

Addressing current and future employment and skills challenges in the East of England Tuesday 5 July 2022

The East of England (EoE) has a population of 6.27 million people (2020)¹ and is one of the most economically successful regions in the UK, contributing 1.53 billion GVA to the UK's economy (2017)². In terms of population and economy the EoE was one of the fastest growing regions in the UK in 2019. For a number of years the UK has suffered from skills gaps in some areas and in the East of England there are a range of employment and skills challenges, including unfilled vacancies and skills shortages in a number of sectors.

Ensuring these skills shortages and job vacancies are filled in the region is crucial as unfilled vacancies represent lost productivity. The Government has sought to raise skill levels and address skills and employment challenges through a number of strategies and initiatives but issues remain. This roundtable will look in detail at the current and future employment and skills challenges in the region and consider what all partners, including local and national Government, LEPs and Chambers - can do to address these moving forward.

Headline Data for the EoE 3,201,000 Economically active (16+): 3,100,000 in employment, 102,000 unemployed, 3.2% unemployment rate (compared to 3.8% for UK, Feb-Apr 2022)³. Total job vacancies: 192,956 with 10,699 identified as employer skills shortage vacancies (2019 ESS)⁴.

Current landscape: The region has employment opportunities in a number of growing sectors which include:



Agri-tech/agrifood The region has a unique combination of high-quality farmland and R&D focussed on agri-tech/bioscience, allowing for cutting edge research and implementation.

Renewable energy production The EoE has major energy generation capabilities, with a unique mix of wind power, nuclear and gas assets. There are almost 1,000 wind turbines off the EoE coast generating 3.75GW of renewable energy.

Technology, manufacturing and advanced engineering Several leading research Universities and technology clusters make the region the UK's leading hub of innovation outside of London.

Ports and logistics The EoE is an international gateway with the UK's biggest concentration of ports and airports.

Healthcare and life sciences The EoE is home to nine research universities, and has the highest proportion of employment in scientific research and development of any UK region.

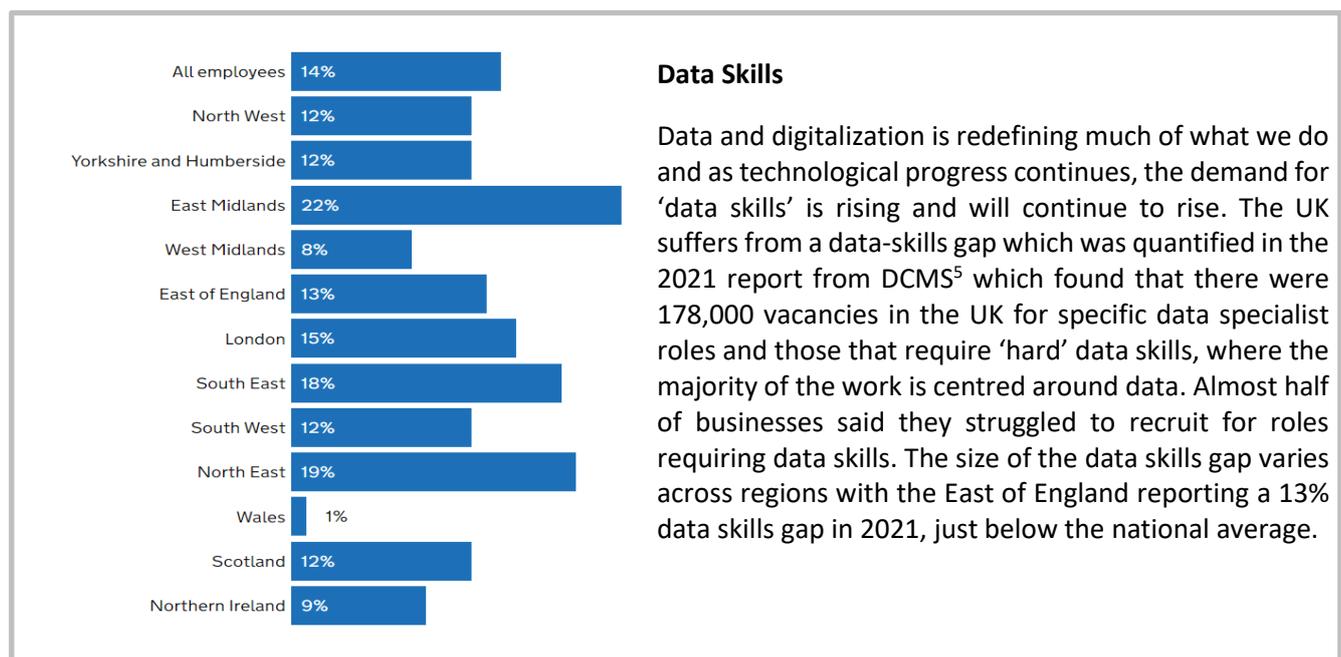
Visitor economy. The EoE visitor economy is valued at more than £10bn a year, and is one of the region's largest industry sectors.

Some of the region's largest employers include:



What skills and employment challenges does the region face?

One theme emerging from the Strategic Economic Plans of the 5 LEPs in the EoE is that skills shortages and mismatches with local employer needs pose significant challenges, and this is further compounded by the demands of technological progress. Skills shortages were reported in a number of sectors including **agri-tech, renewable energy, construction, manufacturing, logistics** and **health and social care**. A shortage in **data skills** also poses significant challenges for the region across all sectors. Other skills challenges faced by the region are the result of the pandemic which saw our health and social care sector and visitor economy adversely affected.



There are regional disparities in the share of the resident population with higher level qualifications, indicating that some of the areas within the EoE have difficulties in attracting or retaining higher-skilled workers and the region lags behind the national average. In 2017, 34.7% of the resident population aged 16-64 had an NVQ4 or above qualification, while the UK rate was 38.4%⁶. The EoE also has a relatively low level of opportunities for in-work training (% of firms offering training - 18.3%), ranking 7th out of the 9 UK regions⁷.

What are the projections for the future of the region?

The EoE is projected to deliver around 600,000 new jobs by 2036 which is equivalent to almost 4 million in employment in 2036⁶. Rapid technological progress and changes in global priorities, mean that products and services will change and global value chains will evolve radically over the next few decades. This is particularly relevant for the smart devices, agri-food, construction and professional services sectors. Some of the key future growth sectors will be 'green'. In order to achieve the Government's ambition of a net-zero economy the

estimated number of jobs needed in the low-carbon and renewable energy sector in England by 2050 will be 1.2 million, with 10% of these expected to be in the EoE^{8,9}. The EoE has a combination of physical and institutional assets that compares favourably to other UK regions, putting the region in a prime position to take advantage of emerging opportunities and to tackle future challenges.

Clean Energy The EoE aspires to become the UK's Clean Growth Region. 60% of offshore wind energy in the UK is already generated in the EoE, making it an important centre of clean energy and putting the region in a prime position to take advantage of the shift towards clean energy⁶. Hydrogen East unveiled its plan in June 2022 to lead the development of a clean hydrogen cluster in the EoE, with a proposal for six "core" electrolyser sites across Norfolk and Suffolk, creating new jobs in the region.

International Gateway The region has a long-standing role as a gateway between the UK and the world and is now also home to two Freeports – Thames Freeport and Freeport East. London Stansted Airport has the second highest passenger volumes of any major UK airport, and London Luton is also one of the top five busiest airports in the UK. There are current plans in place for a Lower Thames Crossing which will contribute 22,000 jobs to the local economy over the 6-year build. Highways England is developing a skills, employment and education strategy that will enable the delivery of the Lower Thames Crossing and support the long-term skills and employment needs of the local community.

How do we address our region's skills gaps, harness new opportunities and develop skills of the future?

Commitment to respond to challenges from employers, local authorities, education providers and the voluntary sector. More than ever we need to work collaboratively to address the skills and labour market challenges faced by our region and to respond to the proposals set out within the Government's White Paper, [Skills for Jobs: Lifelong Learning for Opportunity and Growth](#) published in January 2021. The local Skills Advisory Panels (SAPs) are at the centre of this. Since 2018, SAPs have been bringing together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. There are 36 SAPs across England and 5 SAPs in the EoE. The DfE supports SAPs to analyse local labour markets and publish Local Skills Reports, which set out local skills strengths and needs and how the SAP proposes to address its key priorities. The reports aim to influence local partners and provide intelligence to central Government.

The White Paper aims to put employers more firmly at the heart of the skills system and will build on the work of SAPs to date. The reforms set out in the White Paper aim to deliver the Prime Minister's [Lifetime Skills Guarantee](#) which aims to offer tens of thousands of adults the opportunity to retrain in later life, helping them to gain in-demand skills. The planned reforms aim to improve further and technical education, realigning the system around the needs of employers, so that people are trained for the skills gaps that exist now, and in the future, in sectors the economy needs, including construction, digital, clean energy and manufacturing.

The White Paper outlined plans to pilot in 2021-22, 'Local Skills Improvement Plans' created by business representative organisations to ensure technical skills provision is responsive to local labour market needs. A £65 million Strategic Development Fund was launched in 2021 to enable areas across England to reshape their teaching and training provision and update their facilities in preparation for the roll out of the Local Skills Improvement Plans. Eight Local Skills Improvement Plan trailblazers were announced in 2021, and a further ten bids to pilot the development fund, were awarded to build local collaborations that will create a stronger and more efficient delivery infrastructure and support a more co-ordinated offer across the local area. However, none of these trailblazers or development fund awards are in the East of England region¹⁰.

Greater alignment between education (of young people and adults) and the requirement of our employers to ensure skills levels meet the region's priority and growth needs. Partners need to work together with Government to meet the region's priority and growth needs, harness new opportunities and invest in skills of the future. The Skills for Jobs White Paper has committed to support employers to build their future workforce and address skills shortages through work-based learning programmes including Apprenticeships, Traineeships,

T Levels and Technical qualifications. Local authorities, educators, the voluntary sector, employers and providers need to work together to increase apprenticeships and industry relevant qualifications for all ages, particularly in priority and growth sectors.

T Levels Launched in 2020 and developed in collaboration with employers and education providers, the content meets needs of industry and prepares students for entry into skilled employment, apprenticeship or related technical study through further or higher education. Currently 44 T level providers in the region¹¹.

Apprenticeships In 2019/20, there were 719,000 people participating in an apprenticeship in England. Apprenticeship uptake has been impacted by the Apprenticeship Levy (2017) and Covid-19 and all UK regions saw a fall in apprenticeship starts between 2018 and 2020. Starts in the EoE fell by 16% compared with the worst affected regions such as the North East (-23%)¹². Partners need to work together to improve the number and quality of apprenticeship opportunities in region, and their take-up by local employers and residents.

Institutes of Technology The Government announced £170m capital for Institutes of Technology (IoT) in 2017, to improve attainment of technical and STEM based skills required by employers. There are no IoTs in the region at present but South Essex College has applied to develop an IoT in collaboration with ARU and UEA¹³.

Adult learning and employment: enable employers to reach a wider talent pool encouraging a diverse workforce. By supporting vulnerable adults into employment, ensuring measures are in place to support adults to retrain for advanced and higher technical skilled jobs and supporting unemployed and NEETs into training and employment the available workforce in the region will grow. The Government's Multiply Scheme aims to increase the levels of functional numeracy in the adult population and address numeracy skills gaps.

Investing in skills including our skills of the future and those required of our growth sectors In the 2021 Spending Review, Government pledged that total spending on skills will increase over the Parliament by £3.8 billion by 2024-25, apprenticeships funding will be increased to £2.7 billion by 2024-25, £2.8 billion in capital investment in skills will be provided and £560M from the UK Shared Prosperity Fund will support the Multiply scheme, aimed at improving half a million adults' numeracy¹⁴. Continued investment from Government will be needed to upskill the existing workforce in the region and ensure we have the right skills for the future.

Regional employer case study: AstraZenca AstraZeneca supports skills development and nurtures the pipeline of new scientists through their early career programmes: supported 268 PhD positions from 36 different UK academic institutions; supported 31 industrial placement students in Cambridge, London, and Macclesfield during their undergraduate year; provided 198 apprenticeships across the North West and East of England; hosted 53 postdoctoral positions from nine different UK institutions (2020/21)¹⁵.

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1 [Labour Market Profile - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)](#)

2 [Regional economic activity by gross value added \(balanced\), UK - Office for National Statistics \(ons.gov.uk\)](#)

3 [Labour market in the regions of the UK - Office for National Statistics](#)

4 [Employer skills survey 2019 - GOV.UK \(www.gov.uk\)](#)

5 [Quantifying the UK Data Skills Gap - Full report - GOV.UK \(www.gov.uk\)](#)

6 [Economic Strategy for the East of England \(camecon.com\)](#)

7 [Revising Regions: regional scorecards and growth priorities | CBI](#)

8 [Local green jobs - accelerating a sustainable economic recovery in Bromley | LG Inform;](#)

9 [ECAC 2021 FINAL REPORT.pdf](#)

10 [Local Skills Improvement Plan trailblazers and Strategic Development Fund pilots - GOV.UK \(www.gov.uk\)](#)

11 [Providers selected to deliver T Levels and providers planning to deliver the T Level Transition Programme - GOV.UK \(www.gov.uk\)](#)

12 [Apprenticeships and traineeships, Academic Year 2019/20 - Explore education statistics - GOV.UK \(explore-education-statistics.service.gov.uk\)](#)

13 [Institutes of Technology - GOV.UK \(www.gov.uk\)](#)

14 [Autumn Budget and Spending Review 2021: documents - GOV.UK \(www.gov.uk\)](#)

15 [UK-Brochure-2020-2021.pdf \(astrazeneca.co.uk\)](#)