics	208	0.3%	96.2%	0.3%	-32.5%
Agriculture, Horticulture and Animal Care	1,029	1.6%	-14.9%	1.6%	-33.9%
Engineering and Manufacturing Technologies	575	0.9%	232.4%	0.6%	-0.7%
Construction, Planning and the Built Environment	438	0.7%	-1.8%	0.7%	-55.6%
Information and Communication Technology	7,229	11.5%	9.5%	10.7%	-9.3%
Retail and Commercial Enterprise	1,576	2.5%	24.0%	3.5%	-15.6%
Leisure, Travel and Tourism	10,025	15.9%	-23.3%	18.2%	-44.6%
Arts, Media and Publishing	18,903	30.0%	12.8%	30.6%	-26.2%
History, Philosophy and Theology	1,185	1.9%	-	1.5%	-
Social Sciences	167	0.3%	-85.7%	0.4%	-87.8%
Business, Administration and Law	383	0.6%	-37.7%	0.7%	-29.0%
Languages, Literature and Culture	3,136	5.0%	7.9%	8.2%	-27.2%
Education and Training	573	0.9%	340.8%	0.7%	534.7%
Preparation for Life and Work	13,487	21.4%	43.4%	15.8%	24.2%
Unknown	284	0.5%	456.9%	0.1%	77.8%
Total	63,088	100%	11.8%	100.0%	-22.7%

Source: LSC Individualised Learner Record 2003/04 C03, 2005/06 C02

198 North East learners took up more than 63,000 learning aims in Adult and Community Learning in 2005/06⁷¹, an average of 1.6 learning aims each. Almost a third of the learning aims taken up in ACL in the region were in Arts, Media and Publishing subjects, with relatively high concentrations of enrolments also seen in Preparation for Life and Work subjects (e.g. key

⁷¹ Because there are few 16–18 year old learners in Adult and Community Learning in the North East, the discussion of ACL provision includes learners of all ages, not just adults.

skills, employability skills, etc.), in Leisure, Travel and Tourism subjects and in Information and Communication technology subjects. The subject mix in ACL provision in the North East broadly reflects that in England as a whole.

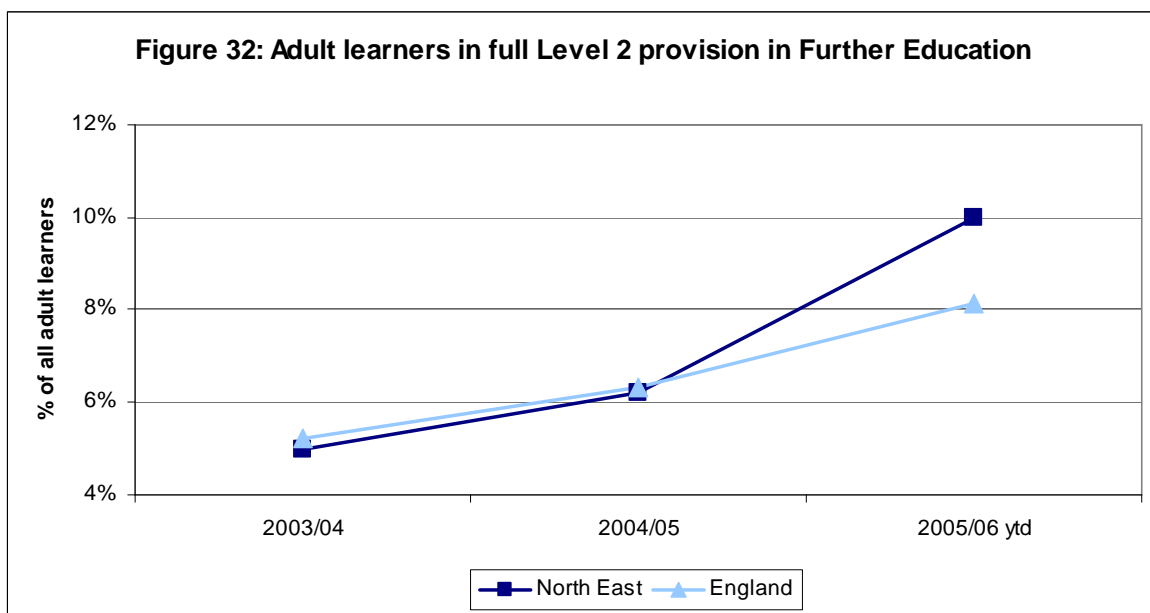
- 199 The significant take-up of Adult and Community Learning among women compared with men means that there were female learners accounted for a higher proportion of enrolments in most subjects in ACL in the North East in 2005/06. The only subject in which there were more enrolments among men than women was Construction, Planning and the Built Environment (in which men accounted for 64.2 per cent of enrolments). Men accounted for relatively high proportions of enrolments in Engineering and Manufacturing Technologies (42.6 per cent) and in Information and Communication Technology subjects (37.5 per cent) compared with other subjects, though there were more enrolments among women in these subjects than among men.
- 200 While the number of learners in ACL provision in the region fell only slightly between 2003/04 and 2005/06, the number of learning aims taken up in ACL declined by 11.8 per cent over this period. Analysis suggests that significant shifts in provision by subject area occurred over these three years. However, these apparent shifts are likely to be due (at least in part) to changes in the way that subject areas are coded. It is therefore difficult to draw firm conclusions about the changes in ACL provision between 2003/04 and 2005/06.

Adults in LSC-funded learning by level

- Participation among adults in full Level 2 provision in FE has seen a significant increase, with much faster growth than in England (52.5 per cent between 2003/04 and 2005/06, compared with 24.5 per cent nationally).
- The proportion of adults in FE who are in full Level 2 provision in the North East is higher than average (10.0 per cent in 2005/06, compared with 8.1 per cent in England).
- Participation among adults in full Level 3 provision in FE has also increased, at a slightly faster rate than nationally (32.3 per cent in the region between 2003/04 and 2005/06, compared with 27.1 per cent in England).
- The proportion of adults who are in full Level 3 provision in FE in the North East is very slightly below average (6.1 per cent in 2005/06, compared with 6.3 per cent in England).
- In relative terms, participation among adults in full Level 2 provision in WBL shows a marked decline (14.6 per cent between 2003/04 and 2005/06) which is more significant than that seen nationally (8.2 per cent). In real terms, the decline represents around 400 fewer learners.
- The proportion of adult learners in WBL who are in full Level 2 provision in the North East is below average (48.9 per cent in 2005/06 compared with 52.6 per cent in England).

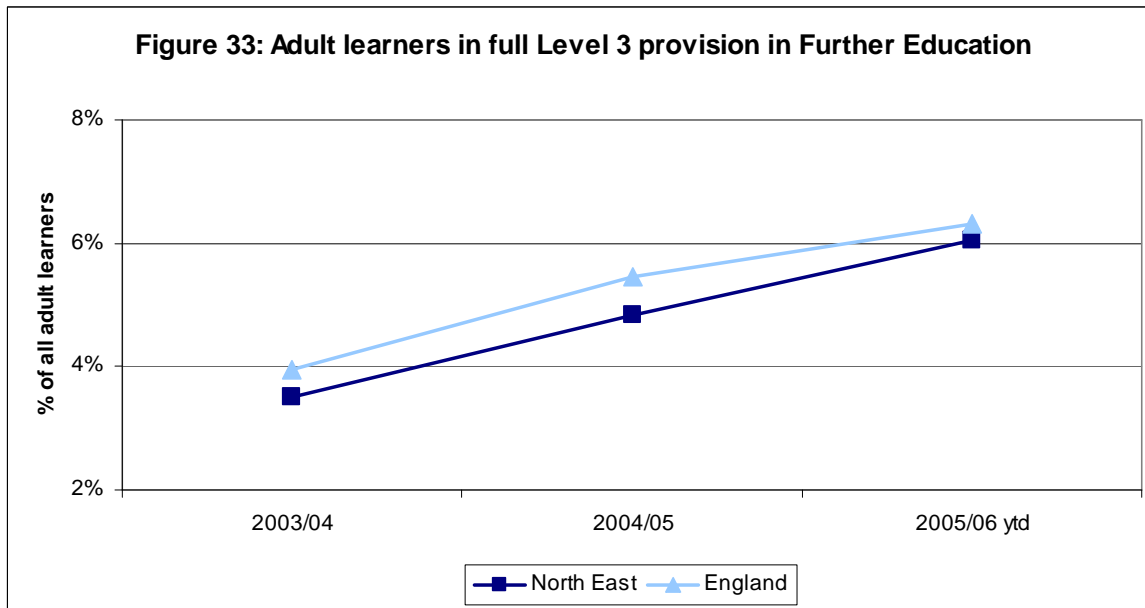
- Participation among adults in full Level 3 provision in WBL has fallen slightly (by 2.2 per cent between 2003/04 and 2005/06). The decline is less significant than that seen nationally (8.5 per cent).
- The proportion of adults who are in full Level 3 provision in WBL in the North East is above average (48.6 per cent in 2005/06, compared with 45.9 per cent in England).

201 Despite the large decline in the overall number of adult learners in Further Education between 2003/04 and 2005/06, the number of adult learners in full Level 2 provision in FE in the North East has shown a significant increase over this period, from 11,160 in 2003/04 to 17,019 in 2005/06. This increase, a growth of 52.5 per cent, is well above the 24.5 per cent growth seen nationally.



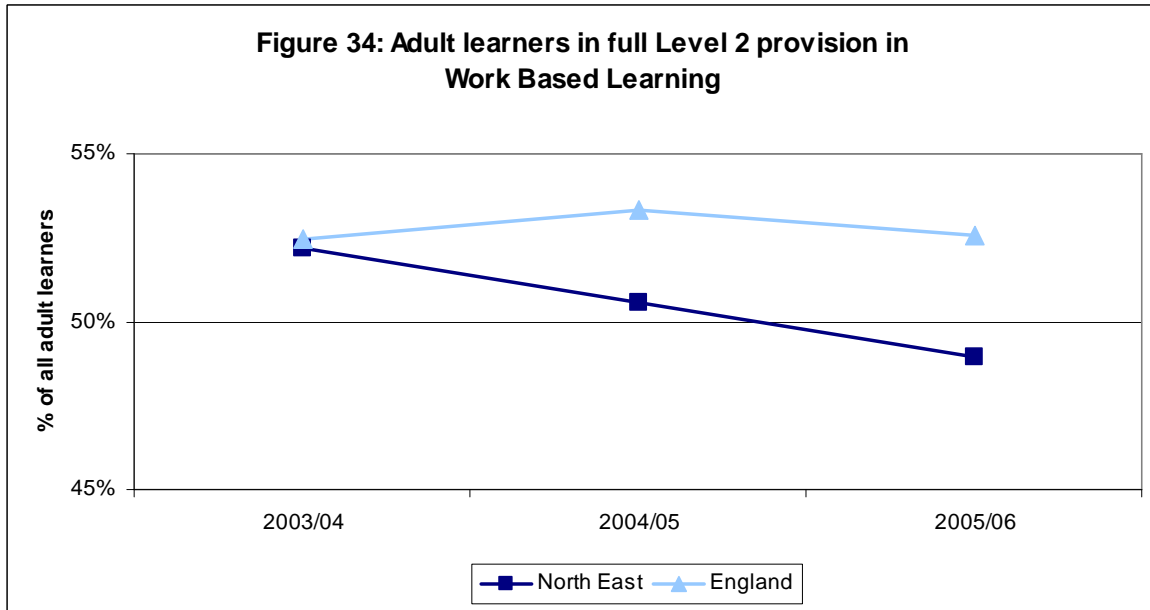
Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

202 Between 2003/04 and 2005/06, growth in participation in full Level 2 FE provision among adults in the North East as a proportion of all adults in FE outperformed the growth seen nationally, with an increase of 5.0 percentage points in the region compared with an increase of 2.9 percentage points in England. In particular, growth between 2004/05 and 2005/06 was more significant in the North East than in England. The increase in adult participation in full Level 2 provision in FE, particularly between 2004/05 and 2005/06, means that adults in FE in the North East are more likely to participate in full Level 2 provision than adults across England as a whole.



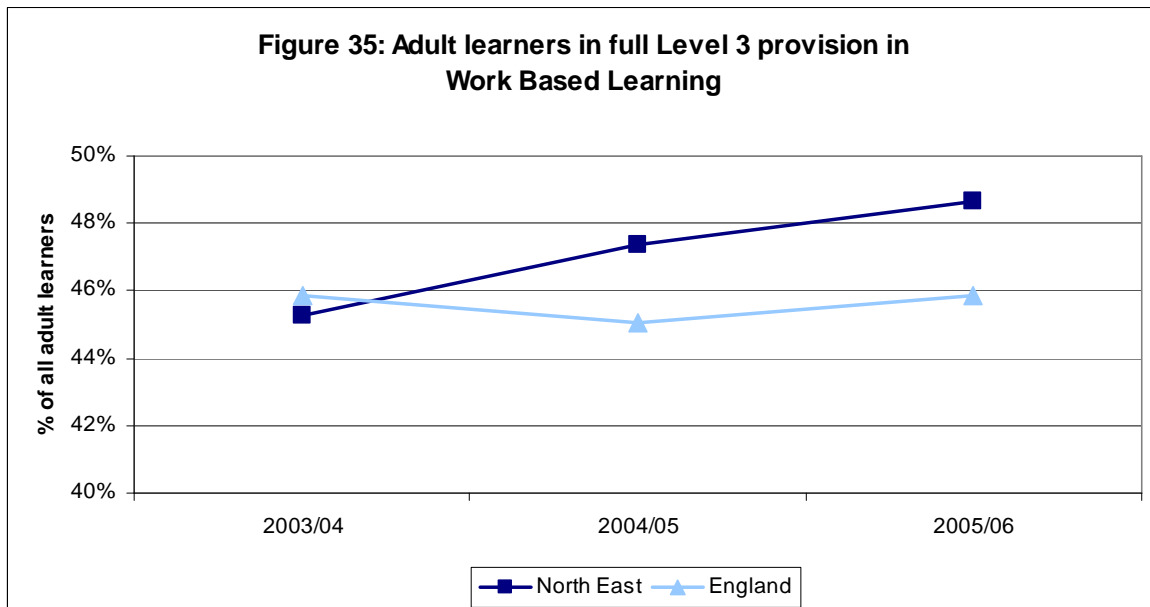
Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

- 203 The number of adult learners participating in full Level 3 provision in FE increased between 2003/04 and 2004/05, though there was subsequently some decline in 2005/06. Overall, however, adult participation in full Level 3 provision in FE increased between 2003/04 and 2005/06, from 7,796 learners in the North East in 2003/04 to 10,311 learners in 2005/06. The rate of growth in the region over this period was higher than the national growth rate (32.3 per cent compared with 27.1 per cent).
- 204 This growth is reflected in an increase in participation in full Level 3 provision as a proportion of all adult learners in FE. While the increase in the region between 2003/04 and 2005/06 was slightly greater than growth nationally (2.6 percentage points compared with 2.4 percentage points), the proportion of adult learners in FE in the North East who are participating in full Level 3 provision remains slightly below the national average (6.1 per cent compared with 6.3 per cent in England).
- 205 In relative terms, adult participation in full Level 2 provision in Work Based Learning in the North East appears to show a marked decline of 14.6 per cent between 2003/04 and 2005/06, compared with a decline of 8.2 per cent nationally. In real terms, the decline in the region represents 410 fewer adult learners participating in full Level 2 provision in Work Based Learning in 2003/04 compared with 2005/06.
- 206 As a proportion of all adult learners in Work Based Learning, participation in full Level 2 provision shows a decline in the North East while remaining relatively stable in England. As a result, adult learners in Work Based Learning in the region are less likely than average to participate in full Level 2 provision.



Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 13, 2005/06 Period 13

207 The number of adults participating in full Level 3 provision in Work Based Learning also saw a slight decline in the North East between 2003/04 and 2005/06. The regional decline of 2.2 per cent in adult learner numbers in full Level 3 provision in Work Based Learning was below the 8.5 per cent decline seen nationally. In real terms the decline amounted to around 50 fewer learners.



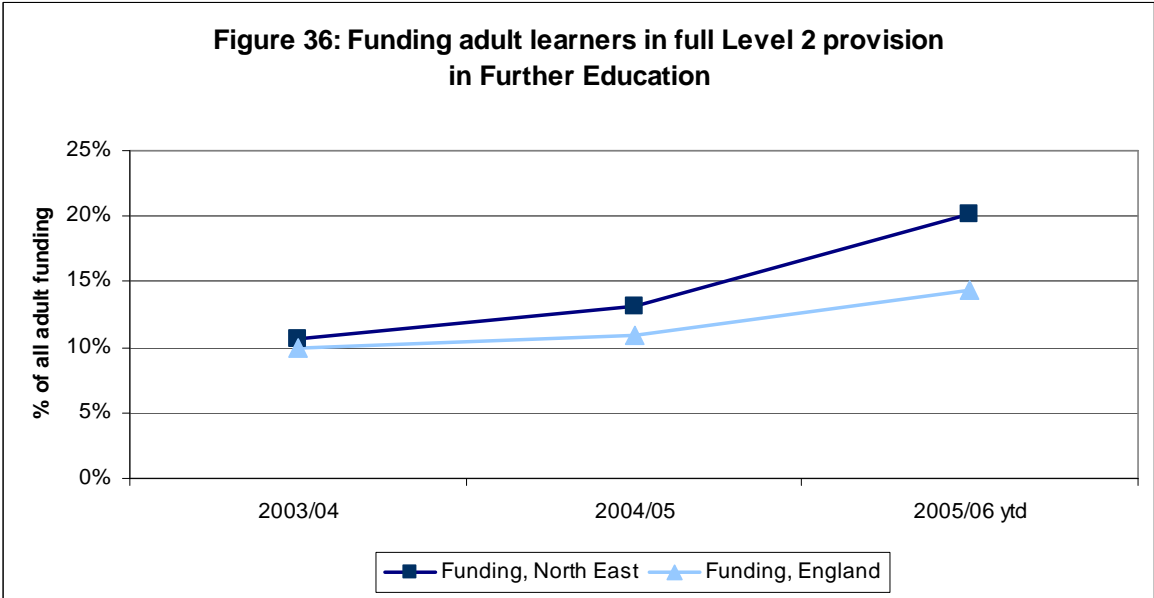
Source: LSC Individualised Learner Record 2003/04 Period 13, 2004/05 Period 13, 2005/06 Period 13

208 This slight decline in adult participation in full Level 3 provision in Work Based Learning in the North East, however, is offset by the overall decline in adult learner numbers in WBL. As a proportion of all adult learners in Work Based Learning, adult participation in full Level 3 provision shows an increase in the North East while remaining relatively stable in England. As a result, adult learners in Work Based Learning in the region are more likely to participate in full Level 3 provision than adults across England as a whole.

Funding adult learning

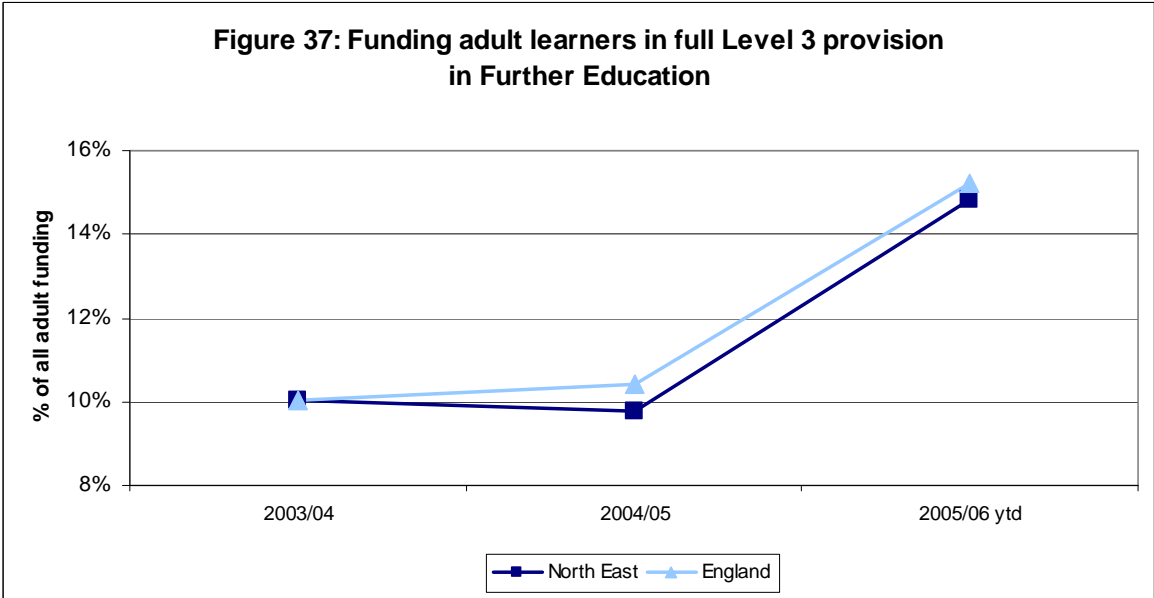
- Funding for full Level 2 provision for adults in FE more than doubled in the region, and the increase in funding in the North East (101.5 per cent between 2003/04 and 2005/06) was twice that seen nationally (50.6 per cent).
- The proportion of FE funding for adult learners which funds full Level 2 provision in the region is above average (20.2 per cent in 2005/06, compared with 14.4 per cent in England).
- Funding for full Level 3 provision for adults in FE increased in the region, though the growth was slightly behind that in England (55.7 per cent between 2003/04 and 2005/06, compared with 58.0 per cent nationally).
- The proportion of FE funding for adult learners which funds full Level 3 provision is slightly below the national average (14.8 per cent in 2005/06, compared with 15.2 per cent in England).

209 Funding for adult learners in FE increased between 2003/04 and 2005/06, with slightly higher growth in the North East (5.5 per cent) than seen nationally (4.4 per cent). Growth in funding for full Level 2 qualifications was particularly significant, more than doubling in the region. The increase in the North East (101.5 per cent) was twice that in England (50.6 per cent).



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

210 Growth in the North East funding for full Level 2 qualifications for adult learners in FE as a proportion of all FE funding for adults was also more significant than that seen nationally. Again, the increase in the region (9.6 percentage points) was twice that in England (4.4 percentage points), and the proportion of FE funding for adult learners which funds full Level 2 provision in the region is above average. 20.2 per cent of FE funding for adults in the region in 2005/06 funded full Level 2 provision, compared with 14.4 per cent in England.



Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05, 2005/06 F04

211 Funding for full Level 3 provision for adult learners in FE also increased between 2003/04 and 2005/06, though the increase in funding in the region was not as significant as that for full Level 2 provision and was slightly smaller than the national increase (55.7 per cent compared with 58.0 per cent in England).

212 Between 2003/04 and 2005/06, funding for full Level 3 provision for adult learners in FE as a proportion of all FE funding for adults saw a similar increase in the North East (4.8 percentage points) and England (5.1 percentage points). This increase occurred almost exclusively in the last year. The proportion of FE funding for adults in the North East which funds full Level 3 provision remains close to the national average. 14.8 per cent of FE funding for adult learners in the North East in 2005/06 funded full Level 3 provision, compared with 15.2 per cent in England.

213 The North East region’s budget for adults in Work Based Learning increased by 18.9 per cent between 2004/05 and 2005/06, compared with an increase of 12.4 per cent in England. Between 2005/06 and 2006/07, however, the regional budget declined by –13.5 per cent, compared with a fall of –4.6 per cent in England.

214 The region's Adult and Community Learning budget fell by -3.7 per cent between 2004/05 and 2005/06, compared with a decline of -1.6 per cent in England. In the year to 2006/07, the regional ACL budget declined by a further -7.9 per cent, in line with a decline of -7.1 per cent nationally.

Adult learners and the provision mix

- 42.3 per cent of the funding of adult learning in Further Education in the North East directly contributes to LSC targets, while 29.9 per cent funds other priority provision.
- The proportion of funding that contributes directly to LSC targets is in line with the national average, while the proportion in other priority provision is slightly below average.
- While more than a quarter of adult FE funding is in lower priority provision, the proportion of lower priority funding in the region is only slightly above average.
- The shift towards funding learning which contributes to LSC targets has been greater than average in the North East, though the region has started from a lower than average position.

215 Slightly more than two fifths of the funding of adult learning in Further Education in the North East is in provision that directly contributes to LSC targets, while a little less than a third is in other priority provision (e.g. learning aims which are included in the National Qualifications Framework). The proportion of funding in FE provision in the North East that contributes directly to LSC targets is in line with the national average, while the proportion in other priority provision is slightly below average. While more than a quarter of funding is in lower priority provision, the proportion of lower priority funding in the region is only slightly above average.

216 The proportion of learning aims taken up by adults in FE in the North East which contribute directly to LSC targets is close to the national average, as is the proportion of learning aims taken up in other priority provision. The proportion of learning aims taken up in lower priority provision is in line with the national average.

217 The shift towards funding learning which contributes to LSC targets has been greater than average in the North East, though the region has started from a lower than average position. Between 2004/05 and 2005/06, the proportion of FE funding in provision which contributes directly to LSC targets in the North East increased by 11.7 percentage points, compared with an increase of 8.4 percentage points nationally. Growth in funding in other priority learning was also more significant in the North East than in England (5.7 percentage points in the region, compared with 3.1 percentage points nationally). Accordingly, the reduction in lower priority funding in the region (-17.4 percentage points) was more significant than that in England (-11.5 percentage points).

TABLE 20: FURTHER EDUCATION PROVISION MIX AMONG ADULT LEARNERS, 2005/06

	North East		England	
	n	%	n	%
Funding that directly contributes to targets	£51,613,146	42.3%	£831,637,765	42.4%
Other priority funding	£36,396,096	29.9%	£598,142,395	30.5%
Lower priority funding	£33,884,840	27.8%	£532,558,846	27.1%
Learning aims that directly contribute to targets	61,550	20.9%	906,357	21.2%
Other priority learning	95,837	32.6%	1,384,070	32.4%
Lower priority learning	136,709	46.5%	1,977,209	46.3%

Source: LSC Individualised Learner Record 2005/06 Period 12

218 Similarly, improvement in the proportion of learning aims taken up by adults in FE which contribute directly to LSC targets was more significant in the North East than in England (7.2 percentage points in the region compared with 5.2 percentage points nationally). There was also a greater increase in the proportion of learning aims in other priority provision in the region (7.4 percentage points) than that seen in England (4.3 percentage points). The reduction in the proportion of learning aims taken up in lower priority provision was also more significant in the North East (-14.6 percentage points) than in England (-9.5 percentage points).

Qualifications and attainment among adults

Qualifications among the working age population

- Qualification levels among the North East's working age population are lower than in England.
- Fewer people in the region are qualified to Level 3 or above than average (41.0 per cent compared with 44.9 per cent in England).
- The proportion without qualifications at Level 2, on the other hand, is higher than average (34.7 per cent compared with 33.5 per cent in England).
- Women are less likely to hold Level 2 qualifications than men. Older people are less likely to hold Level 2 qualifications than younger people. White people are generally less likely to hold qualifications at Level 2 than people from black and minority ethnic communities.
- Qualification levels are improving, but at the same rate as in England. The qualifications gap between the North East and England is not closing.

219 The Government believes that Level 2 qualifications provide the foundation of skills for employability and lifelong learning, helping individuals to find secure, well paid jobs, increase their productivity in the workplace and establish a platform for further progression⁷².

⁷² 21st Century Skills: Realising Our Potential, Department for Education and Skills, 2003

- 220 Qualification levels among the North East's working age population are lower than in England as a whole. Fewer people in the region are qualified to Level 3 or above than in England – 41.0 per cent in the North East compared with the national average of 44.9 per cent. Conversely, the proportion of the region's population without qualifications at Level 2 is higher than the national average – 34.7 per cent in the North East compared with 33.5 per cent in England⁷³.
- 221 Women are less likely to hold Level 2 qualifications than men, while older people are less likely to hold Level 2 qualifications than younger people. White people are less likely to hold qualifications at Level 2 than other ethnic groups. Among ethnic minorities, people from Bangladeshi or Pakistani communities are least likely to hold Level 2 qualifications.
- 222 Economically inactive people are less likely to hold qualifications at Level 2 than economically active people. Unemployed people who are looking for a job are more likely to be without Level 2 qualifications than other economically active people⁷⁴.

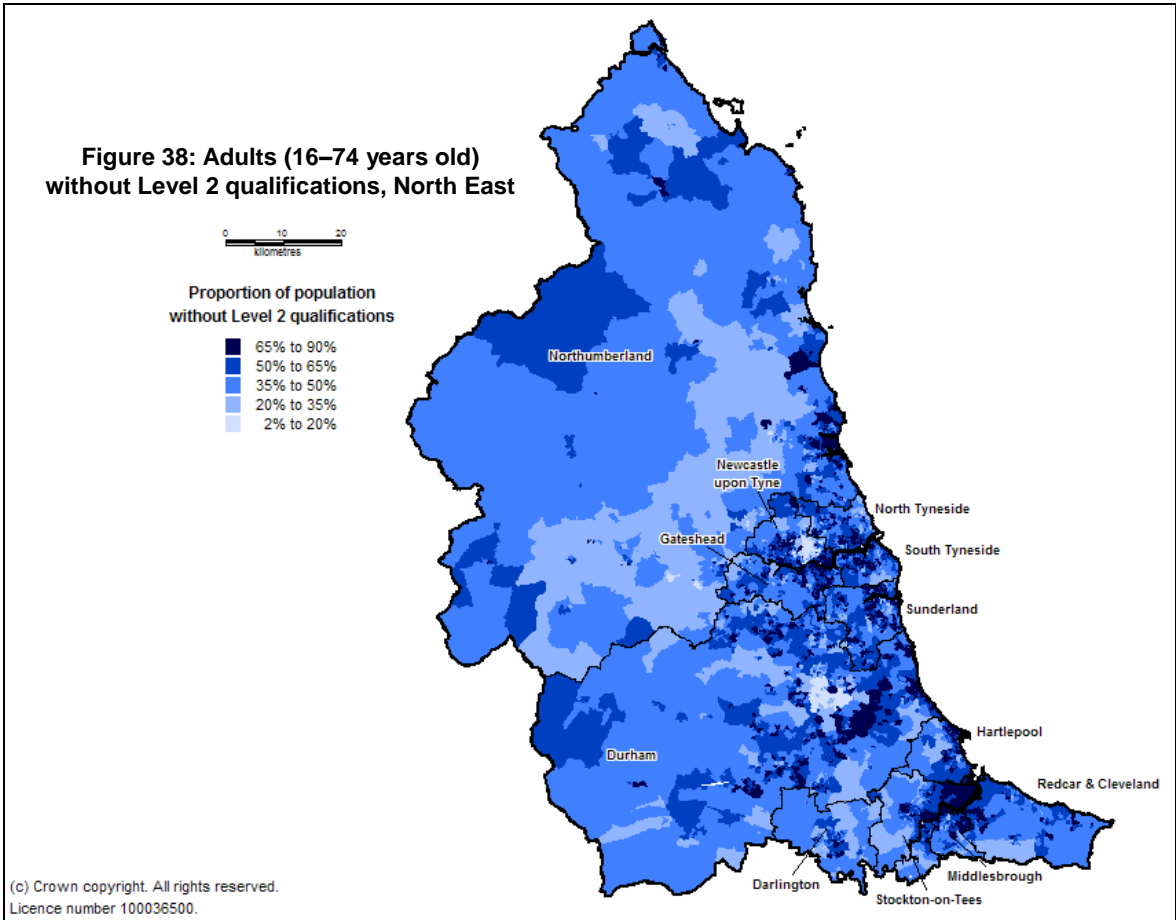
TABLE 21: QUALIFICATION LEVELS AMONG WORKING AGE ADULTS					
Partnership Area	Qualified to at least Level 4	Qualified to at least Level 3	Qualified to at least Level 2	Not qualified to Level 2	Not qualified to Level 2
(% of working age adults)					
Northumberland	24.8%	44.7%	71.2%	28.8%	53,000
Gateshead	20.7%	39.9%	63.2%	36.8%	43,000
Newcastle upon Tyne	24.5%	44.1%	66.0%	34.0%	56,000
North Tyneside	24.1%	45.1%	69.2%	30.8%	36,000
South Tyneside	19.3%	39.7%	65.4%	34.6%	31,000
Sunderland	16.6%	34.2%	61.7%	38.3%	65,000
Durham	20.5%	40.2%	63.7%	36.3%	108,000
Darlington	25.5%	42.4%	62.9%	37.1%	22,000
Hartlepool	16.1%	37.0%	61.2%	38.8%	21,000
Middlesbrough	16.5%	36.3%	60.9%	39.1%	31,000
Redcar & Cleveland	18.7%	40.2%	64.0%	36.0%	30,000
Stockton-on-Tees	25.4%	46.4%	69.2%	30.8%	34,000
North East region	21.3%	41.0%	65.3%	34.7%	529,000
England	26.2%	44.9%	66.5%	33.5%	10,210,000

Source: DfES Qualifications and Participation in Learning at a local level: England 2005

⁷³ DfES Qualifications and Participation in Learning at a local level: England 2005 (based on ONS Annual Population Survey Jan–Dec 2005).

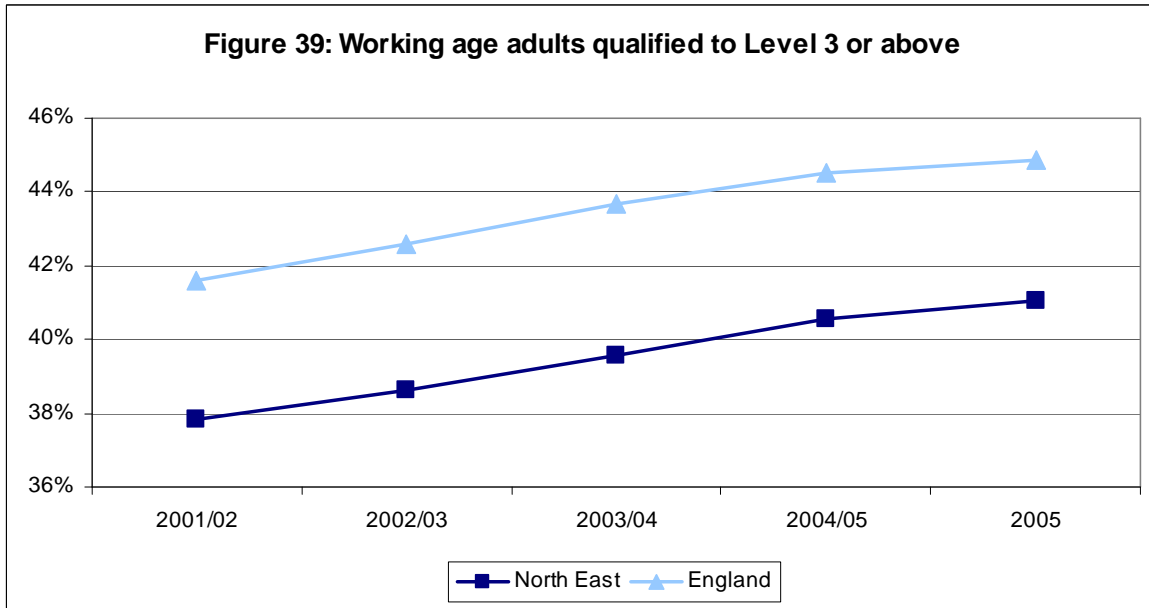
⁷⁴ ONS Census of Population 2001.

- 223 While estimates at Partnership Area level are less reliable than figures at regional or national level, attainment of Level 3 qualifications appears highest in Stockton-on-Tees (46.4 per cent), North Tyneside (45.1 per cent), Northumberland (44.7 per cent) and Newcastle (44.1 per cent). Sunderland (34.2 per cent), Middlesbrough (36.3 per cent) and Hartlepool (37.0 per cent) appear to have the smallest proportions of working age residents qualified to Level 3.
- 224 Middlesbrough appears to have the largest proportion of working age adults without Level 2 qualifications (39.1 per cent), while the proportions without qualifications at this level in Hartlepool and Sunderland appear to be only slightly smaller (38.8 per cent and 38.3 per cent respectively). Northumberland appears to have the smallest proportion of working age adults not qualified to Level 2 (28.8 per cent).



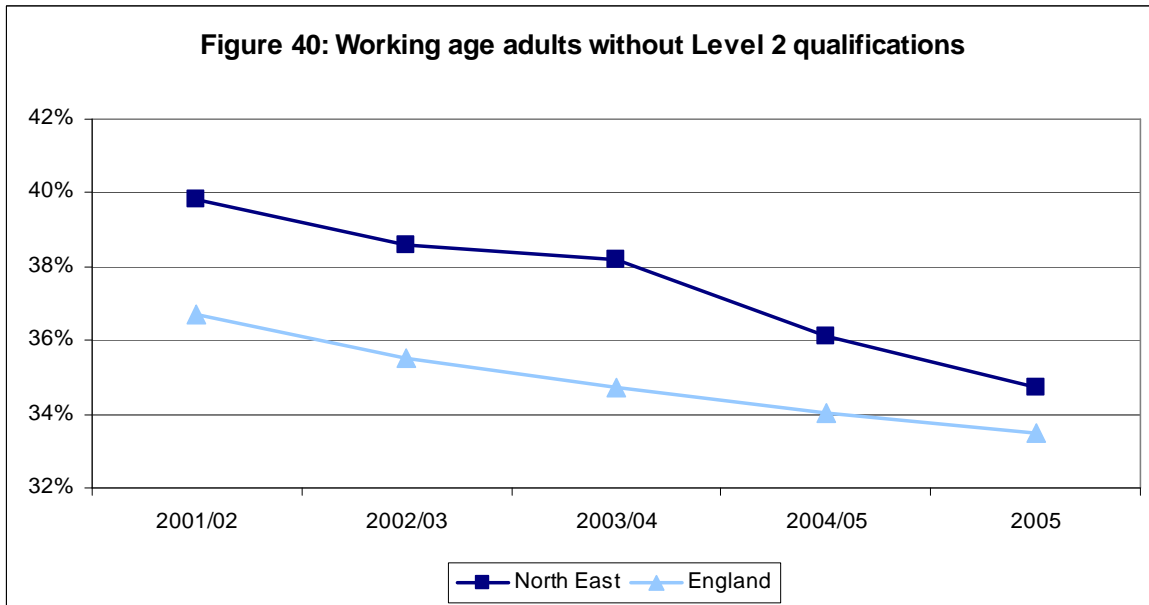
Source: ONS Census of Population 2001

- 225 Between 2001/02 and 2005, attainment of Level 3 qualifications among the working age population in the North East improved by 3.2 percentage points, the same rate of improvement as nationally. The gap between qualifications at Level 3 in the North East and England has not closed during this period, and attainment in the region remains well below the national average.



Source: DfES Qualifications and Participation in Learning at a local level: England 2005

226 Since 2001/02, the proportion of the working age population without Level 2 qualifications in the North East has fallen by 5.1 percentage points, a faster rate of improvement than in England, where the proportion has fallen by 3.2 percentage points. The gap in Level 2 qualifications between the North East and England therefore appears to be closing. Nevertheless, estimates suggest that some 529,000 people living in the North East are not qualified to Level 2.



Source: DfES Qualifications and Participation in Learning at a local level: England 2005

227 Improvements since 2001/02 in the proportion of the population not qualified to Level 2 appear to have been greatest in Northumberland (8.8 percentage points), but also appear to have been significant in South Tyneside (7.4 percentage points), Stockton-on-Tees (7.3 percentage points), Redcar and Cleveland (6.6 percentage points) and Middlesbrough (5.9 percentage points). Improvements appear to have been slower in North Tyneside (2.6 percentage points), Newcastle (2.5 percentage points) and Darlington (2.4 percentage points). While the proportions of working age adults without Level 2 qualifications in North Tyneside and Newcastle compare favourably with the national average, the proportion in Darlington remains relatively high. In the last two years in particular, there appears to have been little or no improvement in the proportion of Darlington's working age population not qualified to Level 2.

Qualifications among economically active adults

- A slightly higher proportion of economically active adults (aged 18 to retirement) in the North East are qualified to Level 2 than in England (72.2 per cent compared with the national average of 71.5 per cent).
- Fewer economically active adults in the North East (47.8 per cent) are qualified to Level 3 than in England (50.3 per cent).
- The gap between attainment of Level 2 qualifications among the working age population and economically active adults suggests that a large number of adults in the region who do not hold qualifications at this level are economically inactive.
- As well as not engaging in the labour market, economically inactive adults without Level 2 qualifications may be difficult to engage in learning.
- Research suggests that economically active adults without Level 2 qualifications may also be difficult to engage in learning.

228 There is a significant difference in the number of working age people (aged 16 to statutory retirement age) and the number of economically active adults (aged 18 to retirement age) in the North East who are not qualified to Level 2. This suggests that a large number of adults in the region who do not hold qualifications at this level are economically inactive. As well as not engaging in the labour market, these people may also be difficult to engage in learning.

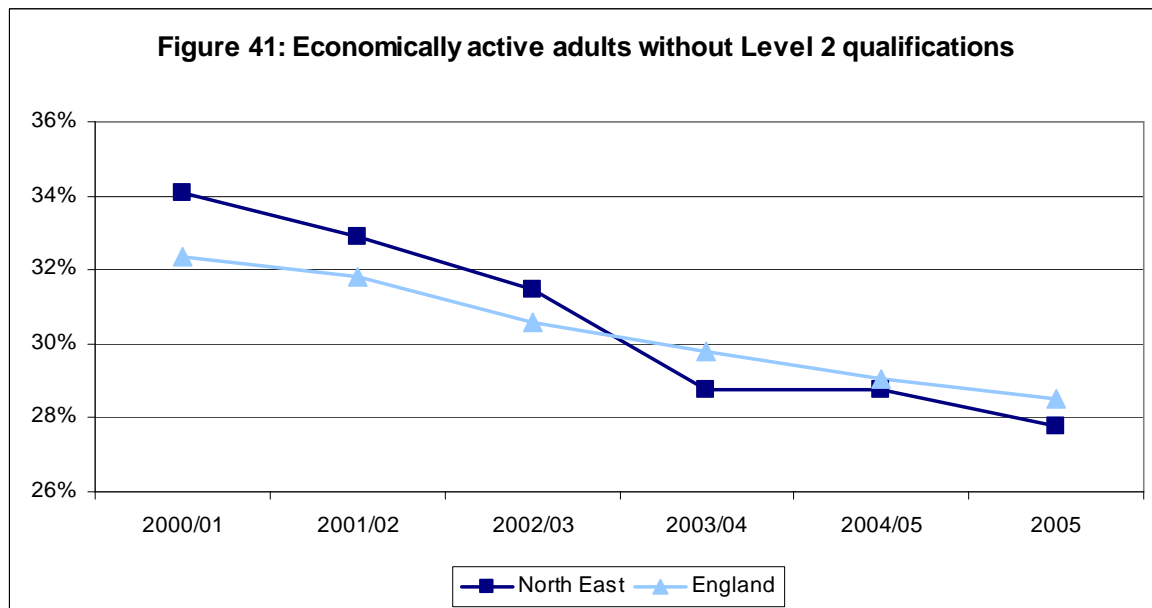
229 Progress towards the PSA target to reduce the number of adults in the workforce who lack Level 2 qualifications by at least 40% by 2010 (with one million adults in the workforce achieving Level 2 between 2003 and 2006) is measured in terms of attainment among economically active adults (aged 18 to retirement age and in employment or actively seeking work), rather than among the working age population as a whole. Nationally, progress is measured using the quarterly Labour Force Survey (specifically, the Autumn quarter). This source, however, does not provide as accurate results for small geographical areas as the Annual Population Survey.

TABLE 22: QUALIFICATION LEVELS AMONG ECONOMICALLY ACTIVE ADULTS

Partnership Area	Qualified to at least Level 4	Qualified to at least Level 3	Qualified to at least Level 2	Not qualified to Level 2	Not qualified to Level 2
(% of economically active adults)					
Northumberland	28.3%	49.0%	76.1%	23.9%	34,000
Gateshead	25.4%	46.4%	69.7%	30.3%	26,000
Newcastle upon Tyne	30.3%	50.6%	73.2%	26.8%	31,000
North Tyneside	28.3%	50.6%	74.8%	25.2%	23,000
South Tyneside	23.5%	47.4%	74.2%	25.8%	17,000
Sunderland	20.5%	40.7%	69.1%	30.9%	37,000
Durham	25.7%	48.0%	70.7%	29.3%	62,000
Darlington	31.0%	50.2%	70.3%	29.7%	13,000
Hartlepool	19.7%	44.4%	69.3%	30.7%	11,000
Middlesbrough	20.4%	43.6%	67.7%	32.3%	18,000
Redcar & Cleveland	22.8%	47.4%	71.6%	28.4%	17,000
Stockton-on-Tees	31.2%	54.3%	76.9%	23.1%	19,000
North East region	26.0%	47.8%	72.2%	27.8%	309,000
England	30.7%	50.3%	71.5%	28.5%	6,648,000

Source: DfES Qualifications and Participation in Learning at a local level: England 2004/05

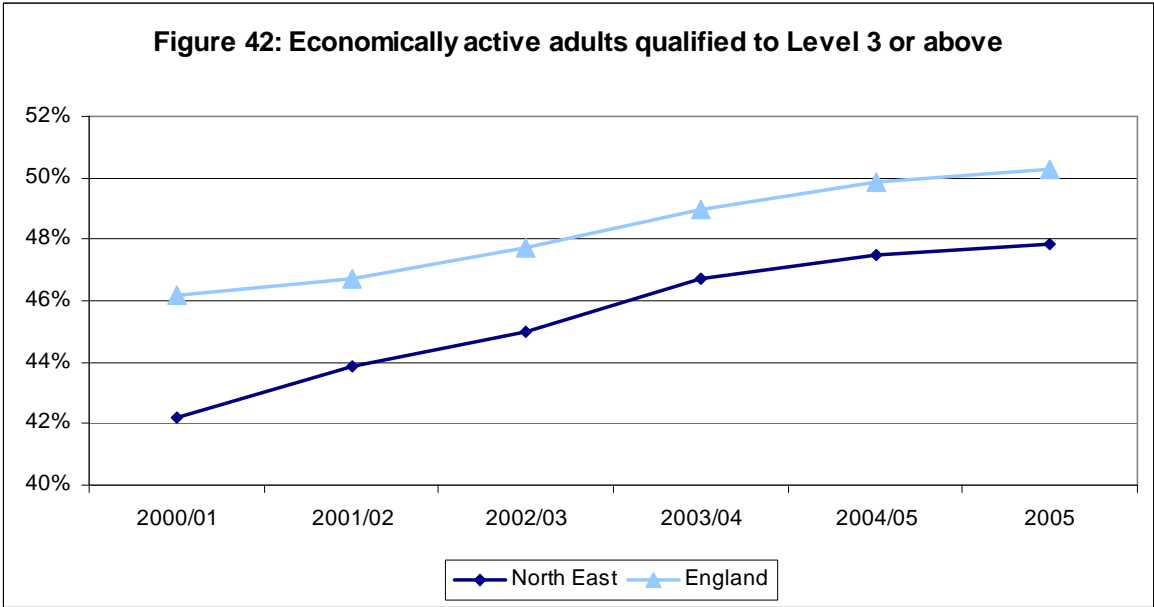
230 The Annual Population Survey suggests that a smaller proportion of economically active adults in the North East (27.8 per cent) do not hold qualifications at Level 2 than in England (28.5 per cent).



Source: DfES Qualifications and Participation in Learning at a local level: England 2005

231 Since 2000/01, the proportion of economically active adults without Level 2 qualifications in the North East has fallen by 6.3 percentage points, a faster rate of improvement than in England, where the proportion has fallen by 3.8 percentage points. Nevertheless, there remain 309,000 economically active adults in the region who are not qualified to Level 2. These adults may also be difficult to engage in learning leading to a Level 2 qualification – research suggests that a substantial proportion of employed people who would be eligible for the Level 2 Entitlement would be unlikely to take up this offer without additional support and encouragement from their employer, in terms of either financial support and/or time off for training⁷⁵.

232 Middlesbrough appears to have the highest proportion of economically active adults not qualified to Level 2 (32.3 per cent). Northumberland and Stockton-on-Tees appear to have the lowest proportions (23.9 per cent and 23.1 per cent respectively). Improvements since 2000/01 in the proportion of economically active adults without qualifications at this level appear to have been greatest in Northumberland (10.8 percentage points), Stockton-on-Tees (10.6 percentage points) and South Tyneside (10.4 percentage points). The rate of improvement appears to have been slower in Newcastle (2.8 percentage points) and Hartlepool (1.2 percentage points). In contrast to other Partnership Areas, the proportion of economically active adults without Level 2 qualifications actually appears to have *increased* in Gateshead (by 2.9 percentage points since 2000/01), and while the proportion in this Partnership Area was below the national average until 2004/05, this increase means that it is now above average.



Source: DfES Qualifications and Participation in Learning at a local level: England 2005

⁷⁵ Learning and Skills Council Tyne and Wear Household Survey 2004.

- 233 Fewer economically active adults (aged 18 to statutory retirement age) in the North East are qualified to Level 3 or above (47.8 per cent) than in England (50.3 per cent). Between 2001/02 and 2005, attainment of Level 3 qualifications among economically active adults in the North East increased by 4.0 percentage points, slightly above the national improvement of 3.5 percentage points. The gap between attainment at Level 3 among economically active adults in the North East and England is smaller than the gap among the working age population in general. However, improvements in attainment among economically active adults have slowed in the last two years to a rate below the national level, suggesting that while a narrowing of the qualifications gap occurred before 2003/04, it has not continued since.
- 234 Attainment of Level 3 qualifications among economically active adults appears highest in Stockton-on-Tees (54.3 per cent). Sunderland (40.7 per cent), Middlesbrough (43.6 per cent) and Hartlepool (44.4 per cent) appear to have the smallest proportions of economically active adults qualified to Level 3. Between 2001/02 and 2005, the greatest improvement in attainment of Level 3 qualifications among economically active adults was apparent in Stockton-on-Tees (8.4 percentage points). Significant improvements were also seen in Darlington (7.6 percentage points), South Tyneside (6.8 percentage points) and Durham (6.5 percentage points). In contrast, little improvement was seen in Sunderland (1.0 percentage points). Newcastle and North Tyneside, meanwhile, saw no improvement over this period (−0.4 percentage points and −0.9 percentage points respectively).

Travel to learn patterns

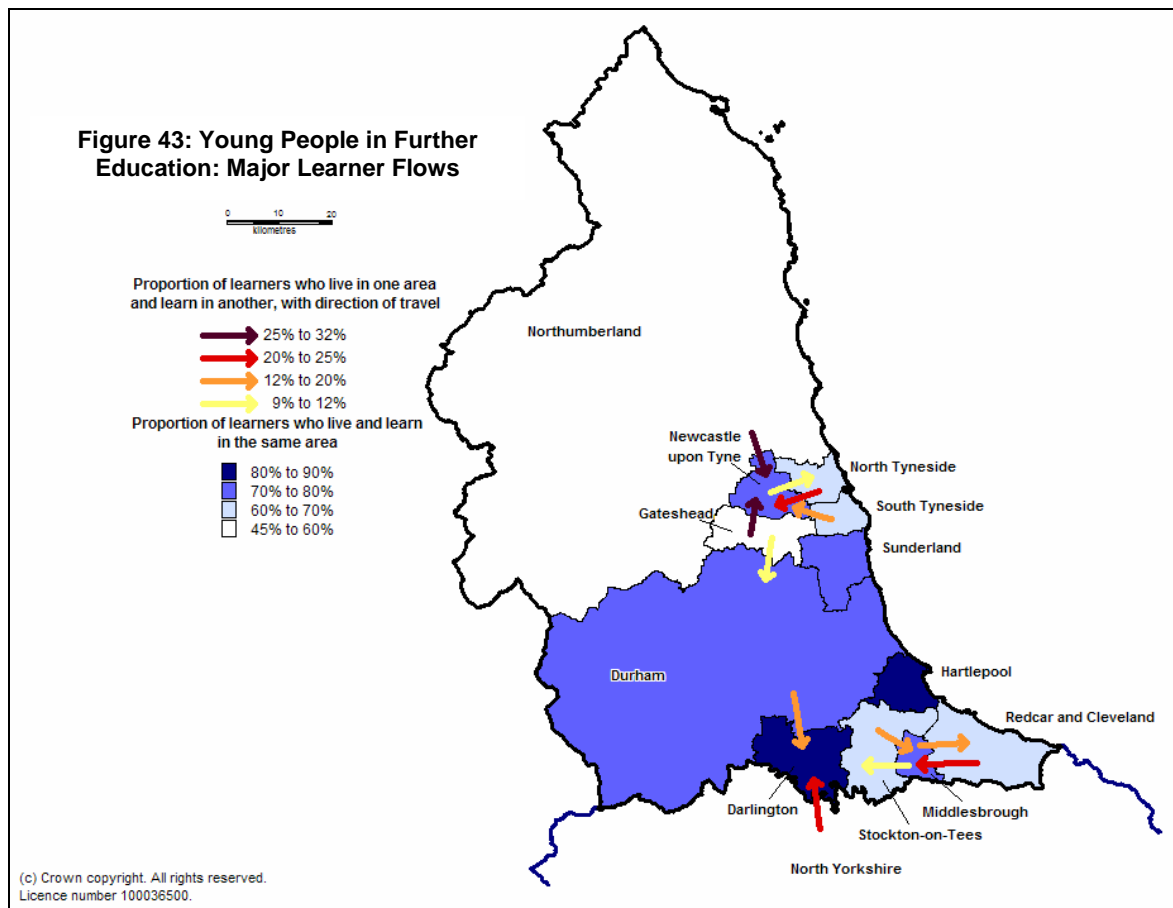
Learner recruitment patterns

- The North East is a net importer of learners – more learners live outside the North East and travel into the region to learn than the number of learners who live in the North East but travel to other regions to learn.
- While this is true of Further Education and Adult and Community Learning, Work Based Learning sees a net export from the region, though the number of learners in WBL who travel across the region's border is small.
- Some Partnership Areas in the region see more significant learner flows across their boundaries than others.
- Learner movement within the region tends to be more common in WBL and FE than in ACL or School Sixth Forms.

- 235 Overall, the North East is a net importer of learners – the number of learners who live outside the North East but travel into the region to learn is higher than the number of learners living in the North East but travelling to other regions to learn.
- 236 In Further Education in 2005/06, there were less than 2,000 young people living in the North East but learning with providers based outside the region, compared with more than 3,000 who were living outside the North East and learning with providers based within the region (a net inflow of around 1,000

learners). Similarly, there were slightly more than 10,000 adults living in the North East but learning with providers based outside the region, compared with more than 20,000 living outside the North East and learning with providers based within the region (a net inflow of around 10,000 learners).

237 Work Based Learning, on the other hand, sees a net export from the region, though the number of learners travelling across the region's border is relatively small – in 2005/06, there were around 365 young people and 240 adult learners who were living in the North East but learning outside the region, compared with around 260 young people and 130 adult learners who lived outside the North East but were learning within the region (net outflows of around 100 young people and around 100 adult learners). Data for Adult and Community Learning is less clear, and there is a large number of learners whose home location and/or location of learning are unknown. Nevertheless, the available data suggests that there were around 400 learners living in the North East but learning outside the region in 2005/06, compared with around 800 who were living outside the North East but learning inside the region (a net inflow of around 400 learners)⁷⁶.



Source: LSC Individualised Learner Record 2005/06 F04

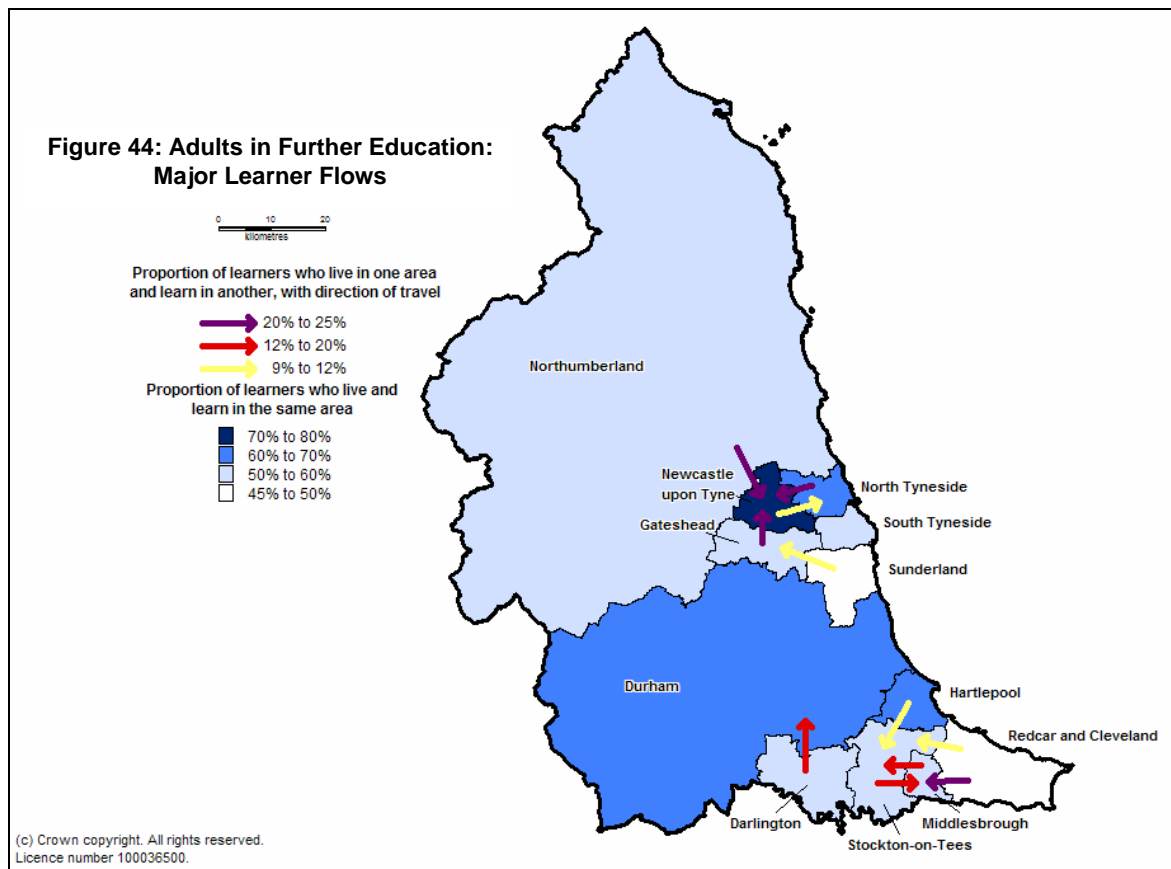
⁷⁶ LSC Individualised Learner Record 2005/06 F04/Period 12/C02.

- 238 Within the region, young people in Further Education tend to learn in the Partnership Area in which they live. However, some areas are more self-contained in this respect than others. For example, fewer than half of the young people living in Gateshead who are in Further Education (48.5 per cent) learn with FE providers located in Gateshead. Almost a third (31.4 per cent) learn with FE providers in Newcastle, while one in ten (10.0 per cent) learn with FE providers in Durham.
- 239 There are also significant flows of young learners into FE providers in Newcastle from Northumberland (28.5 per cent of resident learners), North Tyneside (18.0 per cent) and South Tyneside (11.5 per cent). Similarly, there are significant flows of young learners into FE providers in Middlesbrough from Redcar and Cleveland (23.4 per cent) and Stockton-on-Tees (19.1 per cent)⁷⁷.
- 240 Young learners in FE who live outside the North East and learn within the region tend to do so in Darlington (68.3 per cent, mainly from North Yorkshire⁷⁸), with smaller numbers travelling to learn in Stockton-on-Tees (9.0 per cent) and Durham (4.9 per cent). Conversely, the most significant flows of young learners living in the North East but learning outside the region are seen in Durham (18 per cent) and to a lesser extent in Darlington (4.9 per cent).
- 241 Similar learner flows within the region are seen among adult learners in Further Education, with FE providers in Newcastle and Middlesbrough in particular attracting significant numbers of learners living in neighbouring Partnership Areas. In contrast to young learners, adults living outside the region are most likely to learn with FE providers in Newcastle (53.5 per cent), while providers in the Durham and Tees Valley areas, and to a lesser extent in South Tyneside, attract smaller numbers of learners. Flows out of the region tend to be similar across Partnership Areas, though slightly more adult learners living in Darlington travel outside the region than those living in other areas.
- 242 Partnership Areas are less self-contained in relation to Work Based Learning, with significant learner flows apparent in both directions across many Partnership Area boundaries among both young people and adult learners in WBL. Both young people and adults living outside the North East but learning within the region travel most frequently to Work Based Learning provision in Darlington, and to a lesser extent to provision in Middlesbrough, Stockton-on-Tees and Redcar and Cleveland. Most learners who live outside the region and are in Work Based Learning funded by LSC North East, however, also learn in delivery locations outside the region. Flows out of the region among young people living in the North East tend to be similar across Partnership

⁷⁷ Data tables showing the flows of learners living in particular Partnership Areas but learning in other areas can be found in Appendix 4.

⁷⁸ The maps in this section show learner flows mapped at local authority level, and therefore flows from outside the North East into the region (or vice versa) reflect the proportion of learners living in a particular local authority and travelling out rather than the total number of learners living outside (or travelling out of) the region.

Areas. Among adults, higher proportions of learners living in Hartlepool (18.4 per cent) and to a lesser extent Middlesbrough (10.7 per cent) and Redcar and Cleveland (8.4 per cent) learn in delivery locations outside the region.



Source: LSC Individualised Learner Record 2005/06 F04

243 The high number of learners in Adult and Community Learning whose home location and/or location of learning are unknown means that it is difficult to draw firm conclusions about travel to learn patterns in ACL provision. However, the available data suggests that Partnership Areas are far more self-contained in relation to ACL provision than other strands of learning. Only providers in Middlesbrough, Stockton-on-Tees, Redcar and Cleveland and Durham appear to attract significant numbers of learners from neighbouring Partnership Areas. These are also the only areas which appear to attract learners who live outside the region, while there does not appear to be a significant flow of learners from the North East into ACL provision outside the region.

244 The data available on School Sixth Form learners⁷⁹ does not show flows *between* Partnership Areas, but gives an indication of flows into and out of each area. Self-containment in relation to School Sixth Form provision is high, with the majority of learners engaged in provision in the Partnership Area in which they live – except where there are no School Sixth Forms in

⁷⁹ *Schools and Pupils in England: January 2006 (Final)*, DfES, 2006.

the area. School Sixth Form pupils living in Redcar and Cleveland (where there are no School Sixth Forms and very few School Sixth Form learners), Sunderland, South Tyneside and to a lesser extent Darlington, Middlesbrough, North Tyneside and Newcastle are most likely to travel to learning in other Partnership Areas. Conversely, many of these Partnership Areas also attract a relatively high proportion of School Sixth Form learners residing in other Partnership Areas.

Employers' skills needs

Recruitment difficulties and skills shortages

- Recruitment difficulties are slightly more common in the North East than in England.
- Skills shortages, however, are no more common in the region than nationally. 5 per cent of employers reported skills shortages in Summer 2005, affecting 23 per cent of vacancies.
- Skills shortages were particularly apparent in craft level occupations (Skilled Trades).
- Technical, practical and job-specific skills were most commonly reported as being difficult to obtain from job applicants.

245 Some 8 per cent of establishments in the North East were experiencing difficulties filling one or more vacancies in Summer 2005, compared with the national average of 7 per cent⁸⁰. 37 per cent of vacancies in the region were proving hard to fill. Particular difficulties were apparent in relation to vacancies in craft level occupations (Skilled Trades), where 65 per cent of vacancies were hard to fill.

246 5 per cent of establishments in the region had one or more vacancies that were hard to fill due to a shortage of applicants with the skills, experience or qualifications required, the same proportion as in England. The larger the establishment, the more likely they were to report having such skills shortage vacancies⁸¹.

247 23 per cent of vacancies (64 per cent of hard-to-fill vacancies) in the region were hard to fill due to skills shortages. Skills shortages affected recruitment in craft level occupations more severely than recruitment in other occupations. 48 per cent of vacancies in craft level occupations were hard to fill due to skills shortages.

248 Technical, practical and job-specific skills were most commonly reported by employers as being difficult to obtain from job applicants. Customer care skills, team working skills, problem solving skills and management skills were also commonly reported as being difficult to obtain from job applicants. There

⁸⁰ LSC/SSDA/DfES National Employer Skills Survey 2005.

⁸¹ Additional sector information is presented in Appendix 5, based on the detailed statistical analysis presented in the Sector Skills Needs Matrix which accompanies the Regional Strategic Analysis.

were also difficulties associated with job applicants' generic skills, particularly in relation to oral and written communication, literacy and numeracy⁸².

Skills gaps

- From the perspective of employers, skills gaps are more significant in the North East than in England, affecting 21 per cent of employers compared with the national average of 16 per cent.
- Employers report that skills gaps affect a similar proportion of employees in the region to that in England (6 per cent).
- According to employers, over 53,000 people working in the North East need further skills development in their current jobs.
- Employers report that technical, practical or job-specific skills most commonly need improving among their staff.
- The most common employer response to skills gaps is to increase training. However, one in ten employers do nothing to address skills gaps among their workforce.

249 Skills gaps exist where employees are not fully proficient at their job. 21 per cent of establishments in the North East reported skills gaps in their existing workforce in Summer 2005, a higher proportion than the national average (16 per cent). The larger the employer, the more likely they were to report skills gaps among their workforce. Employers with less than ten staff were significantly less likely to report skills gaps than those with ten or more employees.

250 North East employers reported that some 53,300 people working in the region were not fully proficient at their current jobs – 6 per cent of all employees, compared with the national average of 6 per cent. Employers were most likely to report skills gaps among Sales and Customer Service staff (18.3 per cent of employers with staff in these occupations) and among employees in Personal Service occupations (17.7 per cent). Skills gaps were also commonly reported among employees in Elementary occupations (17.1 per cent), which tend to require relatively low skills, and to a lesser extent among staff in Associate Professional and Technical occupations (14.9 per cent), which have relatively high skills needs.

251 Employers report that technical, practical or job-specific skills most commonly need improving among their staff, by more than one in two North East employers who report that not all of their staff are fully proficient. Customer care skills, problem solving skills and team working skills are also commonly reported to need improving (by more than a third of employers with skills gaps), as are oral communication skills and, to a lesser extent, written communication skills. Management skills and office or administration skills are reported to need improving by around a quarter of employers with skills gaps, while literacy and numeracy skills are reported to need improving by slightly fewer employers.

⁸² Statistical analysis of employer skills needs is presented in Appendix 6.

- 252 The most common reason reported by employers for their staff not being fully proficient is that they lack experience, or have recently been recruited (77.7 per cent of North East employers reporting skills gaps). Employers also acknowledge that their failure to train and develop staff can lead to skills gaps emerging, though this is less commonly reported in the North East (15.2 per cent) than in England (20.3 per cent). An apparent unwillingness or inability among employees to engage in training and development is also reported to lead to skills gaps, with employers also citing a lack of motivation among staff (25.5 per cent) and the inability of the workforce to keep up with change (14.7 per cent) as causes of skills gaps.
- 253 Most North East employers with skills gaps report that these have a minor impact on their business (62.2 per cent), and a quarter say that skills gaps have no impact at all (24.6 per cent). More than one in ten, however, say that skills gaps have a major impact on their business (12.5 per cent). Most commonly, skills gaps are reported to lead to an increased workload for other staff. Skills gaps are also reported to lead to increased operating costs, difficulties meeting quality standards or introducing new working practices, the loss of business to competitors and delays in developing new products or services.
- 254 The most common response to skills gaps was for employers to increase training given to the existing workforce, and this was a more common response in the North East (60.1 per cent of employers reporting skills gaps) than in England (55.3 per cent). A less common response was to increase or expand trainee programmes, though this was less common regionally (19.2 per cent) than nationally (24.8 per cent). While a range of other responses were adopted by employers, however, one in ten (9.8 per cent) North East employers with staff who were not fully proficient did nothing to address the skills gaps among their workforce.

Employer engagement in training and development

- Employers in the North East are more likely than average to provide training for their staff.
- 71.4 per cent of establishments in the region funded or arranged training in the year to Summer 2005, compared with 64.8 per cent in England. Small employers are less likely to provide training than larger employers.
- On-the-job training was more common than off-the-job training.
- The most common reasons for not providing training are that staff are fully proficient, followed by a preference for employees to learn by experience, without formal training.

- 255 Employers in the North East are more likely than average to provide training for their staff. 71.4 per cent of establishments in the region funded or arranged training in the year to Summer 2005, compared with 64.8 per cent in England. The larger the establishment, the more likely they were to provide training. 61.3 per cent of micro-establishments (those with less than ten

employees) provided training, compared with 93.3 per cent of establishments with ten or more employees⁸³.

- 256 Overall, on-the-job training (provided by 59.1 per cent of establishments in the North East) was provided more often than off-the-job training (provided by 52.3 per cent of establishments). Two in every five establishments in the North East (39.9 per cent) provided both on-the-job and off-the-job training. Micro-establishments were far less likely to provide both on-the-job and off-the-job training than larger establishments. Employees were more likely to receive on-the-job training than off-the-job training – 41.0 per cent were trained on-the-job compared with 60.4 per cent who were trained off-the-job.
- 257 By far the most common reason for not funding or arranging training was a perceived lack of need, with 71.7 per cent of employers who did not fund or arrange training reporting that this was because all of their staff were fully proficient. Interestingly, some 5 per cent of these employers also reported skills gaps among their staff.
- 258 The second most common reason for not funding or arranging training, cited by 8.0 per cent of non-training employers, was that employees learn by experience, making more formal training unnecessary.
- 259 Some 13.8 per cent of employers in the region report one or more barriers which prevents them engaging in training and development, slightly higher than the national average of 12 per cent. The most common barrier to training among employers in the North East was a lack of suitable provision available locally. Lack of time and the cost of training were also commonly reported barriers.

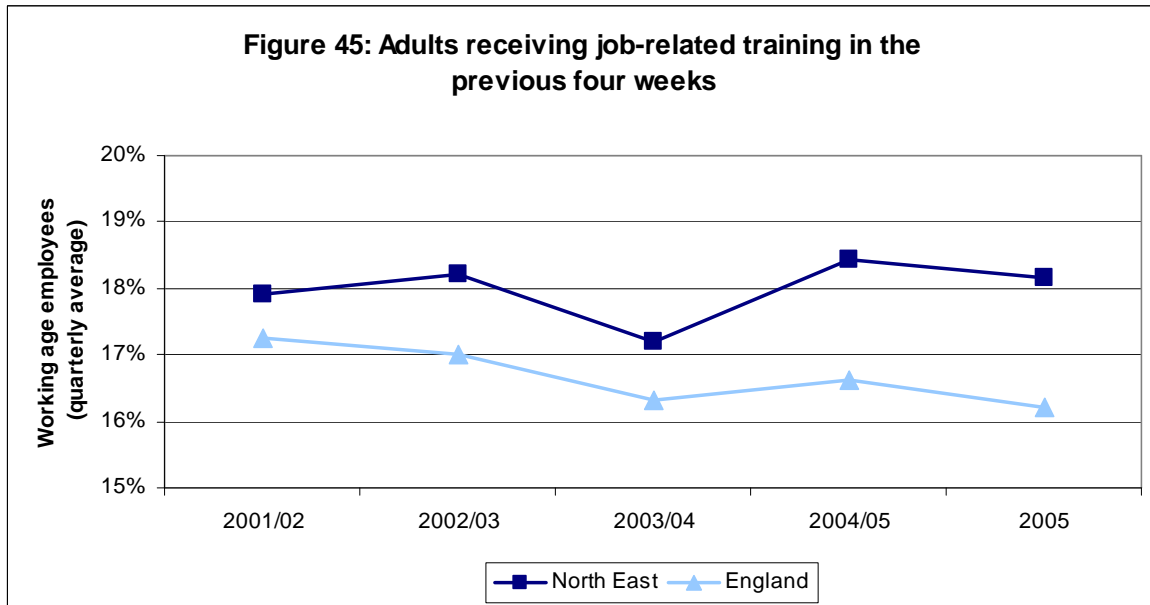
Participation in job-related training

- Participation in job-related training in the North East is higher than average.
- North East employers report that they provided training for 74.2 per cent of their employees in the year to Summer 2005, compared with the national average of 66.3 per cent.
- Employed people living in the region report a slightly higher level of involvement in job-related training (an average of 24.1 per cent in any quarter in 2005) than reported nationally (22.3 per cent).
- People in the North East, however, receive slightly less training than average (11.9 days per trainee in the year to Summer 2005, compared with 12.3 days in England).
- Job-related training is not evenly distributed across the workforce, but differs by sector and occupation.

- 260 Reflecting the level of employer engagement in training and development, people in the North East are more likely than average to undertake job-related training. North East employers report that they funded or arranged training for three out of four of their employees (74.2 per cent) in the year to

⁸³ LSC/SSDA/DfES National Employers Skills Survey 2005.

Summer 2005, compared with the national average of two out of three employees (66.3 per cent)⁸⁴. In any three-month period in 2005, an average 24.1 per cent of employed people living in the region received job-related training, compared with 22.3 per cent in England. In any four-week period, an average 18.2 per cent of employed people received job-related training, compared with 16.2 per cent in England⁸⁵.



Source: DfES Qualifications and Participation in Learning at a local level: England 2005

- 261 Broadly speaking, participation in job-related training in the North East shows a similar trend to that seen nationally, with a dip in 2003/04 followed by increased participation in 2004/05 and a subsequent decrease in 2005. While participation in job-related training shows a slight decline nationally since 2001/02, however, participation in the North East is at a similar level in 2005 to the level seen in 2001/02.
- 262 Job-related training is not evenly distributed across the workforce. In particular, availability and access to training differs by sector and occupation. Public Sector employees are more likely to receive training than employees in most other sectors. Employers are more likely to provide training for staff in Professional occupations, Associate Professional and Technical occupations or Personal Service occupations than staff in other occupations⁸⁶.

⁸⁴ LSC/SSDA/DfES National Employers Skills Survey 2005.

⁸⁵ ONS Annual Population Survey 2005.

⁸⁶ LSC/SSDA/DfES National Employers Skills Survey 2005.

TABLE 23: TRAINING BY OCCUPATION, NORTH EAST

Occupation	Employers providing training			Employees receiving training	
	Any training	Off-the-job training	On-the-job training	Off-the-job training	On-the-job training
Managers and Senior Officials	49.2%	36.1%	35.7%	44.1%	44.9%
Professional	78.3%	67.8%	63.4%	63.0%	76.9%
Associate Professional and Technical	77.8%	60.4%	66.3%	50.4%	67.6%
Administrative and Secretarial	58.2%	38.0%	48.4%	36.4%	60.4%
Skilled Trades	60.6%	41.5%	43.7%	40.3%	46.2%
Personal Services	80.4%	66.1%	68.3%	53.7%	66.3%
Sales & Customer Service	63.8%	35.1%	55.7%	34.1%	70.2%
Process, Plant and Machine Operatives	56.8%	35.5%	42.3%	31.8%	55.4%
Elementary	54.5%	27.3%	45.9%	24.5%	58.0%
North East (all occupations)	71.4%	52.3%	59.1%	41.0%	60.4%

Source: LSC/SSDA/DfES National Employers Skills Survey 2005

263 Employees in Professional occupations are most likely to receive off-the-job training, while those in Elementary occupations are least likely to do so. Relatively few other staff in lower level and intermediate level occupations, with the exception of those in Personal Service occupations, receive off-the-job training.

264 Employees in Professional occupations are also most likely to receive on-the-job training. Relatively high proportions of employees in intermediate level occupations also receive on-the-job training, particularly when compared with the level of off-the-job training in these occupations. In comparison, Managers and Senior Officials and employees in Skilled Trades occupations tend to receive little on-the-job training.

265 On average, people working in the North East whose employers funded or arranged training for them received 11.9 days' training, slightly less than the national average (12.3 days). There was wide variation in the number of days training provided in different sectors.

Training and qualifications

- North East employers are more likely than average to train their staff towards nationally recognised qualifications.
- Reflecting this, employer engagement with National Vocational Qualifications is higher than average in the North East.
- Employers in the Public Services were most likely to engage in training towards NVQs.

266 North East employers were more likely than average to train their staff towards nationally recognised qualifications. 37.3 per cent of employers in the region (52.3 per cent of employers who funded or arranged training) had

trained staff towards recognised qualifications in the year to Summer 2005, compared with 30.2 per cent in England (46.6 per cent of employers who funded or arranged training). The smallest employers were least likely to train their staff towards recognised qualifications⁸⁷.

- 267 Reflecting this, engagement with National Vocational Qualifications (NVQs) is higher than average in the North East. Almost two thirds (64.4 per cent) of employers in the region who trained staff towards a nationally recognised qualifications in the year to Summer 2005 had trained them towards an NVQ, compared with 54.9 per cent in England. This equates to a third (33.8 per cent) of employers in the North East who had funded or arranged training (compared with 25.8 per cent in England), and a quarter (24.2 per cent) of all employers in the region (compared with 16.7 per cent in England). Employers in the Public Sector were most likely to engage in training towards NVQs.
- 268 Some 8.8 per cent of people working in the North East (11.9 per cent of people whose employer funded or arranged training for them) were trained towards NVQs in the year to Summer 2005, compared with the national average of 5.9 per cent (8.9 per cent of those receiving training).

Training and development expenditure

- Training and development expenditure among North East employers in the year to Summer 2005 totalled around £1.1 billion. Indirect costs accounted for the majority of expenditure.
- Direct expenditure on training among employers in the region is estimated at around £155 million, just 14.6 per cent of total expenditure.
- Fees paid directly to training providers account for 9.3 per cent of total expenditure.

- 269 Training and development expenditure among North East employers in the year to Summer 2005 totalled an estimated £1.1 billion⁸⁸. The majority of this expenditure was due to indirect costs such as labour costs. Indeed, the labour costs of employees involved in training (either undertaking or delivering training) represent almost two thirds (63.6 per cent) of total expenditure on training and development.
- 270 In contrast, direct expenditure on training among employers in the region, estimated at a little more than £155 million, accounts for just 14.6 per cent of total expenditure. The fees paid directly to FE colleges and other external training providers, meanwhile, are even more modest, accounting for just 9.3 per cent of total expenditure.
- 271 The average annual cost of training (including indirect costs) among North East employers is estimated at £1,170 per employee, some way below the national average of £1,686. The average annual training cost per trainee in the North East is estimated at £1,570, compared with £2,544 in England.

⁸⁷ LSC/SSDA/DfES National Employers Skills Survey 2005.

⁸⁸ LSC/SSDA/DfES National Employers Skills Survey 2005.

272 In contrast, direct expenditure on training among North East employers appears closer to the national average. Direct expenditure in the North East in the year to Summer 2005 is estimated at £170 per employee, compared with £165 in England. Direct expenditure among North East employers per trainee is estimated at £230, compared with the national average of £249.

Employer engagement with training providers

- 66.3 per cent of employers in the North East who provided training for their staff in the year to Summer 2005 had used FE colleges or other providers to deliver training, compared with the national average of 64.4 per cent.
- There were clear preferences for training delivered by non-FE providers, rather than by FE colleges, in most sectors.
- The most common reasons for not using FE colleges to deliver training were a perception that the courses available were not relevant, followed by a preference for delivering training in-house.
- Most North East employers who used external providers were satisfied with the provision. Satisfaction levels were lower with regard to FE college provision, however, than other provision.

273 Two thirds (66.3 per cent) of employers in the region who had funded or arranged training had used either FE colleges or other providers to deliver teaching and training. This was only slightly above the national average of 64.4 per cent of employers in England who funded or arranged training. The larger the employer, the more likely they were to use FE colleges or other providers to deliver training⁸⁹.

274 Among all employers, regardless of whether they funded or arranged training or not, engagement with training providers appears higher in the North East than in England. 47.3 per cent of all employers in the region had used either FE colleges or other providers to deliver teaching and training, compared with the national average of 41.7 per cent of all employers in England. The higher level of engagement with external providers in the North East is explained by the higher level of employer engagement in training and development generally.

275 There were clear preferences for teaching and training delivered by other (non-FE) training providers, rather than by FE colleges, in most sectors. A third (32.9 per cent) of employers in the North East who had funded or arranged training for their staff in the year to Summer 2005 (23.5 per cent of all employers) had used an FE college to provide teaching or training, compared with 28.2 per cent in England (18.3 per cent of all employers in England).

276 Employer engagement with other providers was higher – more than half (53.7 per cent) of employers in the region who had funded or arranged training during the year (38.4 per cent of all employers in the North East) had used other providers, such as an external consultant or a private training provider,

⁸⁹ LSC/SSDA/DfES National Employers Skills Survey 2005.

to deliver teaching or training. This was close to the national average of 53.4 per cent (34.6 per cent of all employers nationally).

- 277 Only a fifth (20.3 per cent) of employers in the North East who had funded or arranged training (14.5 per cent of all employers in the region) had used *both* FE colleges and other providers to deliver teaching and training, though this compares with the national average of 17.3 per cent of employers who had funded or arranged training (11.2 per cent of all employers in England).
- 278 The most common reasons for not using FE colleges to deliver teaching and training in the year to Summer 2005 included the perception that the courses available were not relevant (36.4 per cent of employers who had funded or arranged training but had not used FE colleges), followed by a preference for delivering training in-house (29.0 per cent).
- 279 Most employers were satisfied with the teaching and training delivered by external providers in the year to Summer 2005. Employers were less likely to be satisfied with FE college provision, however, than with other training provision. While 82.2 per cent of employers using FE colleges to deliver teaching and training said that they were satisfied with the quality of this provision, almost 1 in 10 (9.6 per cent) said they were not satisfied. In contrast, 90.8 per cent of employers using other training providers said that they were satisfied with the quality of this provision, compared with just 2.9 per cent who were not satisfied.

Future demand

Projected employment change

- Total employment in the North East is projected to increase by 2.5 per cent between 2004 and 2014, compared with growth of 4.6 per cent in England.
- The trend in the economy towards growth of service sectors is expected to continue, offset by decline in other sectors.
- The number of jobs requiring intermediate and higher level skills is expected to continue to grow, while the number of jobs in occupations with low skills needs is projected to fall.
- In particular, employment projections suggest strong employer demand for qualifications at Level 3, and at Level 4 and above.
- Employment among people qualified to Level 1, and particularly among those with no formal qualifications, is projected to decline.
- Nevertheless, replacement demand remains significant at all levels, even in sectors where employment is projected to decline.
- Between 2004 and 2014, net recruitment demand in the North East is projected to equate to over 420,000 job opportunities arising.
- As many as 80 per cent of the workforce of 2020 may already be in employment, highlighting the need to develop the skills of the existing workforce as well as skills among young people entering the labour market.

280 Projections suggest that total employment in the North East will increase by 2.5 per cent between 2004 and 2014 (compared with 4.6 per cent in England)⁹⁰. The trend in the economy towards growth of service sectors is expected to continue, offset by decline in other sectors⁹¹. Similarly, the number of jobs requiring intermediate and higher level skills is expected to continue to grow across the North East, while the number of jobs in occupations with low skills needs is projected to fall.

281 Employment projections suggest strong employer demand for qualifications at Level 3 and at Level 4 and above. The number of people in employment who are qualified to these levels is projected to increase by around a third between 2004 and 2014. In contrast, the number of people in employment who are qualified to Level 2 is projected to show a minimal increase, while employment among people qualified to Level 1 but no higher, and particularly among those with no formal qualifications at all, is projected to decline.

TABLE 24: PROJECTED EMPLOYMENT CHANGE 2004–2014 BY QUALIFICATION, NORTH EAST

Highest qualification level	Projected employment change 2004–2014 (totals may not sum due to rounding)			
	Projected employment change 2004–2014	Expansion demand	Replacement demand	Net recruitment demand
Level 4 and above	31.5%	87,000	100,000	186,000
Level 3	32.2%	72,000	81,000	154,000
Level 2	2.6%	7,000	98,000	104,000
Level 1	-26.2%	-56,000	77,000	21,000
No qualifications	-76.0%	-83,000	40,000	-43,000
North East (total)	2.5%	27,000	396,000	422,000

Source: *Working Futures 2004–2014: Qualifications Report*, Skills for Business, 2006

282 Nevertheless, replacement demand remains significant at all qualification levels. Replacement demand in jobs requiring Level 1 qualifications is sufficient to offset the declining number of jobs at this level. However, this is not true of jobs requiring no formal qualifications, where the projected decline in employment is more than twice the size of projected replacement demand. These projections suggest that older workers in particular, who are less likely to hold formal qualifications or to participate in education and training, are likely to become increasingly vulnerable to unemployment without appropriate opportunities for upskilling.

⁹⁰ SSDA/LSC/DfES Working Futures II.

⁹¹ A detailed picture of projected employment change by sector is presented in Appendix 7. Projections are also shown in the Sector Skills Needs Matrix which accompanies the Regional Strategic Analysis.

283 Employment growth is expected to be concentrated in occupations with intermediate and higher level skills needs, particularly among Professional occupations, Management occupations and Associate Professional and Technical occupations, and among Sales and Customer Service occupations and Personal Service occupations. Employment is projected to decline in Skilled Trades occupations and Administrative and Secretarial occupations. Decline is also expected in low skilled and unskilled work in Elementary occupations and among Process, Plant and Machine Operatives.

TABLE 25: PROJECTED EMPLOYMENT CHANGE 2004–2014 BY OCCUPATION, NORTH EAST

Occupation	Projected employment change 2004–2014			
	Projected employment change 2004–2014	Expansion demand	Replacement demand	Net recruitment demand
Managers and Senior Officials	9.4%	12,800	49,900	62,700
Professional	14.5%	17,100	43,900	61,000
Associate Professional & Technical	5.1%	7,400	48,200	55,500
Administrative & Secretarial	-4.3%	-5,600	52,300	46,700
Skilled Trades	-5.8%	-7,700	44,000	36,300
Personal Services	9.0%	7,700	34,600	42,300
Sales & Customer Service	20.1%	20,600	37,200	57,800
Process, Plant & Machine Operatives	-1.9%	-2,000	36,000	34,000
Elementary	-17.1%	-23,600	50,400	26,800
North East (all occupations)	2.5%	26,800	396,400	423,100

Source: SSDA/LSC/DfES Working Futures II

284 Significant employment opportunities will be available in all sectors and occupations over the next decade, however, including those projected to decline in overall employment terms, because of the need to replace staff lost through turnover and retirement. Total replacement demand is estimated to be almost fifteen times as great as the number of new jobs created (expansion demand). Between 2004 and 2014, net recruitment demand in the North East is projected to equate to over 420,000 job opportunities arising.

285 The scale of projected recruitment demand, and its changing nature, raise significant issues for the learning and skills sector. In particular, it will be important to ensure that the provision available, and the way this is delivered, take account of these projections – not only in terms of meeting skills needs among young people and migrant workers entering the region’s workforce but also, considering estimates that suggest as many as 80 per cent of the

workforce of 2020 may already be in employment⁹², through learning and skills development of the current workforce and labour market. Research suggests that the market for adult learning at work in particular offers considerable potential for growth⁹³.

- 286 These projections also raise issues for Information, Advice & Guidance (IAG) services in ensuring that learners are fully informed when making decisions on which learning pathways to choose, considering the implications of employment change on their job prospects and earning potential in the future labour market.

How provision is meeting employer needs

Train to Gain

- Train to Gain was introduced in the North East in April 2006, replacing the Employer Training Pilot (eQ8) which had run across the region since 2004/05.
- Most employers supported through Train to Gain are small, with less than 50 staff.
- To date, most learners engaged in Train to Gain have been aged between 26 and 55, with relatively few older learners in particular.

- 287 Train to Gain was introduced in the North East in April 2006, replacing the Employer Training Pilot (eQ8) which had run across the region since 2004/05. Train to Gain offers employers the opportunity to access an independent Skills Brokerage service which can help the employer to understand their skills needs and identify appropriate training provision to meet these needs, including funding for employees to gain a first Level 2 and Skills for Life qualifications, wage compensation for small employers and funding for Apprenticeships and training at Level 3 and above.

- 288 The LSC's targets for Train to Gain in 2006/07 are to engage 2,500 employers in the region, of which 51 per cent must be Hard to Reach⁹⁴, and to engage 13,989 learners in Level 2 provision and 2,425 in Skills for Life provision. Additionally, targets for 2007/08 are to engage 14,344 learners at Level 2 (including 7,849 achievements) and 2,360 in Skills for Life provision (including 1,652 achievements).

- 289 Between April and August 2006, Train to Gain generated 654 new employer leads in the region⁹⁵, which led to 387 employer engagements. 321 (83 per cent) of these were Hard to Reach employers. In addition, many employers

⁹² Prof. Mike Campbell, Director of Strategy and Research at the Sector Skills Development Agency, in a speech to the 2005 Labour Party Conference.

⁹³ *Prospects for Growth in Further Education*, Learning and Skills Research Network, 2003.

⁹⁴ Employer engagements are defined as employers referred to solutions providers by Skills Brokers. Hard to Reach employers are those who are not recognised as Investors in People and who have not accessed substantial vocational training leading to a qualification within the last 12 months.

⁹⁵ Employer leads are defined as employers in contact with Skills Brokers.

previously engaged in eQ8 have continued to train staff through Train to Gain. Activity since August appears to have intensified, though data is not yet available.

- 290 Most employers supported through Train to Gain are small – nationally, 94.5 per cent of new leads and 95 per cent of new engagements are from employers with fewer than 50 staff. Hard to Reach employers engaged through Train to Gain have also tended to be small. Employer engagement has been highest in health and care (24 per cent), manufacturing (15 per cent), retail and wholesale (13 per cent), business services (12 per cent) and construction (7 per cent).
- 291 Since April 2006, Train to Gain has seen 3,581 learner starts in the North East, with significantly more starts in Level 2 provision (3,200) than in Skills for Life (381). Learners have been recruited from employers previously engaged in eQ8 as well as new Train to Gain employers. Nationally, most learners engaged in Train to Gain have been aged between 26 and 55, with relatively few older learners in particular.

How provision is meeting sector needs

- In broad terms, LSC-funded learning provision appears to reflect sector needs.
- Some areas of concern remain, however, particularly in terms of the cross-sector decline in Work Based Learning. There are also concerns within individual sectors.
- Ongoing analysis of the extent to which provision is meeting needs will highlight these concerns in order for them to be addressed through the LSC's planning process with providers.

- 292 This section draws on analysis undertaken by the Regional Skills Group in LSC North East, which aims to assess the extent to which LSC-funded provision in Further Education and Work Based Learning is meeting employer needs. This work is ongoing, not least because information from Sector Skills Councils on sector priorities is in many cases only just beginning to emerge as Sector Skills Agreements and qualifications frameworks are developed. Also, there are significant difficulties in fitting an analysis of supply alongside an analysis of demand in order to assess gaps, due to differences in classification systems, which mean that some areas of provision may relate to more than one Sector Skills Council, or include learning much broader in scope than the occupational areas covered by a particular SSC. The ongoing analysis is an important part of the LSC's planning process, and will be particularly useful in informing discussions between Partnership teams and learning providers.

TABLE 26: SECTORAL SHIFTS IN PROVISION IN THE NORTH EAST, 2003/04–2005/06

Sector	Total starts in Further Education			Total starts in Work Based Learning		
	2003/04	2005/06	Change	2003/04	2005/06	Change
Land-Based and Environmental	2,368	2,281	-3.7%	184	175	-4.9%
Engineering	11,107	13,841	24.6%	1,936	1,531	-20.9%
Food and Drink Manufacturing	422	707	67.5%	0	3	-
Construction and the Built Environment	10,712	14,368	34.1%	1,069	460	-57.0%
Retail	2,274	2,550	12.1%	1,982	2,104	6.2%
Tourism and Hospitality	19,193	22,060	14.9%	1,150	452	-60.7%
Transport and Logistics	892	1,749	96.1%	274	184	-32.8%
Education	7,560	6,734	-10.9%	108	76	-29.6%
Lifelong Learning	3,299	3,441	4.3%	0	0	-
Business Management	14,170	16,352	15.4%	2,542	517	-79.7%
Information Technology Professional	7,624	5,463	-28.3%	152	101	-33.6%
Information Technology User	32,324	21,846	-32.4%	237	153	-35.4%
Communication Media	4,103	4,398	7.2%	17	32	88.2%
Health	49,430	47,427	-4.1%	138	659	377.5%
Social Care	4,269	1,786	-58.2%	862	11	-98.7%
Childcare	3,031	4,148	36.9%	656	244	-62.8%
Personal Care and Development, Health and Beauty	6,450	7,489	16.1%	1,207	1,053	-12.8%
Creative and Cultural sector	14,324	16,838	17.6%	0	0	-
Sports, Games and Recreation	6,200	6,866	10.7%	51	0	-100.0%

Source: LSC Individualised Learner Record 2003/04 F04/Period 12; 2005/06 F04/Period 12

293 In broad terms, learning provision appears to reflect sector needs, both in terms of delivery against sectors with high demand and shifts in provision to meet emerging needs. This is particularly true in Further Education – though there remain some areas of concern, and the decline in Work Based Learning raises further concerns that sector demand is not being met in all areas⁹⁶. The more detailed analysis undertaken by the Regional Skills Group, summarised below, will highlight concerns on a sector-by-sector basis in order for these to be addressed through the LSC’s planning process with providers.

⁹⁶ A more detailed picture of provision in each sector, including shifts in provision in the last few years, is presented in Appendix 8.

Land-Based and Environmental sector (Lantra)

294 This is a small and declining sector, though it remains important in underpinning the Food and Drink sector and the Tourism and Hospitality sector, both highlighted as priority sectors in the Regional Economic Strategy⁹⁷. Despite projected employment decline, there will be a need to recruit to the Land-Based and Environmental sector to replace those who are leaving through retirement and staff turnover⁹⁸.

- Overall, the number of starts in Land-Based and Environmental provision in **Further Education** fell by 3.7 per cent between 2003/04 and 2005/06. The decline was due to falling participation among adult learners, where the number of starts dropped by 8.4 per cent. In contrast, the number of starts among young learners increased by 9.7 per cent.
- Starts at all notional levels declined, except at Level 1 among young learners (which increased by 131 per cent, though from a small base) and at Level 3 among both 16–18 year olds (an increase of 31.5 per cent) and adult learners (an increase of 30.6 per cent).
- Among young learners, Level 3 has become the most significant provision. Level 2 remains the most significant provision among adult learners, despite a decline in the number of starts at this level.
- Achievement rates have fallen at Entry Level, but have improved at all other levels. Achievement rates are lowest at Level 3, particularly among adults. At Level 2, achievement rates among adults are significantly higher than among 16–18 year olds.
- The overall number of starts among males has fallen by 11.2 per cent, while starts among females have risen by 9.2 per cent. However, there remain around 39 per cent more starts among males than among females. The decline in starts among males is particularly evident at Level 2, though a clear preference among male learners for provision at this level remains evident.
- There is a low volume of provision in this sector in **Work Based Learning**. In particular, there are few starts among adult learners.
- Most provision is at Level 2, taken up by 16–18 year olds. The number of starts among young learners at Level 2 fell by 7.3 per cent between 2003/04 and 2004/05.
- Starts among adult learners at Level 3 have increased, though the number of learners involved remains small. Overall, the number of starts fell by 4.9 per cent.
- Achievement rates have shown a significant increase, particularly at Level 2.
- The overall number of starts among males has fallen by 12.3 per cent, while starts among females have increased by 5.1 per cent. While starts

⁹⁷ *Leading the Way: Regional Economic Strategy 2006–2016*, One NorthEast, 2006.

⁹⁸ Detailed statistical analysis at sector level is presented in the Sector Skills Needs Matrix which accompanies the Regional Strategic Analysis.

among males continue to outnumber starts among females, the gender balance in WBL is more even than in FE.

295 Lantra's consultation on the regional Sector Skills Agreement suggests that provision in the North East generally appears to be meeting the priority needs of the sector, but also highlights a number of issues. In particular, there is a need to maintain current levels of provision while working with Lantra to better align course content with the needs of the Land-Based and Environmental sector.

Engineering (SEMTA, Cogent and ProSkills)

296 This is an important sector in terms of employment. It is large and complex, and employer needs vary within its various sub-sectors. The Regional Economic Strategy identifies the Chemicals, Automotive, Energy and Defence and Marine sub-sectors as key strategic sectors. Employment in Engineering is declining but there will be a need to recruit large numbers of people to replace those who are leaving through retirement and staff turnover. The sector recognises the need to upskill the workforce from Level 2 to Level 3. Business Improvement Techniques (BIT) is the preferred qualification for Manufacturing sectors, in particular Automotive.

- Overall, the number of starts in Engineering provision in **Further Education** increased by 24.6 per cent between 2003/04 and 2005/06. Starts among adult learners at Level 1 declined over this period, but starts at all other levels increased among both 16–18 year olds and adult learners.
- The largest relative increases were seen in Entry Level provision and at Level 4, though the number of starts at these levels is relatively low. The largest increases in real terms were at Level 2 and Level 3.
- Achievement rates fell in Entry Level provision among both young people and adults, and also fell among adult learners at Level 3. Achievement rates improved in all other provision.
- Starts among females fell by 21.3 per cent, while starts among males increased by 27.7 per cent. Females account for just 4.0 per cent of all starts.
- The overall number of starts in **Work Based Learning** fell by 20.9 per cent between 2003/04 and 2005/06. The fall was less significant in real terms than growth in FE over this period. Work Based Learning accounts for just 10.0 per cent of starts in Engineering subjects.
- All WBL provision is at Level 2 or Level 3. The number of starts among adults at Level 3 increased between 2003/04 and 2005/06, but starts declined in all other areas.
- Achievement rates have increased, and are significantly higher among adult learners than among 16–18 year olds.
- Starts among both males and females declined. Females account for just 2.0 per cent of starts.

- 297 There is a need to continue to build capacity to deliver Business Improvement Techniques at Level 3, as well as at Level 2. Increased demand for BIT is expected from the Process industries, while demand for BIT will continue in Manufacturing sectors.
- 298 There is a continuing need to build capacity in Level 3 provision in Further Education in response to cross-sector demand, and a need to increase Apprenticeship provision to meet increased needs in some sub-sectors, including Process industries and Engineering Construction.
- 299 The provider network may need support to enable delivery of the new Performing Manufacturing Operations NVQ, which becomes available in Spring 2007. Additionally, there is a need to support the development of the regional spoke of the National Skills Academy for Manufacturing, and to work with the National Skills Academy to establish new standards for BIT delivery in the North East.
- 300 There is also need to encourage participation in Engineering provision among female learners to address the current gender imbalance.

Food and Drink Manufacturing (Improve)

- 301 This is a relatively small but important sector in the North East, and is identified as a key strategic sector in the Regional Economic Strategy. Employment is projected to decline over the next ten years, but there will be a continuing need to recruit to the sector to replace those who are leaving through retirement and staff turnover. The sector recognises the need to make itself more attractive to skilled new entrants, as well as the need to upskill its current workforce in order to raise productivity. The sector experiences particular shortages of skilled workers, including traditional craft skills such as butchery, and has skills gaps at management and supervisory levels. There is only a small volume of learning provision for this sector which is almost entirely in Further Education and largely at Level 1.
- Overall, the number of starts in Food and Drink Manufacturing subjects in **Further Education** increased by 67.5 per cent between 2003/04 and 2005/06, though the number of starts is relatively low compared with other subjects.
 - Most provision is at Levels 1 and 2, taken up by adult learners. No Entry Level provision exists. There is some provision for adult learners at Level 3, but starts have declined and the number of learners is small. The number of starts among 16–18 year olds has seen a large relative growth, almost exclusively at Level 1, though the number of starts among young people remains small.
 - Achievement rates have improved, but are poor among 16–18 year olds compared with adult learners.
 - Starts among females saw a more significant increase than starts among males, but the sector remains dominated by males. Females account for 39.0 per cent of all starts.

- Currently, **Work Based Learning** provision in Food and Drink Manufacturing in the region is negligible.

302 There is a need to build the capacity of provision in the region, and to increase take-up of sector-specific qualifications at Levels 2 and 3 in FE and attract learners to the newly developed Apprenticeship route in WBL. Further support is needed for the development of a Foundation Degree as a work-based progression route to higher learning. There is also a need to ensure that Skills for Life provision is embedded within learning programmes.

Construction and the Built Environment (ConstructionSkills, SummitSkills, Energy and Utility Skills and Asset Skills)

303 This is an important sector in terms of regional employment. Overall growth is expected, though this is expected to be predominantly in the Asset Skills sub-sector. There will be a continuing need to recruit large numbers of people to replace those who are leaving through retirement or turnover, particularly at craft level in ConstructionSkills and at intermediate and higher levels in Asset Skills. The qualification levels of employees vary between sub-sectors, with employees in Asset Skills generally having particularly low skills – over 50 per cent are not qualified to Level 2.

- Overall, the number of starts in Construction related subjects in **Further Education** increased by 34.1 per cent between 2003/04 and 2005/06. Starts increased at all notional levels, among both young people and adults, with the exception of starts among adults at Level 1 (which declined by 35.5 per cent) and starts in Entry Level provision. Entry Level provision has ceased.
- Starts among 16–18 year olds are highest at Levels 1 and 2. Among adults, there has been a shift in provision from Levels 1 and 2 to Levels 2 and 3. Level 4 provision has seen a large relative increase among adults, though the number of starts remains small.
- Achievement rates have improved at all levels and among both young people and adults, with the exception of Level 3 provision among adult learners where achievement rates have seen a slight decline.
- At Levels 1 and 2, achievement rates are poor among young people compared with adult learners. Significant improvement in achievement rates among 16–18 year olds at Level 3 means that achievements rates are only slightly behind adult learners.
- Starts among females have increased by 9.7 per cent, while starts among males have increased by 35.9 per cent. Females account for just 5.6 per cent of starts.
- Overall, the number of starts in **Work Based Learning** declined by 57.0 per cent between 2003/04 and 2005/06.
- Starts among both young people and adults at Level 2 declined. At Level 3, starts among 16–18 year olds declined while starts among adults increased. Level 1 provision has ceased.

- Achievement rates have shown significant increases among young people and adults at both Levels 2 and 3.
 - Starts among both males and females have declined. Females account for just 1.7 per cent of starts.
- 304 There is a need to review the volume of Level 1 provision for young people in Construction, ensuring that it offers clear progression routes to Level 2. There is also a need to increase Apprenticeship uptake at Levels 2 and 3 while broadening the occupational offer to reflect changing sector priorities. It is also important that the offer at Levels 3 and 4 in FE is maintained.
- 305 There is a need to increase the offer of Level 2 qualifications through On-Site Assessment and Training (OSAT), and to review delivery locations in the region. Further support for the development of Foundation Degrees is required, to offer a work-based progression route to higher learning. There is also a need to ensure that Skills for Life are embedded in workplace learning.

Retail (Skillsmart)

- 306 This is an important sector in the region in terms of employment. Employment is projected to increase, and there will also be a need to recruit in large numbers to replace staff who are leaving through retirement and turnover. The sector recognises the need to harness the skills of older workers to meet its needs.
- Overall, the number of starts in Retail subjects in **Further Education** increased by 12.1 per cent between 2003/04 and 2005/06. Starts at all notional levels increased, with the exception of starts among 16–18 year olds at Level 3 and starts among both young people and adults at Entry Level.
 - Provision is dominated by adult learners, mainly at Level 2. 16–18 year olds account for only one in five starts (19.5 per cent).
 - Achievement rates among adult learners at Entry Level and among 16–18 year olds at Level 1 have declined, but show improvement in other areas.
 - Starts among females increased by 17.1 per cent, while starts among males fell by 6.2 per cent. Provision is dominated by females, who account for 82.2 per cent of starts.
 - Overall, the number of starts in **Work Based Learning** increased by 6.1 per cent between 2003/04 and 2005/06.
 - All WBL provision is at Levels 2 and 3, though mostly at Level 2. Starts among 16–18 year olds at Level 2 declined, while starts at this level among adults increased. Conversely, starts among adults at Level 3 declined while increasing among young people.
 - Achievement rates have improved, with particularly significant improvement among adult learners at Level 2 and among both young people and adults at Level 3.

- Starts among both males and females increased. As in FE, females continue to dominate WBL provision, accounting for 68.3 per cent of starts.

307 There is an increasing need to focus provision on the priority qualifications identified by Skillsmart to meet the needs of the Retail sector, including ensuring that providers who deliver customer service qualifications to the Retail sector are using the preferred retail-specific Customer Service NVQ.

Hospitality, Leisure, Travel and Tourism (People 1st)

308 The Regional Economic Strategy identifies this as a key strategic sector in the North East. Employment growth is expected, while there will also be a need to recruit large numbers of people to replace those who are leaving through retirement and staff turnover. Recruitment demand will be particularly strong in with intermediate and higher level occupations. The majority of the current workforce is employed in lower level occupations. The sector experiences particular skills shortages at craft level, as well as at management level. People 1st identify customer service skills, management and leadership and craft skills for chefs are priorities for the sector.

- Overall, the number of starts in Hospitality, Leisure, Travel and Tourism subjects in **Further Education** increased by 15.0 per cent between 2003/04 and 2005/06.
- Starts in Entry Level provision have seen a significant decline, particularly among adult learners. Starts among adult learners at Level 3 have also declined. Elsewhere, starts have increased, with the largest relative increases at Level 1.
- Starts among adults are now mainly at Levels 1 and 2. Starts among 16–18 year olds are also mainly at Levels 1 and 2, though there is increasing provision for young people at Level 3.
- Overall achievement rates have remained relatively stable. Achievement rates at Entry Level, Level 1 and Level 2 are significantly lower among 16–18 year olds than among adult learners. At Level 3, the gap between achievement rates is relatively small due to decline in achievement rates among adults.
- Starts among males have increased by 21.3 per cent, compared with an increase of 12.2 per cent in starts among females. Females continue to dominate FE provision, accounting for 68.3 per cent of starts. This reflects the gender balance in the sector's workforce.
- Overall, the number of starts in **Work Based Learning** declined by 60.7 per cent between 2003/04 and 2005/06. Work Based Learning accounts for just 2.0 per cent of all starts in Hospitality, Leisure, Travel and Tourism subjects.
- WBL provision is all at Levels 2 and 3. There is no provision at Entry Level or Level 1. Both Levels 2 and 3 have seen a decline in the number of starts.

- Achievement rates have increased, but are lower at Level 3 than at Level 2, particularly among adult learners.
- Starts among both males and females have declined. Females continue to outnumber males, accounting for 57.1 per cent of starts.

309 There is a need to ensure that learning provision responds to the sector qualification strategy of People 1st as it is developed. There is also a need to encourage employer engagement in provision at Levels 3 and 4, particularly in relation to management and leadership skills, to meet the needs of the sector.

Transport and Logistics (GoSkills, Skills for Logistics)

310 Some growth is projected in this sector, largely in passenger transport, while there will also be a need to recruit to the sector to replace those who leave through retirement and staff turnover. The sector has an ageing workforce and has difficulty recruiting young people. A large proportion of the freight transport sector have very low or no qualifications.

- Overall, the number of starts in Transport and Logistics related subjects in **Further Education** increased by 96.0 per cent between 2003/04 and 2005/06. Adult learners account for 81.3 per cent of starts.
- The number of starts among young people at Level 1 has declined, while increasing among adults. Starts at Levels 2 and 3 have seen large relative increases in both age groups. There is no Entry Level provision in the sector.
- Overall achievement rates have seen slight improvement, though achievement rates among adult learners at Level 1 and among 16–18 year olds at Level 3 have declined. Achievement rates at Levels 1 and 2 are higher among adults than among young learners. At Level 3, the opposite is true.
- Starts among males saw a significantly higher increase than starts among females, which also showed large growth. Females account for around one in three starts (35.2 per cent).
- Overall, the number of starts in **Work Based Learning** declined by around a third (32.8 per cent) between 2003/04 and 2005/06. WBL accounts for 9.5 per cent of starts in Transport and Logistics subjects.
- All WBL provision is at Level 2, with a very small number of starts at Level 4. The number of starts at both these levels has declined, with a particularly significant decline in starts at Level 2 among adult learners.
- Achievement rates have increased, particularly among adults at Level 2.
- Starts among both males and females have declined, with decline in relative terms far more significant among females. Females account for just 3.8 per cent of starts in Transport and Logistics subjects.

311 There is a need to work with the Logistics Centre for Vocational Excellence (CoVE) to increase provision of Driving Goods Vehicle qualifications at Levels 2 and 3, and Carry and Deliver Goods qualifications at Level 2, in both

FE and WBL, and to support the introduction of the Foundation Degree in Logistics. There is also a need to support Skills for Logistics and the Logistics CoVE in developing the hub and spoke model of delivery in the North East.

- 312 There is a need to build capacity for assessors and verifiers in the sector, ensuring that they hold appropriate qualifications and licences. There is also a need to build capacity in Level 3 provision to meet the needs of the sector.

Education and Teaching

- 313 This is an important sector in terms of employment. Almost 80 per cent of current employees are in intermediate or higher level occupations, and are qualified to Level 3 or above.

- Overall, the number of starts in Education and Teaching related subjects in **Further Education** declined by 10.9 per cent between 2003/04 and 2005/06.
- Provision is mainly at Level 2, Level 3 and Level 4 and above, taken up by adult learners. 16–18 year olds account for just 4.7 per cent of starts. The number of starts has declined at all notional levels and among both young people and adults, with the exception of starts among 16–18 year olds at Entry Level and at Level 3. Starts among young people at Level 3 in particular saw a large relative increase, though in real terms the number of learners involved remains small.
- Achievement rates have increased at all levels, except at Level 3 and at Higher Level (within Level 4 and above).
- Starts among females have increased, while starts among males have declined. Males account for just 14.5 per cent of starts.
- Overall, the number of starts in **Work Based Learning** declined by 29.6 per cent between 2003/04 and 2005/06.
- Very little WBL provision exists in Education and Teaching subjects. There is some provision at Level 2, though the number of starts has declined. There is also a very small number of starts at Level 3, in what appears to be new provision.
- Achievement rates have seen a significant increase at Level 2.
- Starts among both males and females have declined.

- 314 The key focus of provision in this sector is to contribute to the national target of delivering training to 15,000 school support staff.

Lifelong Learning (Lifelong Learning SSC)

- 315 Some growth is projected in employment in the Lifelong Learning sector, while there will be a continuing need to recruit to the sector to replace those who leave through retirement or staff turnover. Over 80 per cent of current employees are in intermediate or higher level occupations and are qualified to Level 3 or above. The sector recognises the need to harness the skills of traditionally under-represented groups to meet its needs.

- Overall, the number of starts in Lifelong Learning related subjects in **Further Education** increased by 4.3 per cent between 2003/04 and 2005/06.
- Provision mainly caters for adult learners, who account for at least three quarters (75.9 per cent) of starts⁹⁹, mainly at Level 2, Level 3 and Level 4. The number of starts among adults at Levels 2 and 3 has declined, while the number of starts among adults at Level 4 has increased. Starts among 16–18 year olds at Level 2 have also increased, though the number of learners involved is small.
- Achievement rates have improved at all levels and among both young people and adult learners, except among 16–18 year olds at Level 3.
- Starts among females have declined, while starts among males have seen a significant increase. Starts among females continue to outnumber starts among males, however. Males account for 40.9 per cent of starts.
- There is negligible **Work Based Learning** provision in the Lifelong Learning sector.

316 There is a need to ensure that providers are prepared for the introduction of new teaching qualifications from September 2007.

Business Management (Financial Services Skills Council)

317 The Business Management sector is projected to decline slightly over the next ten years, but there will be a need to recruit to the sector to replace those who are leaving through retirement and staff turnover. There is strong demand for higher level skills in this sector, including high level literacy and numeracy skills. The minimum qualification level needed for entry to the sector is Level 3. Knowledge-intensive business services are identified in the Regional Economic Strategy as key to productivity growth in the region.

- Overall, the number of starts in Business Management related provision in **Further Education** increased by 15.4 per cent between 2003/04 and 2004/05, largely due to significant growth in the number of starts among adults at Level 2 and at Higher Level (within Level 4 and above).
- Starts among young people at Level 2 have declined. Starts among 16–18 year olds at Level 4 have also declined, though the number of learners involved is small. Among adults, starts have declined at Entry Level, though again the number of learners involved is small. Starts at Level 3 have declined among both young people and adults.
- Overall achievement rates have improved, though improvement is not consistent by age group or notional level. Achievement rates declined among young people at Entry Level, Level 2 and Level 4. Achievement rates declined among adults at Level 1.
- Starts among females saw very slight growth (1.3 per cent), while the increase in starts among males was more significant (42.0 per cent).

⁹⁹ There are around 770 learners in the sector whose age is unknown.

- Overall, the number of starts in **Work Based Learning** declined by 79.7 per cent between 2003/04 and 2005/06. WBL accounts for just 3.1 per cent of starts in Business Management subjects.
- Starts at Levels 2 and 3 declined among both young people and adults, with particularly significant decline among 16–18 year olds. There was an increase in starts at Level 4 among both young people and adults, though very few 16–18 year olds are engaged at Level 4.
- Achievement rates have improved at all levels and among both young people and adults.
- Starts among both males and females have declined.

318 There is a need to work with the Financial Services Skills Council to develop provision for the existing qualifications regarded as appropriate for the sector, and to increase providers' capacity to deliver new qualifications as they come on-stream, including new Apprenticeships in Advising on Financial Products and in Retail Financial Services, available from 2007, and the Foundation Degree currently being developed. There is a need to focus provision at Level 3 and above, while ensuring adequate provision at Level 2 for progression to higher levels.

319 There is also a need to explore the potential to develop a National Skills Academy spoke for the sector in the North East.

Information Technology: IT professionals (e-skills UK)

320 This is a rapidly growing sector. Almost three quarters (73 per cent) of the workforce are in higher level occupations. Sector analysis suggests that learning providers in the North East are delivering a large volume of IT Professional qualifications that are not seen as priorities by the Sector Skills Council.

- Overall, the number of starts in IT Professional related subjects in **Further Education** declined by 28.4 per cent between 2003/04 and 2005/06. The decline is evident at all notional levels and among both 16–18 year olds and adults, with the exception of starts at Entry Level among adults and at Level 4 among both adults and young people.
- Achievement rates have improved at all notional levels except among young people at Entry Level and among both young people and adults at Higher Level (within Level 4 and above).
- Starts among both males and females have declined. While this decline was most significant among males, starts among males continue to outnumber starts among females. Males account for 70.2 per cent of starts.
- Overall, the number of starts in **Work Based Learning** provision declined by 33.6 per cent between 2003/04 and 2005/06. There is little WBL provision in IT Professional subjects. WBL accounts for 1.8 per cent of all starts in the sector.
- All WBL provision is at Level 2 or Level 3. Starts at Level 2 have declined, while starts at Level 3 have declined among 16–18 year olds

but increased among adult learners. The number of learners involved, nevertheless, is small at all levels.

- Achievement rates have increased, most significantly among adult learners.
- Starts among both males and females have declined, though the number of starts among females is very low. Females account for just 4.0 per cent of starts.

321 There is a need to shift provision from non-priority to priority qualifications in response to the e-skills qualification strategy. Provision needs increasingly to be focused at Level 3 and above, including the delivery of Foundation Degrees.

322 There is also a need to encourage female participation in IT Professional learning programmes, to address the current gender imbalance.

Information Technology: IT users (e-skills UK)

323 The number of individuals using IT in their day to day work, particularly those using IT at higher levels, is forecast to grow. The e-skills qualification strategy regards ITQ Level 2 and Level 3 qualifications as priorities for IT users.

- Overall, the number of starts in IT User related subjects in **Further Education** fell by 32.4 per cent between 2003/04 and 2004/05. Decline was seen at all notional levels and among both young people and adults, with the exception of starts among adults at Entry Level, and 16–18 year olds at Level 1 and at Level 3.
- Adult learners account for the majority of starts, often at Level 1. 16–18 year olds account for around one in ten (11.5 per cent) of starts.
- Overall achievement rates have seen a slight fall, with only achievement rates at Level 1, and among young people at Entry Level, seeing an increase.
- Starts among both males and females declined. Starts among females continue to outnumber starts among males, accounting for 61.3 per cent of all starts.
- Overall, the number of starts in **Work Based Learning** declined by 35.5 per cent between 2003/04 and 2005/06. There is little WBL provision in IT User related subjects. WBL accounts for just 0.7 per cent of all starts in the sector.
- Starts declined across WBL provision, with the exception of starts among young people at Level 3, which saw an increase. The number of learners involved, however, is small.
- Achievement rates have seen an improvement, most significantly at Level 3.
- Starts among both males and females have declined. There are twice as many male starts as female starts.

324 As in the IT Professional sector, there is a need to shift provision from non-priority to priority qualifications in response to the e-skills qualification

strategy, and to trial the Credit Framework for ITQ. There is also a need to increase learning provision through Train to Gain to meet the future needs of the sector.

Health (Skills for Health)

325 This is an important sector in terms of employment, and is expected to grow. Replacement demand far outweighs expansion demand. The sector recognises the need to upskill its workforce to meet rapid changes in service delivery. The Regional Economic Strategy highlights the importance of the sector in terms of its contribution to increased economic participation and productivity growth in the region. The volume of provision in the region reflects the importance of the sector.

- Overall, the number of starts in Health related subjects in **Further Education** declined by 4.1 per cent between 2003/04 and 2005/06. This was largely attributable to decline in starts at Entry Level and at Level 1 among adult learners. Starts at Entry Level also fell among young people. Elsewhere, starts increased, with particularly significant growth in starts among adults at Level 2 and Level 4.
- There is a clear shift in provision among adults from Entry Level and Level 1 to Level 2 and above. Despite the decline in Entry Level starts among 16–18 year olds, a similar shift is not so evident among young people.
- Achievement rates have improved at all notional levels, except among 16–18 year olds at Level 1 (where achievement rates fell by 10.4 percentage points) and among adults at Level 3 (where achievement rates fell only slightly).
- Starts among both males and females increased. Starts among females continue to outnumber starts among males. Females account for more than three in five starts (61.6 per cent) in the sector.
- Overall, the number of starts in **Work Based Learning** saw a significant increase of 377.5 per cent between 2003/04 and 2005/06, though from a relatively small base. Level 2 provision saw the most significant increases, though increases were also seen at Level 3. All WBL provision in the sector is at Level 2 or Level 3.
- Achievement rates at Level 2 appear to have increased among both young people and adults, though the low number of leavers in 2003/04 makes it difficult to draw firm conclusions in this regard. Achievement rates at Level 3 have remained relatively stable.
- Starts among both males and females increased. In relative terms, the increase was most significant among males, though in real terms the number of learners involved is small. Females dominate provision, accounting for almost ten times as many starts as males.

326 There is a need to ensure that progression routes to higher learning are available, including exploring the introduction of Foundation Degrees. There

is also a need to ensure that provision responds to the new Healthwork qualifications currently under development.

- 327 Employers need to be encouraged to engage in Apprenticeships at Levels 2 and 3. Male participation in learning programmes also needs to be encouraged, to address the current gender imbalance.

Social Care (Skills for Care)

328 This is a growing sector, but replacement demand far outweighs expansion demand. There is significant demand for upskilling the workforce, largely as a result of the Care Act 2000 which sets targets for all care workers to become qualified. 50 per cent of care workers should have an appropriate qualification for their occupational area, while all registered managers were expected to be qualified to Level 4 by 2005. Only around half the registered managers in the region have gained this qualification.

- Overall, the number of starts in Social Care related subjects in **Further Education** fell by 58.2 per cent between 2003/04 and 2005/06. The decline was seen at all notional levels and among both young people and adults, with the exception of starts among young people at Level 3. There is no Entry Level provision in Social Care, while Level 1 provision has ceased.
- Achievement rates have increased at all levels, except at Level 4. Provision at Level 4 is only taken up by adult learners.
- Starts declined among both males and females. Very few males take up Social Care related provision – males account for just 10.9 per cent of starts.
- Overall, the number of starts in **Work Based Learning** declined by 98.7 per cent between 2003/04 and 2005/06. Starts in WBL have virtually ceased.

329 There is a need to investigate and if necessary correct the fall in the volume of Social Care provision in both FE and WBL. There is a need to increase Apprenticeship provision, and a need to ensure that progression routes to higher learning are available, including exploring the introduction of Foundation Degrees. Employer engagement in learning provision for managers at Level 4 needs to be encouraged to meet the requirements of the national standard. Male participation in learning also needs to be encouraged to address the current gender imbalance.

Early Years and Childcare (Children's Workforce Development Confederation, SkillsActive)

330 This is a growth sector and a Government priority sector. The demand for upskilling the workforce is a result of legislation which sets minimum standards for the qualifications of the workforce, and the ratio of qualified carers to children. The current minimum requirement for entry to the sector is Level 2, with a commitment from the sector to progress staff to Level 3.

- Overall, the number of starts in Early years and Childcare related subjects in **Further Education** increased by 36.8 per cent between 2003/04 and 2005/06.
- Starts among young people increased at all notional levels, with the exception of Level 4 where there is no take-up among young people. Growth was most significant at Level 3. Among adults, a shift in provision to Level 2 and above was more evident, with increases in starts at these levels while starts at Entry Level and at Level 1 declined.
- Achievement rates have increased, except among adult learners at Entry Level and at Level 1 and Level 3, where they have fallen.
- Starts among both males and females have increased. Females dominate the sector, accounting for 96.2 per cent of starts.
- Overall the number of starts in **Work Based Learning** fell by 62.8 per cent between 2003/04 and 2005/06.
- All WBL provision is at Level 2 and Level 3, though the number of starts at both these levels has declined among both young people and adult learners. Starts are highest among young people at Level 2.
- Achievement rates have improved, most significantly at Level 2, among both young people and adult learners.
- Starts among both males and females have declined. Very few males take up WBL provision in the Early Years and Childcare sector, and males account for just 2.0 per cent of starts.

331 There is a need to support the introduction of Foundation Degrees as a work-based learning route to higher level learning in the sector, and a need to ensure that Skills for Life are embedded in learning programmes. There is also a need to build capacity for assessors and verifiers in the sector at Level 3.

Personal Care and Development, Health and Beauty

332 This is a small but growing sector, with a high proportion of small businesses. There is no Sector Skills Council for Personal Care and Development, Health and Beauty, and responsibility for developing National Occupational Standards for the sector lies with the Standard Setting Body, Habia¹⁰⁰.

- Overall, the number of starts in Personal Care and Development, Health and Beauty related subjects in **Further Education** increased by 16.1 per cent between 2003/04 and 2005/06.
- The increase is attributable mainly to increasing starts among young people at Level 1 in particular, as well as at Entry Level and at Levels 2 and 3. Starts among adult learners also increased at Level 2, but

¹⁰⁰ Standard Setting Bodies have a similar role to Sector Skills Councils in representing industry sectors on matters such as training, skills, and business development, and in developing industry-specific National Occupational Standards which form the basis of vocational qualifications such as NVQs and Apprenticeships. Unlike Sector Skills Councils, however, Standard Setting Bodies are independent of the Skills for Business Network established by the Sector Skills Development Agency (SSDA).

declined at Level 1 and Level 3. There is no take-up of Entry Level provision among adult learners.

- Achievement rates have improved at all notional levels and among both young people and adults, with the exception of 16–18 year olds at Level 2, where achievement rates saw a slight decline.
- Starts increased among both males and females, though the number of starts among males is low. Females account for 98.0 per cent of starts.
- Overall, the number of starts in **Work Based Learning** declined by 12.8 per cent between 2003/04 and 2005/06.
- Starts declined among 16–18 year olds at Levels 2 and 3, but increased among adult learners at these levels. No Entry Level provision exists, while the small amount of Level 1 provision has ceased. WBL provision is now all at Levels 2 and 3, and is dominated by young people at Level 2.
- Achievement rates have increased, most significantly among adult learners at Level 2. However, achievement rates remain relatively low.
- Starts among both males and females declined, but provision remains dominated by females, who account for 94.4 per cent of starts.

Communication Media (Skillset)

333 This is a very small sector, but is growing. The Communication Media workforce is highly qualified and Level 3 is seen as the minimum entry requirement to the sector. Commercially Creative businesses (which include the Communication Media sector) are identified in the Regional Economic Strategy as a key strategic sector in the region. There has been a shift in provision in 2005/06 to the Tees Valley area in response to the digital media and digital technologies 'super cluster' based there – the 'DigitalCity'.

- Overall, there was a 7.2 per cent increase in starts in Communication Media subjects in **Further Education** between 2003/04 and 2005/06. The increase was largely due to growth in starts among 16–18 year olds, apparent at almost all notional levels. In contrast, starts among adult learners declined at all notional levels, except at Level 3, and ceased at Entry Level. Starts at Level 4 declined among both young people and adult learners.
- Overall achievement rates showed a slight improvement, though achievement rates declined at Level 1, among 16–18 year olds at Level 2 and among adult learners at Level 3.
- Starts among females showed a slight decline, while starts among males increased. Males account for 57.4 per cent of starts.
- There is negligible **Work Based Learning** provision in the Communication Media sector, though a small number of starts are seen at Level 2. Starts increased between 2003/04 and 2004/05, due to growth in starts among 16–18 year olds. Achievement rates among 16–18 year olds, however, have fallen.

334 The current balance of provision needs to be maintained in order to provide adequate support for DigitalCity in Tees Valley. However, there is a need to continue to shift provision to Level 3, while maintaining appropriate provision at Level 2 for progression. There is also a need to explore the feasibility of introducing the available Apprenticeship frameworks in the region.

Creative and Cultural sector (Creative and Cultural Skills)

335 The Creative and Cultural sector is growing, with a high proportion of sole traders, freelancers and SMEs. Employees are generally highly qualified. There is little engagement in accredited learning.

- Overall, the number of starts in Creative and Cultural related subjects in **Further Education** increased by 17.5 per cent between 2003/04 and 2005/06.
- Starts at Entry Level and at Level 2 declined, but starts at other notional levels increased. Growth in starts among adult learners at Level 3 was particularly significant. Provision is dominated by starts among 16–18 year olds at Level 3, and to a lesser extent by starts among adult learners at Level 1.
- Overall achievement rates saw a slight improvement, reflected in improvement at all notional levels and among both young people and adults, with the exception of adult learners at Level 4 where achievement rates saw a significant decline.
- Starts appeared to decline among both males and females, suggesting an increase in starts among learners whose gender is not known.
- The sector is not supported by **Work Based Learning** provision.

336 There is a need to support the Sector Skills Council in developing its qualification strategy to ensure that specialist learning is appropriately accredited, and in developing Creative and Cultural Skills Apprenticeships and the 14–19 specialised diploma. There is also a need to ensure that progression routes to Level 3 are adequate.

Sports, Games and Recreation

337 This is a small but growing sector. The London 2012 Olympic and Paralympic Games are expected to have a major impact on the sector, not least in providing a focus for commitment to improve community sports activities, with much growth anticipated. The full impact, however, is not yet known.

- Overall, the number of starts in Sports, Games and Recreation related subjects in **Further Education** increased by 10.7 per cent between 2003/04 and 2005/06. This was largely due to an increase in starts among adult learners at Level 2. Less significant increases were seen among 16–18 year olds at Level 1 and Level 3, and among both age groups at Higher Level (within Level 4 and above). Elsewhere, starts declined.
- Achievement rates at Entry Level saw significant improvement, though the number of starts at this level is small. Elsewhere, improvements were

more modest. Achievement rates fell slightly among 16–18 year olds at Level 1, and among adult learners at Levels 2 and 3 and at Higher Level (within Level 4 and above).

- Starts among both males and females increased, most significantly among females. Nevertheless, there are more than twice the number of starts among males than among females.
- Provision in **Work Based Learning** appears to have ceased.

338 There is a need to develop the provider network to enable them to deliver flexible learning provision that meets the needs of the sector. There is also a need to support accredited coaching courses for the volunteer workforce in preparation for the 2012 Olympics, and to develop a work-based learning route to higher level learning through a Foundation Degree.

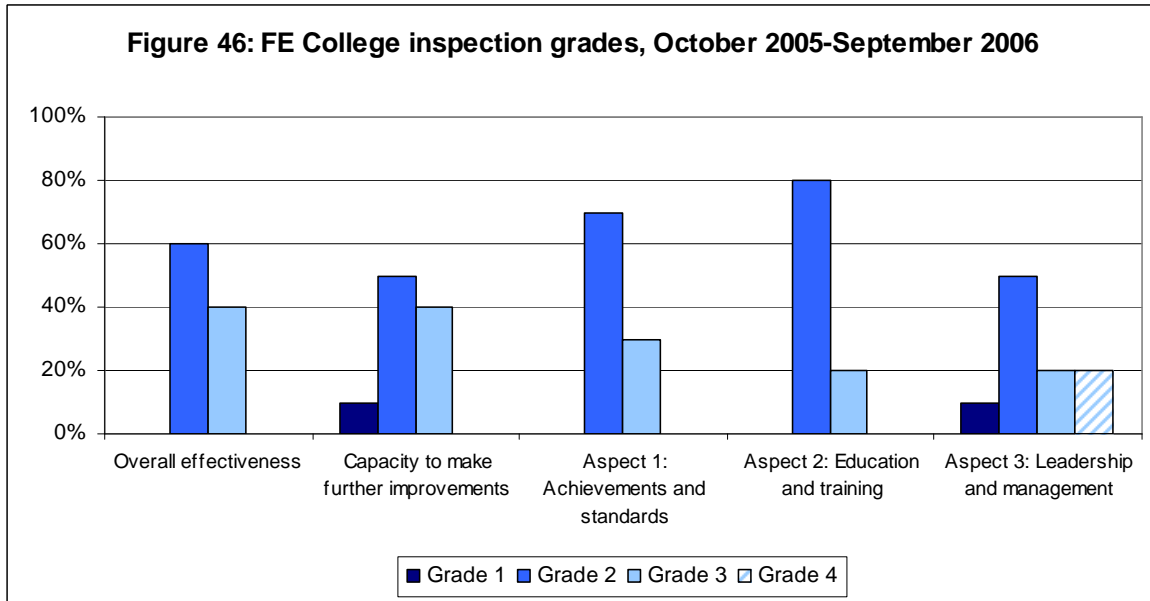
Quality of provision

Inspections and assessments

- FE colleges in the North East inspected since October 2005 have predominantly achieved good inspection grades. A small number of colleges have received inadequate grades in relation to leadership and management.
- First-time inspections of Work Based Learning providers in the North East in the six months to September 2006 showed a marked improvement on the previous six month period. However, 10 per cent of the region's WBL provision continues to be graded as inadequate.

339 FE colleges in the North East inspected since October 2005 have predominantly achieved good inspection grades, though some colleges have received satisfactory grades. A small number of colleges have received inadequate grades in relation to leadership and management, though elsewhere in the region there are good and excellent examples of this. While there clearly remains room for improvement in terms of the quality of FE provision in the North East, it is difficult to judge trends in performance due to changes in the inspection methodology. Similarly, it is difficult to compare the quality of FE provision in the region with the national picture, due to the relatively small number of inspections completed in North East colleges since October 2005.

340 First-time inspections of Work Based Learning providers in the North East in the six months to September 2006 showed a marked improvement on the previous six month period. WBL providers in the North East are more likely to achieve good or excellent grades in ALI inspections than the national average. Despite the improving picture, however, 10 per cent of the region's WBL provision continues to be graded as inadequate.



Source: Ofsted

341 Adult and Community Learning provision is new to the revised inspection cycle, and so far only one provider in the region has been inspected. This one inspection does not provide us with a sufficient overview of the quality of ACL provision across the North East.

Success rates

342 Success rates in Further Education are reported in terms of retention rates, achievement rates and an overall measure of success.

- Retention rates are defined as the number of learners continuing or completing learning aims as a proportion of the number of learning aims they started. They exclude learners who have transferred from one learning aim to another before completing the learning.
- Achievement rates are defined as the number of learning aims achieved by learners as a proportion of learners who have left learning aims, regardless of whether they have completed the learning.
- Success rates are defined as the number of learning aims achieved by learners as a proportion of the number of learning aims they started, excluding learners who have transferred from one learning aim to another.

343 Success rates in Work Based Learning are defined as the proportion of leavers who have achieved a full Framework qualification. Life Skills and Preparatory Training are not included.

Success rates among young people

- The overall retention rate among young people in FE in the North East is slightly higher than the national average (86 per cent in 2004/05, compared with 85 per cent in England).
- The overall achievement rate among young people in FE in the region is slightly below average (84 per cent in 2004/05, compared with 85 per cent in England).
- The overall success rate among young people in FE in the North East is slightly above average (73 per cent compared in 2004/05, with 72 per cent in England).
- Success rates in FE are slightly lower among young men (70.3 per cent) than among young women (73.7 per cent).
- FE success rates are lower than average among young people from Black Caribbean backgrounds, Pakistani, Bangladeshi or Indian backgrounds, and Mixed ethnic backgrounds. Success rates are higher than average among young learners from Black African backgrounds, Chinese backgrounds and Other backgrounds.
- The overall framework achievement rate among young people in WBL in the region is below average (51.7 per cent in 2005/06, compared with 54.2 per cent in England).
- Framework achievement rates in WBL are slightly higher among young men (52.7 per cent) than among young women (50.8 per cent).
- Framework achievement rates are lower than average among young people from Asian or Asian British backgrounds, from Black African or Black Caribbean backgrounds, and from most Mixed ethnic backgrounds. Framework achievement rates are higher than average among White Irish backgrounds, Mixed White and Asian backgrounds, and Other Black backgrounds.

344 Overall retention rates among young learners in Further Education are slightly higher than the national average. Between 2003/04 and 2004/05, overall retention rates among young learners in FE improved at the same rate in the region as in England.

TABLE 27: OVERALL RETENTION RATES AMONG 16–18 YEAR OLDS IN FURTHER EDUCATION

	North East	England
2003/04	84%	83%
2004/05	86%	85%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

345 Retention rates among young learners in full Level 2 provision in FE are higher in the North East (76 per cent) than the national average (73 per cent), though some way below overall retention rates. Improvement between 2003/04 and 2004/05 in retention rates among young learners in full Level 2

provision in FE was the same in the region as in England (3 percentage points).

- 346 The North East saw a slightly larger improvement in retention rates among young learners on long courses in FE between 2003/04 and 2004/05, bringing retention rates in the region into line with the national average (79 per cent). Retention rates among young learners on short courses in FE also saw a slightly larger improvement in the North East (2 percentage points) than in England (1 percentage point) over this period, and retention rates in the region in 2004/05 were slightly higher than the national average (95 per cent compared with 94 per cent in England). Retention rates among young learners on short courses in FE are significantly higher than among those on long courses.

TABLE 28: OVERALL ACHIEVEMENT RATES AMONG 16–18 YEAR OLDS IN FURTHER EDUCATION

	North East	England
2003/04	81%	83%
2004/05	84%	85%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

- 347 Overall achievement rates among 16–18 year olds in Further Education are a little lower in the North East than in England. However, improvement between 2003/04 and 2004/05 was slightly greater in the region (3 percentage points) than in England (2 percentage points), and the gap between achievement rates therefore appears to be closing.
- 348 Achievement rates among young learners in full Level 2 provision in FE are slightly higher in the region (85 per cent in 2004/05) than in England (84 per cent), and slightly higher than overall achievement rates. Improvement in achievement rates among young learners in full Level 2 provision in FE between 2003/04 and 2004/05, however, was slower in the North East (2 percentage points) than in England (4 percentage points).
- 349 Achievement rates among 16–18 year olds on long courses in FE in the North East were slightly below the national average in 2003/04 (84 per cent compared with 85 per cent in England). Improvement in achievement rates among young learners on long courses between 2003/04 and 2004/05 was more significant in the region (4 percentage points) than in England (2 percentage points), closing the gap in achievement rates over this period.
- 350 Achievement rates among young learners on short courses in FE are higher than among young learners on long courses in the North East, but lower than in England. Faster improvement between 2003/04 and 2004/05 means that achievement rates among young learners on short courses in FE are higher than average in the region (86 per cent compared with 83 per cent in England).

TABLE 29: OVERALL SUCCESS RATES AMONG 16–18 YEAR OLDS IN FURTHER EDUCATION

	North East	England
2003/04	68%	69%
2004/05	73%	72%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

- 351 Between 2003/04 and 2004/05, overall success rates among young learners in FE in the North East improved at a faster rate than in England, increasing by 5 percentage points compared with the national average of 3 percentage points. While improvements in both achievement and retention rates have contributed to improvements in overall success rates, the particular improvement in achievement rates in the North East relative to England seems to be driving increases in success rates. Overall success rates among 16–18 year olds learners in FE were slightly lower than the national average in 2003/04, but improvement means that they were slightly above average in 2004/05.
- 352 Success rates in FE in the North East in 2004/05 were slightly lower among young men (70.3 per cent) than among young women (73.7 per cent). Success rates were lower than average among young people from Black Caribbean backgrounds, Pakistani, Bangladeshi or Indian backgrounds, and Mixed ethnic backgrounds. Success rates were higher than average among young learners from Black African backgrounds, Chinese backgrounds and Other backgrounds.
- 353 Success rates among young learners in full Level 2 provision in FE are lower than success rates overall. They are higher in the North East than in England (67 per cent in the region compared with the national average of 64 per cent). Improvement in success rates among 16–18 year olds in full Level 2 provision in FE between 2003/04 and 2004/05, however, was not as significant in the North East (4 percentage points) as in England (6 percentage points). The slower rate of improvement in achievement rates among young learners in full Level 2 provision in FE in the North East compared with England appears to be restricting improvements in success rates in the region relative to improvements nationally.
- 354 Success rates among 16–18 year olds on long courses in FE are lower than overall success rates, and slightly lower in the North East than in England (70 per cent compared with 71 per cent). Improvement in the North East between 2003/04 and 2004/05, however, was greater than in England (6 percentage points in the region compared with 4 percentage points nationally), driven by greater improvements in both retention and achievement rates.
- 355 Success rates among young learners on short courses in FE are well above success rates for long courses, and are higher than overall success rates. They are also higher in the North East (81 per cent) than in England (78 per cent). Improvement between 2003/04 and 2004/05 was greater in the region

than nationally (4 percentage points compared with 2 percentage points in England), driven in particular by improvements in achievement rates.

TABLE 30: OVERALL FRAMEWORK ACHIEVEMENT RATES AMONG 16–18 YEAR OLDS IN WORK BASED LEARNING

	North East	England
2004/05	40.6%	41.0%
2005/06	51.7%	54.2%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

- 356 Overall framework achievement rates among 16–18 year olds in Work Based Learning showed a marked increase between 2004/05 and 2005/06, though the increase in the North East (11.1 percentage points) was below the level seen in England (13.2 percentage points). Framework achievement rates among young learners in WBL in the region are below the national average, and are significantly lower than success rates in FE.
- 357 Framework achievement rates among young learners in Apprenticeships are lower in the North East (50.1 per cent) than in England (53.5 per cent). Improvement between 2004/05 and 2005/06 was slower in the region than nationally (9.7 percentage points compared with 12.6 percentage points in England).
- 358 Framework achievement rates in WBL are slightly lower among young women (50.8 per cent) than among young men (52.7 per cent). Framework achievement rates are lower than average among young people from Asian or Asian British backgrounds, from Black African or Black Caribbean backgrounds, and from most Mixed ethnic backgrounds. Framework achievement rates are higher than average among White Irish backgrounds, Mixed White and Asian backgrounds, and Other Black backgrounds.
- 359 While framework achievement rates among young learners in Apprenticeships are slightly lower than overall framework achievement rates among all 16–18 year olds in WBL, framework achievement rates in Advanced Apprenticeships are higher. Framework achievement rates in Advanced Apprenticeships saw a particularly significant increase between 2004/05 and 2005/06, which was greater in the region (17.4 percentage points) than in England (14.9 percentage points). Framework achievement rates in Advanced Apprenticeships are now higher in the North East than the national average (58.8 per cent compared with 56.3 per cent).

Success rates among adults

- The overall retention rate among adult learners in FE in the North East is slightly higher than the national average (88 per cent in 2004/05, compared with 87 per cent in England).
- The overall achievement rate among adults in FE in the region is also slightly above average (88 per cent in 2004/05, compared with 87 per cent in England).
- The overall success rate among adults in FE in the North East is above average (77 per cent compared in 2004/05, with 75 per cent in England).
- There is no difference between success rates among men and women in FE in the North East.
- Success rates among adults from black and minority ethnic backgrounds in FE are lower than average.
- The overall framework achievement rate among adult learners in WBL in the region is very close to average (52.0 per cent in 2005/06, compared with 52.7 per cent in England).
- Framework achievement rates among adults in WBL in the North East are very slightly higher among men (51.4 per cent) than among women (50.6 per cent).
- Framework achievement rates among adult in WBL are lower than average among adults from Asian or Asian British backgrounds, Black African background, Chinese backgrounds and Mixed White and Black Caribbean backgrounds. Framework achievement rates are higher than average among adults from Black Caribbean backgrounds, Mixed White and Asian or Mixed White and Black African backgrounds, or Other ethnic backgrounds.

360 Overall retention rates among adult learners in Further Education are slightly higher than the national average. They are also higher than overall retention rates among young learners in FE. Between 2003/04 and 2004/05, overall retention rates among adult learners in FE improved at the same rate in the region as in England.

TABLE 31: OVERALL RETENTION RATES AMONG ADULTS IN FURTHER EDUCATION

	North East	England
2003/04	86%	85%
2004/05	88%	87%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

361 Retention rates among adult learners in full Level 2 provision in FE are significantly higher in the North East (83 per cent) than the national average (73 per cent), though below overall retention rates. Improvement between 2003/04 and 2004/05 was greater in the region (8 percentage points) than in England (3 percentage points).

- 362 Retention rates among adults on long courses in FE in the North East are slightly higher than in England (76 per cent compared with 75 per cent nationally), but are some way below overall retention rates. Almost a quarter of adult learners on long courses in FE in the North East in 2004/05 did not complete their course. Improvements in retention rates among adults on long courses in FE in the region between 2003/04 and 2004/05 were in line with those seen nationally (2 percentage points).
- 363 Retention rates among adult learners on short courses in FE are significantly higher than in long courses, and are above overall retention rates. They are slightly lower in the North East, however, than in England (93 per cent in the region compared with the national average of 94 per cent). While retention rates among adults on short courses in FE saw only a small increase between 2003/04 and 2005/06 (1 percentage point in both the North East and England), fewer than one in ten adults on short courses do not complete their learning.

TABLE 32: OVERALL ACHIEVEMENT RATES AMONG ADULTS IN FURTHER EDUCATION

	North East	England
2003/04	85%	85%
2004/05	88%	87%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

- 364 Overall achievement rates among adults in FE are slightly higher in the North East than in England, and are also higher than overall achievement rates among young learners in FE. Between 2003/04 and 2004/05, overall achievement rates among adults in FE saw a slightly larger increase in the region (3 percentage points) than nationally (2 percentage points).
- 365 Achievement rates among adult learners in full Level 2 provision in FE are higher in the North East than in England (88 per cent in the region compared with 85 per cent nationally). Improvement in achievement rates among adults in full Level 2 provision in FE between 2003/04 and 2004/05 was larger in the North East (7 percentage points) than in England (5 percentage points).
- 366 Between 2003/04 and 2004/05, the North East saw a slightly larger improvement in achievement rates among adults on long courses in FE (4 percentage points) than that seen in England (3 percentage points). However, achievement rates in the region remain slightly lower than the national average (80 per cent in the North East compared with 81 per cent in England), and are below overall achievement rates. One in five adult learners on long courses in FE in the region do not achieve their learning aim.
- 367 Achievement rates among adults on short courses in FE are higher than in long courses, and are slightly higher in the North East (90 per cent) than in England (89 per cent). Achievement rates among adults on short courses in FE show only a small increase between 2003/04 and 2004/05 (1 percentage point in both the region and in England), but only one in ten adult learners on short courses in FE in the North East do not achieve their learning aim.

TABLE 33: OVERALL SUCCESS RATES AMONG ADULTS IN FURTHER EDUCATION

	North East	England
2003/04	73%	72%
2004/05	77%	75%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

- 368 Overall success rates among adults in FE are higher in the North East than in England, and higher than among young learners in FE. Between 2003/04 and 2004/05, increases in overall success rates among adult learners in FE were slightly larger in the region than those seen nationally, driven by slightly higher increases in overall achievement rates.
- 369 There is no difference between success rates among men and women aged 19 and over in FE in the North East. Success rates among adults from black and minority ethnic backgrounds in FE are lower than average.
- 370 Success rates among adult learners in full Level 2 provision in FE are significantly higher than the national average in the North East (73 per cent compared with 62 per cent). Success rates among adults in full Level 2 provision in FE saw a larger increase in the North East between 2003/04 and 2004/05 (12 percentage points) than in England (6 percentage points). This rapid improvement was driven by greater increases in both retention and achievement rates in the region.
- 371 Success rates among adults on long courses in FE in the North East are in line with the national average (61 per cent), due to a slightly larger increase in the region between 2003/04 and 2004/05 (5 percentage points) than in England (4 percentage points). Success rates among adults on long courses in FE are well below overall success rates.
- 372 Success rates among adult learners on short courses in FE are well above success rates in long courses, and are higher than overall success rates. They are also slightly higher in the North East (84 per cent) than in England (83 per cent). Between 2003/04 and 2004/05, the increase in success rates among adults on short courses in FE was smaller in the region than that seen nationally (1 percentage point in the North East compared with 2 percentage points in England).

TABLE 34: OVERALL FRAMEWORK SUCCESS RATES AMONG ADULTS IN WORK BASED LEARNING

	North East	England
2004/05	37.7%	37.6%
2005/06	52.0%	52.2%

Source: LSC Individualised Learner Record 2003/04 F05, 2004/05 F05

- 373 Overall framework achievement rates among adults in Work Based Learning saw a more significant increase between 2004/05 and 2005/06 than that

seen among young learners in WBL. The increase was similar in the North East (14.3 percentage points) to that seen in England (14.6 percentage points), and framework achievement rates among adult learners in WBL in the region are very close to the national average.

- 374 Framework achievement rates among adults in WBL in the North East are very slightly lower among women (50.6 per cent) than among men (51.4 per cent). They are lower than average among adults from Asian or Asian British backgrounds, Black African background, Chinese backgrounds and Mixed White and Black Caribbean backgrounds. Framework achievement rates are higher than average among adults from Black Caribbean backgrounds, Mixed White and Asian or Mixed White and Black African backgrounds, or Other ethnic backgrounds.
- 375 Framework achievement rates among adults in Apprenticeships are slightly higher than overall framework achievement rates, and higher in the North East than among young learners in Apprenticeships (53.5 per cent, compared with the national average of 53.2 per cent). Improvements in framework achievement rates among adults in Apprenticeships between 2004/05 and 2005/06 were slightly slower in the North East (12.5 percentage points) than in England (13.5 percentage points).
- 376 Framework achievement rates among adult learners in Advanced Apprenticeships are slightly lower than overall framework success rates among all adults in WBL, and below framework achievement rates among 16–18 year olds in Advanced Apprenticeships. Nevertheless, the North East saw a significant increase in framework achievement rates among adults learners in Advanced Apprenticeships between 2004/05 and 2005/06 (17.9 percentage points), and a larger increase than that seen in England (16.2 percentage points). Only half of adults in Advanced Apprenticeships are successful, however – framework achievement rates in the North East in 2005/06 were 49.8 per cent, compared with 50.4 per cent in England.

Success rates by sector subject area

- Success rates in Further Education in the North East vary by sector subject area, but generally compare favourably with national averages. Success rates are only significantly below average among young learners in Agriculture, Horticulture and Animal Care subjects.
- Between 2002/03 and 2004/05, success rates improved in all sector subject areas in FE, and among both young people and adult learners, with the exception of adult learners in Preparation for Life and Work subjects, where success rates fell slightly.
- Framework success rates in Work Based Learning show significant variation by sector subject area, and tend to be lower in the North East than in England.
- Among 16–18 year old learners in WBL, framework success rates are lowest in Leisure, Travel and Tourism subjects. Among learners aged 19 and over, framework success rates are equally low in Health, Public Services and Care subjects and Agriculture, Horticulture and Animal Care subjects.

- Between 2004/05 and 2005/06, improvements in framework success rates in WBL also varied by sector subject area. In many subjects, improvement was below the level of that seen in England, particularly among adult learners.

377 While they vary by sector subject area, success rates in Further Education in the North East generally compare favourably with national averages. Among 16–18 year old learners in the North East, success rates are lowest in Construction, Planning and the Built Environment subjects (54.3 per cent), but remain higher than in England (52.5 per cent). Among adult learners in the North East, success rates are lowest in Languages, Literature and Culture subjects (64.2 per cent), but are only slightly below the national average (65.1 per cent). In some subjects and age groups, success rates among North East learners are well above average. Success rates are only significantly below average among young learners in Agriculture, Horticulture and Animal Care subjects (54.1 per cent in the North East compared with 66.3 per cent in England).

Sector Subject Area	North East			England		
	16–18 year old learners	Adult learners	Total	16–18 year old learners	Adult learners	Total
Health, Public Services and Care	74.6%	87.0%	84.8%	75.1%	85.1%	83.6%
Science and Mathematics	72.3%	76.2%	73.4%	73.7%	67.0%	72.0%
Agriculture, Horticulture and Animal Care	54.1%	78.3%	74.4%	66.3%	78.1%	75.0%
Engineering and Manufacturing Technologies	65.0%	81.7%	77.4%	63.5%	78.4%	73.5%
Construction, Planning and the Built Environment	54.3%	74.2%	68.3%	52.5%	66.0%	61.8%
Information and Communication Technology	68.8%	66.8%	67.1%	63.1%	61.7%	62.0%
Retail and Commercial Enterprise	71.4%	76.8%	75.2%	66.0%	74.7%	71.9%
Leisure, Travel and Tourism	69.8%	76.3%	74.5%	68.7%	79.5%	74.7%
Arts, Media and Publishing	75.4%	80.2%	78.6%	75.8%	77.2%	76.6%
History, Philosophy and Theology	80.6%	64.8%	75.9%	82.1%	84.4%	83.0%
Social Sciences	78.2%	76.5%	77.6%	77.4%	70.6%	75.2%
Languages, Literature and Culture	78.6%	64.2%	68.8%	78.4%	65.1%	69.8%
Education and Training	76.4%	71.0%	71.1%	63.6%	65.6%	65.6%
Preparation for Life and Work	73.0%	74.0%	73.7%	68.4%	72.7%	71.9%
Business, Administration and Law	70.6%	65.2%	66.5%	69.1%	65.7%	67.0%
Others	97.3%	98.7%	98.6%	94.7%	94.8%	94.8%

Source: LSC Individualised Learner Record 2004/05 F05

- 378 Between 2002/03 and 2004/05, success rates improved in all sector subject areas in Further Education, and among both young people and adult learners, with the exception of adult learners in Preparation for Life and Work subjects, where success rates fell slightly. Among young people, particularly significant improvements were seen in Education and Training subjects, History, Philosophy and Theology subjects, Information and Communication Technology subjects and Construction, Planning and the Built Environment subjects. Among adults, significant improvements in success rates were seen in Science and Mathematics subjects, Leisure, Travel and Tourism subjects, and Agriculture, Horticulture and Animal Care subjects.
- 379 Overall improvements in success rates between 2002/03 and 2004/05 were greater in the North East than in England, among both young learners and adults. In particular, success rates among young learners in History, Philosophy and Theology subjects showed a more significant improvement in the region than in England. Success rates among adults showed particularly significant improvements in Science and Mathematics subjects and Social Sciences subjects in the North East compared with England. Conversely, success rates among adults in History, Philosophy and Theology subjects in the North East did not show the same marked improvement as in England.

TABLE 36: WORK BASED LEARNING FRAMEWORK SUCCESS RATES BY SECTOR SUBJECT AREA, 2005/06

Sector Subject Area	North East			England		
	16–18 year old learners	Adult learners	Total	16–18 year old learners	Adult learners	Total
Health, Public Services and Care	37%	29%	34%	47%	38%	43%
Science and Mathematics	80%	38%	61%	73%	65%	70%
Agriculture, Horticulture and Animal Care	39%	29%	37%	48%	39%	45%
Engineering and Manufacturing Technologies	52%	57%	53%	54%	55%	55%
Construction, Planning and the Built Environment	52%	49%	51%	55%	55%	55%
Information and Communication Technology	61%	42%	53%	68%	67%	63%
Retail and Commercial Enterprise	43%	46%	44%	50%	46%	48%
Leisure, Travel and Tourism	26%	39%	33%	49%	51%	50%
Arts, Media and Publishing	44%	40%	44%	46%	41%	44%
Education and Training	–	33%	33%	49%	33%	41%
Preparation for Life and Work	–	68%	68%	48%	41%	41%
Business, Administration and Law	59%	57%	58%	58%	55%	56%
Unknown	57%	68%	68%	65%	67%	66%
Not applicable	0%	7%	3%	1%	4%	3%

Source: LSC Individualised Learner Record 2005/06 Period 12

- 380 Framework success rates in Work Based Learning show significant variation by sector subject area, and tend to be lower in the North East than in England. Among 16–18 year old learners in the North East, they are lowest in Leisure, Travel and Tourism subjects and highest in Science and Mathematics subjects. There are few young people in learning in either of these subjects in WBL. Among learners aged 19 and over, framework success rates in the North East are equally low in Health, Public Services and Care subjects and Agriculture, Horticulture and Animal Care subjects, in which there are few learners. They are highest in Preparation for Life and Work subjects, where there are also few learners.
- 381 Improvements in framework success rates in Work Based Learning between 2004/05 and 2005/06 also varied by sector subject area. Among 16–18 year old learners in the North East, improvement was greatest in Science and Mathematics subjects, and the improvement was significantly better than that seen in England. Improvements in success rates in Information and Communication Technology subjects, in Construction, Planning and the Built Environment subjects and in Agriculture, Horticulture and Animal Care subjects were also greater in the North East than in England. While other subjects also saw improvements (with the exception of Leisure, Travel and Tourism subjects, in which success rates among young people remained constant), the improvements were not as significant in the North East as in England.
- 382 Among learners aged 19 and over in the North East, improvements in framework success rates were equally significant in Business, Administration and Law subjects and in Science and Mathematics subjects. While the improvement in Business, Administration and Law was in line with that seen nationally, however, the improvement in Science and Mathematics was some way below that seen in England. While framework success rates among learners aged 19 and over improved in most subjects in WBL, only Education and Training subjects, Preparation for Life and Work subjects and Retail and Commercial Enterprise subjects saw an improvement greater than that in England. Success rates among adult learners in Arts, Media and Publishing subjects in the North East, meanwhile, showed a significant decline between 2004/05 and 2005/06, while improving in England.

Provider fee income

- The proportion of theoretical fee income collected in the North East is significantly lower than the national average.
- Fee income is lower than average in the North East because the relative economic deprivation in the region limits the capacity of FE providers to collect fees.
- Some providers also appear to show a policy-driven reluctance to increase levels of fee collection from learners.

383 The proportion of theoretical fee income collected in the North East is significantly lower than the national average. The collection of theoretical fee income fell very slightly in the North East between 2004/05 and 2005/06, though this is reflected in a larger relative decline in England.

TABLE 37: FEE INCOME IN FURTHER EDUCATION				
	North East		England	
	2004/05	2005/06	2004/05	2005/06
Theoretical fee element	£19,759,812	£18,945,237	£274,508,737	£272,061,607
Actual fees collected	£8,147,964	£7,737,767	£161,268,135	£155,363,092
Percentage of theoretical fee actually collected	41.2%	40.8%	58.7%	57.1%

Source: LSC Individualised Learner Record 2004/05 F05, 2005/06 F04

384 Theoretical fee income is a measure of the fees which FE providers are expected to collect from learners. Fees can be remitted for a number of reasons which reflect LSC priorities, for example because the learner is aged 16–18 years old, is in receipt of an income-based state benefit, is in Skills for Life provision, is undertaking a first full Level 2 qualification, or is in other learning where the LSC has agreed that he or she is eligible for fee remission. Theoretical fee income measures the fees which could be collected from other learners, allowing some flexibility so that learners not eligible for fee remission but without the means to pay fees themselves can still access learning.

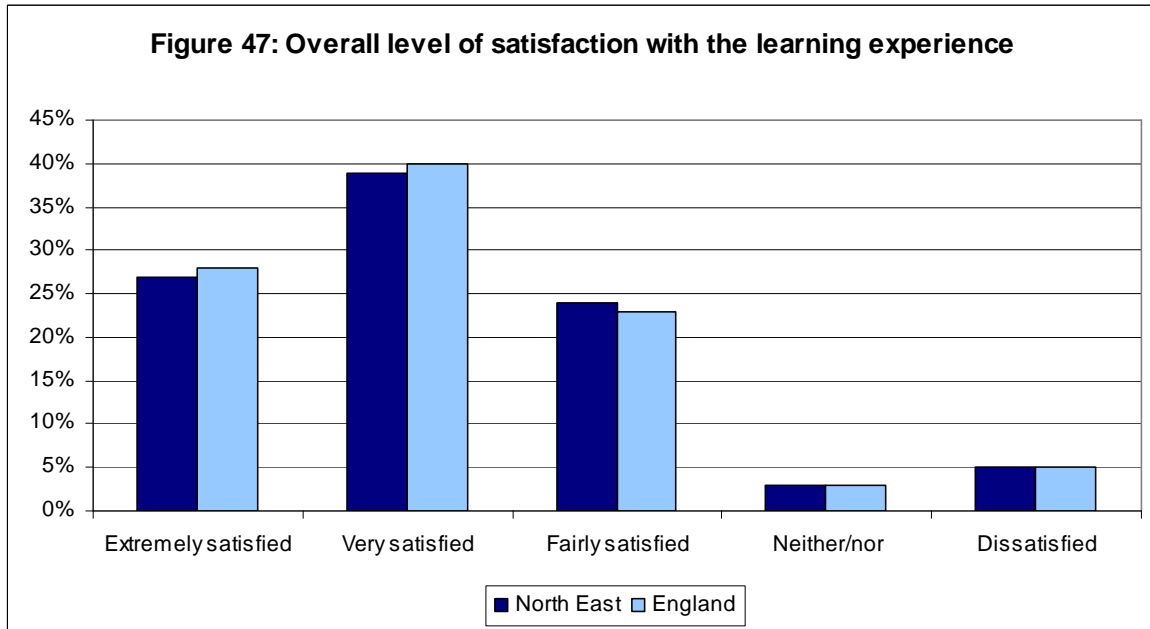
385 Fee income is lower than average in the North East because the relative economic poverty and high rates of economic inactivity apparent in the region limit the capacity of FE providers to collect fees. Some providers also appear to show a policy-driven reluctance to increase levels of fee collection from learners.

Learner satisfaction

- North East learners generally express high levels of satisfaction with the learning experience.
- While few learners described themselves as dissatisfied, learners in FE and WBL were most likely to do so.
- Just over half of North East learners experience difficulties during their learning, most commonly relating to fitting the learning around other commitments at work or at home.
- While negative experiences of learning may alienate some learners from further learning, many others are prepared to return to learning in the hope of a more satisfying experience.

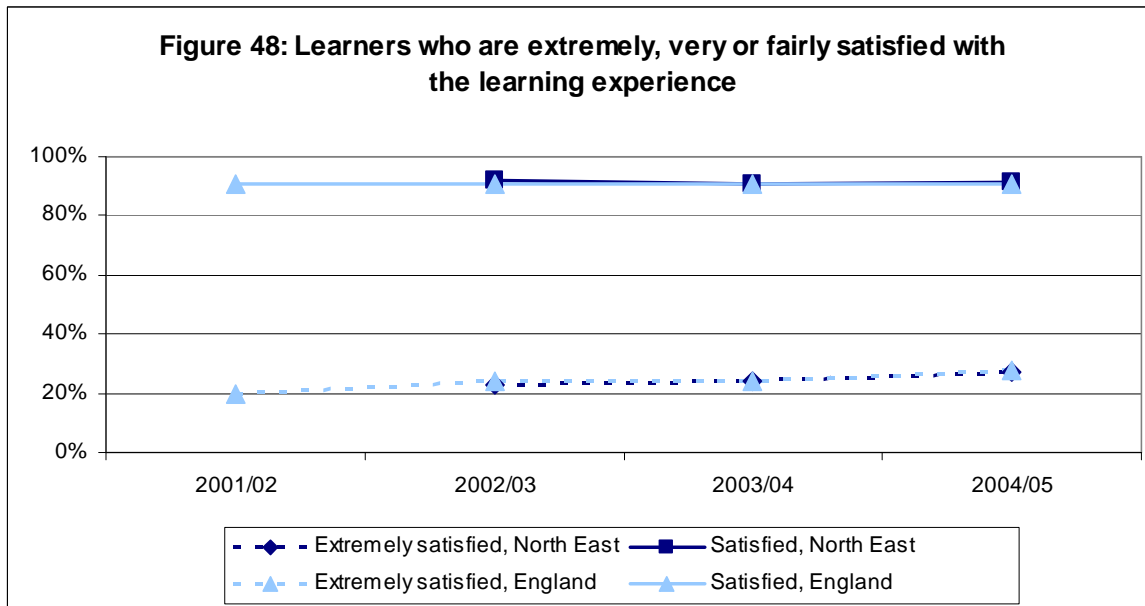
386 North East learners generally express high levels of satisfaction with the learning experience. Two thirds of learners in 2004/05 (66.8 per cent) said they were very satisfied or extremely satisfied with their learning experience.

A further 24.3 per cent of learners said they were fairly satisfied. Just 5.3 per cent of learners said that they were dissatisfied; most of these described themselves as fairly dissatisfied, rather than very dissatisfied or extremely dissatisfied.



Source: LSC National Learner Satisfaction Survey 2004/05

- 387 Levels of satisfaction among North East learners broadly reflect satisfaction among learners across England. However, North East learners are slightly less likely than average to describe themselves as extremely satisfied or very satisfied, and slightly more likely than average to describe themselves as fairly satisfied.
- 388 The overall proportion of learners who describe themselves as satisfied with the learning experience has not improved in the last four years. There has been a slight increase in the proportion of learners describing themselves as extremely satisfied.
- 389 Overall, North East learners in Further Education are slightly less likely to report satisfaction with the learning experience than learners in other types of provision. However, learners in Further Education in 2004/05 were more likely to report that they were extremely satisfied than most other learners (27.5 per cent), though learners in Adult and Community Learning provision were most likely to describe themselves as extremely satisfied (35.0 per cent). North East learners in Sixth Form Colleges were least likely to describe themselves as extremely satisfied with the learning experience (16.2 per cent), though the proportion of Sixth Form College learners who describe themselves as very satisfied (50.0 per cent) was higher than in other provision.



Source: LSC National Learner Satisfaction Survey 2004/05

390 North East learners in Further Education and Work Based Learning were most likely to describe themselves as dissatisfied with the learning experience. While few learners described themselves as extremely dissatisfied, learners in Work Based Learning were more likely to do so than those in other provision.

TABLE 38: SATISFACTION WITH THE LEARNING EXPERIENCE AMONG NORTH EAST LEARNERS

Learner type	Level of satisfaction		
	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied
Further Education College	90.6%	3.3%	5.6%
Sixth Form College	93.2%	1.4%	4.1%
Accredited Adult and Community Learning	93.1%	1.9%	3.1%
Work Based Learning	92.4%	2.1%	5.3%
All learners	91.1%	3.0%	5.3%

Source: LSC National Learner Satisfaction Survey 2004/05

391 Just over half (52.2 per cent) of North East learners in 2004/05 reported that they had experienced some difficulties during their learning. A fifth (20.6 per cent) reported that they had experienced difficulties maintaining their motivation. Similar proportions reported that they had experienced difficulties fitting the learning around other commitments at home (20.0 per cent), or around commitments at work (19.1 per cent). Slightly fewer (18.8 per cent) reported that they had difficulties keeping up with the standard of work required.

- 392 One in ten North East learners (11.5 per cent) reported that they had experienced difficulties dealing with money pressures during their course. Slightly fewer (9.4 per cent) said they had experienced difficulties with travel to the learning provider. One in twenty learners (4.8 per cent) said they had experienced difficulties relating to their maths or numeracy skills, while a similar proportion (3.8 per cent) said they had experienced difficulties relating to their reading or writing skills.
- 393 These difficulties do not correlate closely with the reasons given for leaving early by learners who did not complete their course. One in five early leavers (22.0 per cent) said they left early because the course was wrong for them. One in ten (11.5 per cent) said they had got a job. A similar proportion (10.1 per cent) said they left early because of issues relating to the quality of teaching. Relatively few early leavers cited reasons relating to motivation, difficulties in managing commitments, the amount or standard of work required, financial pressures or travel difficulties.
- 394 Key benefits of learning cited by North East learners include increased enthusiasm for the subject, increased confidence, improved skills and improved attitudes to learning. Some learners said that they had become more active members of the community as a result of their learning.

TABLE 39: LIKELIHOOD OF NORTH EAST LEARNERS RETURNING TO LEARNING WITHIN THE NEXT THREE YEARS

Satisfaction with the learning experience	Likelihood of returning to learning within three years			
	Very likely	Fairly likely	Fairly unlikely	Very unlikely
Extremely satisfied	66.7%	23.9%	4.7%	2.7%
Very satisfied	59.7%	26.3%	5.3%	6.3%
Fairly satisfied	47.0%	34.9%	9.7%	7.3%
Neither satisfied nor dissatisfied	47.0%	32.5%	13.3%	*
Fairly dissatisfied	40.3%	19.4%	20.9%	14.9%
Very dissatisfied	41.9%	14.0%	11.6%	27.9%
Extremely dissatisfied	47.4%	13.2%	*	34.2%
All learners	57.1%	27.4%	6.8%	6.4%

Source: LSC National Learners Satisfaction Survey 2004/05

- 395 The majority of North East learners in 2004/05 (84.5 per cent) reported that they were likely to return to learning in the next three years, with more than half of all learners suggesting that they were very likely to do so. The higher the level of satisfaction with the learning experience expressed by a learner, the more likely they were to suggest they would return to learning within three years.
- 396 Dissatisfied learners were more likely to suggest they would return to learning than they were to suggest they would not return. Learners who said they were extremely dissatisfied with the learning experience were most

likely to suggest that they were very unlikely to return to learning within three years. Interestingly, they were more likely than less dissatisfied learners to suggest that they would return to learning. There is a strong indication that while negative experiences of learning may alienate some learners from further learning, others are prepared to return to learning in the hope of a more satisfying experience.

Publication no. LSC-P-NER-070002
Creator Andrew Rowell
Job title Research Adviser
Email andrew.rowell@lsc.gov.uk
Phone 0191 492 6424
Date created 2 January 2007
Document ref. \\tywfp001\site\RONER\Learning Planning and Performance\Research and LMI\Regional Strategic Analysis 2007-08\ner-draftregionalstrategicanalysis200708withnotes-br-1nov2006-v1-0.doc
LSC office Learning and Skills Council North East Region
Moongate House 5th Avenue Business Park Team Valley
Gateshead Tyne and Wear NE11 0HF
T 0845 019 4181 F 0191 491 6159 www.lsc.gov.uk/

\\tywfp001\site\RONER\LEARNI~1\RESEAR~1\REGION~2\NER-RE~3.DOC