

# Towards a better place to **work** and **learn**

July 2010

An Employment and Skills Plan  
for Lincolnshire and Rutland

Produced in consultation with partners by:



Lincolnshire & Rutland  
**Employment  
and Skills Board**

Putting local talent at the heart of economic ambition

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## Lincolnshire & Rutland Employment and Skills Board

### About the Board

Our board is made up of 15 volunteers representing employers, trade unions, the public sector and training organisations.

Our role is to shape and influence employment and skills support to meet the needs of employers in Lincolnshire and Rutland.

Our aim is to boost economic development by creating a more highly skilled local workforce which will attract new employment opportunities.



### Board members

#### **Herman Kok**

Lindum Group, Chairman of the Lincolnshire & Rutland Employment and Skills Board

#### **John Allen**

Lincoln College, Federation of Lincolnshire Colleges

#### **Adrian Axtell**

UNITE

#### **Roger Begy OBE**

Rutland County Council

#### **Angela Borman**

Siemens Industrial Turbomachinery

#### **Val Braybrooks MBE**

University of Lincoln

#### **Heather Crocker**

NHS Lincolnshire

#### **Gillian Doughty**

RPC Containers

#### **Peter Duxbury**

Lincolnshire County Council

#### **Mick Gill**

Mortons of Horncastle

#### **Mike Johnson**

Gelder Group

#### **Heather Lee**

Lincolnshire Co-operative Ltd

#### **Geoff Middleton**

Lincolnshire & Rutland Work Based Academy

#### **Lorraine Palmer**

Birchwood Access and Training Centre

#### **Mark Silverman**

Rutland College

#### **Project Manager**

#### **Roy Harper**

Lincolnshire & Rutland Employment and Skills Board

# Our Employment and Skills plan – a reality check...

**“The first step to active involvement by the Board to make Lincolnshire and Rutland a better place to work and learn.”**



Herman Kok, Lindum Group, Chairman of the Lincolnshire & Rutland Employment and Skills Board.

## Our local economy

The Lincolnshire and Rutland Employment and Skills Plan will provide an important contribution to the East Midlands Regional Skills Strategy. In this context, it is relevant to recognise that the combined rurality and sparsity of our area sets the counties apart from the rest of the East Midlands. Whilst everyone may argue their area has special needs, those of Lincolnshire and Rutland are unique and the disparity between the various parts of our counties is a major source of concern. We have a seasonal coastal economy and market towns dotted across a large area of land; but we also have a manufacturing hub in Lincoln and a world class - but very unassuming - agri-food industry. For everyone, the lack of infrastructure and quality public transport is a challenge to the movement of both employees and students.

We have a low GVA economy, which has historically been seen as a problem to be solved, but it could be argued that in recessionary times the resilience of this model has cushioned us from the worst effects of the downturn. Like our climate, our economy rarely runs too hot or too cold.

## Difference in focus

Whilst government departments focus on measurable outcomes, many employers have simple objectives, such as introducing a new business process to match the demands of a new contract.

Employers need their employees to be capable of carrying out essential tasks and are perhaps less interested in them achieving recognisable qualifications, especially if the qualifications are difficult for them to understand. The recent focus on apprenticeships is a good case in point; ask anyone what is meant by 'an apprentice' and you are likely to get a different definition each time you ask.

## Local needs offering opportunities for creative solutions

The population mix in our counties offers challenges and opportunities; we have a large elderly element which will need special care. This provides us with an opportunity to focus on the delivery and quality of this care. With the right training provisions we could deliver excellence in this sector and improve conditions, not only for those receiving care, but also for those delivering care.

I would like to see trade and vocational skills take their rightful place when it comes to the aspirations of young people. The vocational facilities offered by the Wolds College, a co-operative project between a number of schools and colleges in the Louth area, is a shining example of how to inspire students to acquire practical skills.

A creative approach would be to include transport needs assessment and support as part of any apprentice or trade related training, to ensure that the trainees can actually reach their designated places of work.

## Common interest groups

For me, it is critical that local employers have input in the delivery of the objectives of this plan and for that to happen, we need to understand the problems they face.

The formation of common interest industry groups could help us support certain sectors, such as engineering, hair and beauty, agri-food, tourism, retailing, and the care sector. Such collaboration would bring benefits to these sectors and, in turn, would enable the Employment and Skills Board to communicate more effectively with them.

## Role of the Employment and Skills Board

We have an excellent Board with broad public sector representation and a very strong, direct employer voice. We also have strong partnerships with the key funders of employment and skills who have been heavily involved in the formulation of this Employment and Skills Plan.

I feel strongly that our role is to influence, but for our influence to be meaningful we need to be a critical friend.

I see this plan not as a job done but as the first step to active involvement by the Board to make Lincolnshire and Rutland a better place to work and learn.

**Herman Kok, Chairman**  
July 2010.

# Introduction

**“We have an opportunity to break the low wage, low skills paradigm that has characterised our economy over the last few decades, by developing the skills of our people to drive employment and economic growth.”**

(Herman Kok, Lindum Group, Chairman of the Lincolnshire & Rutland Employment and Skills Board).

The purpose of this Employment and Skills Plan is to set out a clear framework for action to support employers, individuals, and providers of skills in Lincolnshire and Rutland. Our aim is to change the low wage, low skills pattern which has characterised our economy in recent decades.

We have seen further major shifts in the local employment and skills landscape during the last two years. Whilst our counties have fared better than many others, the recession has left its mark with higher unemployment rates and reduced investment by business.

Looking ahead, public sector funding and policy is set to change significantly and new priorities

have been identified to address the worst impacts of recession. Against this background East Midlands Development Agency (EMDA) have been commissioned to produce a Regional Skills Strategy.

To respond to these changes, and achieve our ambitions for Lincolnshire and Rutland, we must distinguish and differentiate the local priorities.

We must also align our ambitions for employment and skills alongside the Sustainable Communities Strategies which identify the key drivers for growth across the economic, social and environmental agendas of the two counties for the next 20 years.

This plan identifies a number of key issues and proposes a number of responses, but it does not include a detailed action plan, which will be developed by the Employment and Skills Board's Executive Steering Group through 2010. The plan will be reviewed in 2011, when we expect future developments in the economic and policy frameworks, as well as new insights from improved evidence which is coming through, and we will use this update as an opportunity for a further, wider consultation with our partners.

**“The Government is committed to the twin goals of sustained economic growth and an inclusive society with opportunity for all people. To achieve this, they are also committed to transforming the UK Into a world class leader in employment and skills.”**

(UK Commission for Employment and Skills: Strategic Plan 2009 -2014).

To achieve these ambitions in Lincolnshire and Rutland, we need to create a plan that reflects the important local priorities that are not being fully addressed by national or regional policies and initiatives. This is vital if we are to find a route to secure backing and funding for tackling our own local issues.

## A snapshot of the plan

### Lincolnshire and Rutland economy

#### Challenges

##### Our future workforce

1

Inspiring achievement

2

Realising potential

3

Raising demand

4

Retaining talent

5

Ensuring accessibility

6

A balanced economy

##### Employers and business

##### Infrastructure and environment

#### Issues

High levels of level 2 attainment in young people at age 16 not replicated at level 3 at age 19

Pockets of long-term unemployment and skills deprivation, plus an increasing youth unemployment challenge

Our economy is typified by low employer demand for skills

We have special challenges in relation to graduate opportunities and high-level skills application in business

The sparsity of population, jobs and businesses substantially disadvantages the delivery of accessible, inclusive employment and skills provision

A mismatch between the employment sectors identified as priority nationally and regionally and those that remain important to our local economy

#### Priorities

Promote the equal value of academic and vocational pathways

Narrow divide between localities by up-skilling and sustainable employment

Increase the demand for skills amongst employers, especially SMEs

Counter the economic distortion created through net exodus of high level skills

Identify creative new funding and service solutions

Build on our traditional strengths and heritage

Inspire participation, retention and achievement of young people in education and work-based learning

Ensure high quality employment and skills-development to overcome worklessness

Innovative approaches to share the risk of skills investment

Develop new openings for local graduates and highly qualified professionals who out-commute

Overcome problems of geographical isolation

Exploit new opportunities for added value and knowledge-intensive approaches e.g. renewable technologies

#### Our foundations

Employers as key partners and customers

Integrated employment and skills approaches

Local solutions for local needs

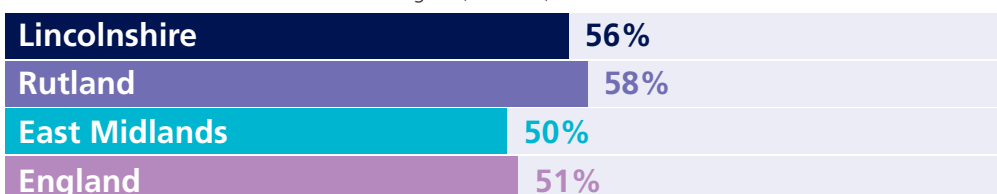
Target important sectors

Employment and skills demand projections

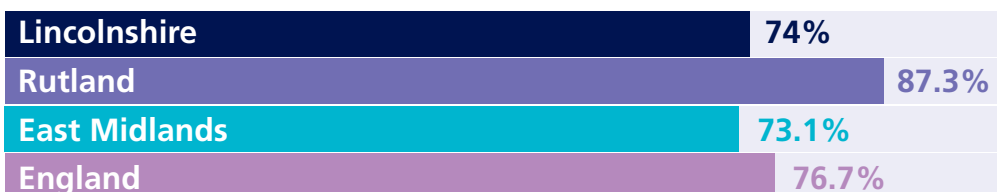
# The employment demographic in Lincolnshire & Rutland

## Young People

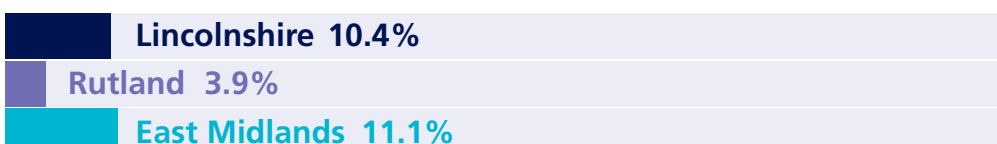
Attainment at 16 Level 2 with Maths and English (2008-09).



Attainment at 19 - Level 2, not including English and Maths (2007-08).

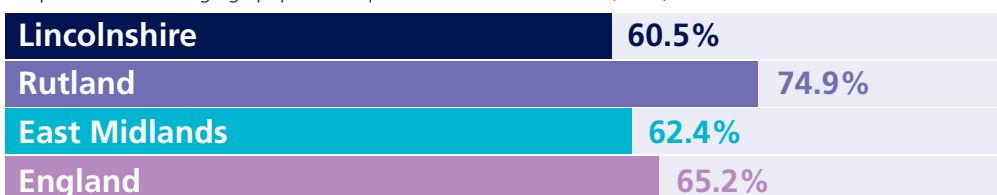


Percentage of 16-18 population participating in Apprenticeships (February 2010).

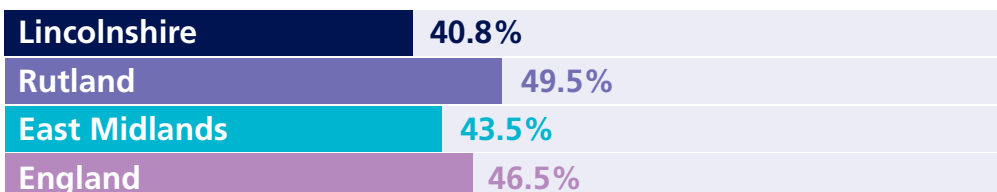


## Working Population

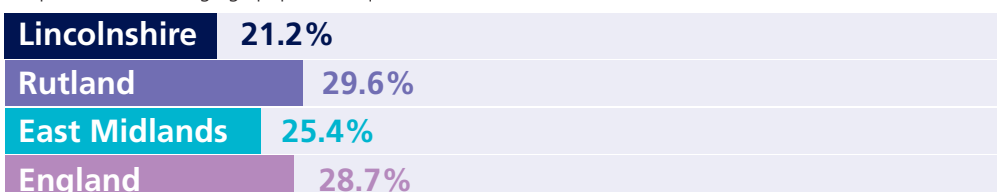
Proportion of working age population qualified to at least Level 2 (2008).



Proportion of working age population qualified to at least Level 3 (2008).



Proportion of working age population qualified to at least Level 4 (2008).



## Employers

Proportion of businesses\* employing less than 5 employees (2009).

Lincolnshire	75%
Rutland	78%
East Midlands	75%
England	76%

Number and proportion of businesses\* employing more than 250 employees (2009).

Lincolnshire	0.27%
Rutland	0.28%
East Midlands	0.38%
England	0.41%

Proportion of businesses\* 10 or more years old (2009).

Lincolnshire	47.7%
Rutland	45.1%
East Midlands	42.5%
England	41.8%

\* VAT & PAYE registered

## Population

Number and proportion of total population who are of working age (2008).

Lincolnshire	409,400	58.7%
Rutland	22,900	58.3%
East Midlands		61.9%
England		62%

Proportion of total population aged 60 and over (2008).

Lincolnshire	27.5%	(23.6% in 1990)
Rutland	25.7%	(18.9% in 1990)
East Midlands	22.9%	(20.7% in 1990)
England	22.2%	(20.9% in 1990)

## Population density

Sparsity: Number of resident population in persons per square kilometre (2008).

Lincolnshire	118
Rutland	99
East Midlands	284
England	395



Our future workforce: the supply side

# Inspiring achievement

“Investing in skills pays a double dividend for society. Skilled individuals have more options and climb higher. They earn more, get greater satisfaction from their jobs, and the wealth they help to create stimulates the creation of more jobs.”

(Skills for Growth: the National Skills Strategy, BIS, 2009).

## Introduction

Schools and colleges provide a vital foundation for future progress, in terms of both academic attainment and preparation for life and work. We have experienced marked improvements in average GCSE and A Level scores and our area has also been at the forefront of Diploma activity.

Behind this picture of success however, we have a group of school leavers who are under-achieving and failing to secure the necessary skills required to successfully enter the workforce, often lacking a basic level of numeracy and literacy. There are significant learner retention challenges and the

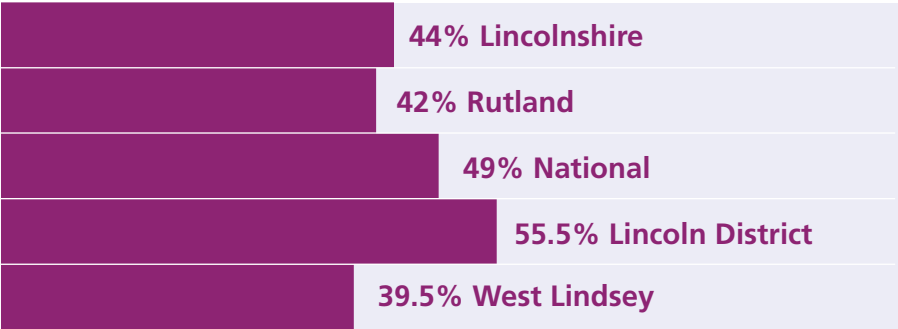
apprenticeship take up for Lincolnshire and Rutland is not on track to achieve longer term national ambitions. This remains a priority for the coalition Government, which has confirmed its belief in the value of apprenticeships.

If the planned raising of the national age for participation in education and training goes ahead, the young person’s employment market landscape will change significantly, with few young people going straight from school to a position of employment with no training (ENTs). This should lead to a more qualified, skilled workforce for employers in future years and we need to consider

how we can ensure that this results in increased vocational opportunities for those young people who are presently not participating in further learning.

In implementing legislative changes, we must ensure young people are inspired and motivated to maximise their own potential. This will help them to make positive, well-informed choices about their own skills development routes, based upon a confident understanding of relevant employment opportunities.

## Issues



Percentage **not** achieving 5 A-C GCSEs including English & Maths (2009).

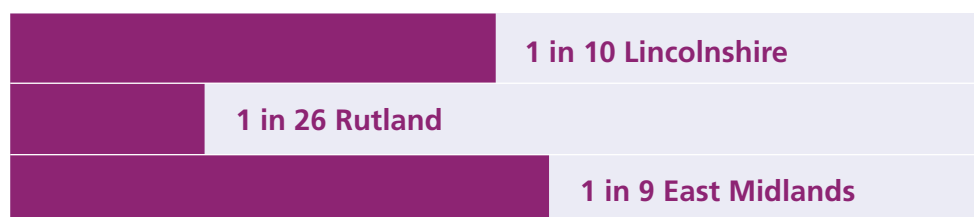
Although overall performance is above national averages, a substantial underachieving group of young people at age 16 exists, with pockets of particularly low attainment levels.

High numbers of young people starting, but not completing learning programmes between 16 and 18.

Achievement at age 19 in Lincolnshire is lower than national averages.

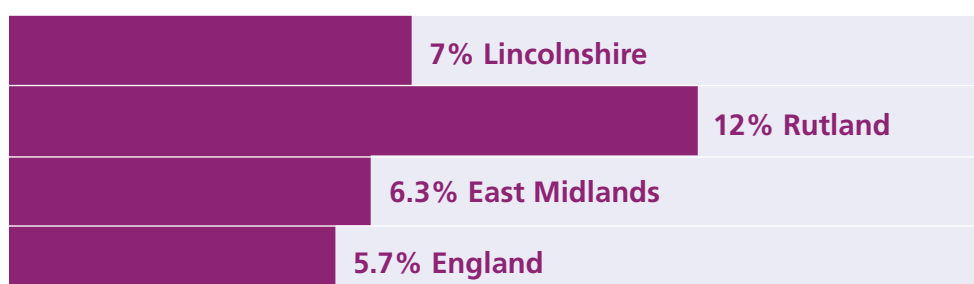


## Progress towards apprenticeship ambition



Progress towards February 2020 ambition for '1 in 5' 16-19 year-olds in apprenticeships (February 2010).

## Young people in employment without training (ENT)



Relatively high proportion of 16-18 year olds in employment without training (ENTs) (2009).

Problem pockets of young people not in education, employment or training (NEET) in specific localities.

## The main challenge

Whilst Level 2 attainment at age 16 is consistently above the national and regional average, there is a significant underachieving group of young people who lack the basic skills and competencies required to enter the workforce. How can we inspire participation and achievement in employment and training amongst these young people to drive up ever higher ambition across the Board?

### How to tackle the challenge

- **Prepare** young people better for the opportunities and challenges of our local economy, with **high quality work experience** and vocational provision an essential part; develop a locally-tested, definition of **employability** that is based upon employer needs and can help guide young people, schools and careers-advice staff.
- We want **vocation pathways and academic qualifications** to be equally valued with a 'parity of esteem' – in the eyes of learners, parents, schools and employers.
- Ensure that local employers have the necessary understanding of the **current qualification framework** and new learning participation requirements for young people.
- **Tackle the high levels of employment without training (ENTs)** taken up by our 16 and 17 year olds, by establishing whether such employment opportunities can be enhanced by high quality training provision such as an Apprenticeship.

- **A stronger evidence base** to understand better the challenges of progression of our learners between 16 and 18.
- Ensure high quality, **local labour market information, advice and guidance** is available to young people, their schools and careers advisers.
- Encourage all of our young people to recognise the value of **training, qualifications and the advantages that skills** can bring.

### What needs to be done?

Work with education and training funders / providers to assure parity of esteem between academic and vocational pathways, inspiring greater participation and retention of young people (16 - 18) in education and work-based learning opportunities; to reduce the numbers of young people not in education or training; increase learner retention/achievement to age 18, and increase employer involvement in work-based learning.

# Realising potential

**“The effects of the recession are being felt across all areas and in all communities of the country. Because we believe worklessness is shaped by place and that its solutions are very much to be found in localities, we believe the issue of worklessness or long term unemployment and economic inactivity must become mainstream business for local authorities, their partners, employers and residents.”**

(Tackling Worklessness: A Review of the contribution and role of English local authorities and partnerships, 2009).

## Introduction

The economies of Lincolnshire and Rutland have demonstrated considerable resilience through the current economic downturn, but local employers are undoubtedly feeling the effects with some areas experiencing double the levels of unemployment that they are accustomed to.

Whilst our employment rates are better than regional and national, they are below the national employment rate target of 80%. In particular, male unemployment is increasing whilst female rates remain constant. This may be because the jobs that are being lost are more likely to be held by men, for example manufacturing and logistics.

Within the counties, there is a wide variation in unemployment rates with Lincoln City at 5.7% and North Kesteven at 2.5% in March 2010, compared to regional and national averages of 4.1% and 4.2% respectively, and some of the largest increases in youth unemployment locally have been registered in areas not usually associated with high youth unemployment, such as Bourne, Sleaford and Stamford.

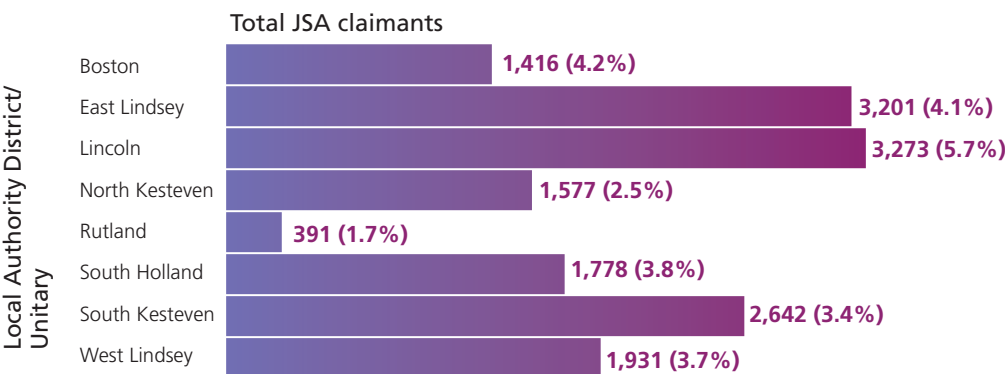
Skills deprivation and worklessness can be prevalent in small communities that are very difficult to support and often isolated. For example, along the East Coast between Skegness and Mablethorpe – where certain groups continue to experience significant

barriers to employment and skills development.

At a very local ward level, there are some areas that have out-of-work benefit claimant rates that are double or even treble, regional and national averages – for example, the Moorland area of Lincoln. This is despite being close to accessible employment or training opportunities and may be due to deep-rooted social, cultural barriers, including the possible impact of workless parents on the aspirations and achievements of their children.

## Issues

### Unemployment Levels – our disparities



Rates for local authorities from 2009 onwards are calculated using the mid 2008 resident working age population (March 2010).

## Unemployment and worklessness

**6.4%**

### Highest unemployment rates

Gainsborough and Skegness  
(February 2010)

**22%**

### Biggest annual increase

Bourne, although still low by comparison  
at 3.1% (February 2010)

Hotspots of high worklessness, often reflecting inter-generational unemployment and skills deprivation.

### Youth unemployment levels

These have doubled in some areas, many not usually affected (February 2010)

### Highest rates

Gainsborough, Lincoln and Boston  
(February 2010)

### Working population claiming out-of-work benefits

(February 2009)

Lincolnshire	Regional	National
<b>12%</b>	<b>14%</b>	<b>15%</b>

### With local spikes

(February 2009)

Mablethorpe	Skegness	Gainsborough
<b>22%</b>	<b>19%</b>	<b>17%</b>

### Proportion of JSA claimants as a percentage of resident working age population

(March 2010)

Lincolnshire	Rutland	Regional	National
<b>3.9%</b>	<b>1.7%</b>	<b>4.1%</b>	<b>4.2%</b>

### Proportion of all JSA claimants claiming for over 12 months

(March 2010)

<b>16.3%</b>	<b>13.6%</b>	<b>18.5%</b>	<b>16.6%</b>
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## The main challenge

The current economic climate presents new, short term challenges for the Lincolnshire & Rutland economy in respect of employment rates and worklessness as more people are pursuing fewer jobs. How do we support the needs of our employers and communities, especially those furthest away from the labour market, by investing in employment and skills development in readiness for the upturn?

### How to tackle the challenge

- Give priority to programmes that **engage and skill-up our young people** or those furthest from the employment market and ensure that the increased competition for all employment opportunities does not consign young people or those furthest away from employment to long-term alienation from the local employment market.
- Develop stronger, **more robust analysis** of where accessible, immediate and future job opportunities will exist and the skills / qualifications these jobs require.
- Ensure funding and provision is **responsive to the intense, localised challenges of our deprived communities**, closing the gap between different localities, even in an economy where current market conditions may discourage investment.
- Recognise the importance of **'first steps' employment and learning** to encourage those who have become alienated - for example 'bite-size' courses and volunteering.

### What needs to be done?

Work with employment / training providers and JobcentrePlus to narrow the employment and skills divide between our highest and lowest performing localities, by providing effective, tailored support solutions to up-skill and link people with sustainable employment opportunities. In particular, ensure that our young people have appropriate, high quality employment and skills-development opportunities to prevent the substantial damage that can be caused by long-term unemployment.

# Raising demand

**“In order to build an internationally competitive economy, the future employment and skills system will need to invest as much effort on raising employer ambition, on stimulating demand, as it does on enhancing skills supply.”**

(UK Commission for Employment and Skills: Strategic Plan 2009 -2014).

## Introduction

We need to raise awareness of the value of skills - a one percentage point increase in the proportion of employees trained is associated with an increase in productivity of 0.6 percentage points - and we need to find ways to encourage the aspirations of local businesses to move up the value chain as this will drive higher level skills.

Supply and demand are closely interlinked and we must stimulate employer demand for increased skills at all levels. We have a disproportionate reliance on our existing workforce in filling

our future new jobs, and we need to ensure they are equipped to realise their potential to fulfil this.

Larger employers are often more likely to provide training and employee development, so the marked lack of larger employers in Lincolnshire and Rutland may help to explain the low levels of workforce development. Extending participation amongst smaller businesses is a key priority, and we need to ensure that they can easily understand, access, and benefit from the local employment and skills offer.

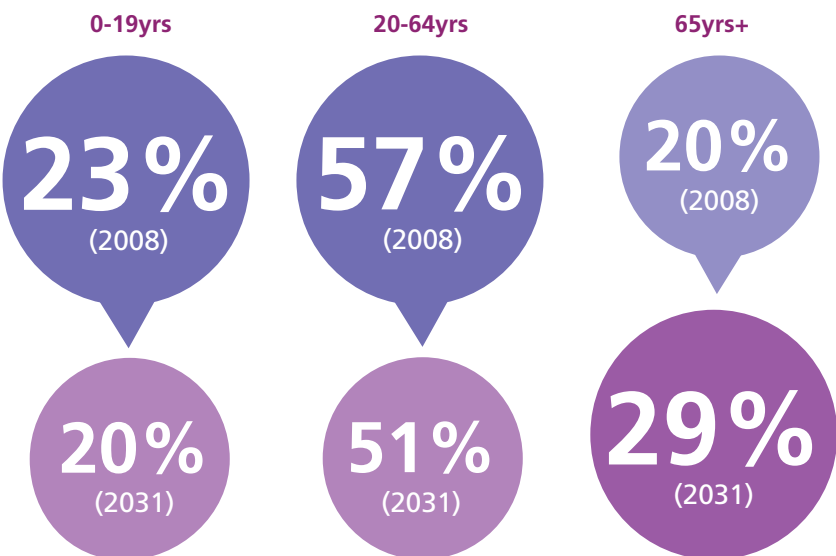
Another key factor in developing a more qualified workforce will be our capacity to develop current and future leaders. Leadership skills not only foster career mobility and skills development of those being trained, they also support overall business and organisational performance. The Leadership and Management School currently under construction at the University of Lincoln offers opportunities and it is critical that it provides access in our most remote areas – especially for smaller businesses.

## Issues

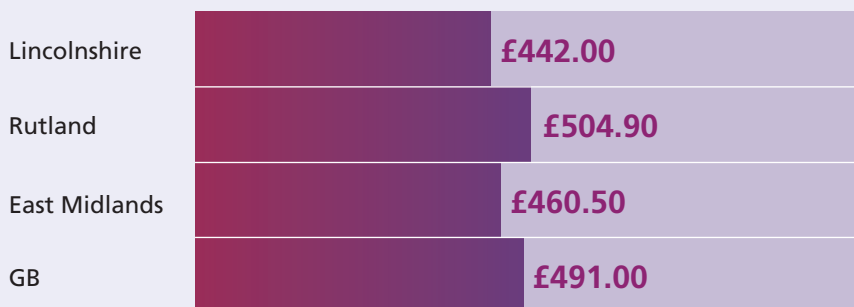
### Workforce

- We have a low-skilled workforce.
- Our economy is SME–dominated, and also has disproportionately few large private sector employers employing more than 250.
- There is low demand for higher-level skills.

Population forecasts in Lincolnshire show a decrease in the proportion of the working age and youth population whilst the proportion of the older population grows (2008).



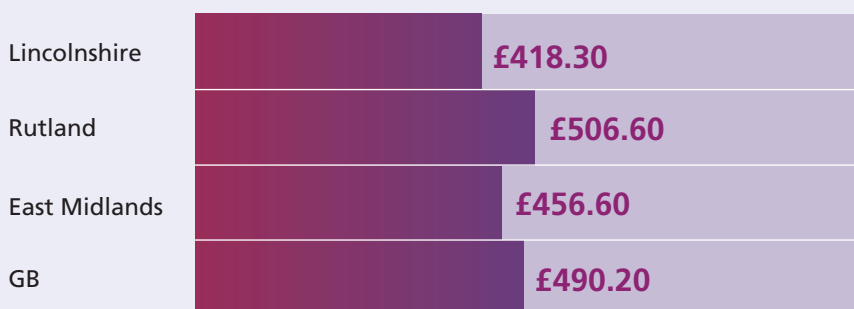
Earnings of residents full time, per week 2009.



Despite reducing numbers, it is evident that our existing adult workforce will be a major source of the new skills that our economy will require in the future.

Our counties have a low-pay workforce, which is especially marked in certain areas.

Earnings of employees working in the area: full time, per week 2009.



## The main challenge

Our current economy is often characterised as 'low-skills, low-pay'. There is limited demand from employers, and possibly employees, to grow intermediate and higher skills because they do not recognise the need, or because they are reluctant to take the risk. How can we support employers and employees to realise the benefits from training and development?

### How to tackle the challenge

- **Share the risks for skills investment** by exploring opportunities for partnerships between smaller employers, through supply chains and sectors, or in partnership with providers.
- Ensure that employment and skills support programmes **reach and meet the needs of employers, especially SMEs**.
- Devise practical measures to ensure our employers understand the overall **employment and skills offer** and its benefits, commercial advantages.
- Ensure a stronger **basic skills 'platform' (numeracy, literacy, ESOL, NVQ Levels 1 and 2)** for future high-level skills development and tackle the major skills deficits of the counties at lower qualification levels.
- Ensure that funders are aware of the need to invest in skills development in the **existing adult workforce (i.e. 25 years +)** – for example, adult apprenticeships.

- Secure more information on the **future employer demand** for specific skills for both future and replacement demand.

### What needs to be done?

Work with training and business support providers to increase the demand for skills in our employers, especially strengthening SME participation, through demonstration of the benefits to be realised from employment and skills investment in the workforce and through supporting innovative approaches that 'share the risk' between employers, skills providers and funders.

# Retaining talent

**“Challenges with housing, work, transport, training and social exclusion are preventing young people from living in the countryside. Without young people to provide a work force, rural economies are unable to fulfil their full potential and rural communities can go into a decline.”**

(Rural Communities: Rural Advocate Report 2010).

## Introduction

It is difficult to precisely assess the impact of population migration in relation to our skills base, but the 15-29 age group forms the largest proportion of our out-migrants. There is a strong belief that this group is dominated by higher qualified young people, although this is a hypothesis that needs to be investigated further.

A major sea-change in the local labour market over the last ten years has been the impact made by the University of Lincoln. This new-build university has increased massively the numbers of highly qualified people that study and graduate

in Lincoln. This has presented a unique opportunity for the local area and it is vital that we maximise the potential of this source of highly-qualified skills for the benefit of all concerned.

Whilst the primary focus for graduate retention is the greater Lincoln area with its Universities, Rutland has its own special challenge, with A level student travel patterns creating the climate for continuing outward migration.

Graduate retention has been the target of considerable regional investment, and there is a strong

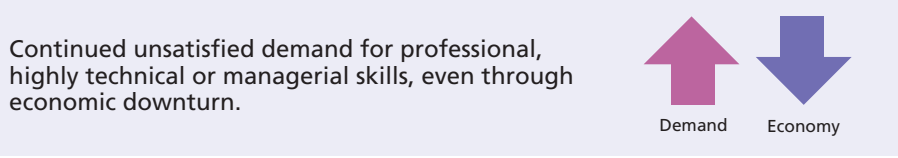
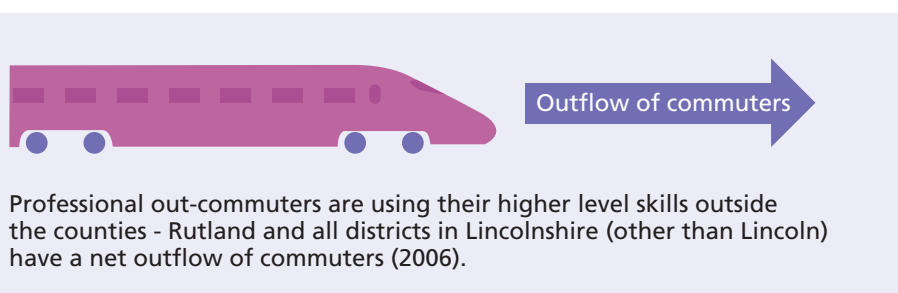
case for a targeted, complementary local focus which will tackle the specific disadvantages of our area, alongside those activities taking place regionally.

Another factor pointing to lack of high level skills opportunities locally is the disproportionately high number of Lincolnshire and Rutland residents who out-commute to employment in other areas on a daily or weekly basis, resulting in a relatively distorted local economy, with wide differentials between the earnings of local workers and out-commuters.

## Issues

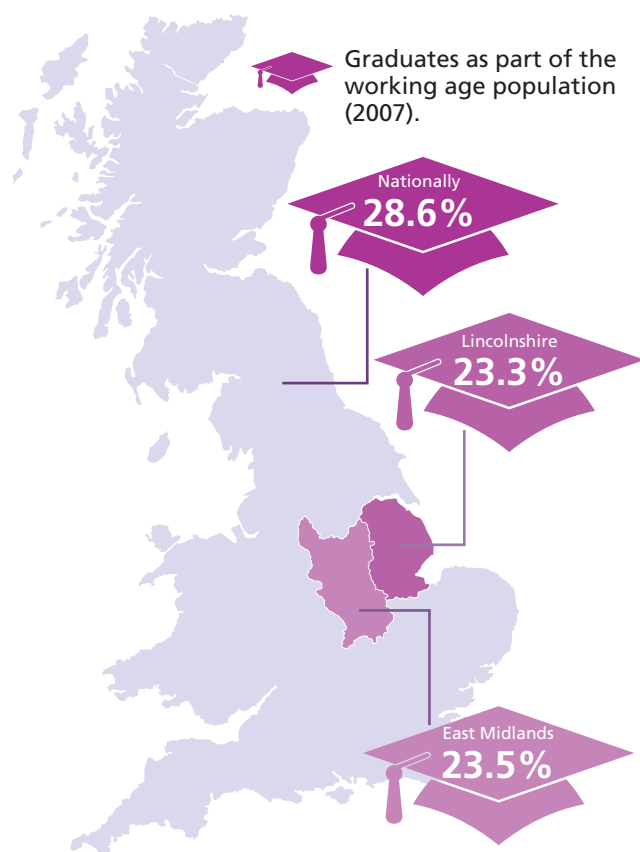


In and out migration in the 15-29 age group.





## Our SME-dominated economy has low demand for recent graduates



The major expansion of higher education facilities in Lincoln City has resulted in a large increase in the pool of home grown graduates available, but not matched with relevant local job opportunities.

Full time students graduating from the University of Lincoln (Lincoln and Riseholme campuses).

2003/04	2008/09
1542	2361

Proportion and number of students graduating from full-time undergraduate degrees who are from Lincolnshire (Lincoln and Riseholme campuses).

2003/04	2008/09
17.3% (266)	20.5% (483)

Low salary levels for recent graduates.

LEICESTERSHIRE £22,000	
DERBYSHIRE £19,750	
NOTTINGHAMSHIRE £19,250	
LINCOLNSHIRE £17,450	

(Average student starting salaries. Data from 80 graduate placements in the East Midlands 2009/10).

## The main challenge

Young people with higher qualifications are leaving Lincolnshire and Rutland because they cannot find suitable local opportunities. There is also evidence that a significant proportion of residents who 'out-commute' to jobs elsewhere have higher level skills.

### How to tackle the challenge

- Develop local **partnership approaches** to graduate retention to complement regional programmes, for example by developing wider innovative application of the **internship model** for graduates and other high-skilled groups.
- Promote high-level skills development as a route to **business competitiveness**, creating opportunities for the existing and future workforce, thereby challenging any **negative stereotypes** about a lack of local opportunities for the well-qualified.
- **Leadership skills** development can pay a **double dividend** – to the individual gaining higher levels skills at work and also in respect of progressive, effective leadership skills that will be more likely to invest in skills development for their own teams.
- **Sell the benefits** of working in Lincolnshire and Rutland.
- Develop a **greater understanding** of this whole issue to quantify the extent and impact on the counties.

### What needs to be done?

Work with business groups, local universities and economic development professionals to counter the economic distortion created through net exodus of high level skills from our economy to employment opportunities elsewhere, turning this challenge into an opportunity by developing new openings for our increasing number of local graduates and those highly qualified professionals that presently out-commute.





# Ensuring accessibility

“The economic downturn is reinforcing traditional barriers to rural employment, such as inadequate public transport and few training and guidance opportunities.”

(Rural Communities: Rural Advocate report 2010).

## Introduction

Lincolnshire is the fourth largest, and the fourth most sparsely populated county in England, whilst Rutland is defined as the most rural in the entire country.

Transport costs and lack of public transport are a major issue, as is a dependence on agriculture in very remote areas, but rurality is not a single common denominator for accessibility to employment and skills. It is a unique combination of low population density, our coastal economy, our market towns and our pockets of disadvantage in urban areas which all combine to create

special problems of access to high quality employment opportunities and skills development.

Technology and access to broadband is also an important factor in accessibility, and currently acts as both a barrier and an opportunity for those in rural areas. Many of our market towns offer low-skills, low-wage economies but with property prices driven by out-commuting higher skilled residents, who can afford the high transport costs involved in travelling from rural to urban areas.

Remote communities are vulnerable through reliance on one major employer or small local SMEs. Modern, flexible working patterns also provide extra challenges for rural communities with public transport unlikely to serve their needs.

Evidence shows that deprivation in the coastal strip area in East Lindsey is amongst the highest in the region and more akin to the levels that one might expect to find in deprived urban areas than in typical rural areas.

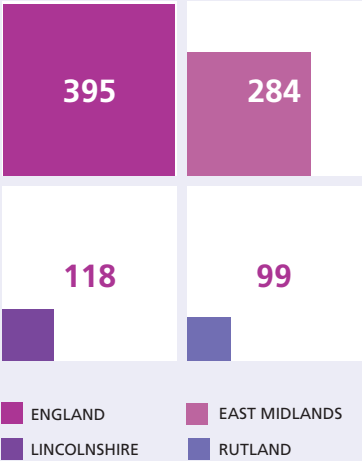
## Issues

### Population

Our sparsely populated, rural area gives additional challenges in providing accessible, high quality employment and skills services to individuals and employers.



Lowest numbers of resident population in persons per square kilometre in the country (2008).



Travelling to work and to learn presents considerable challenges for a high proportion of the local population.

### Travel To Work Areas (TTWA)

Lincolnshire  
population 698,000

9 TTWA

Sheffield & Rotherham  
population 652,000

1 TTWA

Population travelling more than 20Km to work:

RUTLAND	30%
SOUTH KESTIVEN	20%
WEST LINDSEY	18%
NOTTINGHAM	7.6%

2001 Census

Digital exclusion, especially in rural areas, is likely to restrain opportunities for skills development and employment.

Our economy includes a number of isolated small market towns that have their own unique challenges.

The Lincolnshire coast provides a unique challenge in the East Midlands:

- Highly seasonal employment patterns.
- A significantly ageing population.
- Preponderance of low-skilled and part-time or short-term employment - for example, hospitality and adult social care.
- Substantial travel to work and travel to learn issues, with limited public transport options.
- Pockets of extreme skills deprivation and long-term unemployment in both Skegness and Mablethorpe.

Low demand for skills investment from both employers and individuals

## The main challenge

Many people live in isolated areas and find it difficult to access employment and training, reflecting the geographic barriers in our rural counties. Transport, broadband availability, property prices and childcare costs all play a part. How do we take action to ensure accessibility of opportunity to training and employment to overcome geographic and social barriers?

### How to tackle the challenge

- Test the case for a **sparsity premium** which challenges current funding models to ensure we can offer opportunities to those living in remote and rural areas. There are fundamental questions as to whether current per capita funding models disadvantage our employers, providers and individuals in sparsely populated areas such as Lincolnshire and Rutland, especially where national or regional prime contracting provider models are used.
- Devise **outreach** strategies which are resilient in the current funding environment to reach businesses and individuals and counter the likelihood of isolation from employment and skills initiatives – for example, by the new Leadership and Management School.
- Develop specific, locally developed strategies to address the **dysfunctional employment and skills market** on the coastal strip.

### What needs to be done?

Work with public sector funders and other partners to identify creative new funding and service solutions that help overcome the substantial disadvantages faced by our geographically isolated individuals and employers.

# A balanced economy

6

**“Sustained economic growth, increased productivity and high employment require... a system that... anticipates and then delivers the skills needed for the strategic challenges and opportunities of tomorrow.”**

(UK Commission for Employment and Skills: Strategic Plan 2009 -2014).

## Introduction

The success of a local economy is likely to be based upon a strong balance of sectors, opportunities at all levels and the chance to progress through skills development.

We have many traditional sectors, which play an important role, but have traditionally relied upon lower level skills, and there are opportunities to raise added value amongst these employers through new technologies and low carbon approaches.

National policy has driven forward on a sectoral basis - e.g. New Industry New Jobs, NINJ - creating a potential mismatch locally. A similar issue at regional level has led to a themed approach by *emda* with healthcare, transport equipment, construction, food and drink, and intervention through the iNets.

Our challenge is to integrate the opportunities offered by Government priorities within our existing economies. Sector priorities are generally wide, and include consideration of other economic issues such as Gross Value Added (GVA) and sustainability alongside employment and skills. In Lincolnshire, and broadly reflected in Rutland, sectors identified as large and/or with significant local growth potential, include power engineering, tourism, creative industries, health and social care, land based industries, food manufacturing and construction.

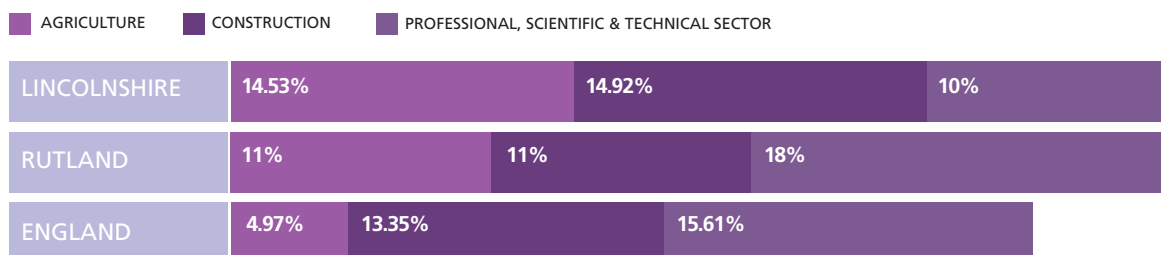
However, these industries do not tell the whole story: for example a quarter of local employment (26.3%) is accounted for by public administration, education and health, and the retail sector is also large.

Additionally, SMEs often do not define themselves by sector, and often have less time and opportunity to get involved.

Whilst key sectors offer a focus, we need to encourage all business to thrive if we wish to create and maintain a balanced economy. Outside the sector model, there are many examples of dynamic, high-value-added businesses in Lincolnshire and Rutland that need the focus of employment and skills support to ensure that opportunities are realised for the economy and our local communities.

## Issues

### Sectors with highest number of businesses

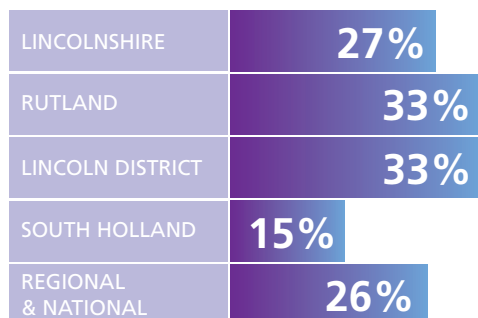


VAT & Paye registered, 2009 by broad sector category analysis.

Parts of our local economy have a great reliance on public sector employment and investment at a time when large-scale public sector cuts are anticipated.

The jobs that have been lost through downturn have often been in sectors that are the hardest jobs to replace.

Workforce is highest in the public administration, education and health sector, 2008.

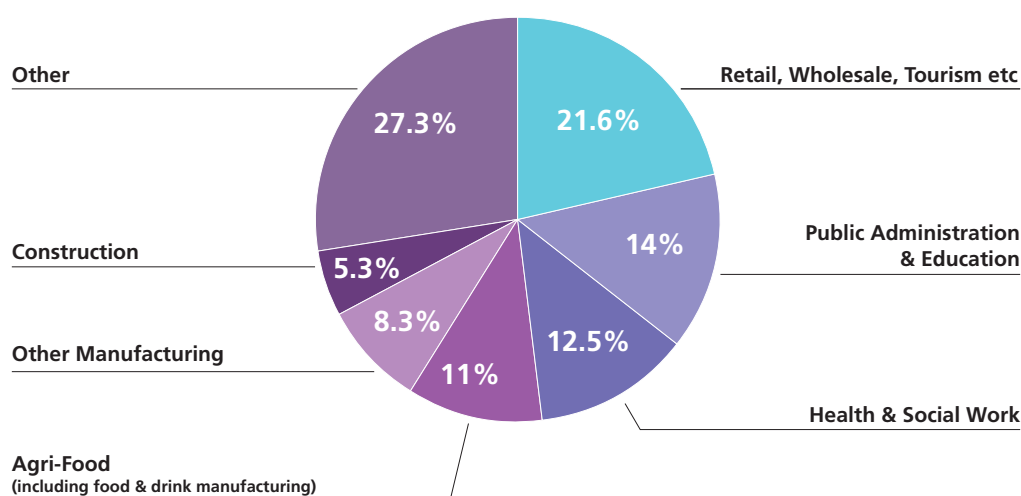


The proportion of higher value added industry sectors, 2007.



## Proportion of workforce employed by sector

2008 Annual Business Inquiry employee analysis (SIC 2007) and 2007 Defra Agricultural Survey data.



## The main challenge

Our local economy has proved relatively resilient through the economic downturn so far – perhaps because of its reliance on traditional sectors that rely on low-skills. How can employment and skills investment contribute to an improved balance between our traditional strengths and heritage and developing more skilled jobs in high-growth potential sectors?

### How to tackle the challenge

- Identify our local **important sectors which are key economic drivers**, for now and the future and agree pragmatic, innovative approaches to optimising these sectors - agri-food, health and social care, construction, manufacturing, retail, tourism and leisure and third sectors.
- Investigate the potential for **Centres of Excellence, based upon our important sectors**, to foster local high-skills development and the inevitable spin-offs / spin-outs that will materialise from developments such as the Engineering School partnership between Siemens and Lincoln University and possible new developments in fields such as Agri-Food.
- Ensure that our ambition to support higher-skilled jobs does not supersede the importance of **highly valued, less qualified** jobs in growth areas such as care and tourism.

### What needs to be done?

Work with partners across the Sustainable Communities Strategy partnerships to support the development of a balanced economy by building on our traditional strengths and heritage; promoting the existing rising business stars and developing our important sectors; whilst positioning the counties to take full advantage of new high-value business opportunities requiring high level skills.

## Identifying Important Sectors

A priority sector approach does not fit well with our local, SME-orientated economy, but the Board and Partners have together identified a number of important sectors in Lincolnshire and Rutland that would benefit from a local focus. This process has highlighted a significant mismatch with recently identified national or regional priorities.

In adopting a local perspective for our two counties, this has produced some deliberate overlap of sector

definitions together with some locally defined combinations such as Agri-Food.

Each sector requires its own individually tailored approach, based upon the local priorities from an economic and skills perspective.

### Important local sector

### Rationale

#### Agri-Food and Associated Industries

(including Horticulture and Food Manufacturing).

A sector that dominates some localities.  
High interdependence with other sectors such as transport and logistics.  
Challenging demographic profile of agriculture.  
High innovation potential e.g. food packaging.  
High reliance on seasonal, low-skilled workforce, including migrant workers.

#### Health and Social Care

(including NHS).

Increasing social care and health needs for our ageing population.  
Continuing, accessible vacancies through downturn – at both entry level in care and at high-tech technician and professional level in health.  
Key sector for the coast and Rutland.  
Opportunities for stronger health / social care linkages.

#### Retail, Wholesale and Tourism

Retail / wholesale a major employer at 19%.  
Continued private sector retail investment, creating significant new job opportunities through downturn.  
Tourism sector especially important for coast, Lincoln City and Rutland.  
Opportunities to combine and align skill-sets e.g. customer service.

#### Manufacturing

(excluding Food and Drink).

Power engineering hub and supply chain in Lincoln.  
Polymer cluster centred in Rutland.  
Emphasis on protection of existing jobs as high-value and difficult to replace e.g. Finnveden, Alford.  
Opportunities with new Engineering School at Lincoln University.

#### Construction

High numbers of smaller businesses and self-employment opportunities.  
Sustainable construction agenda.  
Sensitive to economic change - need to ensure skills supply maintained through downturn, in readiness for upturn.  
Well organised employer groups locally.

#### Public Administration and Education

Local economy especially reliant on public sector employment and investment.  
Challenge of imminent public sector cuts.  
Key source of high-skilled and professional vacancies.  
Strong Public Sector Compact.

#### Third Sector

Third Sector has been highlighted as important, but workforce figures have not been categorised separately, and will appear within other sectors such as Health and Social Care, Education etc.

Not a specific sector, but cross cuts many sectors with economic and added social value derived.  
Important potential vehicle for areas such as community skills and employment; care and health; conservation.  
Estimated 25,000 volunteers make a vital contribution.  
Challenged by current funding environments and not a traditional focus for business support.



## Overall priorities

# Who do we need to reach?

This plan aims to support our local economy in its widest sense, including all employers, individuals and communities and recognises the need to support the following groups:

- SMEs not currently realising benefits from skills development.
- Young people not in education or training.

- Pockets of skills-deprived communities.
- Individuals with professional and high-level skills, seeking to work and build a career in Lincolnshire and Rutland.
- Expanding sectors and businesses.

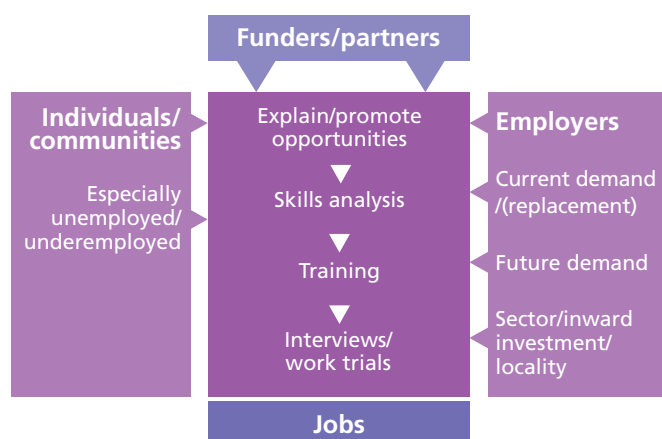
## What foundations do we need to build?

### 1 Employers as key partners and customers

It is vital that investment in employment and skills maximises the opportunity for employer involvement; identifies where employers want to get involved and adds value. The offer must be cohesive, accessible and easily understood by all, especially our SMEs. Employer partnerships should reach out to our wide diversity of employers. Employers have key roles in identifying and articulating short and longer-term needs.

### 2 Integrated employment and skills approaches

Integrated employment and skills is vital across the agenda set out in this plan - linking those without work, or planning careers, to the skills that will maximise their work potential. An example would be the Employment Gateway model, which can support new inward investment, an expanding sector or a specific locality, to back up employer investment by maximising the pool of available, skilled work-ready individuals.



An example of Integrated Employment and Skills

### 3 Local solutions for local needs

Overall statistics of our large, diverse geography can mask very localised challenges, such as inter-generational unemployment or skills deprivation. National policy and funding formulae do not always provide best solutions for our local problems, and a case exists for greater flexibility of funding and service delivery.

### 4 Important sectors

This plan recognises the importance of certain sectors to our local economy, but does not advocate an exclusive approach. A local approach identifies six locally important sectors, as depicted in section 6, and the Public Sector is also important locally as a large employer and major investor.

### 5 Future employment and skills demand projections

Quality local labour market information is a key foundation stone in supporting individuals and employers to plan their own future and to address misconceptions and mismatch between demand and supply.

## What next?

Success will be based upon a concerted, integrated approach towards local employment and skills planning and service delivery, and this will demand strong local partnerships between local funders and providers, and influenced by an articulate, informed employer voice.

As a Partner with areas of significant overlap, the Executive Steering Group of the Board provides an ideal vehicle to drive this partnership approach and to achieve the necessary outcomes, which include ensuring that locally-steered funding goes where it is most needed; minimising unnecessary meetings; tackling the local challenges which often remain under the regional and national radar; and, vitally, being able to respond quickly to new opportunities as the economy returns to growth.

## Planned connectivity

Throughout this document we have highlighted key issues, reviewed local intelligence and evidence and looked at some of the foundation work that should be implemented towards tackling them. However, these issues do not exist in isolation and this multi-faceted

plan inevitably reflects an interlinking with individual actions having a direct impact across many areas. This chart is intended to provide an overview of the connectivity of our plan and thereby demonstrates the importance of an integrated partnership approach.

Priority	The issues and how to tackle the challenge	Sections 1-6
Reduce the disparity between our communities	<ul style="list-style-type: none"> <li>NEET</li> <li>Unemployment</li> <li>Skills Deprivation</li> <li>Targeted approaches</li> </ul>	1 2 3 4 5 6
Secure employer involvement	<ul style="list-style-type: none"> <li>Especially SMEs</li> <li>Understanding of / contribution to education, employment and skills 'offer'</li> <li>Sharing risks between funders / providers and employers</li> </ul>	1 2 3 4 6
Take a new approach to sparsity	<ul style="list-style-type: none"> <li>Sparsity Premia</li> <li>Local solutions</li> <li>New out reach / mobility options</li> <li>The Coast</li> </ul>	1 2 3 5
Recognise our important sectors	<ul style="list-style-type: none"> <li>Identify and prioritise</li> <li>Recognise both heritage and high growth potential</li> <li>Centres of Excellence</li> <li>Public Sector contribution</li> </ul>	1 2 3 4 6
Deliver local Labour Market Information	<ul style="list-style-type: none"> <li>Current / Future Job Opportunities / Skills Needs of our economy</li> <li>Employability</li> </ul>	1 2 3 4 6
Support and develop our adult workforce	<ul style="list-style-type: none"> <li>Invest in 'Basics' as foundation for all adults (including first steps)</li> <li>Gateway approaches for unemployed adults</li> <li>Invest in adult workforce as major supplier of future workforce</li> <li>Leadership and Management skills development</li> </ul>	2 3 4 5 6
Focus on our young people	<ul style="list-style-type: none"> <li>Tackle progression between 16 and 19</li> <li>Equal value between academic and vocational routes</li> <li>Reduce ENTs</li> </ul>	1 2 3 5 6
Raise demand for high level skills	<ul style="list-style-type: none"> <li>Raise demand for a high level skills for existing workforce, graduates and professionals</li> </ul>	3 4 6

### Section key

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#### Employers and business – the demand side

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3 Raising demand

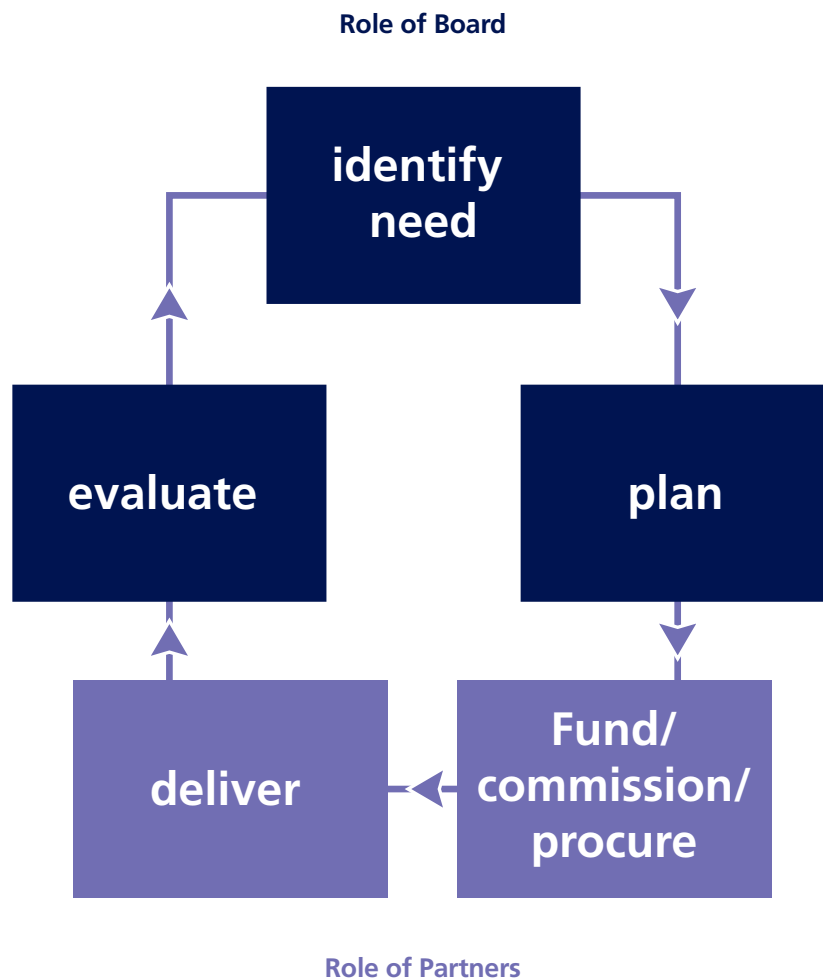
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4 Retaining talent

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### Delivering employment and skills for Lincolnshire & Rutland



## Partnership

### Consultation and Development Partners

Business Link East Midlands  
East Midlands Development Agency\*  
Jobcentre Plus\*  
Lincolnshire Assembly  
Lincolnshire County Council  
– Children’s Services/Economic Regeneration\*  
Lincolnshire Research Observatory  
National Apprenticeship Service\*  
Rutland County Council  
– Children’s Services/Economic Regeneration\*  
Skills Funding Agency\*  
West Lindsey District Council\*

\*Members of the Employment and Skills Board Executive Steering Group.

## Taking account of existing plans and strategies

The plan will reflect and build upon existing plans and strategies wherever possible, to ensure alignment of activities across the partners who will be involved in its delivery. Further information, together with all references to the evidence contained in this plan, can be found in the full version of this document, which is available on request in hard copy, or it can be downloaded electronically from:

[www.lincsrutlandesb.com/knowledge-base](http://www.lincsrutlandesb.com/knowledge-base)



Lincolnshire & Rutland  
**Employment  
and Skills Board**

Putting local talent at the heart of economic ambition

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