Annex 1: Hastings and Rother Adult Learning and Skills Strategy Policy Landscape

Whilst the strategy needs to be developed to address local need it should also be framed within the European, national and local policy landscape and relevant strategies which will affect the direction of travel for local education and skills services and funding over the lifetime of the strategy.

This section explores the different strata of policy influencing the development of this local strategy from education and the wider linked agendas of welfare to work, health and wellbeing and the wider localism agenda.

Europe 2020: A European Strategy for smart, sustainable and inclusive growth[1] provides an overview of the key priorities in the European Union that will influence spending decisions for the next funding period in Europe between 2014-20.

The priorities and targets are shaped around the recovery from the recent worldwide economic crisis that '*wiped out years of economic and social progress and exposed structural weaknesses in Europe's economy.*' They focus upon increasing the employment rate and educational attainment amongst the working age population; reducing the Not in Education, Employment or Training (NEET) rate amongst 16-18s; reducing the number of households living in poverty and a reduction in the overall greenhouse gas emissions across the EU.

In order to achieve these targets the strategy proposes a whole range of actions under three priorities:

1. **Smart growth** – an economy based on knowledge and innovation
2. **Sustainable growth** – promoting a more resource efficient, greener and more competitive economy
3. **Inclusive growth** – a high-employment economy delivering economic, social and territorial cohesion

This strategy is important to the Hastings and Rother area as funding streams such as European Social Fund (ESF) and European Regional Development Funds (ERDF) including Interreg will be focused on achieving Europe 2020 targets and many of those resonate with the local socio-economic conditions.

New Challenges, New Chances: Further Education and Skills System Reform Plan: Building a World Class Skills System[2] outlines the policy context for the post 19 education and skills sector in light of the economic downturn, subsequent austerity measures and departmental spending reductions in the run up to the radical funding changes proposed for 2013/14.

Given the economic conditions it is not surprising that the key priority groups for skills funding are adults with English, Maths or Language needs; unemployed people who need upskilling or retraining; supporting young people aged 19-24 without a full level 2 (equivalent of 5 x A*-C

[1] http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf
[2] http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/f/11-1380-further-education-skills-system-reform-plan.pdf

GCSEs) or 3 (equivalent to 2 x A Levels) qualification or Apprenticeship and, for those in work, workbased training that employers are expected to contribute towards the cost.

The strategy also recognises the value of **Community Learning**, separately funded with £210m nationally per annum, outlining a more clearly defined set of objectives and purposes for this funding focusing upon improving people's lives, promoting social renewal and maximising the impact of learning on the socio-economic well-being of individuals, families and communities. From September 2013 providers in receipt of this funding will have to highlight how they are meeting the needs of local people and communities with increased consultation and partnership work expected.

Overall however, the national funding for the 19+ education and skills area is being reduced from £3.8b in 2012/13 to £3.3b in 2014/15. Some of the reductions in funding will be offset by a new 24+ Advancement Loan which will establish a national loan facility of £398m annually from 2014/15. Loans will be introduced from September 2013 and will offer adults over the age of 24 who want to study for a Level 3 qualification the option of taking out a loan. These will be similar to those for Higher Education (HE) and are paid back only when the recipient is earning more than £21,000 per annum.

These potential reductions will have an effect on the range and amount of funded provision that is available in Hastings and Rother and therefore prioritising this funding to key locally significance priorities is a key theme within the strategy.

To enable providers to respond to local need increased freedoms and flexibilities have been introduced including the ability for providers to offer units of qualifications for unemployed adults and the *Innovation Code* which enables providers to draw down funding for new qualifications that are co-designed with employers to address specific skills needs unmet by existing qualifications.

Overall these additional freedoms offer providers an opportunity to radically redesign their curriculum with shorter bursts of accredited learning, developing ladders of progression opportunities for all learners from Entry Level to Higher Education and encouraging greater links between providers to ensure the offer meets local resident and employer needs. These flexibilities will be critical to enable local people to access the training required to move into or progress at work or learn a new skill for a career change as well as ensuring learning for social, health or leisure purposes remains a powerful element of the local landscape.

In addition colleges and training providers are becoming increasingly accountable to the communities, learners and employers they serve. The strategy aims to ensure that all providers operating in Hastings and Rother are aware of the priorities for adult learning in the area and the document will enable local stakeholders to hold providers to account to deliver on those priorities, ensuring they contribute to economic and social regeneration across the area.

The new **National Careers Service (NCS)** was launched in April 2012, providing Information, Advice and Guidance (IAG) via face-to-face advice supplemented by telephone and web services. Take up and use of this service is critical if local people are to be supported to access appropriate education and training to meet their employment or social needs. It is critical that the contracted NCS providers of this service link effectively with education providers and community groups supporting the most vulnerable to access effective IAG.

Employers are being given increased opportunities to directly access the Adult Skills Budget via the recently expanded **Employer Ownership of Skills**[3] pilot which enables local employers to bid for funding to develop innovative and co-funded projects that address their articulated skills needs and increase apprenticeship or work placement opportunities. This opportunity should be explored by local businesses in clusters to maximise the availability of funding for upskilling existing staff and generating new employment opportunities.

The Higher Education (HE) system is also undergoing significant changes following the publication of the HE White Paper ***Students at the heart of the system.***[4] These include increasing the tuition fees payable but also better access to HE institutions with new forms of support for part-time and low-income students to access top Universities. There is also an increase in choice for students of HE with an increase in the number of providers being directly funded to delivery HE and the introduction of better information, advice and guidance on providers.

Localism, LEPs and Local Authorities

At a sub-regional level Local Enterprise Partnerships (LEPs) are being given increasing powers to determine smaller geographic areas economic and skills priorities. LEPs are voluntary partnerships between Local Authorities and businesses and were formed as replacements for the Regional Development Agencies (RDAs) by the Coalition Government in 2010 via the **Local Growth**[5] white paper.

The old system of 9 RDAs was replaced with 38 LEP areas covering smaller, functional economic areas that will enable more local prioritisation and decision making to occur, focusing resources on local need.

Hastings and Rother is part of the South East LEP (SELEP), the largest LEP in the country. This covers Essex, Kent and East Sussex and is currently supported by a small team of officers housed at Essex County Council. The SELEP area is home to 156,000 businesses, 3.9 million people live and some 1,526,000 work within the LEP area, contributing £63bn GVA representing 5% of the national contribution.

All LEPs submitted initial business plans and priorities to the Department for Communities and Local Government with the SELEP highlighting four key objectives in the 2012-15 Business Plan[6]:

i. Secure the growth of the Thames Gateway;
ii. Promote investment in coastal communities;
iii. Strengthen the rural economy; and
iv. Strengthen the competitive advantage of strategic growth locations.

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[3] http://www.ukces.org.uk/employerownership
[4] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31384/11-944-higher-education-students-at-heart-of-system.pdf
[5] http://www.bis.gov.uk/assets/biscore/economic-development/docs/l/cm7961-local-growth-white-paper.pdf
[6] http://southeastlep.com/images/pdf/about/selep-business-plan.pdf

A range of funding streams are now available to support these initial LEP objectives and priorities. These include the £1.9b Regional Growth Fund and Growing Places £730 million Growing Places Fund used by Local Enterprise Partnerships to support job creation, innovative growth sectors and infrastructure projects. Hastings, recognised as a key growth location by the SELEP, has benefitted from these investment funds to develop a new business park on the Queensway and the second phase of Priory Quarter in the town centre which should see the creation of over 800 jobs in the next five years.

Skills are seen by the SELEP Business Plan as a critical enabler for all these objectives and low levels of employability and work readiness have also been flagged as barriers to growth by businesses in the LEP area.

Future European and core education and skills funding will increasingly be influenced by the priorities highlighted by LEP areas and following recommendations from the Heseltine Review: *No Stone Unturned in Pursuit of Growth*[7] the government announced in the 2012 Autumn Statement[8] that all LEPs have been encouraged to develop more detailed skills strategies by July 2013 and access to a Single Pot of funding from 2015 to be used on key LEP priorities. This Single Pot would be drawn from a wide range of government departments and include the Adult Skills Budget, Community Learning and 16-18 Apprenticeships from the education and skills budget lines.

This increased influence on the local skills system is already occurring with the latest round of European Social Fund (ESF) provision, aimed at supporting low skilled employees, being let by LEP area with funding priorities directly agreed between the Skills Funding Agency (SFA) and each LEP area.

These changes could have a fundamental change in the way in which funding for education and skills is directed and potentially distributed if Lord Heseltine's recommendation[9] for the devolving of all post 19 education (and post 16 Apprenticeship) funding to LEPs is enacted. The Hastings and Rother Adult Learning and Skills Strategy is therefore important as it provides an even more local overview of the skills and training requirements in a key area of potential growth for the SELEP and can be used to inform the SELEP Skills Strategy and future funding decision.

East Sussex County Council published the revised **East Sussex Economic Development Strategy** for the County in April 2012 with four key priorities that ensure East Sussex will:

a. have a more diverse economy with expanded health, hospitality, tourism, creative/culture sectors, and, importantly, higher-value added sectors including advanced manufacturing and engineering, business services and emerging technologies;
b. offer a diverse array of quality private sector employment opportunities for a more highly skilled and inclusive workforce with appropriate career pathways;
c. have improved transport and broadband connectivity, commercial and housing infrastructure – with better fit for a low carbon economy - drawing on its privileged location with improved access to the SE airports, London, and mainland Europe; and

[7] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-unturned-in-pursuit-of-growth.pdf
[8] Pages 40-41 of http://cdn.hm-treasury.gov.uk/autumn_statement_2012_complete.pdf
[9] Page 171 of Heseltine Review

d. boast a thriving and high quality visitor economy renowned for its natural assets, unique heritage, culture, market and coastal towns.

The Hastings and Rother Adult Learning and Skills Strategy needs to address specific elements across all four priorities of this wider strategy to drive the local employment and skills agenda forward enabling the area to grow in line with other parts of the county.

The Skills section of this strategy focuses upon the area with a targeted increase in the number of local residents trained at Level 3 and Level 4 as well as improving the employability and softer skills required to secure and maintain work. These are critical actions for the Hastings and Rother area with lower educational attainment and higher rates of unemployment than county or regional levels.

The strategy will need to link education and skills training to growth sectors and capital developments that are planning to come on stream in the next three years. These however will not be sufficient to increase the employment rate substantially and therefore enterprise and business start-up focused training will also be critical to raising citizens' aspirations to start their own businesses.

Focusing even more locally the **Hastings and Rother Economic Taskforce** is formed from senior representatives from County, Borough and District Councils, education providers and key employers to drive forward economic development activity across the area. In July 2012 the Taskforce adopted a 6-point plan for economic growth for the area that needs to be considered as part of this Adult Learning and Skills Strategy.

Priority Point	Considerations for the Strategy
1. **Urban Renaissance** – The lack of appropriate employment space continues to inhibit the creation of new jobs, business expansion and inward investment. Focus upon redeveloping business space and regeneration of the seafront focusing on key tourism, leisure and cultural sectors	• Ensure that the offer links to the key sectors highlighted here and equips learners for employment in them • Ensure that the strategy links to the planned capital investment and provides suitable courses from construction/redevelopment to recruitment and on-going CPD requirements for businesses located in new development • Jointly develop projects and programmes that meet the needs of employers relocating to development areas
2. **Transport** – whilst the Hastings – Bexhill Link road is important a number of other transport improvements are vital including restoration of direct rail link to London, improvements to A21 and expansion of London Ashford Airport.	• Does the local provider network provide the right construction provision to ensure local people are able to secure employment within the planned road and rail improvements? • Close partnership working with ESCC/HBC/RDC and contractors employed to deliver these developments to ensure that curriculum offer meets their needs
3. **Skills** – Local employers continue to find it difficult to recruit employees with the right skills from the local working age population. Too many of the local working age population are	• Is the current curriculum fit-for-purpose and meeting the needs of local employers? • Does the area have effective progression routes up to and including HE and are these also linked to the 11-

not work-ready, and the number of young people who are not in employment, education or training continues to remain unacceptably high. We also lose some of our ablest young people who leave the area to pursue careers elsewhere. The local area needs an education system that: a. Ensures that every school leaver is equipped with the basic interactive, numeracy and literacy skills and knowledge necessary to function in the workplace. b. Improves and develop networks and other linkages between schools, colleges, University of Brighton and local businesses to promote better understanding of local economy, career pathways and workforce skills development opportunities. c. Increases the number of businesses engaged in work-based training, apprenticeships and graduate training. d. Provides Further and higher education curricula that are relevant to the workforce skills required by local employers.	16 offer? • Should providers focus upon the development of additional HE opportunities within key sectors? • Focus upon supporting learners to secure sector specific work placement opportunities to improve their employability. • Develop more employability related courses for unemployed people that equip them with the soft and sectorial skills to show employers they are ready for work. • Develop joint programmes with local welfare to work partners to provide employers increased opportunities to ‘try before they buy’ via placements or work trials. • Improved sectorial approach to partnerships with employers to ensure their articulated skills needs are met for current and future recruitment via co-creation of curriculum (and resources) • Increase the number of adult courses that are co-funded to maximise efficiency (unemployed learners secure subsidy via the Adult Skills or Community Learning budgets and the employed pay commercial rates)
4. **Broadband –** the digital infrastructure needs to improve with super-fast broadband rolled out across the area to enable colleges, universities and businesses to improve collaboration and exploit e-commerce.	• Training for both the installation and use of this technology with a focus upon the e-commerce and e-learning possibilities once broadband is universally available • Further development of the partnership with FE/HE and specialised businesses with specific regard to e-commerce/e-learning products • Investigate the development of e-learning products jointly with the local creative media sector
5. **Enterprise Growth** – diversifying the local employment base and increasing business start-up is critical to the area which needs to recognise and promote the area as a centre of excellence for vacuum technology and support the development of key employment sectors: advanced manufacturing and engineering;	• support local people to start their own businesses or improve their entrepreneurial skills • focus upon the skills needs in each of these key sectors and ensure that partners offer them locally (Level 1 – 6/7) • build closer relationship between education providers and employers within these key sectors to articulate skills needs, co-create curriculum offer and deliver cost effective provision

creative, leisure and hospitality; and emerging technology industries.	
6. **Image** - Hastings suffers from an image as a dilapidated seaside resort, Bexhill is seen as a place to retire and the rest of Rother is primarily seen as a rural locality from which to commute to other places. The poor and inaccurate image of the area discourages the inward investment that is vital to economic growth.	• Focus upon improving success and achievement rates across the education provider network, especially with Schools and Sussex Coast College • More closely link the skills development and improvement role of partners to the renewed image of the area and any forthcoming inward investment strategy • Alignment of the offer to any inward investment discussions or negotiations with employers relocating here.

Hastings and Rother Socio-Economic Landscape

Hastings is a seaside town with 90,200 residents with the neighbouring more rural Rother District having a population of 90,700 including Bexhill, Rye and Battle as the main towns.

The area suffers significant socio-economic disadvantage with the 2010 Index of Multiple Deprivation (IMD) ranking Hastings overall level of deprivation as one of the worst in the South East and 19th of the 326 Local Authorities for local concentrations of multiple deprivation dropping from 32nd most deprived in 2007. There are also distinct pockets of deprivation across Rother (ranked 139 overall) with areas of Sidely in the top 10% most deprived in the country and further areas of Bexhill and Rye in the top 20% most deprived.[10]

When it comes to specific IMD elements that affect this strategy the picture outlined in table 1 shows a higher percentage of Super Output Areas[11] (SOA) in Hastings in the top 10% nationally in the Employment deprivation measure with 17 SOAs (32% of SOAs in Hastings) in the top 10% most deprived and 20 (37%) in the top 10% most deprived in terms of Health and Disability. Rother has 10 areas (17% of total SOAs in Rother in the top 10% of the most deprived in the Barriers to Housing and Services, recognising the rural nature of some areas.

Table 1: SOA areas in top 10% of specific Indices of Deprivation	Hastings	%	Rother	
Employment	17	32.08%	4	6.78%
Education & Skills	6	11.32%	4	6.78%
Health & Disability	20	37.74%	3	5.08%
Barriers to Housing & Services	2	3.77%	10	16.95%

[10] All figures from East Sussex in Figures IMD 2010 datasets
[11] SOAs are a unit of geography used in the UK for statistical analysis. They are developed and released by Neighbourhood Statistics and figures in this strategy are based on the 32,482 SOAs in England

These specific deprivation measures need to be considered within the development of actions to ensure that residents and areas are effectively supported with suitable and relevant education and training.

This may influence the type of provision offered, for example increased Computer skills training for residents in rural areas with less access to services or links to the expected rise in electronic transactions related to benefit claims following the introduction of Universal Credit from April 2013.

Additional educational opportunities for local people to overcome mental or physical health, such as the development of a Recovery College[12] for the area should also be considered.

Table 2 shows that whilst Rother has around the national and regional averages of adults claiming Jobseekers Allowance Hastings has higher claimant rates across all age ranges and within all the different lengths of claim. Rates for 18-24 and 25-49 year olds are at least 2% higher than regional or national figures and these higher than average rates are historical with the overall rate at least 1% higher since 2006 with a spike at the start of the recession in 2009 when the Hastings rate went above 5%, where it has remained ever since, in contrast to a small decrease in national rates over that time. Rother rates have consistently been lower than the regional or national average but this does mask pockets of deprivation and long term worklessness in rural areas and parts of Bexhill and Rye, as highlighted above.

These high figures and the increased freedoms and flexibilities given to Skills Funding Agency (SFA) funded organisations offer providers across the area the opportunity to develop a range of coordinated employability programmes that are linked to key employment sectors, working in partnership with Jobcentre Plus and the wider welfare to work network of providers operating in the area. By co-creating these opportunities with local employers seeking staff the area can offer a truly end-to-end service supporting residents with the skills required to get the jobs on offer.

Table 2: JSA Claimant count (Nov 12)	**Hastings**	**Hastings**	**Rother**	**Rother**	**South East**	**Great Britain**
	(level)	**(%)[13]**	**(level)**	**(%)**	**(%)**	**(%)**
Aged 16 to 64						
Total	3,160	5.7%	1,380	2.8%	2.4%	3.7%
Up to 6 months	1,640	3%	790	1.6%	1.5%	2.1%
Over 6 and up to 12 months	495	0.9%	205	0.4%	0.4%	0.6%
over 12 months	1,020	1.9%	385	0.8%	0.6%	1%
Aged 18 to 24						
Total	745	9.9%	385	7.7%	4.5%	7%
Up to 6 months	475	6.3%	255	5.1%	3.3%	4.7%
Over 6 and up to 12 months	100	1.3%	55	1.1%	0.6%	1%
over 12 months	175	2.3%	75	1.5%	0.7%	1.3%
Aged 25 to 49						

[12] Recovery Colleges provide recovery focused educational courses and resources aimed at supporting people in recognising and making the most of their talents and resources, through self-management, to deal with the mental health challenges they experience and to achieve the things they want to in life. See Nottinghamshire model and example offer from here http://www.nottinghamshirehealthcare.nhs.uk/our-services/local-services/adult-mental-health-services/nottingham-recovery-college

[13] % is number of persons claiming JSA as a proportion of resident population of the same age.

Total	1,845	6.6%	705	3.2%	2.5%	3.9%
Up to 6 months	915	3.3%	385	1.7%	1.5%	2.1%
Over 6 and up to 12 months	310	1.1%	115	0.5%	0.4%	0.6%
over 12 months	620	2.2%	205	0.9%	0.7%	1.2%
Aged 50 to 64						
Total	545	3.2%	280	1.4%	1.6%	2.2%
Up to 6 months	230	1.3%	140	0.7%	0.8%	1%
Over 6 and up to 12 months	90	0.5%	35	0.2%	0.3%	0.4%
over 12 months	230	1.3%	105	0.5%	0.5%	0.8%

Table 3[14] provides a snapshot of the basket of other benefits claimed by local residents. They show that overall Hastings has double the regional average of total benefit claimants with Rother at the national average but higher than the South East.

Hastings has a greater proportion of 16-64 year olds claiming Employment and Support Allowance (ESA) for long term health conditions than regional or national averages and a higher proportion of Lone Parents than either regional or national figures. The ESA figure has been historically higher in the Borough reaching the 10% rate in 2002 and being consistently 3-4% higher than the national average since 2005 with national and regional figures slowly decreasing during that time.[15]

Table 3: Key Benefit claimant rates (Feb 12)	**Hastings**	**Hastings**	**Rother**	**Rother**	**South East**	**Great Britain**
	(numbers)	**(%** as a proportion of 16-64 residents**)**	**(numbers)**	**(%)**	**(%)**	**(%)**
Total claimants	12,680	23.1%	6,950	14.1%	10.9%	15%
By statistical group						
Job seekers	3,390	6.2%	1,500	3%	2.7%	4.1%
ESA and incapacity benefits	5,770	10.5%	3,190	6.5%	4.6%	6.5%
Lone parents	1,260	2.3%	670	1.4%	1.2%	1.5%
Carers	930	1.7%	650	1.3%	0.9%	1.2%
Others on income related benefits	480	0.9%	230	0.5%	0.3%	0.4%
Disabled	730	1.3%	600	1.2%	1%	1.1%
Bereaved	120	0.2%	110	0.2%	0.2%	0.2%
Key out-of-work benefits†	10,890	19.8%	5,590	11.3%	8.8%	12.5%

† Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

The planned changes to benefits and the introduction of a single Universal Credit that will replace income related benefits (JSA, ESA, Housing Benefit, Council Tax Benefit, Disability Living Allowance and Carers Allowance) may adversely affect the area making a lot of recipients worse off, with local research[16] commissioned by Hastings Borough Council showing that those aged over 45 will be most affected. The added reliance on an electronic application process[17] for

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14 Source: DWP benefit claimants - working age client group Feb 12

15 All figures taken from time series function on www.nomisweb.co.uk
16 The Impact of Welfare Reform on Hastings, Nick Hopkins Consulting (Dec 12)
17 There is a target of 80% of new applicants for Universal Credit being made on-line

benefits and move to monthly payments, including all elements of the benefit including rent and council tax, could also affect those with lower skills or a no access to IT facilities.[18]

Historically Hastings has always had a higher proportion of local people claiming this basket of income related benefits with at least 5% more people claiming when compared to national data since 1999. This indicates a cycle and historical trend of worklessness and benefit dependency and education and training providers need to be mindful of this when planning and developing provision.

Moving people onto Universal Credit from benefits where claimants have had less contact with Jobcentre Plus or the welfare to work or education provider network should also be a key consideration. Many of these local people will not have participated in education or work for many months or years and therefore non-accredited learning and community based opportunities should be considered as a first step back into learning, building confidence and skills as they move towards employment or volunteering opportunities. Support to access English, Maths and softer skills development should also be seen as a priority for this learner group as there is a correlation between long term benefit claimants and low skills/qualifications.

Table 4 shows that whilst the areas working age population is around both the regional and national average the rates of economically active people aged 16-64 in Hastings is nearly 8% lower. In order to achieve parity with either the county or national average would mean a further 2895 Hastings residents becoming economically active.

Increasing the percentage of economically active people in the area is hampered by low Job Density, the ratio of total jobs to population aged 16-64, in Hastings (0.63[19]) when compared to Rother (0.69), East Sussex (0.71) or the South East (0.8) this means that there are lower job creation rates which causes greater competition for work and adds to the likelihood of unemployment in the area.

Even with the new jobs being developed as part of the Growing Places infrastructure projects and those planned around the new Bexhill-Hastings Link Road the increase in economic activity required amongst the population is very high and this learning and skills strategy can only focus upon ensuring that those who are unemployed are supported with the right skills intervention that is focused upon current and growth sectors.

Table 4: Economically Active population ONS Annual Population Survey July 11 – June 12	**Hastings**		**Rother**		**South East**	**Great Britain**
	Number	**(% of 16-64s)**	**Number**	**(% of 16-64s)**	**(%of 16-64s)**	**(%of 16-64s)**
Working Age Population (16-64)	57,900	64.2%	50,500	63.7%	63.7%	64.7%
Economically Active	41,000	71.7%	38,200	79.3%	79.3%	76.6%
As employees	31,400	57.5%	26,900	63.4%	63.4%	60.3%
As Self Employed	6,300	9.3%	6,700	10.8%	10.8%	9.5%
Unemployed	4,100	9.6%	2,900	5.9%	5.9%	8.1%

[18] It is estimated that 33% of the Hastings population have no access to IT at home, page 38 of Nick Hopkins Report
[19] Data from www.nomisweb.co.uk with this data set based on the latest data, 2010

Hastings has a slightly lower proportion of the working age population in self employed roles when compared to the Rother or South East region. Table 5 below shows that Hastings and Rother areas both have a lower VAT Registration Rate than the regional or national average. That combined with a higher rate of de-registrations in Hastings indicates a lower than average business start-up rate and perhaps a lack of entrepreneurial aspiration in the area.

Table 5: VAT Registrations and Deregistration (2007)	**Hastings**		**Rother**		**South East**	**Great Britain**
	Number	**(% of stock)**	**Number**	**(% of stock)**	**(% of stock)**	**(% of stock)**
Registrations	195	9.4%	310	8.8%	10%	10.2%
De-registrations	170	8.2%	250	7.1%	7.2%	7.3%

Improvements in the self-employment and business start-up rates will therefore also be critical to economic development and whilst the area is starting at a low base education and training providers should be ensuring that training opportunities support residents of all ages to learn more about how to start your own business, embedding this into enterprise and core curriculum offers, as well as working in partnership with other specialist agencies such as Let's Do Business Group who already provide business advice, support and access to loans for young people and adults.

Table 6: Employment by Industry Source: Business Register and Employment Survey (BRES), ONS/Nomis, Oct 2011 *England only **%**	Agriculture, fishing, mining and utilities	Manufacturing	Construction	Wholesale retail and repair	Transportation and storage	Accommodation & food services	Information and communication	Financial, insurance and real estate	Professional, scientific and technical	Administrative and support services	Public administration	Other education and health	Arts, entertainment and recreation	Other service activities
Great Britain	3	8.5	4.9	16.2	4.4	6.6	3.8	5.4	7.4	7.8	22*	5.3	2.5	2.1
South East	2.6	7	5.5	17.3	4.1	6.7	5.3	4.9	8.2	7.4	18.8	7.4	2.6	2.3
E. Sussex	1.3	7.2	6.7	18.4	2.5	8.5	1.8	3.9	5.7	4.7	22.2	11.9	2.9	2.3
Eastbourne	0.6	5.3	3.8	22.4	2.2	8.8	1.2	4	5.1	4.2	25.4	12.2	2.3	2.5
Hastings	1.4	9.6	4.5	17.5	2.8	7.6	1.4	2.8	3.9	3.9	29.7	11	2.8	1.1
Lewes	2.3	7.5	6.8	16.1	3.1	6.3	2.3	3.5	6.5	4.7	26.3	9.7	2.8	2.3
Rother	1	5	6.3	17.7	2.7	10.5	1.3	6.7	5.6	6.2	15.7	16.5	2.4	2.3
Wealden	1.3	8.4	10.7	17.5	2.1	9.4	2.4	3.3	6.9	4.9	14.7	11.8	3.9	2.8

Table 6 shows the key employment sectors in Hastings and Rother and those with a 2% difference from the East Sussex average are recorded in Red or Green. It shows that Hastings has higher levels of employment in Manufacturing and Public Services and lower than country averages in Construction, Financial Services and Other services. Rother has higher Accommodation and food, Financial Services and Other Education and Health with lower Manufacturing and Public Administration. Creative industries have only more recently been classified with 10% of those operating in East Sussex based in Hastings (400) and a further 15% in Rother (600).

This high level data supports the cluster approach recommended in this strategy with a mixed focus upon those sectors that either have growth potential (Creative Industries and the wider Knowledge economy) due to this national re-focus on private sector investment or on sectors that already are established in the local area (Manufacturing and Financial Services) and where new premises will come on line for inward investment (retail and service industries).

Table 7 highlights the total number of employees in each sector and shows that Hastings and Rother both have a higher rate of part time and lower rate of full time jobs than the county, regional or national average. This could provide opportunities to upskill workers part time, focused upon those with low educational attainment with English and Maths alongside sector specific training. It also gives providers an opportunity to sell training to those working part time with higher skills needs via FE Loans or competitively priced commercial provision linked to career progression.

Table 7: Employee jobs (2008)[20]	**Hastings**		**Rother**		**South East**	**Great Britain**
	(employee jobs)	**(%)**	**(employee jobs)**	**(%)**	**(%)**	**(%)**
Total employee jobs	29,000		25,200			
Full-time	18,400	63.6	15,900	63.2	69	68.8
Part-time	10,600	36.4	9,300	36.8	31	31.2
Employee jobs by industry						
Manufacturing	3,000	10.3	1,700	6.7	8.1	10.2
Construction	1,000	3.6	1,200	4.9	4.5	4.8
Services	24,900	85.8	21,500	85.3	85.7	83.5
Distribution, hotels & restaurants	7,100	24.6	6,900	27.6	24.6	23.4
Transport & communications	900	3.2	900	3.4	5.9	5.8
Finance, IT, other business activities	3,100	10.6	4,200	16.6	24	22
Public admin, education & health	12,400	42.6	7,900	31.5	25.6	27
Other services	1,400	4.9	1,600	6.2	5.6	5.3
Tourism-related†	2,400	8.4	3,300	13.1	8.2	8.2

Table 8: Size of business by employee (2012)	Total	0-4 number	%	5-9 number	%	10-19 number	%	20-49 number	%	50-99 number	%
Great Britain	2527660	1718140	68.0%	376245	14.9%	211085	8.4%	137050	5.4%	48205	1.9%
South East	399750	281885	70.5%	55615	13.9%	30550	7.6%	19675	4.9%	6830	1.7%

20 ONS annual business inquiry employee analysis (2008) from www.nomisweb.co.uk

East Sussex	22885	16375	71.6%	3200	14.0%	1735	7.6%	1070	4.7%	325	1.4%
Eastbourne	3345	2130	63.7%	545	16.3%	310	9.3%	225	6.7%	75	2.2%
Hastings	2925	1910	65.3%	465	15.9%	285	9.7%	165	5.6%	70	2.4%
Lewes	4285	3020	70.5%	635	14.8%	340	7.9%	195	4.6%	60	1.4%
Rother	4160	3090	74.3%	550	13.2%	290	7.0%	160	3.8%	50	1.2%
Wealden	8170	6225	76.2%	1005	12.3%	510	6.2%	325	4.0%	70	0.9%

		100-249	%	250-499	%	500-999	%	1000+	%
Great Britain		25545	1.0%	7410	0.3%	2665	0.11%	1315	0.05%
South East		3690	0.9%	1020	0.3%	340	0.09%	145	0.04%
East Sussex		155	0.7%	20	0.1%	5	0.02%	0	0.00%
Eastbourne		45	1.3%	10	0.3%	5	0.15%	0	0.00%
Hastings		25	0.9%	5	0.2%	0	0.00%	0	0.00%
Lewes		30	0.7%	5	0.1%	0	0.00%	0	0.00%
Rother		20	0.5%	0	0.0%	0	0.00%	0	0.00%
Wealden		35	0.4%	0	0.0%	0	0.00%	0	0.00%

Table 8[21] shows that 96.5% of businesses in Rother and 95.9% in Hastings and employ under 50 people. This has particular significance for the planning of education and training as it needs to be focused upon business growth and development in order for owners to invest in work-related training.

Additional partnership working between training providers and business representative organisations such as Chambers of Commerce, Federation of Small Business or sector specific employer groups will be critical in ensuring that the needs of SMEs as well as larger businesses are supported. This could include supporting clusters of local employers apply for funding to develop sector specific training, including opportunities via the Employer Ownership of Skills pilot and European Social Fund (ESF) delivery targeting smaller firms.

Reviewing 10 year trends on key employment sectors between 1999 and 2008[22] provides further evidence to support the sector approach with table 9 highlighting the highest employment sectors in the area, along with some recommendations for curriculum development and design for providers.

Table 9: 10 year trends in employment sectors within Hastings and Rother		
Sector	**Trend**	**Recommendations**
Manufacturing	Hastings has remained consistently higher than County or Regional averages although rates gradually falling. Rother has remained consistently lower.	Further in-depth analysis of sector requirements and employer engagement to co-design curriculum to address current and future skills gaps.
Construction	Consistently between 3-4% density in Hastings and 5% in Rother which are both slightly lower than East Sussex (5-6%).	Review curriculum in line with planned transport improvements and inward investment focused upon employment and business space and housing.
Public Administration	Hastings higher and increased 5% points in period. Rother consistently lower than county or regional average.	Continue to develop care and health training and development across all levels and offer retraining opportunities

[21] 2012 data from http://www.eastsussexinfigures.org.uk set: Local business units by size of business, 2004-2012 - districts
[22] Data sourced from www.nomisweb.co.uk

		for those public sector workers affected by redundancy.
Banking and Financial Services	Hastings employment dropped in period (although data is pre-Saga locating to the town) and remained higher than county average in Rother.	Increased training and development opportunities in the Financial Services sector focused upon higher level skills and Mortgage and Insurance Advice.
Distribution, hotels and restaurants	Slight increase (1.4% points) in Hastings and Rother (0.5% increase) in line with increases in county and regional employment.	Review offer and ensure it is modern and fit-for-purpose for existing business base and redevelopments on seafront in Hastings and Rye Harbour.

The Local Learning and Skills provider network in Hastings and Rother

There are a wide mix of organisations from across all sectors that deliver learning or skills training for adults in the area. These include:

- Sussex Coast College, a medium sized Further Education (FE) operating from two new campuses offering a wide range of provision including vocational, academic, non-accredited, employability provision for unemployed people, Higher Education (HE) and English and Maths provision to adults.
- University of Brighton Hastings has an expanding centre that offers a range of Higher Education provision housed in state-of-the-art facilities.
- Bexhill Sixth Form College offering adult education and skills provision in Bexhill.
- Claverham Community College offering adult education and skills provision in Battle.
- Rye College adult education and skills provision in Rye
- Over 40 mainly Community and Voluntary Sector members of the Hastings and Rother Adult & Community Learning Forum who provide a broad range of accredited and non-accredited learning opportunities in communities across Hastings and Rother, often targeted at the most disadvantaged areas.
- At least 40[23] Apprenticeship and Workbased learning providers from the public, private and third sector offering a range of accredited or bespoke business related training.
- 5 companies offering key welfare to work services (Work Programme or Work Choice) to unemployed adults in the Hastings and Rother area who provide employability and skills related to training to prepare their customers for work.

It is critical that these organisations work even more closely together to plan, develop and deliver learning and skills provision to ensure that it meets the needs of local people and employers. As investment from government recedes partnership and collaboration between and amongst different organisations will become increasingly important and this strategy recognises the need to form meaningful partnerships that support local people access and progress into learning and work. This may mean that core funding is aligned more effectively between organisations or that joint bids are developed to address the priorities and actions in the strategy.

As the planning role of local and central government agencies recedes due to localism and budget reductions affect the breadth of services agencies can continue to support providers will increasingly need to fill this void and work together to better plan the offer in close consultation with local people and other stakeholders including employers.

[23] Number of providers registered as Apprenticeship delivery providers in Hastings and Rother on www.apprenticeshipsinsussex.co.uk

The Skills base

Table 10 shows that in both areas there are a greater proportion of local people with low or no qualifications than the regional or national average. In addition lower numbers of local people have higher educational attainment at either Level 3 (the equivalent of 2 A Levels) or Level 4 (Degree). These conditions influence in the way in which the adult curriculum should be developed with a number of key approaches that should be considered by local education and training providers, including establishing a progression ladder of opportunities that:

- ensure that there is wide access to a range of non-accredited Community Learning focused provision that enables people with low or no qualifications to gain confidence or rediscover learning in adulthood
- offer access to English, Maths and English for Speakers of Other Languages (ESOL) across the area to encourage residents with low educational attainment to improve their literacy, numeracy or language skills
- provide a range of programmes at Level 1 and Level 2 that provide support for adults with low skills to upskill and/or retrain with pathways to higher level study
- introduce of a broader range of Level 3 programmes, funded via FE Loans, linked to the key sectors that equip adult with the skills required by employers and which encourage progression onto Higher Level programmes, including Higher Education and Level 4 Higher Apprenticeships

Table 10[24]: Qualifications	**Hastings**	**Hastings**	**Rother**	**Rother**	**South East**	**Great Britain**
	(numbers)	**(%)**	**(numbers)**	**(%)**	**(%)**	**(%)**
NVQ4 and above	13,700	25.4%	14,000	29.2%	36.2%	32.9%
NVQ3 and above	23,700	44%	21,400	44.8%	56.7%	52.7%
NVQ2 and above	36,000	66.8%	31,100	65%	73.3%	69.7%
NVQ1 and above	43,600	81.1%	40,600	84.9%	86.6%	82.7%
Other qualifications	3,200	5.9%	#	#	5.5%	6.7%
No qualifications	7,000	13%	5,400	11.2%	7.9%	10.6%

Sample size too small for reliable estimate

Skills demands by sector

Skills for Jobs: Today and Tomorrow[25] was published by the UK Commission for Employment and Skills (UKCES) in 2010 and provided a detailed overview of the skills needs of key employment sectors in England. This information is useful to the development of the Strategy and is replicated below.

[24] Source: ONS annual population survey(Jan 2011-Dec 2011)

[25] http://www.ukces.org.uk/assets/ukces/docs/publications/national-strategic-skills-audit-for-england-2010-volume-1-key-findings.pdf and http://www.ukces.org.uk/assets/ukces/docs/publications/national-strategic-skills-audit-for-england-2010-volume-2-the-evidence-report.pdf

Further, more detailed Labour Market Intelligence (LMI) is required to ensure training providers develop new markets in a strategic way in partnership with local employers, ensuring that any niche industries within larger sector areas, such as the already identified Vacuum Advanced Manufacturing, are effectively supported. Additional, targeted investment in resources and employer specific space within the college should also be considered to ensure that the most appropriate learning spaces are available at a time that suits employers.

Skills needs by sector

Sector or sub-sector	Demands for occupations?	Skills demands within occupations?
Low carbon	A wide variety of specialist, highly qualified engineering roles, in a wide variety of specialisms such as aeronautics for the wind industry and geologists who may support the development of offshore carbon capture storage; Facilities and project managers; High integrity welders and technicians; Technicians in a range of engineering disciplines.	Additional skills relating to installation and maintenance of new equipment in building services/engineering sectors including electrical trades, heating/ventilation and air conditioning fitters related to developments in the low carbon economy (SummitSkills, 2009a). Project managers will need engineering expertise (Energy & Utility Skills. 2009; PwC, 2010a). Skills in resource management across the rest of the economy from more efficient use of fuel in driving, to reducing waste in food production and land management. (Skills for Logistics, 2009; Improve, 2009; Lantra, 2009).
Advanced manufacturing	High demand for technicians; licensed mechanics in civil aviation.	Up skilling and multi-disciplinary knowledge at technical, associate professional and professional science occupations; in managers' commercial exploitation and entrepreneurship, the ability to harness new technology, and the ability to manage across complicated supply chains; among technicians, strong practical skills, team working and project management skills. Technical skills include design, modelling and integration of high integrity systems, software modelling and simulation, mathematics, advanced materials engineering, diagnostic and prognostic skills, process excellence. Skilled trades occupations will need knowledge of computer aided design and machine operation in the silicon electronics industry and electronics technicians may require an awareness of printing, materials science or chemistry (Semta, 2009).
Engineering/ construction	Demand particularly for skilled craft workers or higher with largest single sectoral share in power generation. Greatest demand for engineering design and project engineering including civil, mechanical and electrical engineering in associate professional and craft roles including high quality supervisors, welders, steel erectors and pipe fitters.	Management and leadership skills required will include design management, multi-discipline team and technical leadership; contract and relationship management; leadership and supervision onsite, including operating plant, construction and maintenance (ConstructionSkills, 2009).
Professional/ financial services	Urban planners, (civil and other specialist) engineers, actuaries, housing regeneration experts.	Level 4 qualification for 60,000 investment advisors by 2012; financial services professionals may require expertise in carbon trading, financing emerging market growth and Islamic banking; risk management, understanding of capital markets, corporate risk, ethical management and influencing corporate stakeholders among senior managers in financial services (Skills for Justice, 2009; PwC, 2010b, Financial Services SSC, 2009).

Sector or sub-sector	Demands for occupations?	Skills demands within occupations?
Digital economy	Software professionals and technology professionals/specialists.	There will be increasing demands to deliver creative content using multi-platform capability which will suit a range of devices including HD television, portable display units, e.g. telephones and more conventional PC displays. Managers will need project management skills for multi-platform development; mixing conventional leadership skills with innovation, creativity and understanding of technology. Collaboration will be needed between telecommunications, technology and creative content organisations requiring strong management skills in forming, brokering and maintaining networks and alliances (Skillset, 2009). Technology professionals will need greater skills in the application of technology to improve business performance. As well as continuing to have very strong technical skills in areas such as systems architecture and security, they will also need to develop greater expertise in networking, and more will need skills in areas such as multi device management and design, to take advantage of converged technologies. Web and internet specialist skills will be increasingly in demand, as will the project management and supplier management skills to manage outsourced work (e-skills UK, 2009).
Life sciences/ pharmaceuticals	Postgraduate bio scientists including pharmacologist, toxicologists, pathologists, molecular biologists, analytic/ synthetic chemists, biomedical imaging physicists, bioinformatics graduates with high level maths and statistics skills, health economics postgraduates and chemical/ instrument engineers. In pharmaceutical sub-sectors of oil, gas and chemicals, possibly sizeable shortages of staff in scientific, technical and process occupations.	Technician level roles with strong practical, team working and project management skills will be required in all sub-sectors. Technical skills could include nanotechnology skills, design and use of new materials/biomaterials; software/IT (Hogarth *et al*, 2010). Economic cost benefit analysis for health interventions, quantitative modelling skills in postgraduate mathematicians and statisticians. Management skills in exploitation of technologies required for medical equipment manufacturing as well as broader skills in commercialisation, managing across networks and supply chains and understanding of client procurement processes, for example NHS.
Care	Corporate managers in health and social care work, social workers and care assistants.	ICT literacy among care assistants to support care users in learning to manage assisted living technologies.
Retail	Professionals skilled in online retailing.	Management/professional skills in online retailing development through web design, front line administration, data analysis, logistics and distribution and seamless transition of customers between multiple channels; customer handling and team working skills in customer service roles; entrepreneurship, commercial acumen/awareness and leadership skills, understanding supply chains to meet customer expectations for information about ethical sourcing and fair trade among managers (Skillsmart Retail, 2009).
Tourism, hospitality, leisure	High demand for professional/ elementary workers in hospitality. Specific occupations: Higher skilled chefs, sports coaches, classical musicians/dancers, graphic designers, archaeologists, high demand for professionals/associate professionals in cultural/creative sector.	Customer service roles in hospitality/retail – basic communication, literacy/numeracy, team working, problem-solving, empathy to enhance customer experience (People 1st, 2009).
Creative	Associate professional and technical roles, skill shortages for some performers including classical dancers and musicians, archaeologists, graphic designers.	Skills in the use of digital media, ICT skills. advertising and visual arts, marketing skills (Creative and Cultural Skills, 2009).