

## LEVELLING UP SKILLS IN THE EAST OF ENGLAND

### *Briefing paper for Q&A Meeting with*

***Rt Hon Robert Halfon MP, Minister for Skills, Apprenticeships and Higher Education***

**10 to 11:15 am, Wednesday 19<sup>th</sup> July**

**Jubilee Room, just off Westminster Hall, the Houses of Parliament**

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### **OVERVIEW**

The joint APPG and EELGA report [Levelling Up the East of England 2023-2030: The East of England's Progress Towards Achieving the Government's Twelve Levelling Up Missions](#) assessed there was "low confidence" that mission six, which specifically concerns levelling up skills, will be delivered.

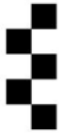
The meeting is therefore designed to facilitate a discussion about how the East of England's key partners and the Government could work together to accelerate progress to the White Paper's two targets. It will consider the recommendations in the Levelling Up report and seek to identify what else could, and should, be done.

After the Minister has spoken and answered questions from the Parliamentarians present there will be brief contributions and questions from a panel consisting of senior representatives from EELGA, AstraZeneca, Anglia Ruskin University and Essex County Council.

**This paper seeks to inform the questions to the Minister and the discussion regarding next steps.**

### **KEY POINTS FOR THE MINISTER**

- *To meet the future needs of the region, there needs to be much greater in-work education provision and participation in further and higher education and skills training for adults, improvements in the overall quality of training, access to training (linked to rurality and transport factors) and a better alignment with employer needs.*
- *Ensuring the region gets its fair share from the Local Skills Improvement Fund (LSIF), the successor to the SDF, when allocations are made in October 2023 will be critical. \*
- *Local industry have indicated through their input into the new Local Skills Improvement Plan that so-called 'soft skills' (i.e. skills for work) are the no.1 deficit and barrier to employment/recruitment.*
- *To enable entry to work for young people and adult upskilling requires more effective regional 'Career Maps'. The region needs locally referenced and delivered schemes to signpost local training and employment options.*



- *To further support the apprenticeship programme, the Government should seek to reform the Apprenticeship Levy to drive employment and growth, including allowing the use of the Levy in a more flexible way including short courses that support wider life-long learning skills.*
- *There has been lots of change to the apprenticeship schemes, which take a long time to go through and are hard to keep up with. Speaking to colleges in our region, they don't have the funding or staff resources to teach more apprentice numbers. Therefore there needs to be stability and funding for these crucial schemes going forward.*
- *Businesses need to be encouraged to use Levy brokerages e.g. Essex County Council offers a Levy brokerage scheme (£3.6m over 2 years to date, brokering training for 650 apprentices in SMEs, in over 70 different Standards/subjects)*
- *Degree-level apprenticeships should be supported and maintained. Specifically: apprenticeship standards should lead to an independent educational qualification (e.g. university degree) which remain recognised by universities and higher education institutions; and there should be expanded co-development of curricula between universities and employers, to meet industry and regional needs.*
- *Colleges need to be supported to teach green skills that are needed for the workforce of the future. Currently there are courses around solar installation and EV charging points, but other areas are limited. There should also be quick short courses to upskill our existing workforce.*
- *Funding levels should be set at an appropriate level, and apply to not only to laboratory science apprenticeships, but also those in related disciplines, such as IT, data science and AI.*
- *Continued access to skilled talent across the world is essential for the success of the Life Sciences, Built Environment, Digital, Advanced Manufacturing/Engineering and Clean Energy sectors. The UK's points-based migration system must therefore provide access to the brightest talent and skilled professionals from the EU and rest of the world and support intra-company transfers.*
- *The Government should promote "skills devolution" to allow opportunities for greater local oversight of skills funding and coordination across local partnerships as well as delivery of informed 'all age career education'- currently being led by the West Midlands Combined Authority – which signposts and brokers support for residents to the myriad of training options and helps inform career choices.*
- *Due to the cost of living, we are seeing people retire later. This is a problem in many parts of the economy for example in the water sector where 30% of the work force are due to retire in the next 10 years. Arguably this is an opportunity to diversify our workforce and there is a need to promote engineering and STEM in schools and especially to girls. What is the government doing to promote STEM subjects to girls?*

## INTRODUCTION

In the East of England (EoE) there are a range of employment and skills challenges, including skills shortages and mismatches with local employer needs, low participation rates in high-quality skills training and low uptake of in-work training, all of which pose significant challenges for the region. To take one county as an example, Essex needs to train over 100,000 adults to NVQ4 to address the 8 percentage point shortfall from the GB average at NVQ levels 3 and 4.

Improving employment and skills is crucial for levelling up as skills are a major driver of economic disparities between people and places. The Government has sought to raise skill levels and address skills and employment challenges through a number of strategies and initiatives including this target derived from the Levelling Up White Paper:

**By 2030 the number of people successfully completing high-quality skills training will have significantly increased by 200,000. [To meet the target in the East of England there would need to be 20,000 more people undertaking training with 8,000 more people completing courses in the lowest skilled areas.]**

In finding “low confidence that this would be met the East of England APPG and EELGA recommended: *To meet the future needs of the region, there needs to be much greater in-work education provision and participation in further education and skills training for adults, improvements in the overall quality of training, access to training (linked to rurality and transport factors) and a better alignment with employer needs. The Government should promote “skills devolution” to allow opportunities for greater local oversight of skills funding and coordination across local partnerships.*

This session will therefore look in detail at the current and future employment and skills challenges and opportunities in the region and consider what all partners - including local and national Government, businesses, and Chambers - can do to address these moving forward.

## **KEY FACTS**

- The East of England was the region with **the fastest growing population** between 2011 and 2021 – up 448,000 people or 8.3%<sup>1</sup>. It is now home to has a population of 6.35 million people.
- The East of England is **one of the most economically successful regions** in the UK, contributing £153 billion GVA to the UK’s economy (2017)<sup>2</sup>.
- The region is home to many of the growing industries of the future and is projected by ONS to deliver around **600,000 new jobs by 2036**<sup>2</sup>.
- During the period from February to April 2023 in the East of England there were 3,287,000 people economically active (16+) – of these 3,146,000 are in employment and 141,000 unemployed, 4.3% (compared to 3.2% for UK, Dec-Feb 2022). **There are 687,000 people economically inactive (16+), in the region**<sup>1</sup>.

- Skills participation and achievements have been declining significantly over the past 10 years, across all regions in England. In 2022/23 the indicative participation rate per 100,000 population was 3,082 (approximately 3.1% of adults) for the EoE, the **lowest of all the regions in England**. The highest participation rate of 4,756 per 100,000 population (4.8% of adults) was seen in the North East<sup>3</sup>.
- Apprenticeship uptake has been impacted by the Apprenticeship Levy (2017) and Covid-19 and all UK regions saw a fall in apprenticeship participation between 2018 and 2023. In 2022/23 apprenticeship participation rate per 100,000 for the EoE was 1,644 (approximately 1.6% of adults) compared with the South-West with the highest participation rate of 2,160 and London with the lowest at 1,120. **It is the second worst - 8<sup>th</sup> out of 9 - regions in England<sup>4</sup>.**
- 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 2021 (latest data), 39.6% of the resident population aged 16-64 had an NVQ4 or above qualification, while the UK rate was 43.5%<sup>3</sup>.**

## **JOB OPPORTUNITIES AND SKILLS CHALLENGES IN THE EAST OF ENGLAND**

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. The EoE is home to many of the industries of the future, with a number of growing sectors, including:

- **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.
- **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.

However, skills shortages and mismatches with local employer needs pose significant challenges, and this is further compounded by the demands of technological progress. Skills shortages have been reported in a number of sectors including **agri-tech, renewable energy, construction, manufacturing, logistics, health and social care**.

The EoE is projected to deliver around 600,000 new jobs over the next thirteen years. This would mean there should be almost 4 million in employment by 2036<sup>5</sup>. 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<sup>5,6</sup>.

### **GOVERNMENT POLICY TO ADDRESS REGION’S SKILLS GAPS, HARNESS NEW OPPORTUNITIES AND DEVELOP SKILLS OF THE FUTURE**

The Government’s White Paper, [\*Skills for Jobs: Lifelong Learning for Opportunity and Growth\*](#) (January 2021) 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.

**T Levels** - Launched in 2020 and developed in collaboration with employers and education providers, the content meets the needs of industry and prepares students for entry into skilled employment, apprenticeship or related technical study through further or higher education. Currently 48 T level providers in the region<sup>8</sup>.  
**Apprenticeships** - 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.  
**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 UEA<sup>9</sup>.

After a successful pilot, the DfE have “rolled-out” local skills improvement plans (LSIPs) which have been created by employer representative bodies (ERBs) to ensure technical skills provision is responsive to local labour market needs. ERBs – mostly led by Chambers of Commerce - will work closely with employers, providers and key stakeholders to develop evidence-based and actionable LSIPs that will aim to drive changes needed in a local area to make technical skills training more responsive to employers’ needs.

A £65 million Strategic Development Fund (SDF) provided capital and programme funding to enable FE providers across England to reshape their teaching and training provision and update their facilities to support the roll out of the LSIPs.

In Spring 2023, the DfE launched the £165m local skills improvement fund (LSIF), the successor to the SDF, to provide investment in the technical skills system and better support the needs of the local labour market. The results of the LSIF allocation will be released in October 2023 and it remains to be seen whether the East of England will significantly benefit from this fund. However it is clear that continued and targeted investment in the region from Government is necessary.

## **EMERGING EAST OF ENGLAND POLICY TO ADDRESS REGION'S SKILLS GAPS, HARNESS NEW OPPORTUNITIES AND DEVELOP SKILLS OF THE FUTURE**

It is clear the East of England's 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. There are four principles which should inform policy moving forward:

- 1. *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 Skills for Jobs White Paper. 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.
- 2. *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.
- 3. *Enable employers to reach a wider talent pool encouraging a diverse workforce.*** Increasing the economic activity of the existing population will help to expand the available workforce in the region. This can be achieved 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. There needs to be more part time work, more work for those with disabilities (visible and invisible) and more interesting and rewarding work to realise the economic opportunities in the region.
- 4. *Continued Government investment in skills and a commitment to put employers at the heart of skills provision*** Participation in further education and skills training in the region is at the lowest level in England so targeted Government investment is needed if the Government's mission to increase the number of people successfully completing high-quality skills training is to be achieved by 2030. Investment is needed to enable employers to improve skills provision and participation and address skills shortages through work-based learning programmes to ensure skills levels meet the region's key growth sectors. The East of England was awarded £10,181,954 in funding from the SDF for 2022/23 to support the development of the region's teaching and training provision and update facilities in preparation for the Government roll-out of LSIPs across England<sup>10</sup>.

***There are already many examples of the region's businesses, its public sector and its universities rising to the challenge and developing best practice regarding skills. Some of these are outlined over the page.***

## **BUSINESSES ARE RISING TO THE REGION'S SKILLS AND EMPLOYMENT CHALLENGES**

AstraZeneca supports skills development and nurtures the pipeline of new scientists through their early career programmes – directly supporting more than 500 people annually, including: over 330 people undertaking apprenticeships covering a wide range of disciplines across scientific, operational and corporate functions; around 60 industrial placement students in London, Cambridge and the North West; over 200 PhD positions across 29 academic institutions; and nearly 50 postdoctoral positions (2021/22).

## **THE PUBLIC SECTOR IS RISING TO THE REGION'S SKILLS AND EMPLOYMENT CHALLENGES**

**Progression to Apprenticeships [P2A]** The P2A pilot delivered by Apprenticeships Norfolk (Norfolk County Council) SMEs in Norfolk, to provide opportunities for young people aged 16-25 to progress, from different feeder schemes into sustainable apprenticeship employment. The P2A pilot scheme directly supported an estimated economic ROI of c£3m to the Norfolk economy, through enabling 42 new apprenticeships that otherwise may not have started.

**Pathways to Diagnostic Trailblazer Project** This innovative project was designed by East Suffolk and North Essex NHS Foundation Trust and Colchester Institute to provide Tendring residents with the opportunity to acquire requisite skills to access local job opportunities at the new Community Diagnostic Centre (CDC) at Clacton Hospital. A thriving CDC will greatly support the Levelling Up agenda in this deprived community. To date 168 trainees have engaged with the programme and the project is on track to achieving the target of getting 50 local residents into employment by the end of the scheme.

## **UNIVERSITIES ARE RISING TO THE REGION'S SKILLS AND EMPLOYMENT CHALLENGES**

**Degree apprenticeships** continue to grow – both in empirical numbers of apprentices, and the proportion of apprentices who are studying at degree level; [nationally](#), 30,710 degree apprentices began in 2022/23, representing 11.1% growth year-on-year, and 15.7% of total 2022/23 apprenticeship starts. This provision sits in the context of [563,175 applicants accepted for university places via the traditional route in 2022/23](#): about 5% of those beginning a degree last year did so in combination with an apprenticeship.

**Anglia Ruskin University (ARU)** is a regional leader in degree apprenticeship provision, currently serving around 3,000 apprentices across 27 occupational standards – approximately 10% of its student population. Course development is demand-led, responding in an agile manner to regional industry needs. For example, the [Laboratory Scientist degree apprenticeship](#), due to be delivered for the first time in September 2023, was created in response to a [sustained skills and talent shortfall in technical and laboratory management roles](#) that are crucial for powering the world-renowned Cambridgeshire innovation ecosystem.

Further, ARU have linked with the **Cambridge Academy for Science and Technology (CAST)** to promote to employers and learners the potential progression opportunity from CAST's [T Level in Laboratory Sciences](#) to ARU's Laboratory Scientist degree apprenticeship.

The Laboratory Science story is one small example of positive interlinkage between industry, FE and HE that can and should be possible; a systematic approach is required. As mirrored in the [Institute for Public Policy Research \(IPPR\) report on the role of apprenticeship intermediaries in England](#), and [Universities UK 10-point plan](#), the landscape of skills and apprenticeship provision in the East of England is highly complex, and challenging to navigate for learners and employers – especially SMEs who may have the will to engage in training the next generation of talent for their industry, but rarely the administrative machinery confidently to support this.

**Skills and Apprenticeships Opportunities Hub.** ARU, working with Innovate Cambridge, Cambridge University Health Partners, and Cambridge Ahead is developing a proposal for an *Opportunities Hub* which will 1) link employers' skills/training needs with regional educational providers for course development and delivery; 2) help learners and employers navigate the rich but complex regional skills offer; 3) remove barriers to engagement with apprenticeships for the region's many dynamic SMEs.

## References

- 1 [Labour Market Profile - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](#)
- 2 [Regional economic activity by gross value added \(balanced\), UK - Office for National Statistics \(ons.gov.uk\)](#)
- 3 [Further education and skills, Academic year 2022/23 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#)
- 4 [Browse our open data, Data catalogue – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#)
- 5 [Economic Strategy for the East of England \(camecon.com\)](#)
- 6 [Local green jobs - accelerating a sustainable economic recovery in Bromley | LG Inform;](#)
- 7 [ECAC 2021 FINAL REPORT.pdf](#)
- 8 [Providers selected to deliver T Levels and providers planning to deliver the T Level Transition Programme - GOV.UK \(www.gov.uk\)](#)
- 9 [Institutes of Technology - GOV.UK \(www.gov.uk\)](#)
- 10 [Strategic development fund awards: 2022 to 2023 - GOV.UK \(www.gov.uk\)](#)

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The academic partners of the East of England APPG are the Centre for Public and Policy Engagement at the University of Essex, The University of Cambridge, Anglia Ruskin University and the University of East Anglia.

