

Needs Analysis in Devon and Cornwall 2002

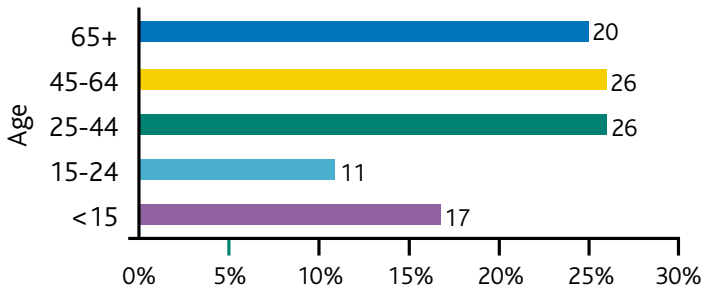
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Key Facts on Devon and Cornwall

Labour Force

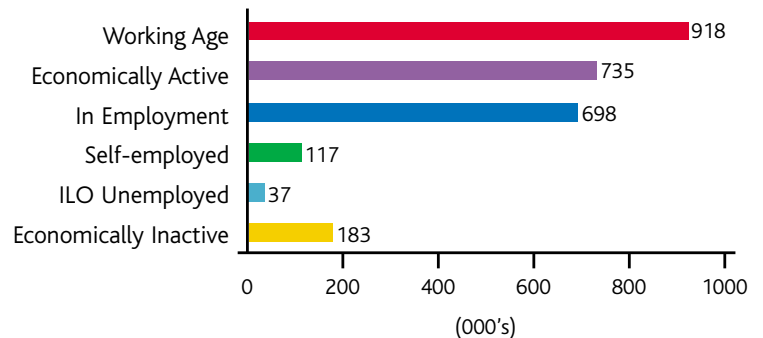
Population by Age Group



The latest population estimates suggests there are 1,586,655 people living in Devon and Cornwall; 48.6% men and 51.4% women. One forecast suggests that this will grow to 1,680,200 by 2009 with an increase in older age groups and a decline in the proportion of young people.

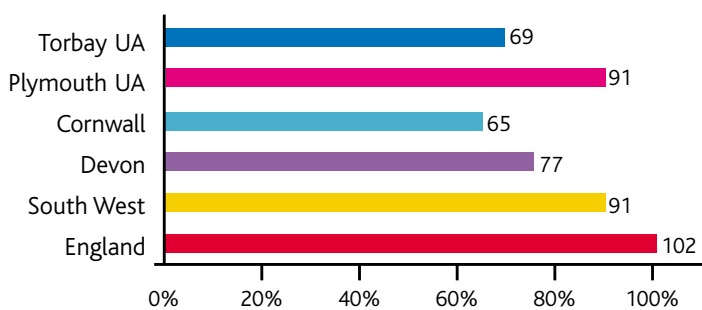
In Spring 2000, 918,000 people in Devon and Cornwall were of working age. Of these, 80% were economically active, of whom 54.3% were men and 45.7% were women. Whilst the male economic activity rate had remained relatively stable compared with the same time a year before - at around 83% - the female rate had increased from 71.6% to 76.4%.

Economic Participation



Economic Indicators

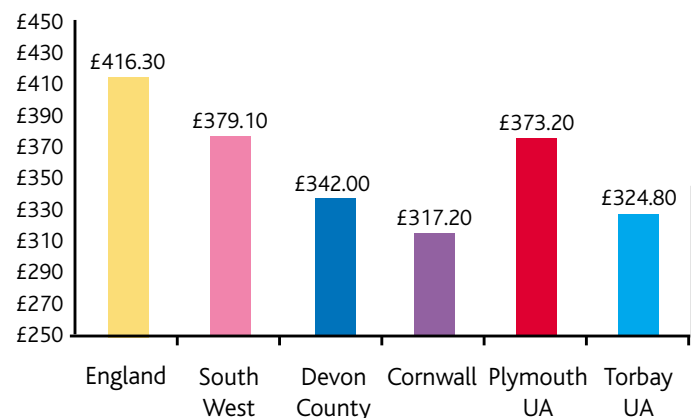
GDP Index (UK=100)



Devon and Cornwall's combined Gross Domestic Product (GDP) stood at £14.6bn in 1998 according to the latest official figures. Plymouth's GDP per head was at the same level as the South West's but Cornwall's and Torbay's levels remained at about two-thirds of the UK average.

Average weekly full-time earnings in Devon and Cornwall range from 76% to 90% of the England average. The lowest proportional earning levels are amongst men in Cornwall, 74% of the England average, whilst the highest are amongst women in Plymouth at 90%.

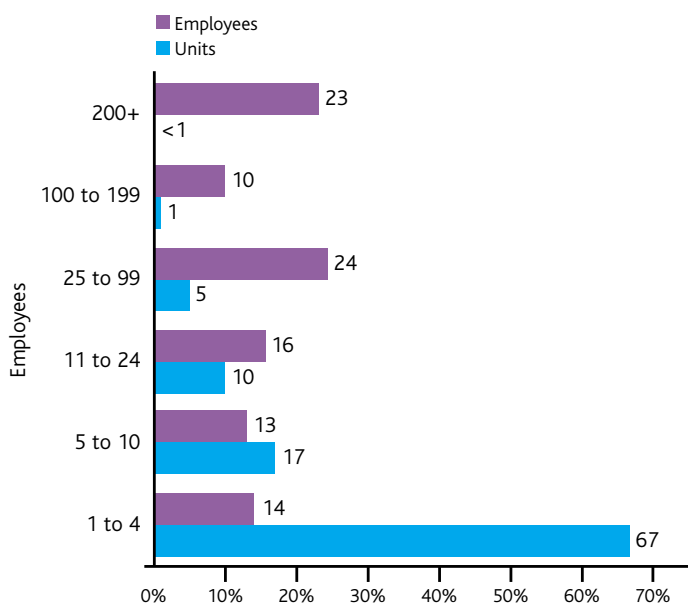
Average Gross Weekly Full-time Earnings, 2000



Key Facts on Devon and Cornwall

Workforce and Enterprise

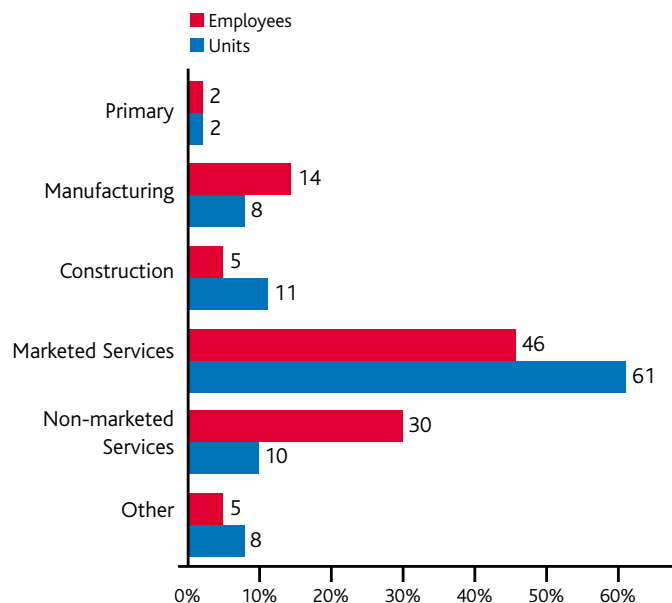
Employees and Business Units by Size



There are about 594,000 employees in Devon and Cornwall; 50% men and 50% women. Four out of five employees and employers are in the service sectors, and about 20% are in production sectors. About a third of all employees work either directly or indirectly for the public sector.

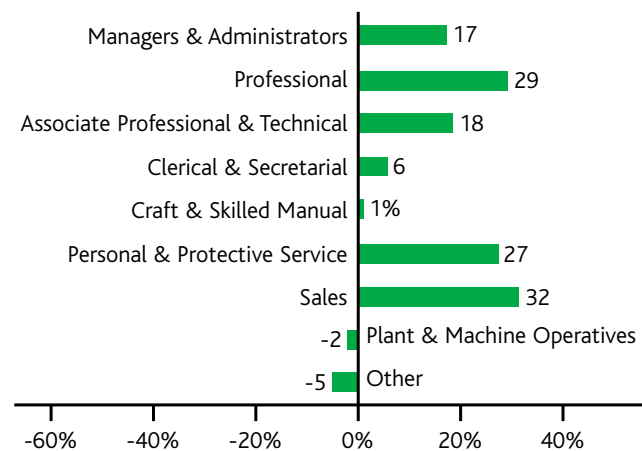
There are about 55,000 employers in Devon and Cornwall, the majority of which are micro-businesses (1 to 10 employees). However, over half of all employees are to be found in medium (25 to 199 employees) and large (200+ employees) organisations, which together account for 6% of all employers.

Employees and Business Units by Sector



Employment Growth

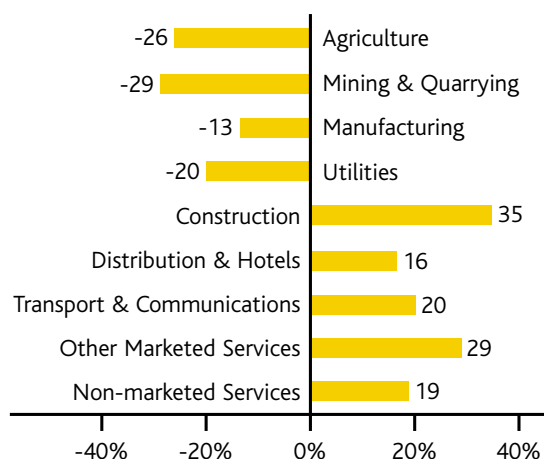
Occupational Employment Growth 1998 - 2009



The construction sector is expected to grow proportionally more than any other sector in the long-term but the highest growth in overall employment is expected within the service sectors. Whilst employment in the production sectors is expected to contract, there will still be a requirement for skilled people because of replacement demand.

Whilst long-term forecasts suggest growth amongst higher-level occupations, employers say they will have a growing need to fill jobs at the lower and elementary levels in the shorter-term. Traditional manual occupations are least likely to see long-term growth but service-based occupations are expected to rise considerably.

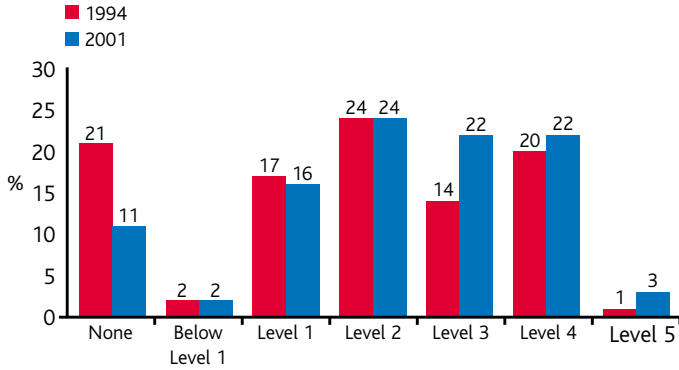
Sectoral Employment Growth 1998 - 2009



Key Facts on Devon and Cornwall

Skills Supply

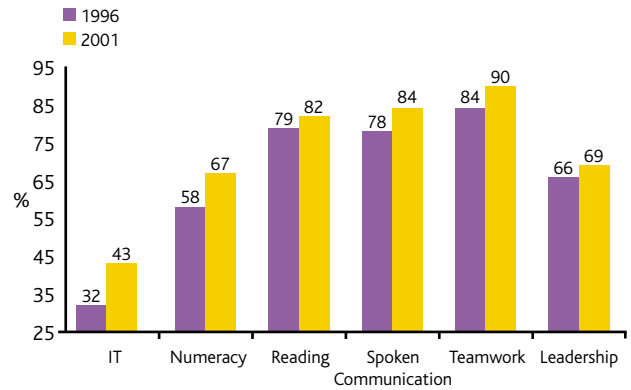
Workforce by Qualification Levels 1994 and 2001



The predominant key skill that employers say is lacking amongst the workforce is IT, and this is borne out by the relatively low proportion of individuals that rate themselves as having particularly good basic IT skills. Employers do not recognise basic literacy and numeracy problems in their workforces, although this may be due to a lack of ability to identify the problem.

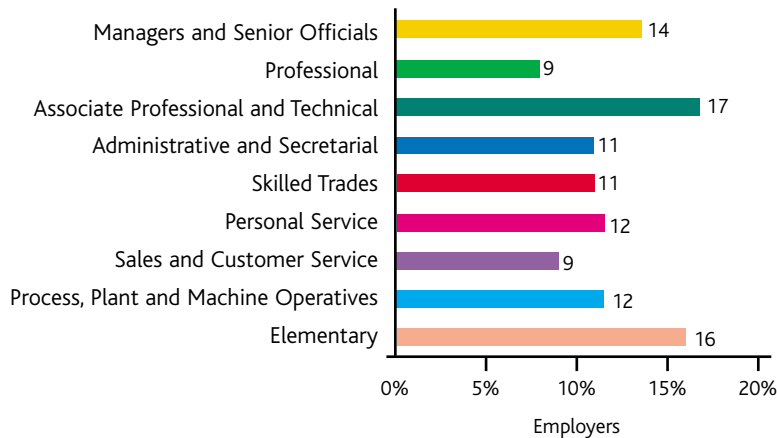
The proportion of economically active people in Devon and Cornwall with no qualifications has fallen since 1994, whilst there have been increases amongst those with higher-level qualifications.

Possession of 'Good' or 'High' Level of Ability in Key Skills 1996 and 2001



Skills Demand

Occupational Skills Gaps in Devon & Cornwall 2001



Sectoral skills gaps reflect particular occupational skills gaps in that there are often a few specific occupations within a sector where gaps are reported. For example, trained chefs in hotels and restaurants, senior technicians in manufacturing, skilled trades in construction, and care workers in social and personal services.

There have been skills gaps in personal services occupations, e.g. care workers, for some time now, and this is where the greatest proportion of skills gaps are reported today. There are also many occupations with specific skills gaps, such as electrical engineers and chefs. At the same time there continue to be skills gaps in elementary as well as management occupations.

Sector Skills Gaps in Devon & Cornwall 2001



Learning and Skills Council Devon and Cornwall

Mission: To raise participation and attainment through high quality education and training which puts learners first.

Vision: By 2010, young people and adults in England will have knowledge and productive skills matching the best in the world.

The Learning and Skills Council is a national organisation, charged with a challenging and exciting responsibility – the efficient planning and funding of all learning for people aged over 16 (except higher education).

The organisation brings together, for the first time, public funding for further education, work-based learning, adult and community learning and, from April 2002, school sixth forms. It is introducing fresh initiatives to create a climate which encourages the culture of lifelong learning throughout the community.

To achieve its mandate, the Council focuses its activities, plans and targets, on five key tasks set by the Government:

- To raise participation and achievement by young people
- To increase demand for learning by adults and equalise opportunities through better access to learning
- To raise skills for national competitiveness
- To raise the quality of education and training delivery
- To improve effectiveness and efficiency

The Learning and Skills Council Devon and Cornwall is one of 47 local arms of the national organisation. Its Council members, who give their time freely, are drawn from organisations representing the community across the two counties.

The Learning and Skills Council Devon and Cornwall has based its strategic plan 2002 – 2005, on the five key tasks, bolstered by significant themes that will underpin its work and maintain focus:

- *Placing learner needs at the centre of all activities* - ensuring that opportunities are available for individuals to engage in learning to develop fully their talents and potential.

- *Partnership and consultation* – finding new ways of working with partner organisations, employers, education and training providers, community and voluntary groups, and individuals, to place learners at the centre of the system, and produce real and positive reform in post-16 learning provision.
- *Equal opportunities* – identifying effective and innovative ways to remove barriers to learning associated with gender, race, age, and disability; overcoming disadvantages of living in a rural community; and tackling social exclusion.
- *Engaging employers* – involving local businesses in the complete process of reform: identifying the region's current and future skills needs, how they will be addressed, and developing people who are in employment to maximise their potential, to benefit both themselves and the employer.
- *Meeting local needs* – Devon, Cornwall and the Isles of Scilly, face particular challenges in terms of issues associated with peninsula and island life, such as transport and access. There is a need to diversify from traditional industries, and develop new industries, skills and attitudes to generate new types of businesses and employment opportunities, alongside existing industries such as agriculture, fishing and tourism.

The region's economic growth, and success in the workplace by individuals, are linked to the skills and abilities gained through learning. The value of on-going learning, and post-16 learning provision, is fundamental and far-reaching, bringing immeasurable benefits which improve the local economy, develop individual talents, and promote a high quality of life.

[Needs Analysis in Devon and Cornwall 2002](#) is published by LEARNING AND SKILLS COUNCIL DEVON AND CORNWALL. The information in this publication is seen to be correct at the time of going to press and the publishers cannot accept responsibility for errors or omissions.

Foreword

The Learning and Skills Council became operational in April 2001 with responsibility for funding and planning all post-16 learning (except higher education).

As the local arm of a national organisation, the Learning and Skills Council Devon and Cornwall co-ordinates further education, work-based learning, adult and community learning, and (from April 2002) school sixth forms in Devon, Cornwall and the Isles of Scilly. Our remit is to be responsive to the unique needs of this sub-region.

When planning the provision of education and training, an important first step must be to assess the needs of the people who will be directly affected; firstly, learners and would-be learners, and secondly, employers.

Hence this first needs analysis undertaken by the Learning and Skills Council Devon and Cornwall. It brings together primary and secondary research to examine the issues relating to learning as they affect young people, adults, and employers.

As well as looking at current participation and achievement, the analysis also considers factors that motivate people, their preferred methods of learning, reasons for dropping out, and the barriers to learning.

The needs of employers are set in the context of the local economy, and the publication examines some of the emerging trends that are likely to impact on the pattern of employment in the future.

Taken in its entirety, the information in this analysis provides a starting point for more detailed planning of future learning provision. It will help to shape our next strategic plan, and will play an important part in influencing future learning provision in the two counties.



Paul Lucken
Executive Director

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Introduction

In 1999 the Government outlined its vision for a nation:

- in which individuals will achieve their full potential and where companies will thrive;
- that can compete with the best, that is adaptable, and well equipped with skills to secure our economic future;
- that is confident, socially inclusive, with strong neighbourhoods and families; and
- where creativity and enterprise can flourish.

This vision was embedded in the White Paper “Learning to Succeed”, which set out reforms to modernise and simplify arrangements for the planning, funding, delivery and quality assurance of post-16 education and training. The White Paper led to the creation of the Learning and Skills Council, to develop strategies focusing on the needs of individuals, businesses and communities, working in partnership with other public and private sector organisations.

The main role of the Learning and Skills Council is to develop a culture of learning so that everyone has the opportunity to learn and to maximise their potential. This is important because learning not only benefits the economy, but also confers much wider benefits – personal, family, community, and for society at large. To ensure the full development of individuals, the Learning and Skills Council will, with its many partners:

- help to create an environment where people can learn and develop as individuals irrespective of their background;
- secure the provision of information and advice people need to make well informed choices;
- help break down barriers to learning, ensuring equality of opportunity for all;
- tackle the poor basic skills issues highlighted in the Moser report; and
- develop skills for a knowledge-driven society.

To achieve these goals, the Learning and Skills Council identified five key tasks which are set out in its Corporate Plan 2001 - 2004:

- To raise participation and achievement by young people.
- To increase demand for learning by adults and equalise opportunities through better access to learning.
- To raise skills for national competitiveness.
- To raise the quality of education and training delivery.
- To improve effectiveness and efficiency.

The key to achieving the five tasks will be an understanding of the needs of individuals and businesses – establishing their current and future learning and skills priorities, and matching those against current provision to determine where there are gaps or over-supply. This matching process will also help guide individuals to make informed choices and inform learning providers of learners’ demands.

The Learning and Skills Council prospectus, published in 2000, states that the local Learning and Skills Council will be responsible for:

“Identifying current and future skills priorities for individuals, businesses and communities by analysing local labour market and skills needs.”

This “Needs Analysis of Devon and Cornwall 2002” is the organisation’s response, and it sets out to identify the learning needs of individuals and employers in Devon and Cornwall and the Isles of Scilly. It is produced in a way that allows the skills issues relating to young people, adults and employers to be examined in detail, and the implications defined in an easy-to-follow format in the final section.

The first chapter, Raising Participation and Achievement of Young People, looks at the learning and training of 16 - 19 year olds in the two counties. The chapter examines the different learning options available to young people, and also looks at achievement and disengagement from the learning process. Local data is compared with national information and, where possible, comparisons are made by gender, ethnicity and disability. Although the chapter identifies problems with data availability on which to base informed decisions, nevertheless, it does highlight differences in participation and achievement patterns between males and females, young people of ethnic minority background and those with disabilities. It identifies factors, such as learning undertaken before the age of 16, and socio-economic influences affecting decisions relating to learning by young people aged over 16.

Although more young people are continuing in education or training, and more are achieving qualifications, the two counties still contain a sizeable proportion of young people who are either unemployed or who enter employment which does not offer any training. The chapter concludes by suggesting there might be tensions between the Government’s policies and local employers’ expectations. It also pinpoints cost and transport as key barriers to participation in education and training by young people, and suggests a number of factors that would encourage young people to engage in learning.

Introduction (cont'd)

Increasing Demand for Learning by Adults, the second chapter, examines the current stock of qualifications and skills of adults across Devon and Cornwall, and identifies inequalities in attainment across certain groups which need to be addressed. The chapter describes the availability of basic skills and generic skills essential to minimise social exclusion and maximise opportunities for employability. Nationally, the Moser report identified the substantial number of adults with literacy and numeracy problems – and that is mirrored across the two counties. Generic skills continue to be important for employability, although basic IT is still a problem for some adults. Looking at the current stock of qualifications locally, the chapter suggests that there is a large proportion of individuals whose qualifications are below Level 3. The chapter seeks to identify those individuals, factors that would encourage them to upskill, and differentiates the barriers to learning for this group.

The Learning and Skills Council aims to help ensure that there is equality of opportunity to learn for all individuals. There are a number of groups in the labour market that have been described as 'socially excluded' or 'disadvantaged'. Amongst them are people with disabilities, the homeless, refugees/asylum seekers, ex-offenders and people of ethnic minority background. This chapter also looks at these groups, describes their learning patterns, and their particular barriers to education and training.

The third chapter, Maximising the Contribution of Education and Training to Economic Performance, looks at the link between skills and economic activity and its relation to performance. First, the employer base is presented by sector, size and geographic spread. An analysis of workforce trends and forecasts reveals how continual changes to social and industrial structures impact upon the skills profile of the two counties. The economic profile of Devon and Cornwall is discussed in a global setting. Sector performance through Gross Domestic Product (GDP) is analysed to show areas of growth and decline, and an overview of the skills availability in relation to economic development is presented.

The skills required to sustain economic growth are considered, and the demand for skills along with skills gaps and shortages are analysed from the employers' perspective. The chapter ends by establishing a direct link between skills and economic performance. The overriding inference from this chapter is that employers' perceptions and awareness of skills issues give rise for concern, and a somewhat laissez-faire attitude to education and training by employers needs to be reconciled with the realities of business. Those involved in education and training provision need to think

carefully about how the aspirations of the learning agenda can be made more attractive to employers.

The final chapter, Conclusions, draws together some of the key emerging messages. The chapter's tabular format facilitates access to the issues, their implications for skills, and the implications for the Learning and Skills Council and its many partner organisations. It is hoped that the key issues will illuminate strategy and policy development for skills and learning in Devon and Cornwall.

Chapter 1

Raising participation and achievement
of young people

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One of the key tasks for the Learning and Skills Council set out in the Secretary of State’s remit letter of 9th November 2000 is:

- To raise participation and achievement by young people.

The implication is that young people should be encouraged to stay on in learning until the age of 19, and achieve at least a Level 2 qualification. The cost of not engaging in learning at this age is great, and the “Learning to Succeed” White Paper (1999) states that “those who stop learning at 16 will significantly affect their chances of making a success of their lives.” Moreover, it goes on to say that “dropouts are likely to experience offending, drug addiction and financial problems, making their return to education more problematic”, (of course, it may be argued that drop-out is not necessarily negative and may in some cases be seen as a re-appraisal phase).

Table 1: 16 -19 Year Olds by Learning Partnership

Age	Cornwall	Devon	Plymouth	Total
16	6,100	9,700	3,050	18,650
17	4,000	9,850	3,000	18,897
18	5,900	9,800	3,000	19,020
19	5,300	9,850	3,750	20,411
Total	21,300	39,200	12,800	76,978

Source: Cornwall and Isles of Scilly Health Authority; 2001; Devon County Council, 2001

The mid-year estimates from the Office for National Statistics should be more comprehensive, however, they are no more than estimates banded into age groups. Data is available only for the 15 -19 age group, not the 16 -19 age group.

Table 2: 15 -19 Year Olds Mid-Year Estimates, 1999

Cornwall	Devon	Plymouth	Total
29,181	48,212	17,302	94,695

Source: ONS

A third source is the annual Labour Force Survey, which is a regular survey and, is therefore, based on sample data. Moreover, due to sample size, sometimes data is not available for small geographical areas.

Table 3: 16-19 Year Olds in Devon and Cornwall by Learning Partnership, Trend Data

	1996	1997	1998	1999
Cornwall	22,000	25,000	23,000	22,000
Devon	35,000	33,000	35,000	33,000
Plymouth	11,000	14,000	16,000	17,000
Total	68,000	72,000	74,000	72,000

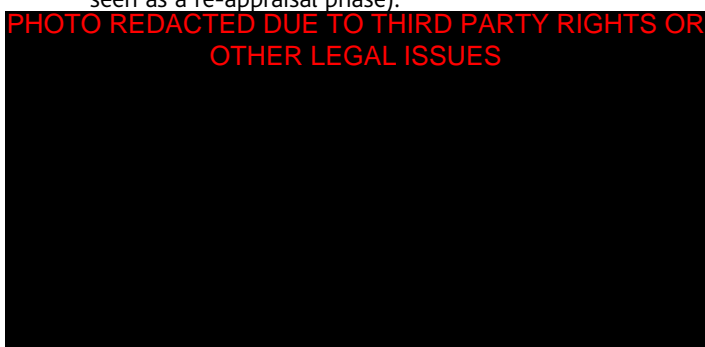
Source: Annual Labour Force Survey

Lastly, a mapping tool produced by Connexions for DfES (2001), combines annual school census data with 1999 mid-year Census updates for individual age bands. This estimate suggests there are approximately 77,000 young people aged 16-19 in the two counties distributed as follows:

Table 4: 16 -19 Year Olds by Local Education Authority

Age	Cornwall	Devon	Plymouth	Torbay	Total
16	5,923	8,158	3,141	1,428	18,650
17	5,935	8,214	3,329	1,419	18,896
18	5,841	8,241	3,442	1,496	19,020
19	6,383	8,540	4,221	1,267	20,411
Total	24,082	33,153	14,133	5,610	76,978

Source: Connexions, 2001



Young people (aged 16 -19) are the future labour force, and the extent to which they become skilled and effective contributors to the economy will ultimately affect the productivity and competitiveness of our nation. The investment that has been made by the Learning and Skills Council in 16 -18 year olds in Devon and Cornwall during 2001 - 2002 was in the region of £75m out of a total budget of £153m.

To ensure that provision of learning matches the needs of learners, we need to understand who the learners and non-learners post -16 are, how well they are achieving, and what are the perceived or real barriers to participation and achievement in education and training amongst the 16 -19 cohort.

Young People in Devon and Cornwall: how many?

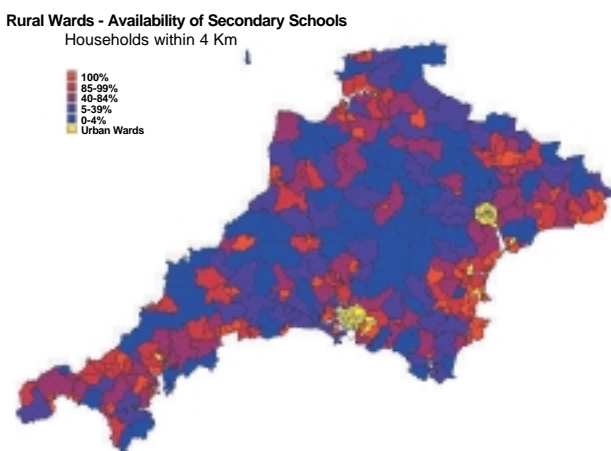
In the absence of timely data from the Census, the number of young people in Devon and Cornwall can be estimated from a number of data sets. None of these data sets will provide an exact figure, but they should give an idea of the approximate size of this cohort. Data from Health Authorities provides information on all 16 - 19 year olds who have/are registered with a family doctor but excludes all those who have not registered. It also includes those who may have moved away but not de-registered. Table 1 provides details on the population of young people, broken down by the three Learning Partnership areas.

It would appear that over the last four years the numbers of 16 - 19 year olds in the area have increased very marginally. In 1996, they formed 5.5% of all the 16+ population of the two counties, which stood at 5.9% by 1999. Recent projections provided by the Institute for Employment Research (LEFM, 2000) indicate a growth of 16 - 24 year olds for the period 1998 - 2009 of approximately 6,000, although this growth is much smaller than for the older age groups, suggesting an ageing profile for the population.

Existing data is very limited on identifying numbers of 16 - 19 year olds who are of ethnic minority background, those with learning difficulties or other disabilities. Furthermore, there is even less adequate information on 16 - 19 year olds in special groups in the labour market who might wish to access training or education, such as asylum seekers and refugees, travellers, ex-offenders and homeless. Equality of opportunity extends to all groups, and lack of information about these groups may hamper activity to ensure access to education or training.

It is also important to consider the geographical distribution of this population as this will affect access to learning or training. The recently published 'Indicators of Rural Disadvantage in the South West' (Countryside Agency, 2001), provides information on the distribution of households in relation to the availability of secondary schools. This data, available by wards, illustrates the proportion of households living within 4Km of a secondary school (as the crow flies) suggesting significant areas of deprivation. Most affected areas are those around the Dartmoor National Park.

Figure 1: Availability of Secondary Schools



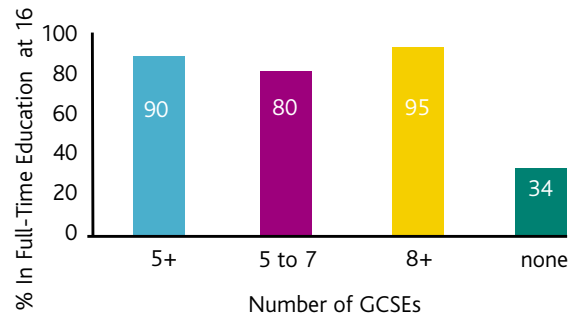
Source: Countryside Agency, 2001

Achievement of Young People at 15

One of the factors which affects post-16 participation in education and training is the level of qualifications attained at GCSE. As might be expected, young people with lower attainment are less likely to go on and

participate in learning, compared to those with medium or high attainment (see Figure 2).

Figure 2: Relationship Between Attainment at 15 and Full-Time Education



Source: DfES, 2001

Trend data suggests that over the last few years, the percentage of 15 year olds attaining 5 or more GCSEs at grades A* - C has increased across the two counties.

Table 5: Percentage of 15 Year Olds Gaining 5+ A* - C GCSEs

	Cornwall	Devon	Plymouth	Torbay	England
1997	48.8	44.0	-	-	-
1998	51.1	47.0	46.3	48.0	42.5
1999	51.6	48.4	47.8	47.4	45.7
2000	52.7	49.1	47.5	50.3	47.1
2001	53.3	51.3	50.3	51.7	50.0

Source: LEA and School Information Service DfES, 2001

Females continue to perform better at GCSEs; in fact, in some Local Education Authorities (LEAs) in the sub-region, there is a 10 percentage point difference between the achievements of females and those of males. This differential is mirrored in national statistics.

Table 6: Gender Differences - Percentage of 15 Year Olds Gaining 5+ GCSEs A*- C, 2001 (provisional)

	Cornwall	Devon	Plymouth	Torbay
Overall	53.3	51.3	50.3	51.7
Males	49.1	46.3	43.4	47.5
Females	58.1	57.6	55.8	59.1

Source: Cornwall, Devon, Plymouth, Torbay LEAs; DfES

Cornwall Local Education Authority has the highest percentage of 15 year olds with 5+ GCSEs at grades A* - C. Local performance is good, as young people in all four local education authority areas are achieving attainment levels above the England average.

There is little data available on ethnic minority groups at local level. Due to small group sizes, it is not possible to disaggregate information by specific group. Nationally, data shows that all ethnic minority groups saw increases in achievement of 5 or more GCSEs at grades A* - C with the exception of Bangladeshi young people. There is a wide gap between the highest and lowest achieving ethnic minority groups, ranging from 70% for other Asian young people, to 30% amongst Bangladeshi young people (SFRO2, 2001).

However, there is a group of young people achieving no passes at GCSE. The average for no passes in England stood at 5.6% in 2000. Torbay has the highest no passes rate of all four local education authorities: 5.4% followed by Plymouth at 4.5%. Devon's no passes stand at 4.3%, the lowest being those in Cornwall at 3.8%.

Table 7: GCSE No Passes by LEA, Trends (% of 15 Year Olds)

Year	Cornwall	Devon	Plymouth	Torbay	England
1997	4.0	-	-	-	7.7
1998	2.6	3.7	5.2	6.2	6.6
1999	3.4	4.0	4.3	5.5	6.0
2000	3.3	3.8	4.3	5.5	5.6
2001	3.8	4.3	4.5	5.4	5.5

Source: DFES

It is clear that the percentage of pupils with no passes has been decreasing over these last four years, in line with the increase in the percentage of pupils attaining 5+ GCSEs at grades A* - C – all contributing to the growth of qualifications and attainment of Level 2 amongst young people.

Truancy is one of the factors that contributes towards non-engagement in post-16 education. For instance, only a quarter of those who persistently truant or were excluded, stayed on in education at 16, with a further quarter being out of work. Whilst non-authorised absences do not necessarily equate to truancy, data from 2000 indicates that 1% of young people in England have missed school without authorisation.

Secondary schools in the two counties have higher levels of authorised absences compared to England, but levels are similar to or below England for non-authorised absences.

Table 8: Absences (Half Days) by LEA, 2000, (%)

Absence	Cornwall	Devon	Plymouth	Torbay	England
Authorised	8.0	7.7	7.7	7.9	7.4
Non-Authorised	0.4	1.0	0.6	1.0	1.0
Total	8.4	8.7	8.3	8.9	8.4

Source: DFES

Participation in Education and Training: 16-18 Year Olds

Following completion of compulsory education, young people are faced with a number of options – whether to stay on in education (school or further education college), go into Government Supported Training (GST), or get a job with or without training. There is a proportion that does not engage in any of the options for a variety of reasons which will be covered further on in the document.

It is worth pointing out that statistics relating to participation depend on the point during a year when they are collected for example, participation is much higher at the beginning of an academic year than towards the end of the year. This creates difficulties in comparing participation data across sources.

In order to increase attainment and skills levels, an increase in the level of participation in training and education is required. However, it must be recognised that increased participation does not necessarily result in increased qualifications, as a considerable proportion of learning is not accredited. It has been suggested (PRI, 2001) that *“increased participation may make only a limited contribution to the acquisition of qualifications even if they increase skill levels more generally”*. We begin by examining national trends in participation in education and training for young people aged 16 -18, and comparing it with the local take-up.

Table 9: Participation in Full-Time Education and Training for 16, 17 and 18 Year Olds; National vs. Local Rates (%)

Age	1997 - 1998		1998 /1999		2000	
	England	Devon & Cornwall	England	Devon & Cornwall	England	Devon & Cornwall
16	84	86	83 (86)	85	(87.2)	-
17	74	74	74 (79.2)	77	(80.0)	-
18	-	-	- (60.0)	-	(60.2)	-

Source: First Release, June 2001; DFES December 2000 – figures in brackets

Age is closely related to level of participation. As Table 9 shows, participation between 16 and 18 year olds differs by 27 percentage points. The table above suggests that participation trends for education and training at national level have increased marginally over the last three years. However, this increase is largest for 16 year olds and smallest for 18 year olds. Although these findings are encouraging in that more people are staying on, UK rates of participation are still lower and decline more sharply between 16 and 18 than in many other European countries.

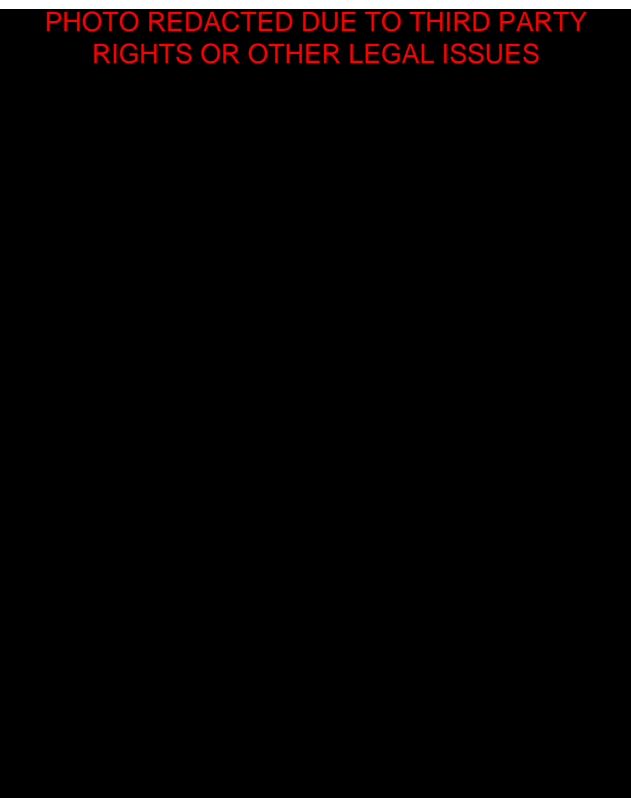
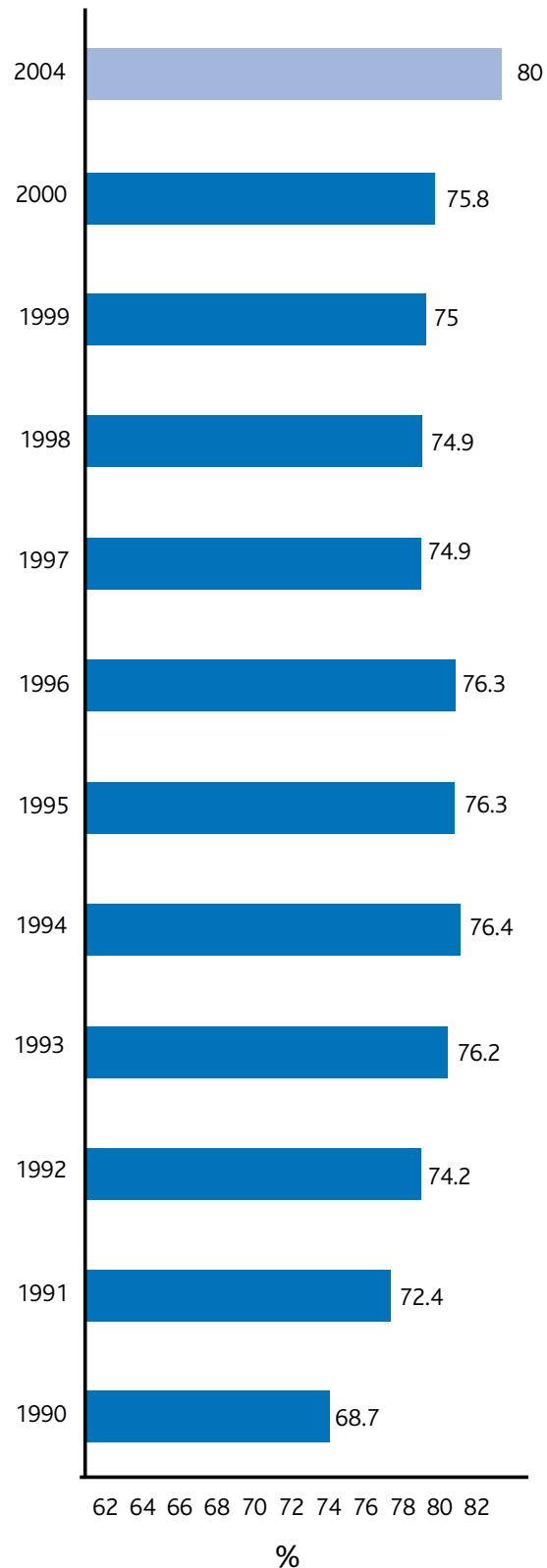
Although authoritative statistics for Devon and Cornwall for 2000 are not available, data for 1998 and 1999 suggests that local participation rates are higher than national participation rates for 16 and 17 year olds.

Nationally produced figures indicate gender differences in participation; for example, in 1998 -1999 female participation was between 3 and 5 percentage points higher than that for males.

Figures for participation in education only also suggest higher rates for females at 16, 17 and 18. Participation was higher for 16 and 17 year old females by about 7 percentage points. At 18, the difference was lower, by 3 percentage points.

One of the Learning and Skills Council targets for 2004 is that 80% of 16 -18 year olds should be in structured learning or training. The national estimated position for 2000 is 75.8%. Ten years ago, this stood at 68.7% - a 7.1 percentage point difference over this period.

Figure 3: Participation in Education and Training, 16 to 18 Year Olds, 1990-2000 (%) England



Source: DFES, June 2001

Over the period, participation rates have increased in full-time education and other education and training, but decreased for Government Supported Training (GST) and Employer Funded Training (EFT).

Table 10: Participation in Education and Training, 16 to 18 Year Olds, 1990 and 2000 by Destination (%) England

	1990	2000
Full-time education	41.2	55.8
GST	14.1	9.2
EFT	9.9	5.3
'Other' education and training	4.4	6.0
Not in any education or training	31.3	24.2

Source: DfES, June 2001

The reduction of young people who are not in any education or training is particularly encouraging. However, this figure will need to be reduced further to ensure attainment of the 16 -18 participation target for the Learning and Skills Council. By 21, young people who do not participate, are more likely to be unqualified and untrained, unemployed, earn less if employed, be a parent, experience depression and poor health. Males are also more likely to have a criminal record, females to live in rented accommodation and be involved in home care (SIU, 1999).

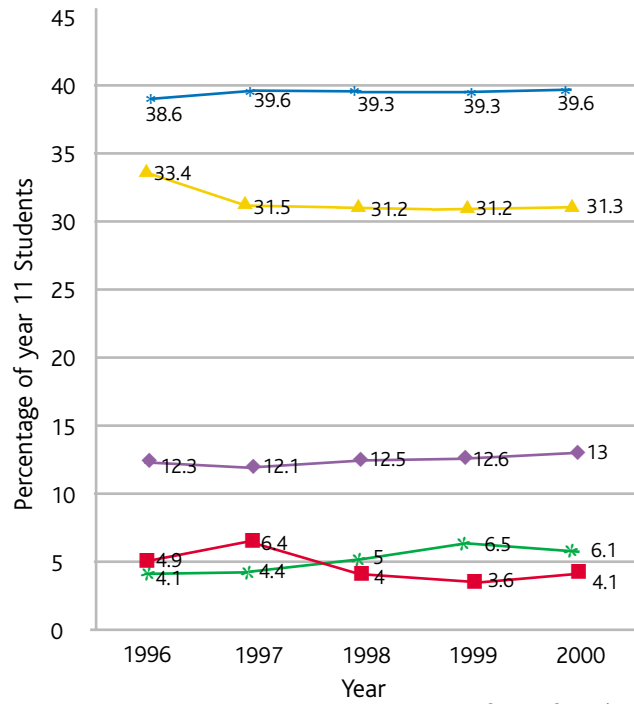
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Post-16 Destinations in Devon and Cornwall

National estimates for Year 11 leavers in 2000, suggest that 87.2% entered full-time education or training. Locally, the figure is marginally higher, and stands at 88%. This participation rate has fluctuated in the two counties. After the high of 1993 - 95 came the dip of 1996, which in its turn was succeeded by an upturn.

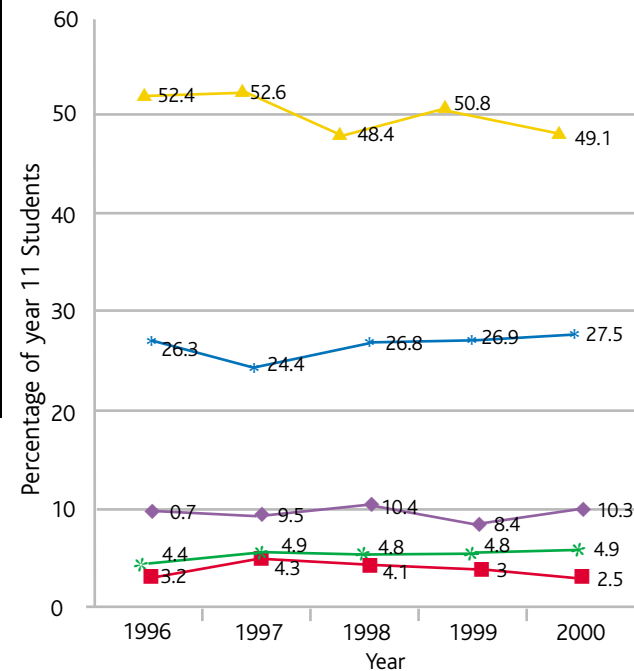
Currently, the participation rate is higher in Cornwall – by two percentage points. Cornwall has traditionally had higher overall participation rates than Devon. However, the proportions entering training post-16 have been larger in Devon whereas those entering education have been higher in Cornwall. (See Figures 4, 5 and 6).

Figure 4: Year 11 Destinations: Devon



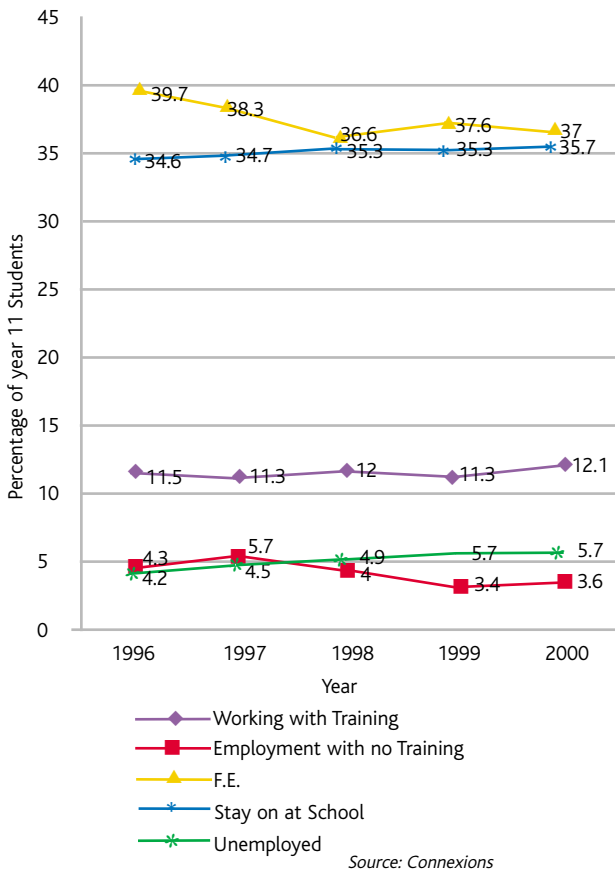
Source: Connexions

Figure 5: Year 11 Destinations: Cornwall



Source: Connexions

Figure 6: Year 11 Destinations: Devon and Cornwall



People with special needs (1,803 in the 2000 year 11 cohort) have a significantly different destination pattern:

- More than two in five (42.6%) undertake preparation training.
- Over one fourth (27.9%) become unemployed.
- Over one third (36.4%) are unavailable.
- Only 12% stay on at school or go on to FE.
- A higher proportion (than average) enter GST (13.7%).

Young People not in Education, Employment or Training

The charts illustrate that there is a significant proportion of young people who do not enter structured learning post-16. In Cornwall, 7.4% of young people were in employment without training or unemployed, the percentage was much higher in Devon, at 10.2%. This accounts for about 1,750 young people.

Nationally, there are no differences between males and females in the proportions not in education, training or employment, the likelihood of this state increasing with decreasing Year 11 achievements.

Reasons for non-participation in structured learning are many and inter-related, and appear to form a chain of events leading to disaffection and non-participation post-16. Amongst them are (Merton, 1998):

- Adverse family circumstances.
- Traumatic events.
- Psychological/behavioural difficulties.
- Disaffection with school.
- Learning difficulties/disability.
- Truancy.
- Health problems.
- Bullying.
- Being in care.
- Drug abuse.
- Crime.
- Homelessness.
- Immaturity.
- Lack of support.
- Lack of money.

There are obvious differences in participation between males and females, as follows:

- Overall, females have higher participation rates (90.6% compared to 86.3% for males).
- Females are more likely to stay on at school and FE compared to males (77.4% against 68.2%).
- Males are more likely to be employed with training (9.0% against 3.8% for females).
- Males are more likely to be in employment without training (4.7% against 2.5% for females).
- Males are more likely to be unemployed (6.4% against 5% for females).

Young people of ethnic minority background (146 in the 2000 Year 11 cohort) have very similar participation rates (88.8%) to those of the overall group. However, their destination pattern is slightly different:

- A higher proportion stay on in school or FE (83.9% compared to 74.7%).
- A smaller proportion are involved in GST (1.4% compared to 4.5%).
- Fewer are employed with training (2.7% against 6.5%).
- Marginally more are unemployed (6.2%).

Other factors that have closely correlated with non-engagement are (Payne, 2000):

- Residence in a region of high unemployment.
- Attendance at a comprehensive rather than a grammar or independent school.
- Having parents in low skill occupations, or not in full-time work and not owner occupiers.
- Living in one parent families, or very large families.

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Implications

- It is clear from the above that there are difficulties in estimating the precise number of young people in the 16-19 age bracket. Also, as alluded to earlier, some of the estimates are not available for the individual age groups. In order that action can be targeted appropriately and effectively, there is a need to identify how many young people there are locally and their characteristics. The lack of a good source of reliable data would suggest that some young people are not included in the statistics, compounding their marginalised position. The lack of clear baselines also means that it is difficult to estimate progress with national learning targets for young people at local level.
- It is important that the number of young people with no qualifications is reduced as far as possible because it is well established that those without qualifications are more likely to become unemployed and suffer disadvantage. Lack of qualifications leads to decreased self-esteem and confidence, and therefore hampers any further re-engagement in training or education.
- Factors leading to non-participation post-16 start operating well before a young person completes compulsory education. Therefore, action to increase participation at 16 needs to be taken well before this age. Moreover, a young person does not necessarily turn away from learning for life. Post -16, every effort must be made to engage those who have chosen, for a variety of reasons, not to participate immediately after leaving compulsory education.

Young People in Education or Training

According to national research (IFF, 1998), young people entering employment without training do so because of a dislike of school (for example, dislike of a teacher or the school environment), poor performance or simply a desire to earn money. However, the study observes that these young people have not altogether rejected education or training, and indeed, many recognise its value and impact on obtaining rewarding employment.

Engagement in learning is central to the Learning and Skills Council, as it is to the Government. Drop-out or non-engagement/disengagement is considered an indication of failure, eventually leading to social exclusion. However, a number of studies have suggested that drop-out is not necessarily an indication of failure on the part of the student and that it may be viewed as the outcome of juggling priorities and changing opportunities - indeed, a period of re-assessment.

Approximately 88% of 16 year olds participate in learning or training post-16, about 14,400 in Devon and Cornwall. However, local data suggests that the proportions tend to decrease with increasing age. By age 17, fewer are found in school, FE, or in GST, whereas there is an increase in employment with training or without training. This pattern becomes even more pronounced by the age of 18, although there is a significant increase in the proportions that enter Higher Education (HE).¹

National data also suggests that females are more likely to stay on in education at 16, and males are more likely to be in GST or a full-time job.

¹ Data for 1998 leavers has a large proportion of 'unknowns'. It is possible that many of these have entered HE. Caution needs to be taken when interpreting the data.

Table 11: Post-16 Activity, Devon and Cornwall (%)

	2000 Leavers (16)	1999 Leavers (17)	1998 Leavers (18)
Staying at School	35.1	27.0	17.3
FE	34.3	32.1	5.9
HE	0.0	0.2	7.8
Employed with Training	8.7	10.6	10.4
Preparation Training	1.3	1.0	0.4
Government Supported Training	6.5	5.2	6.1
Employment Without Training	4.6	6.5	8.2
Unemployed	6.8	5.2	2.4
Not Known	1.4	7.4	40.5

Source: Connexions, July 2001

Young People Staying on at School

Across Devon and Cornwall, there are 57 schools with sixth forms - 15 in Cornwall, 20 in Devon, 16 in Plymouth and 6 in Torbay.

The proportions of young people staying on at school post-16 have been gradually increasing in both counties over the past four years. There is a significant difference between Cornwall and Devon in that in the former far fewer young people have stayed on at school. This pattern has been determined, in the main, by the scarcer provision of sixth forms in the county.

It is estimated that about 6,700 young people stayed in school post-16 in 2000. Those who stay on are more likely to be female and/or have good GCSE results.

Young people staying on at school post-16 are more likely to study for academic qualifications. Results obtained by young people in the two counties suggest a further improvement over the last three years on the average point score per student entered for 2+ A/AS Levels. Torbay was the best performing authority, and Cornwall, which had best GCSE results, performed least well at A/AS level.

Table 12: Average Point Score per 16-18 Year Old Entered for 2+ A/AS Level²

	Cornwall	Devon	Plymouth	Torbay	England
1997	16.1	-	-	-	17.1
1998	17.8	16.3	18.0	18.2	-
1999	18.9	17.3	18.8	19.7	17.9
2000	17.8	17.9	18.8	20.0	18.2

Source: LEA and School Information Service DfES

Some young people who embark on A/AS level courses choose not to complete them. Locally, some of the reasons suggested for non-completion at sixth form schools are (Hartley, 1998):

Unhappy with course	38%
Unsatisfactory progress on course	20%
Found employment/training	14%
Other reasons	12%
Personal reasons	7%
Financial reasons	3%

A study that looked at reasons for leaving the A Level programme in FE suggested there was a mismatch between the learning style adopted by the tutor and the preferred learning style of the young person. Other reasons for non-completion were that those who left did not have the minimum entry requirements, made inappropriate choices, or had transport difficulties.

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Young People in Government Supported Training

Government Supported Training (GST) offers young people the opportunity to acquire skills and qualifications through a work-based environment rather than the traditional classroom-based method.

In Devon and Cornwall, approximately 4.5% of 16 year olds went into a Government funded work-based training programme following the period of post-compulsory education in 2000.

National data suggests that the numbers of young people starting on GST overall have gone up during the last two years, although there are differences between programmes. Whilst starts for Advanced Modern Apprenticeships (AMAs) have remained static, Foundation Modern Apprenticeships (FMAs) have increased and there has been a decrease in Other

² Note: These results combine A/AS taken at school and FE.

Training (OT). National trends are, in part, mirrored locally. Although the overall number of starts fell marginally by 2%, the fall has been noted in the OT programme area. There have been increases on the AMA programme (by 2.5%) and on the FMA programme (by 14.8%).

Table 13: Starts 1999 - 2000 and 2000 - 2001: Local Trends

Programme	1999 - 2000	2000 - 2001
AMA	2,031	2,081
FMA	3,065	3,519
OT	1,908	550
Life Skills (LS)	75	763
Total	7,079	6,931

Source: Devon & Cornwall Learning and Skills Council

Fewer females than males embark on AMAs, whereas there is a far higher proportion on FMAs. OT is male dominated. Figures on starts suggest an even greater gender differentiation for programmes run in Devon and Cornwall.

Table 14: Starts 2000 - 2001 by Programme Area: Females (%)

Programme	England	South West	Devon & Cornwall
AMA	49	44	42.9
FMA	54	53	57.1
OT	41	38	29.1
Total	49	47	48.3

Source: DFES First Release, September 2001, Devon & Cornwall Learning and Skills Council

In terms of equality of opportunity, national and local data suggests an under-representation of people with disabilities and those from ethnic minority backgrounds

Table 15: Starts 2000 - 2001 by Programme Area: People with Disabilities (as % of All Starts)

Programme	England	South West	Devon & Cornwall
AMA	2	1	0.8
FMA	7	2	1.2
OT	6	4	2.8
Total	3	2	0.2

Source: DFES First Release, September 2001, Devon & Cornwall Learning and Skills Council

Table 16: Starts 2000 - 2001 by Programme Area: People from Ethnic Minority Background (as % of All Starts)

Programme	England	South West	Devon & Cornwall
AMA	5	1	0.1
FMA	7	3	0.1
OT	12	4	0.4
Total	7	2	0.2

Source: DFES First Release, September 2001, Devon & Cornwall Learning and Skills Council

Although the proportions of young people of ethnic minority background for Devon and Cornwall are expected to be lower than national figures, the representation of participants does not appear to mirror the proportion of ethnic minority people in the overall (local) population.

Of course, it is important that those who start on the Government Supported Training (GST) programmes also complete them and maximise achievement of qualifications.

Nationally, there are positive indications that over the years the percentage of young people gaining a full qualification has been increasing. There are differences by programme area, gender, ethnicity and disability. Thus, males on AMAs are more likely than females to gain a full qualification. Ethnic minorities and people with disabilities are less likely to gain a full qualification compared to the overall group.

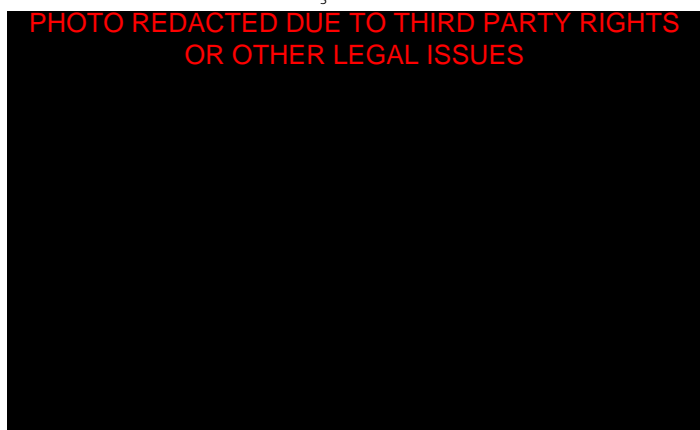
Females on the other hand are more likely than males to gain a full qualification on FMAs. People of ethnic minority background and those with disability are less likely to attain a full qualification.

Locally, there has been an increase in the number of full qualifications gained by those on AMAs and FMAs, with a decline in the OT programme area.

Table 17: Full-Time Qualifications Gained by Programme Area 1999/2000 – 2000/2001

	AMA	FMA	OT
2000/2001	1,928	1,281	200
1999/2000	1,733	629	230

Source: Devon & Cornwall Learning and Skills Council



³ Disability and ethnicity are self-certified. The data in the tables may under-represent the true picture as young people may choose not to describe themselves as having a disability or of being of minority ethnic origin.

Not only is it important that young people achieve a qualification and gain skills following the completion of the programme, it is what young people do after completing their course that is of equal importance. National data suggests that:

- The highest proportions of young people enter a job (84%) or have some other positive outcome (7%) following completion of an AMA. A small proportion in this group become unemployed (5%).
- OT trainees have the highest proportion of young people going into unemployment (18%). Sixty-two percent go into employment and 14% have other positive outcomes.
- For FMAs, 68% enter a job, a further 20% have other positive outcomes, and 11% become unemployed.

It is clear then that for those who complete, AMAs offer the best chance of employment or other positive outcomes and the lowest chance of becoming unemployed.

In Devon and Cornwall, of those completing their AMAs in 2000/2001, 86% stayed on with the same employer and a further 5% gained employment with another

employer. Less than 1% found themselves unemployed. For those completing FMAs, 61% stayed on with the same employer and a further 9% gained employment with another employer. Just over 2% were unemployed post-completion of their programme.

For those on OT, employment with their current employer drops to 51%, and another 9% find work at other establishments. This group has the highest levels of unemployment – 9%.

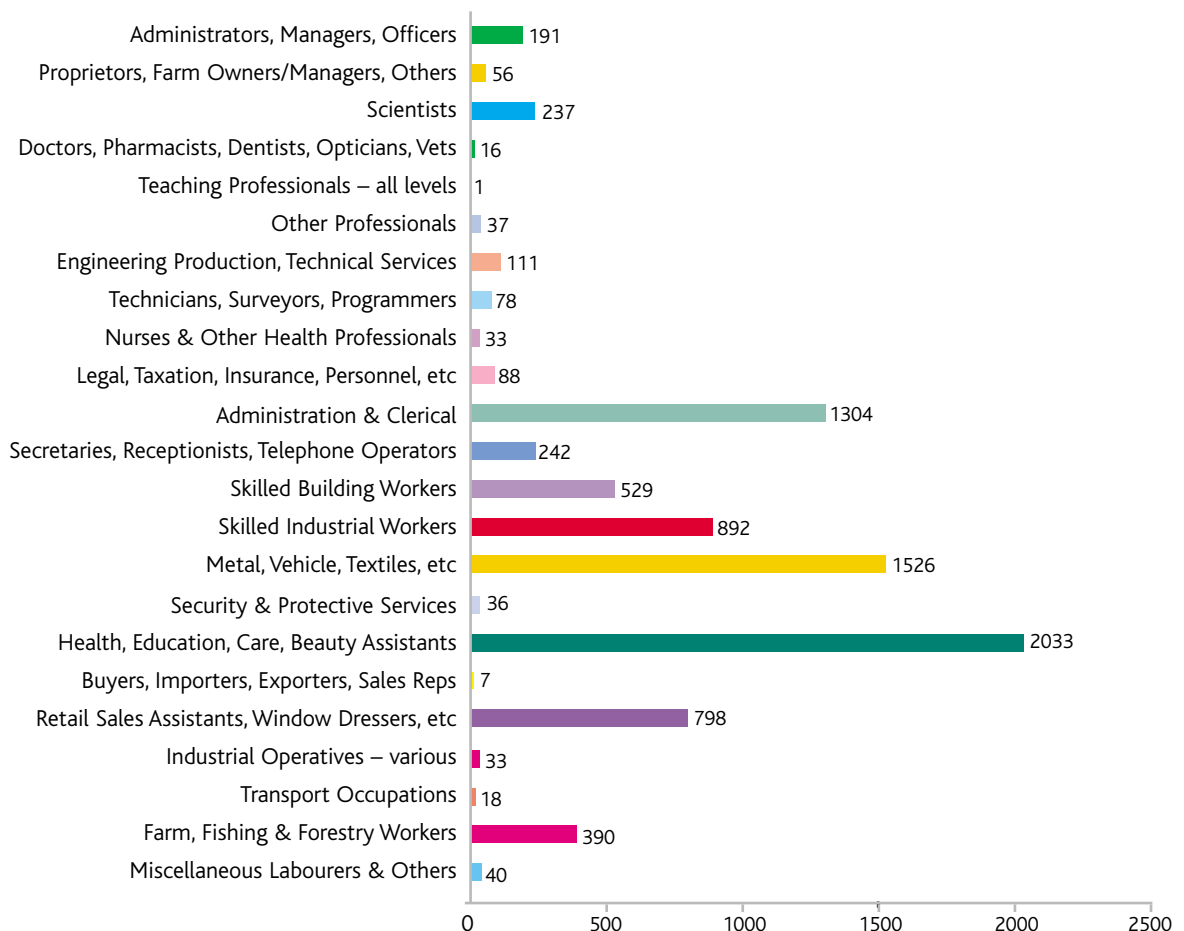
Subject Areas in Government Supported Training Programmes

The subject areas with the highest numbers of trainees are:

- Health, education, care, beauty assistants (with a strong preponderance of females).
- Metal, vehicles, textiles (with a strong preponderance of males).

As the figure below illustrates, the numbers of trainees in engineering programmes and nursing are relatively low in light of the shortage of skills experienced by employers.

Figure 7: Numbers in Government Supported Learning by Programme Area, End March 2001



Source: Devon & Cornwall Learning and Skills Council

It is also interesting to note the substantial numbers entering health, education, care, and beauty assistant courses, yet the labour market is still experiencing shortages in the care sector.

Comparisons of numbers of young people by programme area between 2000 and 2001 do not suggest any clear patterns. Some of the percentage increases may be misleading since, with small base numbers, small shifts lead to disproportionately large changes.

However, there is some indication of increases in the numbers participating in higher skilled occupations. There are also worrying trends, such as the decrease in skilled building workers, health, education, care and beauty assistants, retail sales assistants, nurses and engineering – all areas with reported skills shortages or skills gaps.

Table 18: Percentage Change in Programme Areas, 2000 and 2001

Occupations	Percentage Change
Administrators, Managers, Officers	3.2
Proprietors, Farm Owners/Managers, Others	12.5
Scientists	69.3
Doctors, Pharmacists, Dentists, Opticians, Vets	-5.6
Teaching Professionals – all levels	0.0
Other Professionals	27.6
Engineering Production, Technical Services	-0.9
Technicians, Surveyors, Programmers	-35.0
Nurses & Other Health Professionals	-2.9
Legal, Taxation, Insurance, Personnel, etc	-3.3
Administration & Clerical	-4.7
Secretaries, Receptionists, Telephone Operators	-15.7
Skilled Building Workers	-13.1
Skilled Industrial Workers	4.9
Metal, Vehicle, Textiles, etc	-8.6
Security & Protective Services	140.0
Health, Education, Care, Beauty Assistants	-6.2
Buyers, Importers, Exporters, Sales Reps	-70.8
Retail Sales Assistants, Window Dressers, etc	-16.8
Industrial Operatives – various	-3.7
Transport Occupations	20.0
Farm, Fishing & Forestry Workers	-16.6
Miscellaneous Labourers & Others	66.7

Source: Devon & Cornwall Learning and Skills Council

Early Leaving in Government Supported Training

Early leaving from Government Supported Training the varies by programme. Data for Devon and Cornwall indicates that there are higher proportions of early leavers (non-completers) amongst trainees on Other Training and Foundation Modern Apprenticeships, (34% and 32% respectively). Trainees on Advanced Modern Apprenticeships had fewest non-completers (26%).

What are the reasons for non-completion? A recent study into dropout from NVQs suggests three main reasons (Thornhill, 2001):

- Changing employer or occupation for one with better prospects.
- Insufficient employer involvement and support.
- Inadequate quality, consistency and frequency of trainer and assessor support.

The satisfaction survey of Government Supported Training carried out in 2000 (Prism Research) suggested the reasons for early leaving were:

- Not enjoying the course.
- Issues concerning the training provider (lack of contact, unhelpfulness, insufficiency of training), dissatisfaction with employment (having to do menial jobs; poor contact with colleagues), and too much paperwork.
- Not suited to the course (insufficient back up, not working in an area the young person wanted or training not relevant to course).
- Getting another job (with better prospects or an improved wage).
- Made redundant/business went bankrupt.
- Sacked from the job/young person decided job was unsuitable.
- Personal problems.

Data from young people not completing Government Supported Training in Devon and Cornwall display patterns comparable with national data. A study into early leavers on Modern Apprenticeship programmes (Business and Market Research, 1997), indicated that young people were unhappy because the pace of learning was inappropriate, employers lacked understanding of training, or insufficient explanation about the course was given at the outset, creating false expectations.

Dissatisfied trainees, who had not left the programme, also cited most of the reasons for early leaving listed above as causes of their own frustration. More specifically, dissatisfaction was expressed at these levels:

- Lack of appropriate information before the programme.
- Inadequate involvement in framing their own training.
- Poor trainer involvement (eg little support, not understanding concerns, not approachable).
- Poor employer involvement (little review, little time spent with trainee).

In summary, the reasons associated with early leaving from GST can be described under one of the following headings:

- Level of qualifications on pre-entry.
- Guidance/information pre-entry.
- Quality of training.
- Support of employer.
- Support of training provider.
- Personal issues.
- Pay and work conditions.

Young People in Further Education

According to the Individual Student Record (ISR) database, which records all students in the further education (FE) sector, during the 1999-2000 academic year, 27,459 16-19 year olds enrolled in the 11 colleges of Devon and Cornwall⁴. Of this group, 446 were of ethnic minority background, which represents 1.62% of the cohort. There were 1,595 individuals with learning disabilities or difficulties, representing 5.8% of the group. People with disabilities appear to be under-represented in the sector.

Data suggests that 7.8% of the group come from deprived areas. There was a very small presence of special groups in the labour market: two students who were ex-offenders, two travellers, three refugees and asylum seekers and five students with mental illness.

Table 19: 16 -19 Year Olds in Further Education in Devon and Cornwall

	16 year olds	17 year olds	18 year olds	19 year olds	Ethnic Minorities	People with Disabilities
Females	4,696	4,193	2,610	1,854	212	678
Males	4,693	4,305	3,012	2,096	234	917
Total	9,389	8,498	5,622	3,950	446	1,595

Source: ISR 19

Young people in the sector were studying towards 84,981 qualifications, on average 3.1 qualifications per student. Males tended to study for fewer qualifications compared to females. On average, males were studying towards 2.9 qualifications whereas females were studying towards 3.3 qualifications.

Ethnic minority students were studying towards 3.3 qualifications on average, whereas those with a learning disability, 3.4 qualifications.

Half of the young people (50.3%) were aiming for Level 3 qualifications, just below a third (31.7%) aiming for Level 2, and 12.6% for Level 1. A higher proportion of females were studying towards Level 3 compared to males, where higher proportions were studying to

Levels 1 and 2. People with disabilities had the highest proportions studying towards Level 1 (21%). This group, and people of ethnic minority background, had a high proportion studying to other levels. (See Table 20 below.)

Table 20: Highest Level Studied Towards (%)

	Totals	Females	Males	Ethnic Minorities	People with Disabilities
Level 1	12.6	12.2	13.0	11.4	21.0
Level 2	31.7	29.5	33.7	32.1	32.4
Level 3	50.3	53.1	47.7	44.6	36.1
Other	4.3	4.2	4.5	9.2	9.8

Source: ISR 19

A closer look at the qualifications that young people were engaged in FE indicates a greater preponderance of vocational qualifications over academic ones. As Table 21 below shows, compared with males, females were more likely to undertake academic qualifications.

Table 21: Qualifications Studied Towards by 16 -19 Year Olds in FE (%)

	Total	Females	Males	Ethnic Minorities
A/AS	19.5	22.5	16.7	25.0
GCSE	2.3	2.8	1.8	7.0
GNVQ Precursor	14.3	12.5	16.9	3.6
GNVQ	12.6	12.8	12.4	4.8
NVQ	19.0	14.9	22.9	3.5
Other	31.4	33.7	29.3	48.3

Source: ISR 19

Young people of ethnic minority background have a very different pattern of qualifications compared to the overall cohort. Almost a third (32%) of young people were working towards academic qualifications and just under half (48.3%) aiming for other qualifications.

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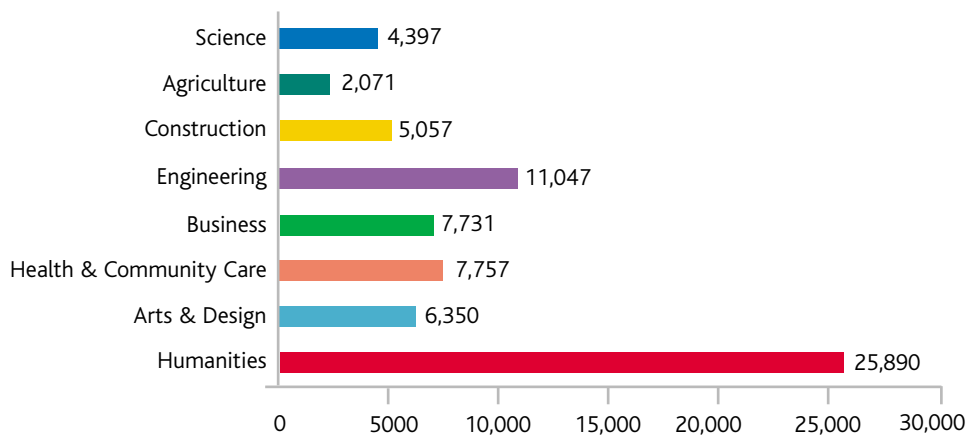
⁴ Due to amalgamations in September 2001, there are now 10 Colleges of FE.

Subject Areas Studied for in Further Education

Humanities, sciences and business studies were the most popular programme areas. Least popular were qualifications in construction and agriculture. There were substantial differences in programme areas between males and females. For instance, females studied towards only 71 construction qualifications compared with 2,000 being undertaken by males. A similar picture emerges for engineering where females were undertaking 477 qualifications while males were working towards 4,580. In contrast, much larger proportions of females were working towards qualifications in health/community studies and business.



Figure 8: Qualifications Aims of 16 -19 Year Olds in FE by Programme Area



Source: ISR 19

As noted for GST, it is necessary to question whether this pattern of qualifications undertaken in FE fits the current and future requirements of the labour market. Some of the current skills gaps and shortages have already been mentioned, but looking towards the future, the Institute for Employment Research (IER) forecasts for Devon and Cornwall suggest substantial net requirements⁵ amongst the following occupations between 1998 and 2009: personal service occupations, sales occupations, managers in agriculture and services, other elementary occupations, clerical occupations and other skilled trades.

Early Leaving in Further Education

If we are to succeed in increasing the number of young people in structured learning, another aspect that needs to be considered are the reasons for disengagement from FE.

Data available for Devon and Cornwall suggests that 19.9% of 16 -19 year olds who are in FE choose not to complete their courses. As can be seen from the Table below, withdrawal increases proportionally with age.

Table 22: Withdrawals from FE in Devon and Cornwall by Age, Ethnicity And Disability

	16 year olds	17 year olds	18 year olds	19 year olds	Ethnic Minorities	People with Disabilities
As % of Students	17.7	16.3	21.4	26.0	25.0	19.1

Source: ISR 19

Table 23: Withdrawals from FE in Devon and Cornwall by Age and Gender

	16 year olds	17 year olds	18 year olds	19 year olds
As % of qualifications	14.9	11.6	13.3	11.9
Males	16.5	12.6	13.4	11.3
Females	13.4	10.7	13.2	12.6

Source: ISR 19

⁵ Net requirement is the total of new jobs and jobs required as a result of people leaving an occupation.

Table 24: Withdrawals from FE in Devon and Cornwall by Qualification Level

	Level 1	Level 2	Level 3	Level 4, 5 & HE	Other
As % of qualifications	33.2	25.9	10.9	13.4	29.0

Source: ISR 19

Table 25: Withdrawals from FE in Devon and Cornwall by Qualification Type

	A/AS	GCSE	GNVQ precursor	GNVQ	NVQ	HNC/HND	Other
As % of qualifications	9.5	27.0	13.1	14.0	15.7	14.6	32.0

Source: ISR 19

An examination of the above Tables suggests the following patterns:

- Older students are more likely to withdraw than younger ones.
- People with disabilities, and those of ethnic minority background, have higher withdrawal rates than the overall group.
- Least likely to withdraw are those aiming for Level 3 qualifications whilst most likely to withdraw are those aiming for Level 1 qualifications.
- Lowest withdrawal is observed for those on A/AS programmes and highest for those engaged in other programmes.

What are some of the reasons for young people withdrawing from their study programmes?

A recently completed study in Wales (Overton, 2001), suggests four areas associated with non-completion. They are:

- Lack of adequate guidance (which leads to a mismatch between the programme and the young person's expectations).
- Quality of teaching and level of support experienced.
- Financial considerations.
- Family circumstances and responsibilities outside college.

Local research carried out by Cornwall and Devon Careers (Hartley, 1998) looked at reasons for premature leaving in FE institutions and sixth form schools. Based on 183 early leavers, the study suggested the following as motives for leaving FE:

Unhappy with course	59%
Other	22%
Unsatisfactory Progress	20%
Financial Reasons	13%

Found Employment	8%
Personal Reasons	7%
Moved Away	2%

The study cautiously indicated that those engaging in vocational courses were at greater risk of dis-engaging than those on academic courses. The study was not able to determine whether this was due to differences in students' prior qualifications or quality or demand of the courses/programmes.

A more recent study for the Cornwall and Isles of Scilly Lifelong Learning Partnership (Peabody and Woodbine, 2000) surveyed 167 students who had dropped out of FE. It concludes by stating "The study exposes the individual nature of each young person's experiences rather than revealing clear patterns".

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However, there were some significant reasons suggested for premature leaving from colleges:

Other Reasons (Including personal reasons, finding a job or poor course organisation)	36%
Did not like the course or subject	27%
Did not like being at college	22%
Had difficulties with transport	16%
It was not what was expected	15%
Did not like that way of learning (practical v. academic)	14%
Changed mind about planned career	9%
Found course difficult	9%
Was not happy with way taught	8%
Had financial difficulties	5%
Badly advised before joining course	4%

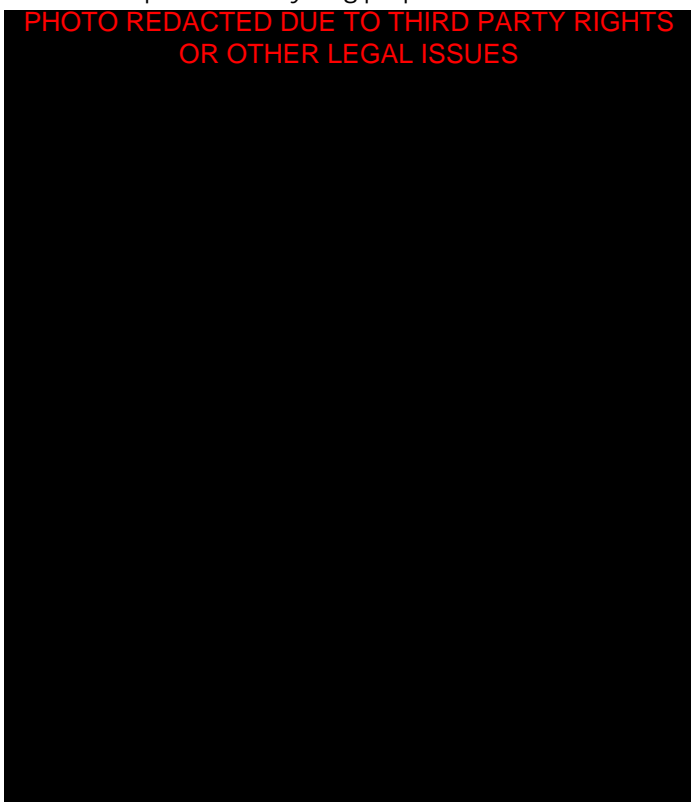
The study also suggested that not necessarily all the students who left early continued being disengaged. Indeed, 44% were in work and 27% were back at college. Of concern were those who were unemployed (26%), and those in work but receiving no training.

Implications

- Participation in education and training drops at 17 and even more significantly by the age of 18. Unless more young people are retained in education or training, it will be more challenging to achieve Level 2 and Level 3 targets for 19 year olds.
- There are significant levels of dropping out from education and training provision. The reasons for this are sufficiently clear, and appropriate action needs to be taken so that young people complete their courses.
- Government Supported Training (GST) is the least favoured route post-16. Moreover, certain groups, such as ethnic minorities and people with disabilities, are under-represented. GST offers an alternative route post-16 with good outcomes, and needs to be promoted further amongst young people as well as amongst those who influence their decision making.
- Gender differences in attainment are significant. Females appear to be strong academically and males are marginally more vocationally orientated. There is a need to ensure that males are accessing the appropriate provision to maximise their achievement.

Employing Young People in Devon and Cornwall: the Employers’ Perspective

So far, we have considered young people’s participation and achievements in education and training post-16 in line with one of the key tasks of the Learning and Skills Council. This section looks at local employers’ needs and their expectations of young people.



Survey results for the last four years suggest that employers place less emphasis on qualifications, and more on personal qualities. The survey of Employers’ Skills Needs (Devon and Cornwall Learning and Skills Council, 2001) indicates the following most important characteristics when taking on young people (Table 26).

Table 26: Most Important Characteristics Employers Looked for in Young People Aged 19 and Under (%).

	Overall	Private Sector	Public Sector	Voluntary Sector
Reliability/good time keeping	38.6	38.8	44.5	20.7
Honesty	36.1	38.3	21.1	27.7
Enthusiasm for the job	28.2	27.0	37.4	29.3
Ability to fit in	20.3	21.0	12.6	20.6
General verbal communication skills	14.4	12.6	33.2	15.1
Appearance	12.7	13.7	9.0	1.0
Initiative and creativity	11.0	10.6	13.2	16.0
Relevant experience	6.8	6.7	3.8	6.4
Academic qualifications	2.0	2.0	4.1	0.0
Vocational qualifications	0.4	0.4	0.6	0.0

Source: DC LSC Employer Skills Needs, 2001

There are also differences in the characteristics sought by different types of employers – be they private, public or voluntary sector. It is apparent that qualifications are less important than are personal characteristics. Employers value relevant experience more highly than qualifications, which suggests there is a need to provide young people with ample opportunity to gain suitable practical exposure to work.

Motivation and Barriers to Learning of 16 -17 Year Olds⁶

In order to increase participation amongst young people who are not in structured learning, it is important to examine the barriers to learning, and the factors that would encourage their participation, and their overall attitude to learning.

Of the group aged 16 -17, just over three-quarters indicated positive or very positive attitudes to learning. Whilst one in five is neutral about learning, only one in 20 is negative. Even though young people are positive, there are three major barriers to their learning. These are:

- High cost of learning.
- Cost of travel/transport.
- Lack of transport/poor transport.

⁶ This section applies to young people aged 16-17 who are in employment or unemployed and excludes those who are in structured learning.

These young people also indicated that there are a number of factors that would encourage them to learn:

- If it resulted in a pay increase.
- If the cost was covered by someone else.
- If it helped them to obtain a job.
- If it increased their personal knowledge.
- If the employer required them to do the training.
- If they wanted to change their careers.

This suggests that young people not in structured learning are substantially motivated, but have financial and transport difficulties. Participation might be increased by addressing these barriers and by linking with aspects that would encourage this group to undertake learning. (Prism Research, 2000).

Targets for Young People

There are three principal targets that the Learning and Skills Council is working towards by 2004 that apply to young people:

- 80% of 16-18 year olds to be in structured learning.
- 85% of 19 year olds to have achieved Level 2 qualifications.
- 55% of 19 year olds to have achieved Level 3 qualifications.

The current position for each of these targets suggests that achievement of two of the targets may prove to be challenging. According to Learning and Skills Council data, Devon and Cornwall's position in relation to the targets is as follows⁷:

- 82% of 16 -18 year olds are in structured learning.
- 72% of 19 year olds have achieved Level 2 qualifications.
- 43% of 19 year olds have achieved Level 3 qualifications.

Moreover, until robust information on destinations of young people at different ages becomes available, putting an appropriately targeted effective course of action in place will prove to be problematic.

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⁷ Baseline date is 2000.

Chapter 2

Increasing demand for learning by adults

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For any economy, it is essential that its workforce is sufficiently skilled to compete in today's global markets. Because of technological progress and the fast moving market place, workforce skills need to be continuously updated and developed. This chapter looks at the current stock of skills available in Devon and Cornwall amongst adults of working age (18 – 59/64).

This chapter examines the size of the working age population across the two counties, and how many people are economically active. It then considers the stock of skills available amongst this population in terms of basic skills, generic skills and actual qualifications. The next section looks at the factors which motivate individuals to continue learning, and the barriers that prevent them from doing so.

Consideration is given to the contribution that employers make towards developing employees to ensure they are equipped with the appropriate skills to maximise productivity in the workplace. It is recognised that not all individuals make up a homogeneous group in terms of learning needs. Thus, the final section looks at some disadvantaged groups in the labour market, and identifies their learning needs. Overall, the chapter contributes to the debate on ways to stimulate and promote learning by individuals and employers across the two counties so that skills levels can be raised to ensure competitiveness.

Population of Working Age

There are approximately 918,000 people of working age (aged 16 years to retirement) in Devon and Cornwall. Devon has the largest share of this population (43%) and Torbay has the smallest share (7%). With the exception of Torbay, there are generally more males of working age than females.

Table 27: Population of Working Age by Geographic Area

	Devon & Cornwall	Devon	Cornwall	Plymouth	Torbay
All	918,000	393,000	294,000	165,000	67,000
Males	478,000	201,000	152,000	93,000	32,000
Females	440,000	191,000	142,000	72,000	35,000

Source: Labour Force Survey, Spring 2001

The profile of the working age population is changing and this can be seen in Table 28 which shows that the proportion of people aged (20 - 34) has decreased between 1995 and 2001 and the proportion of those aged 50 - retirement has increased. This changing profile suggests an ageing of the workforce, potentially posing problems to employers who might not have sufficient numbers of young people to replace those who will be retiring. Thus, if such trends continue, and the forecasts that have been produced by the Institute for Employment Research (LEFM, 2000) suggest that this

would be the case, employers may have a problem with skills availability.

Table 28: Distribution of Population by Age Groups (%)

Age Group	1995	2001
16 - 19	5.6	6.2
20 - 24	7.5	6.4
25 - 34	16.4	15.8
35 - 49	25.1	25.2
50 - retirement	17.3	19.9
Over retirement	28.1	26.5

Source: Labour Force Survey, Spring 2001

Not all those who are of working age are economically active – that is, are in employment (whether as employees or self-employed) or seeking employment. Some individuals simply choose not to engage in the labour market for a variety of reasons. The rate of economic activity in an area is an indicator of how many people are available for work, and an area with a high economic activity rate has at its disposal, in theory, a greater number of skills.

The economic activity rate for the area is 80.1% (LFS, Spring 2001). This overall rate has increased from 77.9% in 1995. There are significant differences between males and females, with more males being economically active compared to females. However, trend data suggests that between 1995 and 2001 the economic activity rate for males has decreased, whereas that of females has increased. This will have some implications for employers regarding the availability of skills. At the same time, as Table 29 suggests, economic activity has been increasing across most age groups.

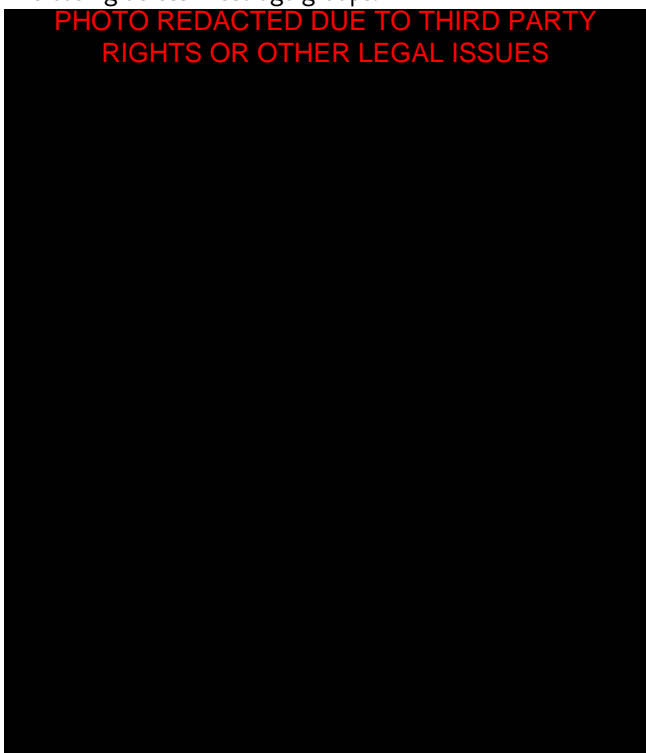


Table 29: Economic Activity Rates: 1995 - 2001 (%)

	1995	2001
All	77.9	80.1
Males of working age	84.4	83.5
Females of working age	71.0	76.3
16 - 19	50.3	63.8
20 - 24	75.1	80.8
25 - 34	83.2	83.9
35 - 49	87.9	88.7
50 - retirement	68.4	70.9

Source: Labour Force Survey, Spring 1995; 2001

A disaggregation of the data by Learning Partnership area suggests that the differences are very small, although Cornwall emerges as the area with lower rates overall. Plymouth has a more active 50 - retirement group (73.9%) compared to Devon and Torbay (67.9%) or Cornwall (70.8%).

Table 30: Economic Activity Rates by Learning Partnerships (%)

	Cornwall & Isles of Scilly	Devon & Torbay	Plymouth
All	77.3	81.6	80.8
Males of working age	82.2	85.6	80.6
Females of working age	72.1	77.5	81.0
16 - 19	59.3	66.0	N/a
20 - 24	73.9	85.9	80.3
25 - 34	78.3	87.5	82.2
35 - 49	86.9	90.2	88.3
50 - retirement	70.8	69.9	73.9

Source: Labour Force Survey, Spring 2001

The Local Economy Forecasting Model suggests that between 1998 and 2009 economic activity rates will change as follows:

- A marginal decrease in the rates for those aged 16 - 24, as more young people stay on in education and training before entering the labour market.
- An increase for the 25 - 34 and 35 - 44 age groups.
- A relative stability for those aged 45 - 59 and a marginal increase in the 60 - 64 age group.

With the exception of the youngest age group, the patterns suggested in the forecasts are reflected in what is already happening in the local economy.

Implications

- The population profile is shifting in favour of older people. The local labour market may not have

sufficient young people to be able to replace the older employees.

- Economic activity is reducing amongst males and is forecast to do so further. In large part this is due to a decline in manufacturing jobs, although there is a need to understand further the reasons behind this and the impact of the skills lost to the local economy, as men have traditionally been better qualified compared with females.
- Economic activity is growing for females although it is still below that of males. It is necessary to ensure that opportunities are there to attract women to the labour market, particularly in light of their current trend in participation and achievement in education and training.
- An increase in economic activity in the 25 - 44 age group – especially amongst females – may have implications in the way work is structured and facilities available to support childcare needs.

Having looked at the local population and the extent to which people are engaged in the local economy, the next section describes the skills that this population possesses.

Adult Basic Skills

The term basic skills refers generally to two skills, literacy and numeracy. Literacy covers the ability to read, write and speak English. Numeracy is defined as an ability to use mathematics at a level necessary to function at work and in society generally.

Difficulties in basic skills can have a negative impact on both the individuals involved and on businesses in general. For the individual, the lack of basic skills will reduce possibilities of employment, progression in employment or ability to study, and it is closely linked to social exclusion. Adults who lack basic skills tend to be on lower incomes or unemployed, and are more likely to suffer from ill health. For businesses, employees lacking basic skills will be less able to adapt to change in the workplace. Lack of basic skills has a cost to employers. It is estimated that industry loses £4.8 billion per year because of poor literacy and numeracy (Basic Skills Agency, 1993).

In the South West region, approximately 22.5% of adults are believed to have basic skills problems, compared to 24% of the population nationally (SLIM, 2001). However, the South West figure masks some severe localised problems, where rates measured at ward level can reach as high as 35.5% of adults with literacy problems (SLIM, 2001).

For numeracy, the incidence of people with problems is broadly the same, although far greater numbers have very low levels of numeracy (SLIM, 2001).

Table 31: Percentage Level of Low Numeracy and Literacy by Local Authority Area for Adults between the ages of 16 and 60 Years.

Local Authority	% Low Numeracy	% Low Literacy
East Devon	22.7	27.0
Exeter	23.7	23.6
Mid Devon	22.5	24.6
North Devon	24.8	26.5
Plymouth	26.2	24.9
South Hams	21.6	25.6
Teignbridge	21.9	23.6
Torbay	24.8	26.1
Torrige	25.9	29.0
West Devon	21.1	23.9
Caradon	22.6	24.2
Carrick	23.1	25.2
Kerrier	24.7	25.5
North Cornwall	24.9	29.0
Penwith	25.7	27.8
Restormel	24.8	25.2
National Average	24.0	24.0

Source: Basic Skills Agency, 2001

As can be seen from Table 31, eight of the local authorities in Devon and Cornwall have numeracy levels below the national average and thirteen have lower literacy levels. This constitutes a large number of people who face a range of barriers due to basic skills difficulties.

The Skills and Learning Intelligence Module (SLIM, 2001) has identified that there are only around 5% of adults with basic skills needs obtaining support from basic skills provision. Whilst many of those succeed in their learning, those who drop out generally do so because of dissatisfaction with the provision. This suggests that there is a large proportion of people receiving no level of assistance. Those that seek help tend to do so for their own personal development, or to help children if they are parents.

Key Skills

The concept of key skills which first attracted attention in the early 1990s is widely considered to underpin employability. Today, the concept is becoming better integrated into the education and training philosophy and the modern curriculum – whether at school, college or university – to instil and develop abilities in these competencies. The key skills that are described here are: Information Technology (IT), ability to work with numbers, spoken and written communication, teamwork, problem solving, improving one’s own learning, and leadership. Over the years, surveys carried out across Devon and Cornwall have attempted to assess the level of competence across key skills. The methodology relies on individuals’ self assessment and, therefore, it is likely to underestimate in particular the true levels of illiteracy

and innumeracy, since there is still a great stigma attached to deficiencies in these basic skills.

Table 32: Self-assessment of Ability Across a Range of Key Skills: % with Good/High Level

	All	55-59	60-64
IT	42	30	23
Numeracy	66	71	62
Reading	81	85	83
Spoken Communication	84	87	77
Written Communication	76	81	68
Teamwork	89	89	87
Leadership	67	69	68
Problem Solving	81	81	81
Improving Own Learning	67	62	61

Source: Individuals’ Skills Needs in Devon and Cornwall, 2001

Table 32 shows that most people believe they have a good command of most key skills with the exception of IT where only 42% felt they were of a sufficient standard to be able to apply them in the workplace. The other areas of relative weakness are numeracy, leadership and improving own learning. The perceived weakness in numeracy is of particular concern as it may limit choices for further learning or development, and the fact that this skill is being increasingly demanded even amongst elementary occupations.

Table 32 also suggests that there is a significant proportion of individuals who do not possess these key skills, and who may be limiting their opportunities unless these skills are developed or updated. IT emerges as the key area for training.

The employment status of an individual is also related to the perceived availability of skills. There are a number of differences between those working on a part-time basis and those working full-time. The former group has larger proportions of individuals who are less confident of their IT skills, leadership skills, numeracy and problem solving.

Compared to the overall sample, young people are significantly less confident in their ability across the range of key skills than older workers, with the exception of IT. However, even in this area, around half of young people do not rate their ability very highly (Table 33). These results suggest that whilst the national curriculum and training programmes are giving increasing emphasis to the development of these skills, young people are still entering employment with relatively low levels of confidence in their ability to apply them to the workplace.

Leadership is important because organisational structures are becoming flatter, and managerial and supervisory responsibilities are being devolved further down the organisation. Changes in working practices are requiring greater levels of team working.

Table 33: Young People's Self Assessment of Ability Across a Range of Key Skills: % with Adequate, Low or No Ability at All

Generic Skill	16 - 24
IT	49
Numeracy	46
Reading	30
Spoken Communication	27
Written Communication	32
Teamwork	18
Leadership	48
Problem Solving	29
Improving Own Learning	38

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

Stock of Qualifications

One of the targets for the Learning and Skills Council is to increase the proportion of economically active adults who are qualified to Level 3 to 52% by 2004. The rationale behind this target is that a Level 3 qualification (and above) promotes the competitiveness of an area. So what is the position of Devon and Cornwall in relation to this target? There are a number of sources which estimate the current position, though it is difficult to assess which estimate most closely approximates the reality of the situation. Each of these sources is described below.

According to the local Labour Force Survey, 2000, approximately 47% of the economically active adults of the two counties is qualified to Level 3 or above (Table 34). However, the overall figure is possibly depressed due to the inclusion of 16 and 17 year olds in the total, because the target of 52%, referred to above, is for economically active adults aged 18 to retirement. On the other hand, the overall figure also includes the 9.8% of individuals who have a trade apprenticeship. As not all trade apprenticeships are necessarily equivalent to a Level 3 qualification it means that the overall figure of 47% may be somewhat inflated.

Table 34: Qualification Levels in Devon and Cornwall for All Economically Active (16 to Retirement) (%)

Level	All	Male	Female	16 - 19	20 - 24	25 - 29	30 - 39	40 - 49	50 - Ret
4+	23.2	23.6	22.8	#	17.2	27.6	21.1	28.2	24.6
3	13.5	15.9	10.6	14.1	31.8	16.6	12.8	12.1	8.0
Trade Appr	9.8	14.5	4.0	0.0	0.0	#	8.8	10.2	16.0
2	17.3	12.7	23.0	48.1	21.0	15.4	18.3	14.4	10.6
1	18.0	15.4	21.2	23.6	7.6	20.8	25.4	14.4	11.5
Other	8.6	9.1	8.0	#	#	#	5.4	10.0	14.3
None	9.6	8.9	10.5	#	#	#	6.3	10.7	15.1

Suppressed for statistical reasons.

Source: *NOMIS/ONS 2001, Local Labour Force Survey, 2000*

What Table 34 clearly shows is that more males than females are qualified to Level 3 and above. As might be expected the most common qualifications for young people aged 16 to 19 are Levels 1 or 2; those aged 20 to 24 are qualified to Levels 2 and 3. The table also suggests a prevalence of trade apprenticeships (some equivalent to Level 3) amongst the older age groups (30 and above). However, the table also illustrates some gaps in the information, making it difficult to draw clear conclusions.

Trend data for the Labour Force Survey suggests that in the last 5 years, there has been an increase of 40,000 people of working age in employment with a Level 3+ qualification.

Devon and Cornwall Learning and Skills Council and previously PROSPER and the Devon and Cornwall Training and Enterprise Council have carried out more in-depth surveys on the progress relating to this particular target. Trend data suggests that in 1994, 35% of the employed workforce was qualified to Level 3 and above. The most recent study undertaken by Devon and Cornwall Learning and Skills Council (2001) indicates that 47% of economically active people are qualified to Level 3 or above. (This figure represents a drop from the total of 52% as measured in 2000. However, it is recognised that the 2000 figure may have been an overestimate.) What needs to be recognised is that the 2001 figure includes the 16 and 17 age groups who are less likely to be qualified to Level 3+ and were excluded from previous analyses. It is essential to stress that since 1994 – that is, over a period of seven years, – the proportion of economically active adults has increased by about 12 percentage points.

Table 35 below suggests that those individuals who are full-time employees or are self-employed are more likely to be qualified to Level 3 and above than part-time employees or the unemployed. Moreover, a larger proportion of economically active individuals is qualified to Level 3 and above than those who are inactive.

Table 35: Qualification Levels in Devon and Cornwall for Economically Active and Inactive Individuals (16 – Retirement) (%)

	Employment status				Economic status	
	Full-time	Part-time	Self-empl'd	Unempl'd	Active	Inactive
Level 5	2.7	2.3	2.8	5.1	3.0	1.0
Level 4	25.2	15.1	23.3	2.1	22.0	17.0
Level 3	22.9	20.5	26.8	15.0	22.5	15.5
Level 2	23.5	25.5	24.8	24.8	24.5	22.5
Level 1	16.3	16.7	9.5	29.5	16.0	23.0
Below 1	1.6	2.8	2.7	-	2.0	1.0
None	7.5	17.0	9.9	13.5	11.0	20.0

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

The data also confirms the Labour Force Survey data that more males than females are likely to be qualified to Level 3 and above. The possibility of disaggregating data by variables such as gender, age, employment status and occupation provides an opportunity to identify where the shortfalls are. That should ultimately help in promoting the attainment of Level 3 qualifications.

What is certainly clear from Tables 34 and 35 is that there is a substantial proportion of individuals who are qualified only up to Level 2. More than a tenth of individuals have no qualifications whatsoever and just over a quarter of the economically active population is only qualified up to Level 1. The position is even less positive regarding economically inactive individuals: more than two in five individuals either have no qualifications or have qualifications up to Level 1, and two-thirds are qualified only to Level 2.

When examining the proportion of economically active individuals qualified to Level 3 and above by occupation, it is clear that the higher level occupations are more likely to contain higher proportions of individuals qualified to Level 3 and above (Table 36).

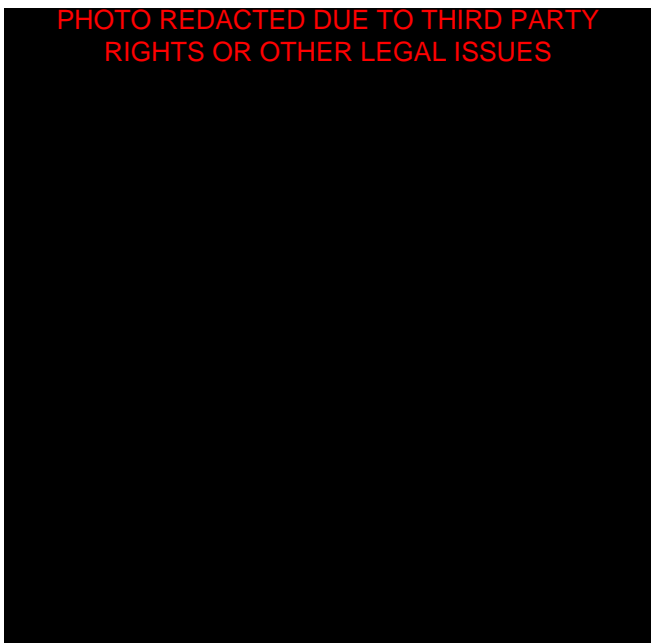
Table 36: Qualifications of Economically Active Adults in Devon and Cornwall by Occupation

	Level 5	Level 4	Level 3	Level 2	Level 1	<Level 1/None
Managerial	2.4	30.6	24.2	18.0	11.8	13.0
Professional	18.8	57.8	17.4	4.9	1.0	0.0
Technical	3.8	59.1	19.9	11.2	5.1	1.0
Administrative	0.8	19.2	27.6	37.3	11.1	3.3
Craft	0.7	9.2	34.4	29.5	17.2	9.0
Pers. Serv.	3.7	10.7	23.9	29.7	12.2	19.7
Sales	0.9	11.3	12.5	26.1	26.0	23.2
Operative	0.0	6.4	24.0	29.4	24.3	15.2
Other	0.0	6.6	10.6	23.6	30.2	29.0

Source: Individuals' Skills Needs in Devon and Cornwall, 2001

According to data provided by the national Learning and Skills Council, 44% of the English adult (18 – retirement) economically active population is qualified to Level 3 and above. This figure, based on the Labour Force Survey, is adjusted to take account of 'migrating' populations.

The information referred to above suggests that in light of the slow progress that has been made over the years in increasing the proportion of adults qualified to Level 3, the 52% target may prove to be a challenge. In light of the possible shortfall, targeting should be directed at those currently qualified to Level 2, females, those working part-time or the unemployed.



It is expected that improved retention of young people in further education and training, as well as higher proportions of young people accessing higher education, will contribute to the drive towards increasing the proportion of economically active adults with a Level 3 qualification to 52% by 2004.

Furthermore, the above discussion also suggests that there is a clear need for consistent measurement of targets to enable the Learning and Skills Council Devon and Cornwall and its partners to understand the current position so we can direct strategy and policy effectively.

Implications

- Across the two counties there are high numbers of individuals who lack basic skills, yet the numbers who are accessing provision are very small. Lack of basic skills will prevent progression to further levels of learning and can lead to social exclusion.
- Key skills are gaining greater importance in the workplace – driven by technological and structural change. Significant numbers of people across all ages are not confident in their key skills. This may prevent them accessing employment, and progressing in employment, and, for employers, an inability to adapt to changing requirements in the market place.
- To achieve the increase in the number of people with Level 3 qualifications, targeting will need to be met with a reduction in structural barriers faced by those in positions that may not be encouraging or conducive to progression. The question of how to progress this group may require some very different answers for men and women.
- Whilst the attention and effort required to achieve the increase in Level 3 qualifications will be intensive, the task of up-skilling an even larger number of people at an elementary level needs to be given as much consideration, energy and priority.

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Benefits of Learning

Having examined the stock of skills available in the local economy, the section that follows looks at the benefits of learning to both individuals and employers – why individuals should continue to learn, and why employers continue to develop their workforce.

A lack of skills and/or education can have an extensive effect on the performance and well-being of both businesses and individuals. For the individual, the possible benefits from education are widely documented, in terms of personal development (Research Brief RCB04, July 2001), employability (JR Findings, June 1998) and income (Research Brief 254, February, 2001). The societal benefits from a better-educated population in comparison to the potential cost are less clear. However, substantial research has shown a link between the educational achievement of parents and the success of their children at school.

Research conducted by the Department for Education and Skills (2000) suggests that shortages in skills have a negative impact on one in four establishments which undertake recruitment. Both internal skills gaps and recruitment difficulties were found to affect performance and customer care, which could potentially impact on the competitiveness of some companies.

Therefore, the importance of encouraging the adult population to continue to learn and up-skill is three-fold:

1. A workforce that is amenable to up-skilling and developing its knowledge will be far better equipped to deal with the introduction of new working practices, the development of new products and the introduction of new technology.
2. The closing of skills gaps could create a more dynamic future workforce that is able to diversify and so aid the competitiveness of UK businesses in a world market.
3. A more educationally minded current population may facilitate an increase in the level of achievement and participation in learning of future generations.

Any strategy designed to encourage individuals to undertake more learning should highlight the benefits of learning and recognise that different people will be motivated by different things. To this end, individuals in Devon and Cornwall were questioned about the perceived advantages of learning. From the responses, there is a clear indication that personal development is as important as professional development. Moreover, there is a desire to learn in order to improve performance in a current job and improve the chances of getting another job (Table 37).

Table 37: Benefits of Learning (%)

Benefit	%
Develop a good career	40
General personal development	39
Do my job better	35
Improve chances of getting a job	26
Earn more money	17
Get promotion	16
More attractive to employers	9
Pleasure or social reasons	7
Make significant career change	6
Access other courses	4
Time out from work	1

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

The importance of these benefits varies considerably by labour market group. For example, younger people are more likely to see the benefit of learning in terms of its impact on their career development and salary. Older people are more likely to view the benefits in terms of personal development.

Attitudes Towards Learning in Devon and Cornwall

Having briefly described the benefits of learning, the following section looks at the extent to which individuals are positive about learning, and the factors that would encourage them to learn.

Over the years, the attitude towards learning has been monitored across the two counties (Table 38). Although there has been a 10% increase in positive attitudes towards learning, the data suggests that there are still 8% of those who are economically active that are not positively predisposed to learn, whilst a further 25% will train or study only as required.

Table 38: Attitudes to Future Study and Training: 1994 – 2001 (%)

	1994	1996	1998	2000	2001
Positive	57	62	66	68	67
Neutral	17	24	20	22	25
Negative	25	14	14	10	7

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

Positive attitudes to learning are more prevalent amongst those who are already well qualified, work in higher level occupations, and work in industrial sectors that are strongly committed to training and development such as the public sector, and to a lesser extent, business and financial services. Positive attitudes are also strongly related to full time employment, age (post-55 interest declines sharply); and time of leaving full-time education (the later this is, the more positive the attitudes). Understanding these factors should help to target initiatives to promote learning and, ultimately, increase the levels of qualifications available in the two counties.

Thus, positive attitudes toward learning, as well as recognition of the benefits of learning, are important factors in convincing individuals to take up and continue learning. However, other factors may contribute to encourage individuals to learn.

Just over one third of individuals suggest that nothing would make them more positive towards learning, but for others, financial support and “if looking for a job”, were significant motivators. Time off work without loss of earnings was also a significant factor for one in five respondents (Table 39). Pilot programmes announced in the recent pre-budget statement (November 2001) where all adults qualified below Level 2 living in selected pilot areas will be financed to learn up to Level 2; and employers will be helped financially to release staff to train - may be important developments in light of the local survey results.

Table 39: Factors That Would Make People More Positive About Learning (%)

Factors to promote learning	%
Nothing would make me more positive	35
Financial support	25
If looking for a job	24
If could get time off work without loss of earnings	20
If could get definite benefits from it such as job or better job	17
If employer was more encouraging	8
If I actually got a job	7
If I could get affordable childcare	7
If I knew more about what learning opportunities were available in my area	7
If training courses were available at different times than they are	6
If public transport were better	6

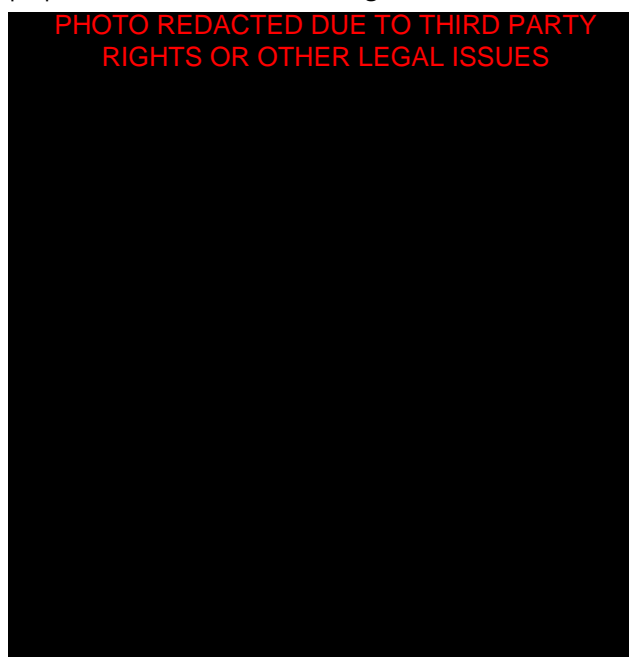
Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

Barriers to Learning

Up to this point the motivators towards learning have been considered. The Individuals' Skills Needs in Devon and Cornwall 2001 survey asked individuals to indicate the factors, if any, preventing them from learning. Just over three quarters (77%) of individuals mentioned at

least one barrier, the most important being cost (34%), lack of time (27%), and the inability to get time off work to learn (12%).

There are barriers associated with childcare – both in terms of having to look after children as well as the cost of childcare – which, as might be expected, are particularly associated with females. The cost and availability of transport is also a barrier to a smaller proportion of individuals, albeit significant, within the



increasing participation in learning agenda. Women appear to be more affected by cost and availability of transport compared with men. As Table 40 below suggests, the key barriers to participation reflect a failure in demand, whereas barriers on the supply side, that is, failures of provision, are relatively insignificant.

Table 40: Barriers to Learning (%)

Barrier	%
Cost/cannot afford to	34
Lack of time	27
No obstacles	27
Have to look after children	14
Not able to get time off work	12
Cost of childcare	8
Don't know enough about courses available locally	7
Cost of travel/transport	7
Don't have qualifications required to get on course	7
Lack of/poor transport	6
Poor availability of courses locally	6
Poor availability of facilities locally	5

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

Implications

- Understanding the perceived benefits of learning by different groups in the labour market is essential for the effective marketing and promotion of lifelong learning.
- Simple marketing strategies would possibly incur significant deadweight due to the already positive attitudes towards learning, but they need to be developed to influence those who need an additional push. The likelihood of encouraging those who are negative towards learning will prove more challenging. It is essential to ensure that this group is not disadvantaged in terms of access to opportunities to learning.
- Policy directed at employers may have a greater impact on volumes of learning than that directed at individuals – the latter are supportive of the learning ethic - but it may need employer action to translate that ethic into actual learning.
- The proportion of positively motivated individuals has reached a plateau, suggesting that a sustained marketing campaign might be required to encourage more individuals with neutral attitudes to learning to become proactive learners.
- Perceived benefits of learning can be used effectively to lever interest amongst specific groups in the labour market.
- Strategies and policies need to take account of the perceived barriers to learning to improve demand.

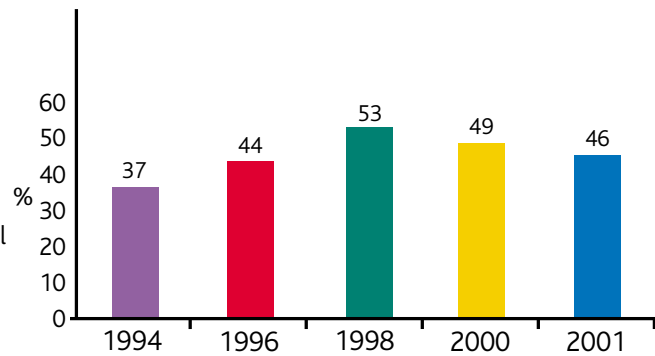
Having examined the motivators and barriers to increasing demand for learning amongst adults, the chapter now looks at the contributions that individuals and employers make towards increasing skills levels in the two counties.

Work-related Learning

Work-related learning is defined as any training or development undertaken by an individual that has been initiated through work. It plays a significant role in the up-skilling of the workforce in Devon and Cornwall. Due to the relatively high amount of work-related learning that takes place, employers play a very important role in assisting the achievement of the Learning and Skills Council's targets.

Participation in work-related learning in Devon and Cornwall had grown from 37% in 1994 to 53% in 1998, although since then, there has been a drop to 49% in 2000 and a further drop to 46% by 2001. However, this still indicates that a significant volume of learning is taking place - an excellent starting point for the Learning and Skills Council to build on.

Figure 9: Participation in Work-related Learning in the Last 12 Months, 1994 - 2001 (%)



Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

In terms of who participates in training and education at work, there are some clear patterns emerging. Participation is strongly related to being in full-time employment, having higher qualifications, and being in higher occupational groups, particularly professional and associate professional and technical jobs. Table 41 below, sets out in more detail the proportions in recent participation for different workforce groups across Devon and Cornwall.

Table 41: Participation in Work-related Education or Training (%)

Group	%
Male	50
Female	57
Full-time employees	60
Part-time employees	65
Self-employed	23
Unemployed	51
Managerial	52
Professional	68
Technical	63
Clerical/Secretarial	67
Craft	38
Personal and Protective Services	65
Sales	40
Semi-skilled	46
Unskilled/low skilled	50

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

It is noticeable from the table above that the self-employed and employees at craft level (groups which are more strongly weighted to men) are less likely to train or study whilst people in professional, technical, administrative or personal and protective service occupations (groups where women are well represented or predominate) are more likely to train or study.

When these patterns of participation are compared to previous years' studies undertaken in Devon and Cornwall, as well as nationally, there is virtually no difference. This suggests that people in different circumstances make consistent judgements about the significance of participation (or their employers make the judgements for them), and hence participate in consistent patterns. Therefore, simply making the supply side of provision more efficient might make a small difference to the overall rate of participation in training or education. What is required is an appreciation of the way in which businesses view workforce development as companies have a significant influence on whether people in the workforce train or study.

For example, of all the learning undertaken in the last year by the economically active, 82% was work-related and for the economically inactive, 48% was work-related. Work-related training and education accounted for 87% participation by full-time employees, but only 52% participation by unemployed people. Ninety percent of participation by professional and technical staff was work-related compared with only 59% participation by sales staff.

The role of the employer in terms of promoting work-related training is further reinforced by the fact that amongst those individuals undertaking this learning, 75% was paid for by the employer, and only 15% was financed by the individual. The employer is also a strong influencer in driving the learning activity. Amongst the local workforce 59% of work-related learning was initiated by the employer and a further 13% by the employer and employee alike.

Much of the work-related learning is of a short duration: 40% lasts between one to five days (see Table 42). Data suggests that people in higher level occupations are more likely to undertake short courses, accordingly 57% of professional staff were doing short courses. Craft workers were more likely to undertake longer lasting courses, presumably as part of establishing their career.

Table 42: Duration of Learning Episodes in Work-related Learning (%)

Length of episode (days)	%
1 - 5	40
6 - 10	4
11 - 20	3
21 - 50	6
51 - 100	7
101 - 200	17
201 - 500	10
501+	13

Source: *Individuals' Skills Needs in Devon and Cornwall, 2001*

Where does work-related learning take place? The overall pattern suggests that the Further Education sector has a 28% share of the market (in terms of

episodes, not of value) whilst direct employer provision and private training establishments deliver the remainder. Thus, 32% of learning takes place at the work-station, a further 7% takes place at the workplace off-the-job, and 9% at an off-site employer training facility. Private training establishments provided 16% of all learning.

Those in lower level occupations – in personal and protective services, sales, operative and unskilled work – are more likely to report that their last training episode was at their work-station than those in higher level occupations. Forty-three percent of sales staff reported their last learning episode took place at the work-station, against 21% of professional staff.

Non Work-related Learning

Non work-related learning amongst adults makes a significant contribution to the acquisition of skills. It has been seen as a good way of introducing learning to individuals that who may perceive the activity to be beyond their capability or threatening. Participation in non work-related learning during 2000 in Devon and Cornwall was relatively limited with only a 15% participation rate. This decreased further to 10% in 2001. The rate of participation in rural areas was slightly higher (11.6%) compared to urban areas (9.4%), and it was lower in deprived areas (8.8%).

Figures for adult education enrolments funded by Local Education Authorities (LEAs) show a participation rate of approximately 2.7% in England during 2000 (DfES, 2001), with a slightly higher rate in the South West (3.5% participation). Levels of participation vary within the two counties, with Torbay having the lowest level of participation and the Isles of Scilly the highest (Table 43 below).

Table 43: Participation in LEA Funded Adult Education by Learning Education Authority, November 2000 (% of All Adults)

Local Education Authority	% Enrolled on Adult Education
Torbay	2.0 to 2.99
Plymouth	4.0 to 4.99
Cornwall	4.0 to 4.99
Devon	5.0 to 5.99
Isles of Scilly	6.0 to 6.99

Source: *DfES First Release: SFR23/2001*

As with local data, the national enrolment figures have been quite erratic, with large differences between years. Current national data suggests that two thirds (65%) of all enrolments are for courses that do not lead to a formal qualification, such as watercolour painting, basic language courses, and craft courses. Moreover, a quarter of the enrolments are made by those who are aged 60+. Similarly, approximately a quarter of all enrolments are made by males. Data also indicates that there are marginally more enrolments on daytime courses (52%) than evening or distance learning courses (48%).

Implications

- In light of the firmly established patterns of learning, there is a need to demonstrate to employers and individuals engaged in lower level jobs in particular (as well as other groups less likely to learn) the benefits of development and up-skilling.
- Employers have a major part to play in the development of staff by instigating the need for training and paying for much of it. Their role in terms of the achievement of the Learning and Skills Council's targets is significant.
- Much of the learning that takes place is delivered at work or is employer related. It will be necessary to explore how learning delivered by employers can be accredited and lead to actual qualifications, and therefore, achievement of the Learning and Skills Council's targets.
- There is a significant level of non work-related learning being undertaken, but much of it does not lead to qualifications, and therefore, does not contribute directly to the Learning and Skills Council's target for adults. However, the participation in such learning can have a significant impact on progression. Thus an individual having overcome a fear of learning, or having acquired the taste for learning, may choose to undertake further learning that can eventually lead to qualifications.

Overall Participation Rate in Learning Across Devon and Cornwall

This chapter has examined both rates of work and non work-related learning. From this, it is possible to determine the overall participation in learning rate across the two counties. In 2000, it was estimated that 57% of individuals undertook some form of learning. During 2001, the rate reduced to 55% (although the difference is not statistically significant and is within error margins).

Adult Participation in the Further Education Sector

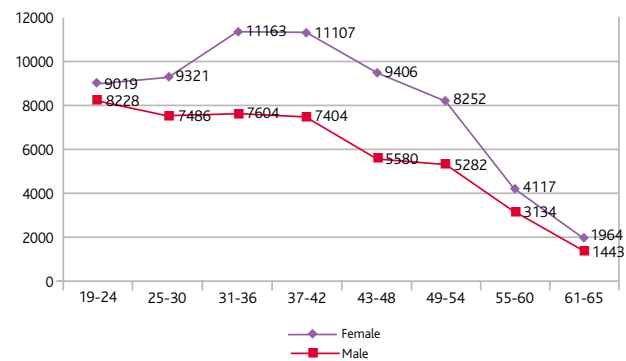
This section examines the participation in learning by adults in the further education sector in Devon and Cornwall, for which the Learning and Skills Council is responsible.

During 1999/2000 146,539 qualifications were undertaken by 110,510 individuals between the ages of 19 and 65 years across Devon and Cornwall. There were substantially more females (64,349) enrolled on courses than males (46,161). On average, females undertook slightly more qualifications than males (1.36% compared to 1.27%) and were less likely to withdraw from a course. Across all age groups, females were also more likely to be engaged in learning compared with males.

The highest level of participation for adult females in FE is between the ages of 30 and 40 years, after which

participation falls quite dramatically, although it is maintained above the level for males. This increase in participation between 30 and 40 may be due to females having time for education as children become older and more independent.

Figure 10: Number of Males and Females Engaged in Learning at Further Education Colleges



Source: ISR 19

For males, participation in education is highest at 19 years. In general, the trend is downward with a plateau between 25 and 42 years of age.

In terms of courses or subject areas, females tend to take more academic based courses compared to males. However, there are far fewer differences in terms of subject areas. Indeed, the three most popular subject areas are the same but are favoured in a slightly different order. For females, the order of preference is business, humanities and science, for males it is science, humanities and business.

There is an 8% difference in withdrawal rates, with males being more likely to withdraw than females. The subject area with the highest withdrawal rate, humanities (15.1%), is the second most favourite subject area for both males and females. The sciences, which are favoured more by males, have the second largest drop-out rate. Construction is the third subject area with highest drop-out rates.

Table 44: Qualifications by Subject Area; Withdrawals (%)

Subject Area	Total Qualifications	No. Withdrawn	% Withdrawn
Sciences	27,755	3,466	12.5
Agriculture	4,395	341	7.8
Construction	2,505	273	10.9
Engineering	6,682	523	7.8
Business	27,443	2,126	7.7
Hotel & Catering	15,510	260	1.7
Health & Community	28,137	833	3.0
Art & Design	6,320	663	10.5
Humanities	16,261	2,456	15.1
Basic Skills	10,544	1,039	9.8

Source: ISR 19

Implications

- Perceived barriers to participation in education are very similar for males and females although females show a greater propensity towards ongoing learning. This means that fewer males are acquiring skills in later years.
- Some subject areas have significant drop-out rates. This can impact negatively on the already existing skills shortages. Significant proportions drop out from basic skill provision - a negative step, as it may prevent those same individuals from developing further.

People with Disabilities

So far, the chapter has explored the benefits of learning and achieving qualifications, motivation to learn and barriers to learning amongst adults across Devon and Cornwall, describing the contribution that employers and individuals themselves make towards up-skilling. The chapter has highlighted differences in patterns of learning, barriers to learning and attitudes towards learning amongst different groups in the labour market. The following section explores particular groups that have been described as being disadvantaged, or socially excluded, in order to understand their particular issues regarding learning.

The Devon and Cornwall area has an older population with a greater tendency to report disability. Results from the Labour Force Survey (LFS) of Spring 2000 found that 21% of the adult population in the area had some form of disability.

The LFS had asked all respondents between the ages of 16 years and retirement if they have a health problem or disability that is expected to last more than one year (long term). This includes problems with mobility, vision, hearing, speech, skin disorders, chest, circulation and organ disorders, mental illness, progressive illnesses and learning difficulties. Respondents were asked if these health/disability problems affect the kind or amount of paid work they might or can do. This leads to the definition of work-limiting disability. They were also asked if their health problems or disability substantially limits their ability to carry out normal day-to-day activities (the Disability Discrimination Act definition of a disability). This leads to the definition of activity-limiting disability. The percentages of people with disability for Devon and Cornwall compared to the wider South West region and England are set out below.

The overall proportion of people aged 16 to retirement reporting a long-term health problem or disability that affects normal activity and/or work is slightly higher in Devon and Cornwall than the South West and England. Those with a condition that limits their normal day-to-day activity, and type or amount of work they can do, make up a significant proportion of the working population up to retirement.

Table 45: People with a Disability by Geographic Area (%)

Disability	Devon & Cornwall	South West	England
Activity & Work-limiting	12.1	9.9	11.2
Activity-limiting only	3.9	4.1	3.6
Work-limiting only	5.3	4.0	3.7
None Reported	78.7	82.0	81.6

Source: Labour Force Survey, Spring 2000.

More localised data on people with disabilities comes from the Individuals' Skills Needs in Devon and Cornwall Survey, and suggests that the incidence of disability rises with age. Nine percent of 16 to 19 year olds who participated in the survey reported some form of disability compared to 19% of those between 50 years and retirement. Males were more likely to report a disability compared with females (14% vs. 11%) with a large proportion unemployed (see Table 46).

Table 46: Percentage of Adults with a Disability by Employment Status

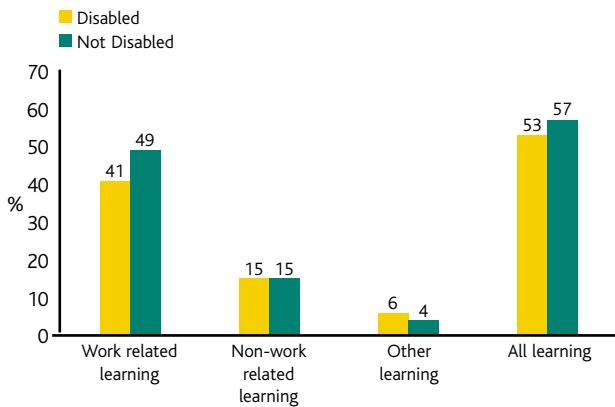
Employment Status	%
Unemployed	18
Self-employed	13
Employed full-time	11
Employed part-time	10

Source: Individuals' Skills Needs in Devon and Cornwall, 2001

The higher incidence of unemployment amongst people with disability suggests that poor health reduces the chances of work. Furthermore, disability plays a major part in excluding people from the labour market in the first instance as 34% of those adults who are economically inactive reported a disability against the 13% in the overall sample. The Individuals' Skills Needs Survey (2001) also found that people with a disability were more likely to feel under-qualified for their present job compared to the able-bodied. These results are in line with the Government's White Paper "Learning to Succeed" (1999), which demonstrated that people with disabilities are more than twice as likely as their peers without disabilities to be unqualified or unemployed.

In terms of accessing learning opportunities, the chart below shows that people with disabilities are less likely to take part in learning, particularly work-related learning. This may reduce their prospects of improving their qualifications and possibly jeopardise the chances of career progression and job security.

Figure 11: Learning Activity Undertaken in the Last 12 Months. All Respondents (%)



Source: Perspectives on Individuals' Learning and Employment in Devon and Cornwall, 2000

The same survey also found that people with disabilities tended to be employed in intermediate and lower skilled occupations. Such occupational groups are less likely to provide learning opportunities.

People with a disability are slightly less positive towards future learning compared to able-bodied adults. Sixty-two percent of disabled respondents reported being either positive or very positive compared to 67% of those with no disability. Moreover, those with a disability were more likely to be negative towards learning (10% vs. 7%).

Besides being less positive towards undertaking future learning, what is it that prevents people with disabilities from doing so? As Table 47 below shows, those with disabilities are significantly more likely to feel discouraged from learning by barriers - particularly cost and lack of time - than their illness or disability itself.

Table 47: Barriers to Learning by Disability

Barriers Identified	With Disability (%)	Without Disability (%)
Cost/cannot afford to	39	34
Lack of Time	27	26
Cost of travel/transport	9	7
Not able to get time off work	6	12
Lack of transport/poor transport	9	6
Do not have the qualifications needed to get on course	11	6
Have to look after children	14	17
Illness/disability	19	0
Nothing is preventing me	20	27
Cost of childcare	10	9

Source: Individuals' Skills Needs in Devon and Cornwall, 2001

Although most people with disabilities face obstacles regarding learning, many are engaged in FE provision.

Of the 110,510 individuals in the FE sector during 1999/2000, 4,110 were reported as having some form of disability or illness. The distribution by gender was far more even than for individuals who reported no disability, with 2,199 males and 1,911 females undertaking courses.

The greatest proportion of disabled students on FE courses was concentrated around the lower level of qualifications. Forty percent were engaged in other qualifications e.g. basic skills.

Table 48: Level of Qualifications Studied Towards by Disability

Level of Qualification	%
Level 1 and Entry	23.6
Level 2	20.6
Level 3	13.0
Level 4, 5 & HE	2.0
Other	40.0

Source: ISR 19

Those with disabilities undertook approximately 5,842 qualifications during 1999/2000 (approximately 1.4 qualifications per person).

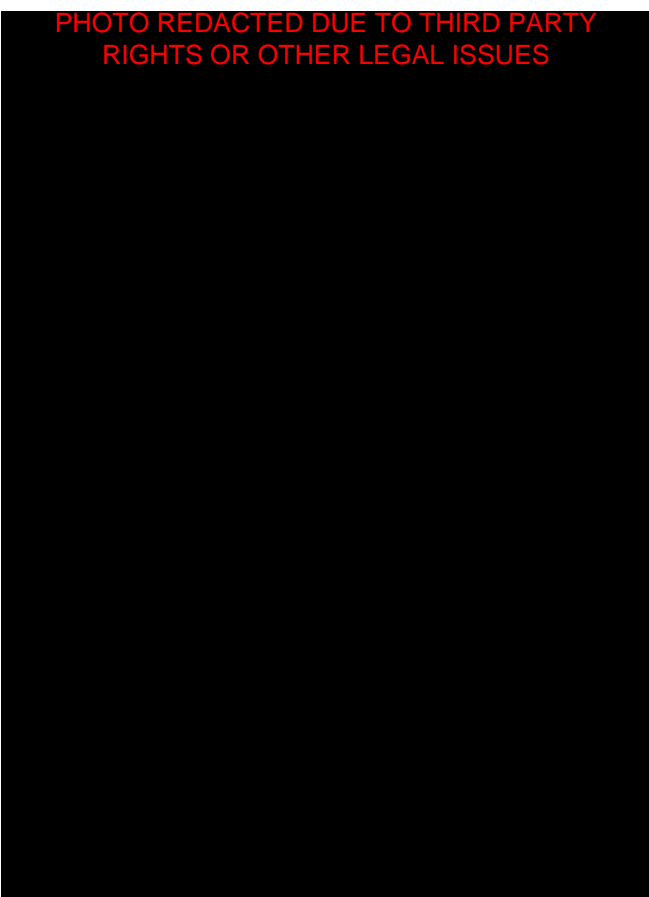


Table 49: Qualifications by Disability; Withdrawals (%)

Programme Area	Total Qualifications	Number Withdrawn	% Withdrawn
Sciences	675	135	20
Agriculture	406	42	10.3
Construction	89	14	16
Engineering	178	32	18
Business	528	74	14
Hotel & Catering	330	21	6.4
Health & Community	496	24	14
Art & Design	318	48	18
Humanities	567	112	20
Basic Skills	2,255	182	8

Source: ISR 19

The largest proportion of qualifications taken by people with disabilities was in basic skills (See Table 49). The most likely programme areas for those with disabilities to withdraw from were humanities (20%) and the sciences (20%). The least likely area to withdraw from was for qualifications in basic skills (8%).

Ethnic Minority Groups

There is very little up-to-date information on ethnic minorities in Devon and Cornwall. The Labour Force Survey (Spring, 2001) data in the Table below is for the South West region and represents only 175 interviews with ethnic minorities. It suggests a significantly lower proportion than for England as a whole. In Devon and Cornwall, there are an estimated 12,000 individuals from ethnic minority groups over the age of 16, constituting approximately 1% of the population.

Table 50: Ethnic Minority Population by Geography (%)

	South West	England
Non-ethnic Minority	96.2	90.8
Ethnic Minority	3.8	9.2

Source: Labour Force Survey, Spring 2001

The Perspectives on Individuals’ Learning and Employment (2000) found that economically active people with an ethnic minority background are more likely to be male than female and, as a group, have a younger age profile than the majority of the population in the South West region. Approximately 21% are between the ages of 16 and 24, compared to 13% of the white population. Only 14% of those from an ethnic minority background are over the age of 50, compared to 24% of white origin.

Data from the FE sector in Devon and Cornwall suggests the following trends in learning amongst this group. There were 2,437 students enrolled on FE courses during 1999/2000, representing 2.2% of further education students. A total of 3,111 qualifications were undertaken by these students – approximately 1.3 qualifications by individual. Numbers for each ethnic group are provided in the Table below.

Table 51: Number Enrolled on FE Courses by Ethnic Group

Ethnic group	Number enrolled
Bangladeshi	146
Black African	184
Black Caribbean	211
Black Other	91
Chinese	221
Indian	283
Pakistani	124
Other – Asian	388
Other	789

Source: ISR 19

Due to the small number of ethnic minority groups in Devon and Cornwall, groups are generally combined to indicate participation. This raises problems, as differences between ethnic groups in terms of participation in education are lost. To obtain any meaningful information from the data provided, for Table 52, different groups have been aggregated to ascertain the level of qualification the greatest proportion of ethnic minorities are studying towards.

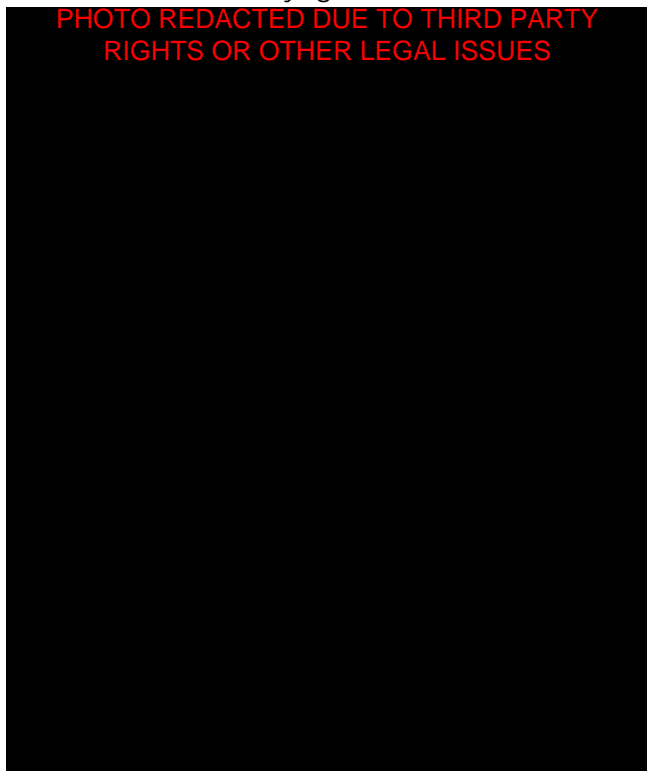


Table 52: Level of Qualifications Studied Towards by Ethnicity

Level of Qualification	%
Level 1 and Entry	32.8
Level 2	34.8
Level 3	13.1
Level 4, 5 & HE	3.4
Other	15.8

Source: ISR 19

Information from ISR19 shows that the greatest proportion of individuals from an ethnic minority background, are studying to Levels 1 and 2. Only a small proportion is shown to be studying to Level 3 and above.

Table 53: Qualifications by Ethnicity; Withdrawals (%)

Programme Area	Total Qualifications	Number Withdrawn	% Withdrawn
Sciences	471	88	19.0
Agriculture	16	6	37.5
Construction	23	4	17.4
Engineering	77	5	6.5
Business	442	52	12.0
Hotel & Catering	582	6	1.0
Health & Community	659	9	1.4
Art & Design	109	16	15.0
Humanities	346	47	13.6
Basic Skills	386	72	19.0

Source: ISR 19

The largest proportion of qualifications (21%) undertaken by those from ethnic minority groups was in health and community closely followed by hotel and catering. Both programmes had one of the lowest withdrawal rates. Individuals were more likely to withdraw from qualifications in agriculture than any other programme area (although the base is very small).

Overall, higher proportions of people of ethnic minority background are likely to feel positive about learning compared with those who are of a white background. However, they are more likely to face a number of barriers to learning. Data for the South West suggests that they are more likely to need to improve reading/writing before they can access a course. Also, they are more likely to be unaware of the courses and facilities available locally, and transport appears to be more of an obstacle than for the population overall. They are also less likely to travel long distances to access learning. Moreover, their participation in work-related learning and non work-related learning is below the rate for the overall population.

Ex-offenders

There is little information available on the actual number of ex-offenders across Devon and Cornwall. Equally, there is little data available on their attitudes towards learning and barriers to learning. A survey recently carried out by Devon and Cornwall Learning and Skills Council (2001) considered some of these issues and suggests that ex-offenders lacked qualifications - a fact associated with non-completion of secondary education. Non-completion resulted from negative attitudes towards school due to teachers' lack of interest in them, classes being too large, lessons being rushed through, and a dislike towards of routine and enforced authority figures.

Many also suffered from low levels of literacy and numeracy. However, although disadvantaged in terms of qualifications, their attitudes towards learning were in most cases positive. Ex-offenders saw learning as a way of moving out of low paid and low skilled employment. Some, however, felt less positive about the benefits of qualifications.

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There are a number of perceived barriers to learning reported by ex-offenders, the first being the length and focus of learning. Courses are often long and can be up to 12 months in length. This was felt to be too long and too great a commitment for ex-offenders. Much of their behaviour is impulsive, and to embark on a year's training course, with no guarantee of work at the end, seems less appropriate. Potential benefits from learning can often be delayed or not be apparent, further deterring ex-offenders.

Administrative procedures are another barrier. Prolonged administrative procedures lengthen the process between the decision to do a course and the start date, allowing time for doubts to develop. In addition, as many ex-offenders suffer from poor literacy and numeracy, they find it difficult to fill out forms. There is a tendency for courses to be academically focused whilst they prefer a combination of work and education.

The Homeless

As a group, the homeless encompass a wide range of people from different backgrounds and varying degrees of education. Some cannot read or write, and at the other end there are those with university degrees. They are more likely than ex-offenders to have completed their compulsory education with varying degrees of success. Loss of employment is reported as the main reason for becoming homeless, although there are many other reasons. Approximately one quarter are understood to suffer from minor to severe mental health problems (BBC website). Many also suffer from low self-esteem and confidence, which can affect the likelihood of engaging in some form of learning.

Overall, this group is reasonably predisposed towards learning. However, there are barriers that need to be removed. The cost of learning would appear to be one such barrier. The cost is high, due to the potential loss of benefits from attending a full-time course, and the loss of earning potential. Other barriers which need to be removed prior to this group engaging in learning are the need to find accommodation and overcoming problems with health and addiction.

Refugees and Asylum Seekers

The educational background of refugees is believed to be as varied as any other group, ranging from no education to some with PhDs. Those with qualifications experience frustration due to their qualifications not being recognised in the UK. This frustration may lead to some being less likely to participate in further learning. Generally, this group felt that their education, training and work experience abroad had largely been wasted. They have brought skills with them from abroad, yet almost all had sought unskilled manual work.

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Refugees, on the whole, held positive views towards learning, and appeared to be well motivated, but perceived strong barriers of prejudice and financial pressures that prevented them from learning. Further barriers experienced by this group were the need to adjust to a new culture and to learn to speak a new language. Some also faced difficulties in coming to terms with past stresses, and for some, health problems that had resulted in their refugee status.

Implications

- There is a need to ensure equality of opportunity in learning for minority ethnic groups (e.g. work-related learning; FE) and recognise the specific barriers by this group in accessing learning.
- In order to engage ex-offenders, courses need to be more flexible, and in a form that is not comparable to school, so as to avoid negative associations.
- In order to attract ex-offenders into learning, the benefits of any learning need to be clearly demonstrated and promoted, particularly in relation to future employment.

- The homeless encompass a wide range of people from different backgrounds and varying degrees of education. To attract the homeless, into learning, programmes need to be tailored to suit individual needs as well as addressing the more common problems faced by this group, such as finding accommodation.
- A substantial proportion of homeless people have problems with self-esteem and confidence as well as facing difficulties in paying for transport to access learning. This suggests the need to provide learning in small groups in familiar surroundings (hostels) to combat problems with confidence and reduce problems with transportation.
- The homeless also see the high cost of learning as a barrier. Learning was seen as expensive both in terms of time and money due to the potential loss of benefits and paid work.
- For refugees and asylum seekers there is a need for a more varied selection of courses aimed to improve English language skills.
- There is a problem with the accreditation of refugees' prior learning, where better guidance could help to make the most of the skills that this group has to offer.

Targets for Adults

There are two targets that the Learning and Skills Council is working towards by 2004 that apply to adults:

- 52% of economically active adults to be qualified to Level 3 or above.
- To raise literacy and numeracy skills of adults by 750,000.

The current position of these targets suggests that achievement will prove to be challenging. According to Learning and Skills Council data, Devon and Cornwall's position in relation to the targets is as follows:

- 44% of economically active adults have achieved Level 3 or above.
- Literacy and numeracy levels need to be raised by 23,000.

Chapter 3

Maximising the contribution of education and training to economic performance

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This section looks at the profile of employment units in Devon and Cornwall, and sets the context of the employment and economic profiles that follow. First, the overall geographic spread by sub-region suggests that growth of the employer base has been slower than regional and national trends, and that growth has been strongest in the Devon and Torbay area. Small businesses predominate, especially in Cornwall, whilst Plymouth has a relatively high proportion of medium and large sized employers. The sector profile is heavily influenced by the tourism industry, creating a large service based economy and a lower than average presence amongst manufacturing industries.

Employers in Devon and Cornwall

According to the Annual Business Inquiry (ABI), the official number of employers (individual business units) in Devon and Cornwall was 55,565 in 1999. This figure had risen by 2.2% from the year before, which was less than the growth in the South West (3.2%) or England (3.5%). The current number may well exceed this figure; indeed, some other commercially available data sources suggest a figure in excess of 60,000 employers, although there may be some double-counting.

Within Devon and Cornwall, at the Local Learning Partnership (LLP) level, Devon and Torbay LLP area accounts for over half of all businesses, with Cornwall and Isles of Scilly LLP area accounting for a third and Plymouth LLP for the remaining 11% (Table 54).

Table 54: Employers by Area

	Devon and Cornwall		Devon and Torbay LLP		Cornwall and Isles of Scilly LLP		Plymouth LLP	
	No.	%	No.	%	No.	%	No.	%
Units	55,565	100	31,340	56	18,192	33	6,033	11

Source: NOMIS/ONS 2001 Annual Business Inquiry, 1999

Over the period 1998 to 1999, Devon and Torbay LLP saw the greatest net proportional growth in employers, up by 2.7%. Cornwall and Plymouth LLPs experienced net growth of 1.7% and 1.3% respectively over the period. Clearly, the majority of net growth in the number employers in the Devon and Cornwall area has been generated from within the Devon and Torbay LLP area, with growth in the Cornwall and Plymouth LLPs being behind that of the South West and England (Table 55).

Table 55: Growth in Employers 1998 -1999

	1998	1999	Change	%Change
Devon and Cornwall	54,352	55,565	1,213	2.2
Devon & Torbay LLP	30,504	31,340	836	2.7
Cornwall & Isles of Scilly LLP	17,890	18,192	302	1.7
Plymouth LLP	5,958	6,033	< 100*	1.3

(* suppressed data less than 100)

Source: NOMIS/ONS 2001 Annual Business Inquiry, 1999

The vast majority (93%) of businesses in Devon and Cornwall are small, employing fewer than 25 employees, with less than 1% (263) employing over 200 - the large employers. This size profile is about the same across the South West and England (Table 56).

Table 56: Employers by Size

	Small		Medium		Large		All	
	No.	%	No.	%	No.	%	No.	%
Devon & Cornwall	51,943	93	3,359	6	263	<1	55,565	100
Devon & Torbay LLP	29,314	93	1,890	6	136	<1	31,340	100
Cornwall & Isles of Scilly LLP	17,172	94	960	5	60	<1	18,192	100
Plymouth LLP	5,457	91	509	8	67	1	6,033	100

Source: NOMIS/ONS 2001 Annual Business Inquiry, 1999

Amongst the Local Learning Partnership areas some variation is to be found. Cornwall LLP area has a slightly greater proportion of small business units compared to the average, whilst Plymouth LLP area has a somewhat greater proportion of medium and large units. This reflects the fact that Plymouth has a wider base of large employers in the manufacturing sectors, whilst Cornwall has a larger base of small, often family-run, businesses in the agricultural, fishing and tourism-related sectors.

Employers by Sector

Overall in Devon and Cornwall, the wholesale and retail sectors dominate the profile, accounting for 27% of all businesses. Business services, construction, and hotels and restaurants also account for significant proportions of all businesses in Devon and Cornwall (Table 57).

Table 57: Employers by Sector

Sector	Devon & Cornwall		South West	England
	No.	%	%	%
Primary	1,153	2	1	<1
Manufacturing	4,451	8	8	9
Construction	5,862	11	10	9
Wholesale/Retail	15,197	27	25	24
Hotels & Restaurants	5,648	10	8	7
Transport & Communications	2,401	4	4	5
Financial	948	2	2	2
Business Services	9,475	17	23	27
Public Administration	756	1	1	1
Education	1,482	3	3	3
Health	3,510	6	5	5
Social/Personal Services	4,682	8	9	9
All	55,565	100	100	100

Source: NOMIS/ONS 2001 Annual Business Inquiry, 1999

Compared to the South West and England, Devon and Cornwall have a larger proportion of businesses in the wholesale/retail, hotels and restaurants sectors, which is not surprising considering the large tourism industry the area enjoys. There is also a larger proportion of businesses in construction. Whilst there is much construction work underway in Devon and Cornwall, the larger number of employers in this sector could be related to a large proportion of small business, especially in Cornwall.

In contrast, there is a smaller proportion of businesses in manufacturing. Whilst this is only proportionally marginal, manufacturing accounts for about a third of large employers, and any under-representation in the number

of employers in this important sector heavily influences the profile of employment and the stock of well-paid full-time jobs, especially amongst males.

Even though the business services sector is growing, a significant proportional under-representation still occurs in this sector. Although the sector is dominated by small and medium sized employers, its overall position, second only to wholesale/retail, is important and tends to provide much needed high-skilled, well-paid part-time employment, especially amongst females.

Companies in Devon and Cornwall tend to be well established; about 23 years in existence on average (DC LSC, 2001). Some sectors are very mature - agriculture businesses, for instance, with an average 37 years in business, and companies in financial services established on average for 61 years, although this may be due to the presence of national companies. Young or emerging sectors tend to be technology based, for instance, telecommunications and computer/research and development. The majority of these businesses have been established for less than five years.

Implications

- Overall in Devon and Cornwall, the size profile of employers is similar to the South West and England, but there are slightly higher proportions of small sized employers in Cornwall, and medium and large employers in Plymouth. This will require solutions to skills issues to reflect localised employer profiles.
- The extent of the tourism industry in Devon and Cornwall leads to a higher than average proportion of employers involved in the wholesale/retail sector, and hotels and restaurants. Many of these organisations are small, entrepreneurial or life-style businesses. This can influence how these employers approach skills and training. Training provision needs to be appropriate to the time scales, seasonality, and often the personality of the owners.
- High-level skills and well-paid jobs tend to be a characteristic of the business services sector. Whilst this, and other high skill growth sectors, may be growing local skill levels, it may also be absorbing skills away from other sectors. Skills displacement needs to be addressed as much as up-skilling, if sustainable development of local economies and skills bases is to be achieved.
- Growth in emerging technology sectors will see a need for training during the post set-up early growth cycle. At these times, companies can be very demanding of skills levels and can draw heavily upon a location's skills base. However, because of the fast dynamic pace of many technologies, the planning of skills needs and training can also be rapid and reactive, requiring equally dynamic and responsive education and training provision.

The previous section looked at the employer base - those that offer the opportunity for employment to the rest of the labour force. This section details the employed workforce across Devon and Cornwall. This is the engine that drives the economic prosperity of the two counties through productivity. The following shows how the various elements of the workforce inter-relate with each other by employment type, gender, age, sectors and occupations. Trends over the period 1998 to 2009 are presented but the issue of replacement demand indicates that it is difficult to make accurate forecasts. The section closes by looking at the implications this may have on skills. It presents the recurring theme of just how much changing demographic, social and industrial trends are likely to impact on the skills profile of the two counties.

Employees in Devon and Cornwall

There are 698,000 people aged 16 to retirement (working age) and 24,000 people over the age of retirement in paid work in Devon and Cornwall. This total of 722,000 people includes 117,000 self-employed people, and there are some others, possibly 11,000, who are both self-employed and have a second paid job. This leaves 594,000 who are paid employees. Forecast data for those in employment suggest the number will rise at an average annual rate of about 1.2% over the period 1998 to 2009 (Table 58).

Table 58: Devon and Cornwall Employment Profile

	Number	%
All age 16+ in employment	722,000	100
Male	385,000	53
Female	338,000	47
Self-employed age 16+	117,000 (+11,000 est)	100
Male	Estimate	68
Female	Estimate	32
Employees age 16+	594,000	100
Male	297,000	50
Female	296,000	50
All age 16-retirement in employment	698,000	100
Male	377,000	54
Female	321,000	46

Source: NOMIS/ONS Labour Force Survey Spring 2001

Of all those in work, including the self-employed, just over half are male. The gap between males and females in employment has been narrowing from 60% male and 40% female 20 years ago, to 53% male and 47% female to date. However, this remaining imbalance is sustained by the two thirds of the self-employed that are male, suggesting that women are very under-represented in

this section of the workforce. When the self-employed are separated from employees, the proportions of male and female employees equalise to half-and-half.

Female employment is forecast to increase over the period 1998 to 2009 by 15%, whilst male employment is forecast to grow at a slower pace by 10% (IER 2001). This pattern is in line with forecasts across the South West and the rest of the country. It is based upon the likely impact expected from growth in service sectors taking on more women, and, in part, the Government's equal opportunity and social inclusion agenda.

Self-employment is expected to fall by 12% over the same period, but this will be mainly amongst males who will experience a fall of 18%, with female self-employment remaining relatively static.

Table 59: Full-time and Part-time Employment

	Number	Devon & Cornwall (%)	South West (%)	England (%)
Full-time	491,000	68	71	75
Part-time	23,000	32	29	25
Total	722,000			

Source: NOMIS/ONS Labour Force Survey Spring, 2001

Over two-thirds of all employment in Devon and Cornwall is full-time, which is a lower proportion than the South West and England. This reflects a greater dependence on service sector jobs, such as tourism and retail, in which part-time jobs predominate (Table 59).

Excluding the self-employed, forecasts suggest full-time employment will reduce from 65% of all employees to 61% between 1998 and 2009 (Table 60).

Table 60: Full-time and Part-time Employment Forecasts (%)

	1998	2009
Full-time	65	61
Part-time	35	39

Source: IER, 2001

Male employees are likely to see the greatest proportional changes from full-time to part-time over the period (Table 61).

Table 61: Male and Female Employment Forecasts (%)

	1998		2009	
	Full-time	Part-time	Full-time	Part-time
Male	62	25	60	32
Female	38	75	40	68

Source: IER, 2001

Males will, however, still make up the largest proportion of full-time employees (Table 62).

Table 62: Full-time and Part-time Employment Forecasts by Gender (%)

	1998		2009	
	Male	Female	Male	Female
Full-time	82	48	75	49
Part-time	18	52	25	51

Source: IER, 2001

Indeed, male full-timers will remain the largest group of all employees (Table 63).

Table 63: Male/Female Full/Part-time Proportions of Employment Forecasts (%)

	1998	2009
Male Full-time	40	37
Male Part-time	9	12
Female Full-time	25	25
Female Part-time	26	26
Total	100	100

Source: IER, 2001

The population of Devon and Cornwall is expected to grow slowly to 1,680,000 by the end of the decade, particularly amongst those over 60, with a downturn in the 16 - 24 age group, reinforcing the trend towards an ageing population (IER 2001). Inward-migration will be the main factor contributing to an overall increase.

The vast majority of those in employment in Devon and Cornwall are aged between 35 and 49, which reflects the profile of the South West. As the 50+ age group retire in the next 10 - 15 years, there will be fewer younger age groups to replace them. Whilst this reflects the overall trend towards an ageing workforce, as in other developed countries, it raises particular issues for employers in Devon and Cornwall, as there are proportionally more people aged 50+ in the two counties compared to the England average (Table 64).

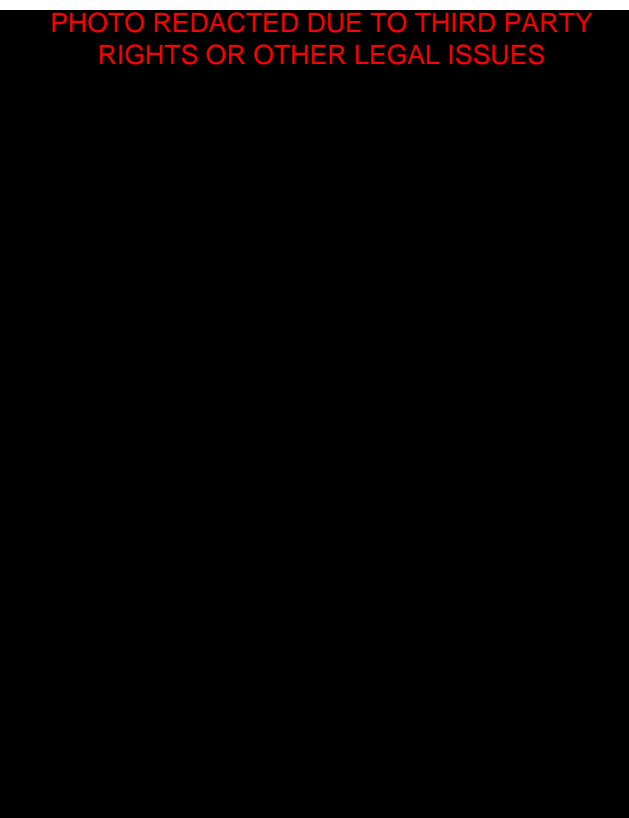
Table 64: Employees by Age

	Number	Devon & Cornwall (%)	South West (%)	England (%)
16-19	45,000	6	6	5
20-24	58,000	8	8	9
25-34	156,000	22	23	24
35-49	269,000	37	37	37
50+	184,000	27	27	24
Total	722,000			

Source: NOMIS/ONS Labour Force Survey Spring, 2001

However, the forecasts suggest the economically active labour force is likely to increase over the period 1998 to 2009 by 7%, mainly within the 25 - 44 and 60 - 64 age groups, largely because of the expected increase in retirement age of women to 65, with the 16 - 24 age group remaining stable.

Male economic activity is expected to increase, although at a slower rate than females. Male rates in the 25 - 34 age group are expected to remain static whilst lower rates are expected amongst the younger and older age groups. The largest economic activity increase amongst women is expected amongst the 25 - 44 age group, most likely because of the changing patterns of child rearing.



Employees by Sector

In broad terms, employment is predominantly within the service sectors in Devon and Cornwall, which is the case across the country. However, Devon and Cornwall are proportionally less reliant upon manufacturing for employment than the South West and England, which may be to their advantage if the sector continues to suffer from the world slowdown (Table 65).

Table 65: Employees by Broad Sector

	Number	Devon & Cornwall (%)	South West (%)	England (%)
Manufacturing	97,000	13	15	17
Construction	56,000	8	7	7
Service	530,000	73	74	74
Primary	39,000	6	4	2
Total	722,000			

Source: NOMIS/ONS Labour Force Survey Spring 2001

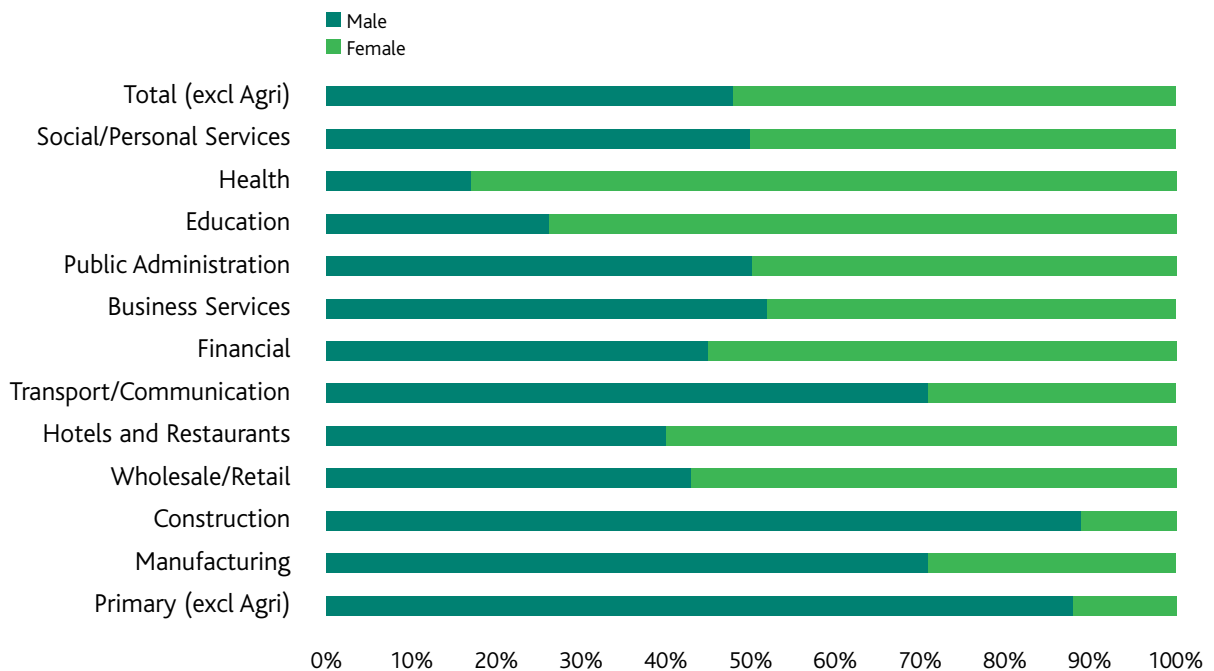
To obtain a more detailed view of employment across sectors, it is necessary to refer back to the 1999 Annual Business Inquiry data on workplace employees. As can be seen in Figure 12, the wholesale/retail sector accounts for the largest proportion (20%) of employees in any sector with 113,750 employees in Devon and Cornwall. This is a slightly higher proportion than the South West (19%) and England (18%) although it should be



remembered that Devon and Cornwall will have a higher proportion of tourism related retail employment.

Other significant employment sectors are manufacturing, health, business services, and education. The hotels and restaurants sector is not only a significant employer but, due to the extent of tourism, it is also proportionally larger than in the South West or England, (7%) and (6%) respectively.

Figure 12: Employees by Sector and Gender



Source: NOMIS/ONS 2001, Annual Business Inquiry, 1999

Gender stereotyping remains in some sectors. Males dominate the production sectors, whilst women dominate many of the service sectors (Figure 12). This creates inequality, especially for women, as many jobs in service sectors are part-time, temporary and relatively low skilled, and tend to offer little opportunity for training and development.

Sector Change

Whilst the number of employees overall grew 2.8% between 1998 and 1999, there were winners and losers across the sectors. Employment within the primary sectors (which include agriculture, fishing, quarrying, and the utilities) had been falling over recent years, with a decline of 9% in the year to 1999. Within this sector, fishing saw a 27% drop in employees over the period and the utilities saw a drop of 19%. Although the decline is likely to have subsided in these two sectors, agricultural employment is likely to be affected by the Foot and Mouth crisis of late and may be declining at a rate which has yet to be picked up in the statistics (Table 66).

Table 66: Employees by Sector 1998-1999

Sector	1998	%	1999	%	Change	%
Primary	21,141	4	19,255	3	-1,882	-9
Manufacturing	81,025	15	76,205	14	-4,819	-6
Construction	29,364	5	26,613	5	-2,751	-9
Wholesale/Retail	111,645	20	113,743	20	2,098	2
Hotels & Restaurants	48,767	9	47,863	9	-903	2
Transport/Communications	23,783	4	24,948	4	1,165	5
Financial	12,561	2	12,904	2	343	3
Business Services	44,379	8	52,896	9	8,518	9
Public Administration	30,085	6	35,385	6	5,299	8
Education	41,067	8	47,678	8	6,612	16
Health	76,404	14	79,614	14	3,210	4
Social/Personal Services	26,613	5	25,249	4	-1,363	5
Total	546,833	100	562,352	100	15,519	3

Source: NOMIS/ONS 2001 Annual Business Inquiry, 1999

The manufacturing sector experienced a moderate proportional drop in employees but saw the largest absolute decline. The construction sector also saw a large absolute fall in the number of employees over the year to 1999, although there was a slight increase in the number of construction companies (3%) over the same period.

Education, public administration, and business services experienced significant proportional increases in employees from 1998 to 1999. Business services saw the largest overall increase proportionally and in absolute terms, although this was mainly due to increases in accounting and bookkeeping activities, and labour recruitment services.

Future Employment by Sector

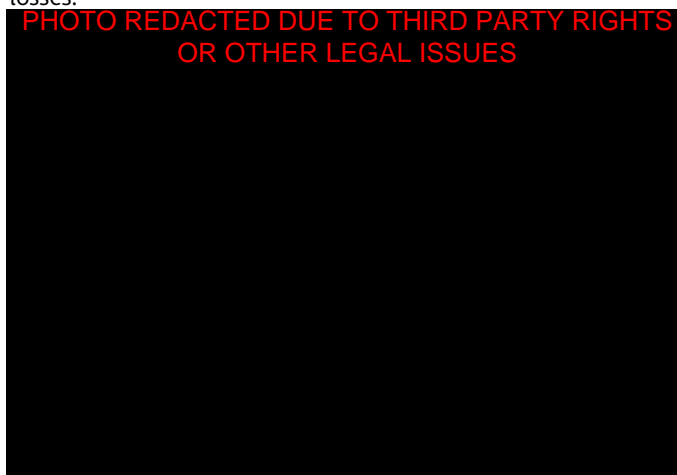
The Institute of Employment Research and Cambridge Econometrics have generated sector-forecasting data for Devon and Cornwall. This uses data from various sources, which includes all aged 16+ in employment, including self-employed, and is applied to econometric models. This uses slightly different sector categories but provides a useful insight into potential changes based on previous performance. As such, this should be taken as indicative data only. This forecast took a base from 1998 and projected forward to 2004 and 2009 (Table 67).

Table 67: Employment Forecasts (Including Self-Employed)

Sector	1998	2004	2009
Agriculture	34,000	26,700	25,000
Mining and Quarrying	2,800	2,300	2,000
Manufacturing	89,000	80,600	77,000
Utilities	4,100	3,500	3,300
Construction	47,900	59,200	64,800
Distribution & Hotels	163,600	78,200	190,000
Transport & Communications	27,600	32,200	33,100
Other Marketed Services	75,400	85,600	97,000
Non-marketed Services	216,100	245,200	257,400
Total	60,600	713,500	749,500

Source: IER, 2001.⁸

Clearly, agriculture is facing a crisis and was expected to face a loss of 9,000 jobs between 1998 and 2009. This may well be revised upwards in the wake of the Foot and Mouth outbreak with males facing the brunt of these job losses.



⁸ Other marketed services include sectors such as financial, business and professional services, and other miscellaneous commercial services. Non-marketed services include public services.

Manufacturing is expected to continue losing jobs over the period, with males and females both affected. However, this downward trend will slow towards the end of the decade as the restructuring experienced by this sector over the past 25 years stabilises.

Construction is expected to see considerable increases in jobs over the period, and males will be the main beneficiaries of this growth.

A substantial increase in jobs is projected for the distribution and hotels sector, which includes retail. Much of the new growth is expected amongst males with females benefiting as well. By the end of the decade male and female jobs in this sector are expected to be equal, although many will be in part-time jobs.

Transport and communications sectors are expected to see some moderate gain in jobs, but will remain a relatively small proportion of overall employment, and smaller than the South West proportion.

Other marketed services are expected to gain jobs steadily to the end of the decade with males and females sharing the increases. However, significant gains are expected in the computing services sub-sector, possibly by as much as 7,000 new jobs over the period 1998 to 2009. Whilst the other marketed services sector will increase as an overall proportion of all jobs in Devon and Cornwall, it will still be well below that projected for the rest of the South West, with Cornwall being particularly behind, which is not uncommon for a peripheral rural area.

The non-marketed services sector, which includes public administration, education and health, accounts for the largest proportion of jobs in Devon and Cornwall, slightly above the South West level. Whilst proportional growth is expected to be moderate, this could still create about 40,000 new jobs over the period 1998 to 2009. The largest increases are expected in the health and education sub-sectors, and females are expected to be the main beneficiaries in these gains.

Employees by Occupation

The latest figures for occupations in Devon and Cornwall are drawn from the LFS Spring 2001. This gives the profile for all aged 16+ in employment, including self-employed, by the new Standard Occupation Classifications, known as SOC2000.

Table 68: Employees by Occupation

SOC 2000	Number	Devon & Cornwall (%)	South West (%)	England (%)
Managers & Senior Officials	95,000	13.2	14.4	14.0
Professional	73,000	10.1	11.7	12.0
Associate Professional & Technical	81,000	11.2	13.0	13.4
Administrative & Secretarial	81,000	11.2	12.4	13.5
Skilled Trades	109,000	15.1	12.7	11.6
Personal Service	63,000	8.7	7.8	7.2
Sales & Customer Service	66,000	9.1	8.2	7.7
Process, Plant & Machine Operatives	59,000	8.2	7.5	8.3
Elementary	94,000	13.0	12.2	12.1
Total	722,000	100.0	100.0	100.0

Source: NOMIS/ONS 2001 Labour Force Survey Spring, 2001

Skilled trades make up the single largest occupational group in Devon and Cornwall. This is somewhat different to the occupational profiles of the South West and England, where the largest occupational group is managers and senior officials. Overall, Devon and Cornwall have a lower proportion of what would have once been referred to as 'white collar' workers and a larger proportion of 'blue collar' workers, compared to the South West and England (Table 68).

Occupations by Sector

Earlier analysis by IER (2001) of the LFS using their model gives a broad overview of some occupations (SOC 1992) by sector (see Appendix 3). A third of managers and administrators are in the distribution and hotels sector, with a fifth in other marketed services. The next largest group is in agriculture and non-marketed services. The majority of professional occupations (60%) are in the non-marketed services sector (public sector). The next largest proportion in this group is in other marketed services. Over half of all associate professional and technical occupations are within non-marketed services sectors, and a quarter of associate professional occupations are in other marketed services. The largest proportional group of clerical and secretarial occupations are within the non-marketed services sector. Construction and manufacturing currently absorb the vast majority of craft and related occupations. Most of the jobs in personal and protective service occupations, about half, are in the non-marketed services sector with distribution and hotels and other marketed services accounting for most of the remainder.

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Future Employment by Occupation

Using the old Standard Occupational Classification system (SOC1992), past records can be used to predict future scenarios. Again, the Institute of Employment Research and Cambridge Econometrics have applied this data to a local employment-forecasting model. It should be noted that the different profiles used between the 1992 and 2000 classifications, give rise to some differences, for example, amongst managers and administrators.

Table 69: Employment Forecasts by Occupations

SOC 1992	1998	2004	2009	% Growth 1998-2009
Managers & Administrators	17.3	17.4	17.8	17.2
Professional	7.9	8.5	8.9	28.5
Associate Professional & Technical	7.8	8.1	8.1	18.2
Clerical & Secretarial	13.6	13.2	12.7	5.9
Craft & Skilled Manual	13.3	12.7	11.8	0.7
Personal & Protective Services	13.2	14.1	14.7	26.8
Sales	9.6	10.5	11.2	32.4
Plant & Machine Operatives	7.9	7.2	6.8	-2.3
Other	9.5	8.4	7.9	-5.4

Source: IER, 2001

Overall, these forecasts suggest sales occupations will grow by almost a third over the period 1998 to 2009, with significant growth in professional, personal and protective services, associate professional and technical, and management and administrator occupations. Decline in the manufacturing sector will lead to a decline in plant and machinery operatives and poor growth in craft levels. The decline in other occupations will be mainly as a result of decline in the agricultural sector (Table 69).

Although the managers and administrators occupational group is dominated (60%) by manager proprietors, growth is expected mainly amongst corporate managers and administrators. Indeed, with the impact of Foot and Mouth on agriculture and tourism likely to cause individual farmers, agricultural service suppliers, and tourism related manager proprietors to change direction, the proportion of manager proprietors may well decline. At corporate level, although organisations have tended to become less hierarchical, the growth is likely to be in functional management rather than line management.

With the high growth expected in professional occupations, the largest increases in absolute terms are expected in teaching professionals. Proportionally, other professional occupations, and science and engineering professionals, are expected to show the largest increases. However, due to the relatively small base of professional jobs available in Devon and Cornwall, people tend to stay in one good job for a long time, hindering career devel-

opment and progression opportunities for others. The problem has been identified in the high-tech sector when trying to attract professional engineers to the area.

Growth in associate professional and technical occupations will, to a large extent, occur amongst other associate professional occupations. Growth is also expected amongst health associate professionals, but a small decline is likely for science and engineering associate professionals.

However, indications from the 2001 Employer Skills Needs Survey suggest that less than 4% of all employers anticipate increasing the number of managerial, professional or associate professional jobs, over the next year. This reflects the reality of the current economic climate and gives a good example of why trend forecasts should only be viewed as an indication of longer-term possibilities.

The trend forecasts for clerical and secretarial occupations suggest that proportions in the non-marketed services, and other marketed services sectors are expected to increase over the period to 2009, but fall in manufacturing and the distribution and hotels sectors. Overall, clerical and secretarial occupations are expected to increase, but at a slower pace than average growth. This occupational group will see most growth amongst clerical occupations, whilst secretarial occupations are likely to decline.

Overall, relative stability will remain in the craft and skilled manual occupations, but as a proportion of total employment a slight decline is expected, especially in manufacturing. Within this group, gains are expected mainly in skilled engineering trades and skilled construction trades, whilst losses are expected in some other skilled trades occupations, but the statistics are too small to be precise.

Strong growth is expected in the personal and protective service occupations, up by more than a quarter over the period 1998 to 2009. This group will remain the second largest after managers and administrators, and it is likely to stay slightly above the proportional average compared to the South West and England, largely because of the significant service based sector orientation in Devon and Cornwall, especially Cornwall. In this instance, these service sectors tend to be tourism, care and health.

The service sector orientation of the Devon and Cornwall economy also contributes to a large proportional representation of sales occupations, mainly in the distribution and retail sector, which, in line with the previous group, is expected to see significant growth, - by nearly one third over the period up to 2009.

Whilst all occupational groups mentioned so far are expected to grow, or at least remain stable, over the projected period, plant and machine operatives and 'other occupations' are forecast to decline.

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Plant and machine operatives are expected to see further shrinkages as a result of continued restructuring and technological advances within the manufacturing sectors. Whilst there will be gains in driver and machine operatives, this will be more than cancelled out by the losses in plant and machine operatives, creating a net and proportional loss for the whole group.

Other occupations, which include low skilled manual jobs, are expected to see a fall in number over the period. It should be pointed out, that the proportion in this group is somewhat over-represented in Devon and Cornwall compared to the South West and England. Nevertheless, overall in this group the losses will be felt mainly in the agricultural, forestry and fishing sectors, and are likely to affect males more than females.

Replacement Demand

Whilst forecasts of sector and occupational change can give useful insight into potential employment gains and losses in the future, they can paint an artificial picture because of replacement demand. Even in cases where significant job losses are expected, the combined effect of retirement, career moves, mortality and structural changes to occupations, can lead to significant numbers being required, creating many good career opportunities. Net losses from decline, and net gains through expansion demand, can be dwarfed by replacement demand in some cases.

Indeed, some sectors with an ageing workforce will face replacement demand problems in the near future. Agriculture, for instance, has a predominance of workers and owner managers over the age of 50. Whilst this sec-

tor is seen to be reducing the total number of its workforce, there will still be recruitment shortages. With few people being attracted to the industry because of successive crises, there will be a shortage of skilled and suitably trained people to carry on the work as many current older workers retire over the next decade.

Other sectors are approaching similar problems. The traditional recruitment pool for construction is shrinking as young people increasingly stay on in education, making it harder to attract enough young workers to replace the growing proportion of mature workers approaching retirement age.

Engineering, fishing, the utilities, and mining and quarrying have significant levels of the workforce approaching retirement and have difficulty attracting enough young people to cover this replacement demand, let alone any expansion demand.

The projected patterns of replacement demand suggest priorities for education and training provision should be considered beyond that suggested by expansion and decline projections alone. In particular, more opportunities than expected are likely to be available for lower skilled jobs during the demographic transition of the workforce structure over the next ten years.

Implications

- Devon and Cornwall have a substantial self-employed population. However, the greater proportion of male self-employed may lead to training provision for business people being male orientated, which could create problems for business women accessing appropriate training.
- With the forecast decline of male self-employment and male full-time jobs being replaced with more varied part-time service-based work, the structure of the workforce will continue to change over the next decade. This will require different approaches to training and education, further away from the traditional single trade skill for life, to a flexible multi-occupational and continuous skills development suitable for uncertain career routes.
- Like all areas in developed countries around the world, Devon and Cornwall is facing an increasing aged (60+) population, and a decline in younger workers to support this ageing population.
- The Devon and Cornwall area already has a higher proportion of retired people than many other areas. However, as there are already a substantial number of retired workers (24,000), the culture of working past retirement may help to keep some skilled people in the workforce, alleviating the pressure of skills shortages in some occupations. Training within this age group will need to be delivered in a way that appreciates the diverse attitudes to learning, some of which may be based on the last time they were in school many years ago when education was delivered in a very different way.

- The changing patterns of family life, where more women are having children later or not at all, and more are returning to work earlier during child rearing, will contribute to the largest increase in economic activity amongst women. This will have implications for the delivery of training and education as there may be more women returning to work having already established a career and wishing to continue it at the same level as before, taking time off to rear a family.
- With the higher than average level of employment in tourism-related retail, accommodation and catering establishments, much of which is part-time, the level of training and development opportunities is limited for a significant proportion of the working population, many of which are women. These sectors can offer limited opportunities for staff development mainly because of the basic occupational skills level required of many staff and the seasonal and part-time nature of employment.

However, the incentives for owner managers to provide development opportunities are not always clear, let alone the practicalities of doing so. Education and training provision need to be sensitive to the nature of operating a business of this type, and provide training and development opportunities that deliver practical benefits to the employer organisation as well as to the individual.

- Structural changes across sectors will always happen. Currently, land-based primary production and traditional manufacturing are experiencing significant restructuring. Education and training provision for the affected workforce needs to be flexible, quick to respond, and diverse to take account of the various directions into which re-deployment may take people. Training for those remaining in restructuring sectors needs to be adaptable to keep pace with the changing roles and skills requirements.
- Reductions in some sectors are likely to be more than compensated for by increased demand in other sectors. However, most job gains are expected in the service sectors - distribution, retail and hotels, other marketed and non-marketed services. This will have implications for the education and training of those changing from manual to service and knowledge-based sectors. Careers in these types of sectors tend to be shorter, and are likely to involve fundamental changes to people's roles during their working life. Adaptability, access and a positive attitude to continual learning will be traits that individuals will need to survive in the future labour market.
- Forecasts suggest that growth in management and higher level occupations is expected over the next decade, whilst decline is expected in some low level occupations. However, current research suggests that employers have difficulty in attracting enough people

to low level jobs and have limited need for further management jobs. This may lead to confusion in the labour market and future recruitment problems if the reality of the situation is not communicated carefully. For instance, the current situation in agriculture creates negative messages and is contributing to a downturn in young people entering this sector. Whilst there are going to be fewer jobs in agriculture, there will still be many vacancies over the next 20 years because of the current ageing workforce exiting the industry through retirement. Education and training in declining sectors need to continue to be seen as attractive options whilst the decline settles to a new equilibrium. Too much negative perception can accelerate a sector's decline because skill shortages become artificially compounded through poor image and lack of interest.

So far in this chapter, the profile of employers and the workforce in Devon and Cornwall has been presented. Combined, these generate the economic productivity that creates the wealth of the two counties. The skills requirements to sustain and improve this economic prosperity are considered in the next section.

The Economic Profile

This section analyses the economic productivity of Devon and Cornwall, firstly in an international and national context before going on to a more localized analysis at county level. This performance is then set against recent trends giving examples of real events that have impacted upon the economy. The various sectors are then compared by Gross Domestic Product (GDP) growth followed by an overview of skills dimension to economic development. The implications for skills are presented at the end of this section.

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International Profile

The immediate outlook for the world economy has been hit by falling share prices and dropping confidence in most industrialised markets. Although this downturn was already occurring, its effect was to deepen after the terrorist attacks on the United States in September 2001. As a result, world economic performance, as measured by GDP, was expected to rise by a little under 1% for 2001, following a rise of 4% in 2000. Growth will remain weak in 2002 reaching only 1.6%, and it will not be until 2003 - when a growth rate of 2.7% is forecast - that the world economy will be back to something approaching normality.

The United States economy has experienced the worst of the terrorist crisis and confidence has clearly been affected. With a big drop in output in the third quarter of this year, growth for the year as a whole is expected to be minimal. However, a return to a moderate growth rate of 1.5% in 2002 is expected as the economy puts the setback behind it, but many individual industries, such as the airlines and ICT sectors, will remain severely affected.

The world is still waiting for the Japanese economy to pull itself out of recession. Progress is being made and, having so far been unscathed by the economic effects of terrorist activity, growth in GDP is expected to increase to 2% in 2003 which will bring with it a weaker Yen and stronger consumer demand.

Growth prospects in the Euro zone appear to be more robust than in other parts of the industrialised world. Growth for 2001 will be affected by the events in the United States and their repercussions elsewhere in the world, but should still achieve a little over 1.5%. Year 2002 should see a higher rate of 1.9% followed by 2.3% in 2003.

National Profile

The United Kingdom economy performed relatively well in the first three-quarters of 2001, out performing all other Group of Seven countries. However, the fourth quarter was expected to show a strong slowdown in growth to around 1%, giving 2% annual rate of growth.

Some further slowing down in 2002, to 1.3%, appears to be unavoidable but there are a number of elements likely to militate against a more serious downturn. The weakening of the Pound sterling against the Euro will bring much needed relief to a hard-pressed manufacturing sector. This important sector was expected to show an actual fall in output during 2001, by 0.25%, but return through 2002 and 2003 to growth rates nearer to 2%. Non-manufacturing sectors will probably follow a similar profile but, starting from a higher growth rate in 2000 of 3.3%, they will not suffer the same severity of fall (Table 70).

Table 70: UK National GDP Forecasts

GDP Annual % Growth	2000	2000	2001	2002	2003	2005
Total GDP	3.1	2.0	1.3	2.1	2.0	2.3
Manufacturing	1.6	- 0.2	1.2	1.7	2.0	1.8
Non-manufacturing	3.3	2.6	1.3	2.2	2.0	2.4

Source: City GDP, 2001

This relatively weak growth will curb inflationary pressures by reducing overall demand, and give the Bank of England more leeway to reduce interest rates if required. The easing of the pressure of demand will also improve recruitment problems, which had been emerging as a serious impediment to further growth.

There is a strong risk that the current terrorist situation and the economic difficulties of companies will push the UK into a cyclical downturn. However, as the forecasts above show, the downturn will probably not be too serious, with a slowdown to 1.3% in 2002 before returning to rates around 2.0% per annum again.

The serious situation of UK manufacturing output has been a consequence of both the long-term trends favouring the services sector and by an adverse exchange rate position vis-à-vis the rest of the European Union. The underlying switch of manufacturing capacity to the Far East is also militating against the sector. For these reasons, the past trends reducing the share of manufacturing in the economy as a whole can be expected to continue. Even where manufacturing sectors maintain their output, it is not likely to prevent further job losses.

Economic Overview of Devon and Cornwall

The Devon and Cornwall economies, like the United Kingdom, have grown at a very satisfactory rate during the 1990s. Between 1991 and 1999, the rate of growth of GDP in both counties was at least as fast as that of the UK (5.2%), especially between 1991 and 1995, and only showing slight dips in 1996 and in 1999. Per capita income, although still relatively low in comparison to the average for the UK, has at least maintained its position and in Devon's case shown a slight closing of the gap (Table 71).

Table 71: GDP Income and Growth

	Devon		Cornwall	
	1999 £ billion	1991-1999 % growth pa	1999 £ billion	1991-1999 % growth pa
Income from Employment	7,374	5.8	2,713	5.6
Income from Self-employment	1,177	4.1	0.604	2.4
Profits and Rents	2,835	6.7	1.109	6.3
GDP	11,385	5.8	4,427	5.2
GDP per capita	80.7% (1999)	77.1% (1991)	68.0% (1999)	68.9% (1991)

Source: City GDP, 2001

There have been significant changes in the composition of output for the two counties, comparing 1991 with 1999 and with the national picture (Table 72).

Table 72: Output By Sector 1991 - 1999 (%)

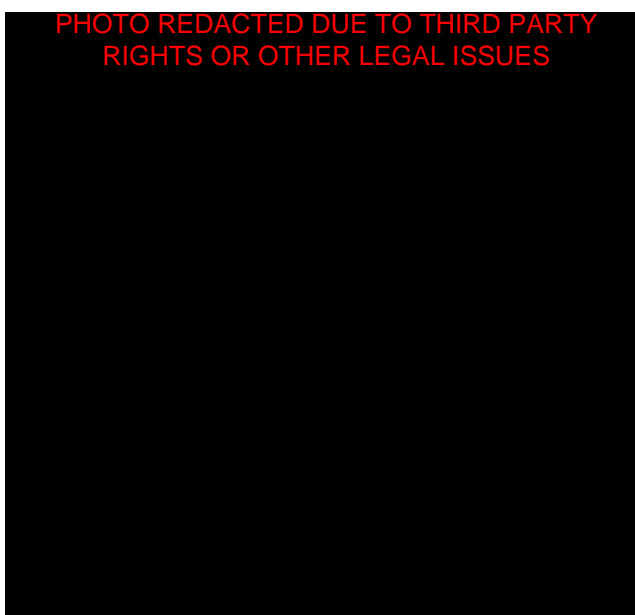
	National 1991	National 1999	Devon 1991	Devon 1999	Cornwall 1991	Cornwall 1999
Agriculture/Forestry	1.7	1.1	2.6	1.5	2.8	1.9
Fishing	0.1	0.1	0.2	0.3	0.7	0.8
Mining/Quarrying	2.6	2.3	0.5	0.6	3.8	2.0
Manufacturing	21.3	18.8	15.3	16.3	10.6	13.0
Electricity/Gas/Water	2.8	2.3	1.5	0.7	1.5	0.5
Construction	6.1	5.2	6.2	5.7	6.2	6.9
Wholesale/Retail/Repair	11.7	11.9	14.9	18.2	15.8	19.6
Hotels and Catering	2.7	3.1	7.3	6.5	0.7	8.4
Transport & Communication	8.4	8.8	4.9	4.3	4.4	3.7
Financial Services	2.7	2.5	5.3	4.4	4.3	3.3
Real Estate/Other Business	17.5	21.8	17.7	18.8	17.0	17.8
Public Administration	7.0	5.1	6.1	5.0	4.4	3.6
Education	5.4	5.3	7.0	5.4	6.2	5.3
Health and Social Work	6.2	6.5	8.1	9.0	8.2	9.1
Other Community Services	3.8	5.3	2.5	3.4	3.3	4.0
Gross Domestic Product	100.0	100.0	100.0	100.0	100.0	100.0

Source: City GDP, 2001

A significant feature has been the rise in the share taken by manufacturing in both counties, compared with the national decline, but there has been a greater decline in output in the agriculture sector. The real estate and business services sector, which includes computer services, has grown in share in both counties but not as much as nationally.

Recent Trends in the Local Economy (2000 - 2001)

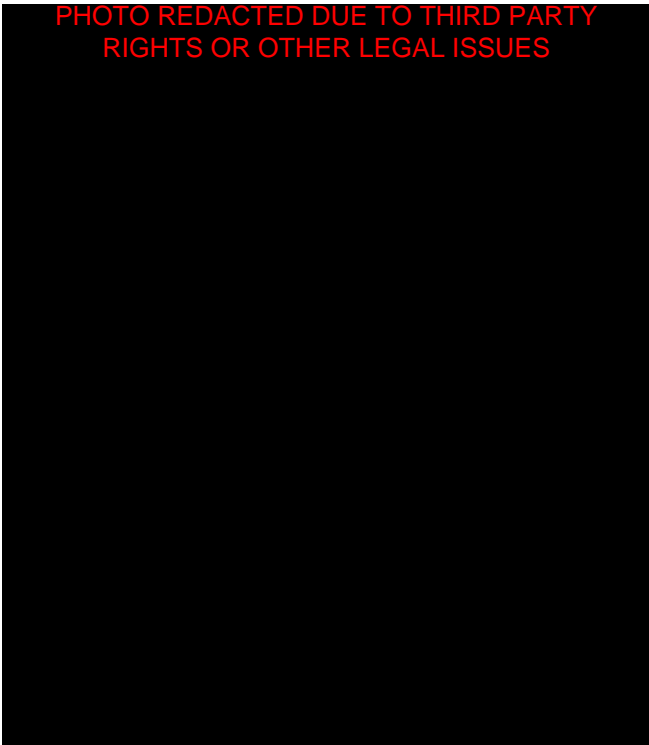
Overall, a slightly greater proportion of companies experienced a fall in profits over the 12 months to September 2001 (24% saw a fall, 22% saw a rise), confirming the perception of a recent downturn in the economy. However, businesses appeared confident about the future; 28% expected profits to rise in the next year compared to only 6% expecting them to fall. But, this was before the terrorist attacks on September 11th 2001. World markets and trade have been affected and confidence has yet to stabilise in a more uncertain economic climate. This may have implications for levels of training activity as companies tighten belts and seek to cut costs.



Foot and Mouth disease has clearly been one of the most damaging problems for the economy of Devon and Cornwall in recent years. Whilst the crisis has mainly hit agriculture, with 69% reporting a fall in profits, it has had a major impact on many other businesses (DC LSC, 2001). Of those that had seen a fall in profits, 40% said that Foot and Mouth disease was the main reason. And in one way or another, the crisis has had a negative impact on 44% of all businesses, but more so in agriculture (85%), wholesale/retail (57%), and hotels/restaurants (52%). The effects will be long term and widespread, with 22% of those that Foot and Mouth disease has had a negative impact upon, expecting difficulties in recovery – equating to 5,300 businesses in Devon and Cornwall.

It is encouraging to note that of the 44% of businesses which have been negatively affected by Foot and Mouth disease, 58% do not think that it will have any impact upon their workforce. Where an impact is felt, it is more upon working hours, motivation and morale. However, there could be hidden impacts yet to emerge. If the notion that a fall in profits leads to a decline in training activity, then the crisis could have a longer-term residual impact upon the economic competitiveness of Devon and Cornwall, especially in agriculture where 17% expect profits to fall in the next year.

As with the country as a whole, there are good and not so good stories to tell about the recent development of Devon and Cornwall industries, which need to be seen in the context of the worldwide developments described earlier. For example, the global downturn in telecommunications, and the collapse of the semiconductor market, have recently resulted in serious job losses - especially in the Torbay area - affected by the plummeting drop in demand for Internet-related products. It is estimated that over 3,000 direct jobs have been lost in Torbay, and a possible further 1,000 in the Plymouth area in this sector over the past year.



the NHS in Devon and Cornwall. Academics are planning and developing a curriculum reflecting the latest medical, clinical and technological developments using innovative teaching methods. Lectures will be delivered telematically and students will use virtual materials for medical study. Eventually the School will train 800 doctors at any one time.

The relocation of the Meteorological Office to Exeter in 2003 will provide major benefits to the local economy, including new quality job opportunities. Other large organisations and companies may also be encouraged to relocate, and a vibrant and varied business community could be nurtured. Although there is a national skills shortage of IT workers, Exeter has a record of attracting and keeping people. Exeter College and the University are both working on the development of relevant ICT courses and training programmes at all levels to support Meteorological Office employees.

Another significant development has been the Government announcement of a further £19 million for the Combined Universities in Cornwall (CUC), boosting the project total to £29.7 million, and ensuring a £25 million grant from the European Structural Fund. The project will provide world-class research and teaching in Cornwall, encourage spin-off companies, enlarge the Cornish skills base and boost the economy. By 2004, there will be 7,000 student places, and by 2010 this will have grown to 10,000.

The slowdown in UK manufacturing was also felt in the local economy as companies restructured and laid off workers. Examples have seen companies relocating headquarters and closing factories as a result of restructuring exercises.

Other job losses have been attributed to increasing competition both in the UK and abroad and companies cutting global workforces. Knock-on effects have been felt as well, with companies carrying out large-scale restructuring in response to downturns in their own customers' profits, which affects demand.

Job losses across Devon and Cornwall have been more than offset by gains, and there have been many examples of new job creation and investment in the area.

A food company opened a new factory in Bodmin, creating 300 jobs, and announced a new annual investment in excess of £1 million to retain and attract suitably skilled workers. The aim of the investment was to reward existing staff with enhanced terms and conditions, healthcare cover, overtime premiums and long-service awards, and to attract more employees of high quality.

A regional airline operator based in Exeter announced an investment of £400 million in 20 new jets. When the aircraft arrive, Exeter Airport will create 250 new maintenance jobs, and more sales, marketing and reservations staff will also be needed.

Work has begun in Plymouth on the first prestigious new building for the Peninsula Medical School, a joint venture between the Universities of Plymouth and Exeter and

Sector Performance in Devon and Cornwall

The following section looks at economic growth in terms of GDP across the sectors (Table 73).

Table 73: GDP Annual Rates of Growth (%)

	National 1991/1999	Devon 1991/1999	Cornwall 1991/1999
Agriculture/Forestry	-0.2	-1.4	0.5
Fishing	3.4	6.7	7.1
Mining and Quarrying	3.7	6.0	-2.9
Manufacturing	3.6	6.6	7.9
Electricity/Gas/Water	2.7	-3.5	-7.6
Construction	3.2	4.8	6.7
Wholesale/Retail/Repair	5.5	8.5	8.1
Hotels and Catering	6.8	4.3	2.1
Transport & Communication	5.9	4.3	2.8
Financial Services	4.3	3.2	1.8
Business Services	8.1	6.7	5.8
Public Administration	1.2	3.1	2.6
Education	5.1	2.5	3.3
Health & Social Work	5.8	7.2	6.7
Other Community Services	9.7	10.0	7.5
Gross Domestic Product	5.2	5.8	5.2

Source: City GDP, 2001

Agricultural output in Devon and Cornwall declined over the period 1991 to 1999, although there was some growth in the early 1990s. However, output fell by over a third from the mid-1990s onwards, and the situation is expected to have worsened to date with the Foot and Mouth outbreak adding to successive crises.

The fishing industry has been undergoing considerable restructuring in recent years, and still has much to do. However, whilst the value of catches landed at some ports has fallen dramatically, other ports have seen a rise in values leading to an overall increase in output in Devon and Cornwall.

Manufacturing has experienced steady growth over the period to 1999 with Cornwall showing some evidence of faster growth than Devon (Devon 6.6%, Cornwall 7.9%). Overall, manufacturing sub-sectors have fared differently in the two counties. In Cornwall, the food and drink industry, rubber and plastics, timber and furniture, other manufacturing, and electrical engineering have fared well, with growth rates of between 12.3%-12.6% between 1991 and 1999. Decline has been seen in Cornwall metal manufacture (-4.1%), chemicals (-4.9%), and leather and footwear (-14.0%). In Devon, other manufacturing, metal manufacturing, and food and drink have seen output growth of between 10.7% and 12.9% over the period. Additionally, all types of engineering, timber and furniture, and chemicals have experienced growth (7.8%-9.7%). However, non-metal manufacturing has not fared so well with little growth at 0.5%, whilst leather and footwear, as in Cornwall, has seen a fall in output of 0.3% over the eight years to 1999.

In business services, an increasingly important employment sector, activities have resulted in healthy growth, rising by 6.7% per annum in Devon and 5.1% in Cornwall between 1991 and 1999. There were welcome increases in computer service activities and in management consultancy work and other professional services - the exception being accountancy. Conventional banking services have also shown a large relative decline largely due to the increasing computerisation of customer banking services.

The hotels and catering sector has seen different patterns of output activity between Devon and Cornwall. Devon has experienced a strong shift from accommodation to food as the prime income generator. This switch is the result of the decline in numbers of tourists compensated by an increase in eating out by both tourists and residents. Cornwall, meanwhile, has maintained the conventional tourist pattern, although the overall growth of the sector over the period 1991 to 1999 is disappointing.

By analysing the eighty sub-sectors with the CityGDP model, and ranking them in order of rates of growth over the period from 1991 to 1999, the top and bottom quartiles reveal sector winners and losers. Above average

rates of growth have largely been in the service sectors. Manufacturing winners in Devon are represented by metal manufacture, food, drink, instrument engineering and other manufacturing. In Cornwall, manufacturing winners have been food and drink, rubber and plastics, timber and furniture, electrical engineering, and other manufacturing. In terms of the relatively declining sectors, the bottom quartile contains the bulk of the public sector as well as agriculture and energy supply, and a number of manufacturing activities.

Skills and Economic Development

Economic development strategies have been developed at several different levels: regionally, by the South West Regional Development Agency (SWRDA); at county level by the two County Councils; at area level by sub-regional economic partnerships such as the North and West Devon Economic Partnership; and locally by the unitary authorities and district councils.

Because economic development is constantly evolving, the partnerships and councils take care to ensure that strategies for their areas develop themes from the regional strategy, and that local frameworks nest within the regional one. Most of these strategies acknowledge the inter-relationship of skills and economic prosperity, and the importance that skills development has upon achieving many economic objectives.

SWRDA's economic development strategy lists skills and learning as the third of the 'drivers' which will help the South West region make choices and determine priorities. SWRDA proposes to "equip people with the skills and adaptability needed to underpin a modern, developing and inclusive economy". The organisation sees this as essential for the region's future economic success.

Devon County Council has targets to get young people and unemployed adults into training and employment, for NVQ achievement, and to get undergraduates participating in a graduate retention programme. Cornwall County Council's aims are similar, and it also pledges to support the Combined Universities in Cornwall initiative.

Exeter is developing a Learning City Strategy. Plymouth City promises to support the development of skills for its key industrial sectors. Generally, the local authority district councils pledge to maximise everyone's access to skills and knowledge.

SWRDA favours a sectoral approach to business support and encourages the development of industrial clusters. It has identified seven sectors that the region will *promote*:

1. Advanced engineering, including aerospace, automotive and medical devices.
2. Customer marketing services, including direct marketing.

3. Environmental technologies.
4. Food and drink, including agriculture and fishing.
5. ICT, including creative media, software development and telecoms.
6. Leisure and tourism, including cultural activities.
7. Marine technologies, including offshore.

Additionally SWRDA lists a further three sectors that the region will *encourage*:

1. Biotechnology.
2. Financial services.
3. Printing and packaging.

Most local economic development strategies seek to enhance, develop, build, and promote some or all of these sectors, but there is little mention of the specific skills issues required to achieve these objectives. It is essential that skills development in Devon and Cornwall accords with the selected sectors, all of which are important in Devon and/or Cornwall. The development of centres of excellence, and of vocational, FE and HE provision, requires co-ordination to support the sectors targeted for promotion and encouragement.

An example of this is the work being done in advance of the Meteorological Office relocation to Exeter. The City Council, in conjunction with the University of Exeter and Exeter College, is already working together to ensure the city's workforce will be suitably skilled in ICT.

Implications

- The restructuring of the sector profile in Devon and Cornwall needs to be seen in a national context. Every sub-region is undergoing change, and will continue to do so. Workforce adaptability is key to survival.
- Whilst manufacturing has been noted for a decline in employment, it has shown a rise in contribution to GDP, indicating increased efficiency and productivity. Training in efficient production methods needs to keep pace with performance.
- Economic hardship can lead to a cautious approach to spending, and training is often one of the first activities to go. The message should be clear: employers need to increase training to pull them out of a crisis or recession. The lessons of cutting training in the last two recessions should be remembered; a lack of trained labour compounds the difficulty of recovering when the economy picks-up.
- Major projects, like the Peninsula Medical School, the Meteorological Office, and the Combined Universities in Cornwall will have significant indirect impacts upon local employers and their skills needs. Employers will need to take a global view of their

position in the labour market and seek to become more competitive as employers in order to attract and keep the skilled staff they need, as well as taking advantage of the opportunities these projects will bring.

- Economic development planning is another important source that needs to be considered in planning provision of training and education. Local economic development plans across the two counties acknowledge the need to encourage learning and workforce development. However, varying levels of targeting, commitment and progress may create uneven patterns of advancement across the Devon and Cornwall area. Assessments need to be made as to whether appropriate expertise and skill is being developed to meet the specific needs of targeted growth sectors. The skills needs of employers, the education and training needs of individuals, and the growth aspirations of economic development, need to be blended together.

Skills Needs of Employers

The employer, employment and economic profiles presented in the previous three sections set the drivers for skills demand in context. This section presents detail of skills demand from the employers' point of view. Firstly, from the internal perspective of skills gaps in their current workforces, and then from the perspective of skills shortages in the wider labour market. Sectoral and occupational positions are considered in both cases before going on to examine generic and basic skills. The implications of these findings for skills needs is then presented before the next section which covers the link between skills and economic performance.

Skills Gaps

Nationally, 7% of employers report skills gaps in their workforce (PRI 2001). Fewer than 6% of employers in Devon and Cornwall say they have a skills gap in their current workforce (DC LSC, 2001). Although this may seem a small proportion, it equates to about 3,200 organisations having a gap between the skills of current employees and those the organisation needs to meet its business objectives.

Table 74: Skills Gaps by Size

Employees	% with Skills Gap
1-4	3.7
5-10	6.4
11-24	11.0
25-99	8.8
100-199	7.5
200+	13.6
Total	5.1

Source: DC LSC Employer Skills Needs, 2001

There are differences among the size bands, with twice the proportions of those employing 11-24 employees and those with 200 or more employees experiencing skills gaps (11.0% and 13.6% respectively) (Table 74).

Table 75: Skills Gaps by Sector Type

Sector Type	% with Skills Gap
Private sector	4.9
Public sector	7.1
Voluntary sector	8.6

Source: DC LSC Employer Skills Needs, 2001

The voluntary sector is somewhat more inclined to experience skills gaps (8.6%) than the public and private sectors (7.1% and 4.9%) (Table 75)



Table 76: Skills Gaps by Industrial Sector

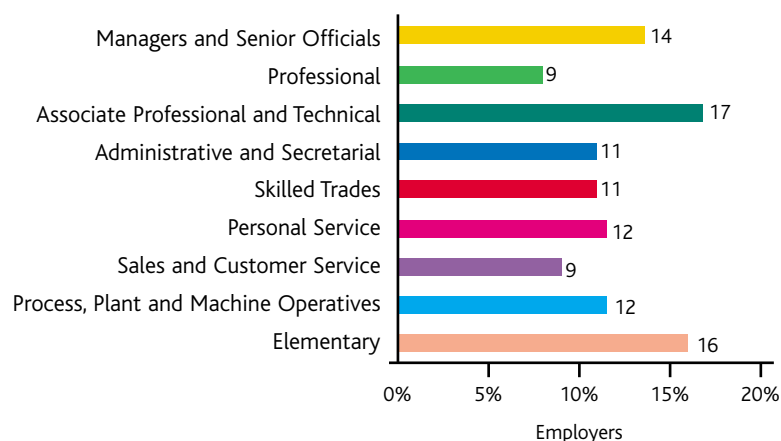
	% with Skills Gap
Agriculture, Hunting and Forestry	1.8
Mining and Quarrying	2.3
Manufacturing	8.5
Utilities	N/A
Construction	4.4
Wholesale and Retail Trade	2.5
Hotels and Restaurants	4.0
Transport, Storage and Communications	4.5
Financial Intermediation	8.7
Real Estate, Renting and Business Activities	10.1
Public Administration and Defence	6.8
Education	1.3
Health and Social Work	10.7
Other Community, Social and Personal Service Activities	6.1

Source: DCLSC Employer Skills Needs, 2001

Some sectors experience skills gaps above the average, with 11% of health and social work, and 10% of real estate, renting and business activities reporting skills gaps. (Table 76).

There is a range of occupations (based upon SOC 2000) in which these skills gaps are found in greater proportions than others. The largest proportion of gaps are amongst associate professional and technical occupations, followed by elementary occupations, and manager and senior officials (Figure 13).

Figure 13: Skills Gaps by Occupation



Employer Skills Needs, 2001

The reasons why skills gaps appear are two-fold. In sectors where lower skill levels are widely found and characterised by high levels of part-time and temporary workers and a high staff turnover, employees are less likely to have access to training and development opportunities. As employers in these sectors are less likely to invest in staff training, especially if employees tend to move on - possibly due to the lack of development opportunities - the vicious circle of skills gaps is compounded. In contrast, high-level skills gaps appear for entirely the opposite reason. These are more related to the constantly changing environment in which these occupations are found and it can be difficult to keep-up with the relevant training required, if it is available.

Skills gaps have been experienced for varying lengths of time among the occupational groups. Many skills gaps have been experienced for long periods. For instance, where skills gaps have been experienced for skilled trades, 16% had been for 2 - 3 years and 26% were for five years or more. Likewise, nearly a quarter of those who said they had skills gaps in sales and customer service occupations, had done so for two to three years. Just over half of those employers who had skills gaps among process, plant and machine operators have done so for two to three years and 12% for five or more years. Similarly, among reports of skills gaps in elementary occupations, two-fifths had experienced this for two to three years, and 14% for five or more. Those occupations that appear to experience skills gaps for shorter periods (one year or less) are the higher-level occupations of managers, professionals and associate professionals.

The type of skills reported as lacking (gap) also varies among occupations, although the data is based upon a relatively small sample, so this should be viewed as indicative only. Of those with skills gaps, just over half say the main skill lacking for managers and senior officials is computer system/network support, whilst for professional occupations, general management is the most often cited skill which is lacking. For associate professionals, it is basic IT/user skills, and for administrative and secretarial occupations it is basic IT/user skills.

The main skills considered to be lacking for skilled trades occupations are problem solving, computer systems/network support, and design and innovation, although one third cited other skills, which may be specific to a particular trade. Basic IT/user skills were seen as lacking most often among personal service occupations. Sales and customer service occupations were seen to be lacking in a broader range of skills including verbal communications, customer care, team working, and basic literacy. Basic literacy was also seen as lacking among plant and machine operatives, but other, possibly technically specific skills, were the predominant skills gap in this group. Among the elementary occupations, customer care, team working and basic literacy were seen as lacking, but again, other skills - possibly specific to a job - were the predominant element considered to be lacking.

Overall, those occupations of skilled or higher level tend to lack IT and IT user skills, along with a lack in management and some technical skills. At the lower levels, soft skills, such as customer care and interpersonal skills, tend to be lacking, and IT.

Evidence suggests that organisations see skills gaps as a natural phenomenon, a way of life. Over half of those with skills gaps attempt to manage the situation by allocating more resources and training/development to existing staff, and over a quarter by retraining staff. However, one in six organisations takes no action in response to skills gaps. This rises to one in five amongst small companies and is far more prevalent in the private sectors.

Skill Shortages

Over the previous year to August/September 2001, an estimated 1,000,000 people were recruited by about 24,000 organisations in Devon and Cornwall. About 7,000 (30%) of these employers have experienced difficulty in filling their vacancies in the past year, which equates to 13% of all employers. There were about 10,000 hard to fill vacancies over the 12-month period and these were concentrated (60%) in skilled trades, plant/machine operatives or basic jobs.

Recruitment problems have also been particularly acute for professional positions in education, customer service jobs in retail, and elementary jobs in hotels. The latter two examples reflect the extent to which the service industry influences the local employment market particularly through tourism.

The most common reason for recruitment difficulties is a lack of applicants with the required qualifications and skills. This is most noticeable amongst skilled trades in manufacturing and construction sectors (83%), whilst lack of applicants interested in the type of work, especially where shift work is involved, was seen as a reason for recruitment problems in lower level plant and machine operatives (75%), and elementary jobs (35%). It could be argued however, that a lack of interest in particular types of work leads to a lack of potential applicants acquiring the necessary qualifications and skills in the first place. The most common action taken to address recruitment problems is increased recruitment effort (47%) and retraining existing staff (20%). However, and perhaps quite worryingly, 18% take no action.

At the time of the 2001 Employer Skills Needs survey, there were an estimated 7,750 (14%) employers in Devon and Cornwall with about 15,000 vacancies, 49% of which were in skilled trades, plant and machine operatives or elementary jobs. This reflects the pattern of recruitment problems experienced in the previous year, indicating the current trend is set to continue.

Generic and Basic Skills

Generic skills or key skills, i.e. those that are transferable across different occupations, have been increasing in importance over the past few years, and indeed, are predicted to become more important in all occupations in the future. These skills include, oral and written communication, numeracy, basic IT, teamwork, problem solving, and self-learning.

Research (IER 2001) suggests that non-manual occupations require a higher level of these skills than manual occupations. As would be expected, the level is much higher where there is a high level of qualifications.

Precise forecasts for the future are always difficult, but they suggest that most generic skills, apart from manual, will become more important in response to structural changes in occupations and sector profiles. Increasing requirements are indicated as follows:

- Problem solving skills for science and engineering professionals, science and engineering associate professionals, and skilled engineering trades.
- Communication skills for science and engineering professionals and associate professionals, skilled engineering trades, other skilled trades, protective service occupations, and industrial plant and machine operatives.
- Team working skills for managers and proprietors in agriculture and service sectors, and skilled engineering trades.
- Computing skills for other professional and other associate professional occupations, clerical occupations, and buyers, brokers and sales representatives.

In general, across all occupations, demand for generic or key skills is likely to intensify, but especially amongst higher levels such as professional and managerial occupations.

Employers' assessments of their current workforce's basic skills, i.e. reading, writing, communication and mathematics, indicates little evidence of a shortage in these skills. Only about 1% of employers across Devon and Cornwall believe their workforce has poor or very poor basic skills. The vast majority (83%) believe these skills are good or very good.

This is in complete contrast to the assessment of the Basic Skills Agency (2001) which estimates that 25% of adults in Devon and Cornwall have poor basic skills. Clearly, the collective ability of employers to assess basic skills levels may be through an untested feel for the issue rather than through any real awareness. However, as far as conveying any message about raising basic skills levels may be concerned, this could be problematic if

employers do not perceive that there is a problem in the first place. Also, employees may be kept in a low skills job where basic skills are not put to the test and, as such, do not progress beyond this level as they never acquire basic skills – the low skill, low earnings trap.

Implications

- Statistically, only a small proportion of employers report skills gaps, this could be a symptom of a lack of ability to recognise the problem, especially amongst very small businesses with little appreciation of HR issues.
- The skills needs of companies going through growth periods are likely to increase faster than their current skills can match. Training needs to be reactive and responsive to dynamic circumstances as long-term skills planning is unlikely in reality.
- Organisations with high staff turnover, innovative technologies or going through fast expansion, may be more aware of skills gaps and shortages than those with more constant working environments. Training provision needs to be responsive to these dynamic environments.
- At higher and intermediate level occupations, IT and management skills are in demand, whilst at lower level occupation, softer general skills are in demand. However, generic skills are likely to be more in demand in the future, especially amongst higher level occupations.
- Employers tend to treat skills issues as just another aspect of business life, to be dealt with in proportion to other pressing issues. This creates challenges for directing their time and attention towards the matter of skills.
- Basic skills problems do not even register as an issue in many employers' minds. However, this may be a symptom of a lack of awareness more than a true reflection. This means that messages about basic skills may be going unheard.

Learning, Skills and Performance

Having analysed the context in which skills are related to economic activity, this chapter ends by considering the issue of a direct link between learning and skills in the workforce and economic performance. Some contemporary thinking on the link is initially put forward but this becomes almost irrelevant when the reality of employers' perceptions of skills issues and training practices raises some concerns, particularly around awareness of skills problems. Thoughts about the implication this has for skills needs completes the chapter, with conclusions presented in chapter four.

The Confederation of British Industry (CBI) proffers a common and much lauded statement that *“The success of the UK economy is heavily dependent upon the skills of the UK workforce”* (CBI 2000). The Chartered Institute of Personnel and Development (CIPD) adds depth to this, reporting that over the past decade more than 30 studies have shown a positive correlation between people management factors (including training) and business performance. The Institute concludes that there is an acceptable link between people factors and competitive capacity; and identifies the catalysts for increasing skills levels in the workforce as people management, leadership, and commitment to learning (CIPD, 2001).

In a recent national survey for the Learning and Skills Council, it was concluded that training is clearly associated with improving economic performance. Staff believe that training is essential to the success of the company, but employers are perceived to be using cost and a lack of time as barriers to learning (Critical Research, 2001).

Employers’ attitudes to the issue of skills in the workforce may be a cause for some concern especially if the link between skills and performance is accepted. Employers in Devon and Cornwall tend to view skills as an external issue, in which their own workforce appears to be suitably skilled, but new recruitment shows up skills deficiencies in the external labour market. This is evidenced by the fact that only 5% of employers recognise an internal skills gap, but 30% of those who have recruited were not satisfied with the outcome, mainly due to a lack of applicants with the right qualifications or skills.

However, where human resource planning methods and, more specifically formal skills assessments are absent, as in one third of organisations, skills gaps may go unreported or unseen. Indeed, the attitude of many employers is one of taking skills issues as one of the facts of life

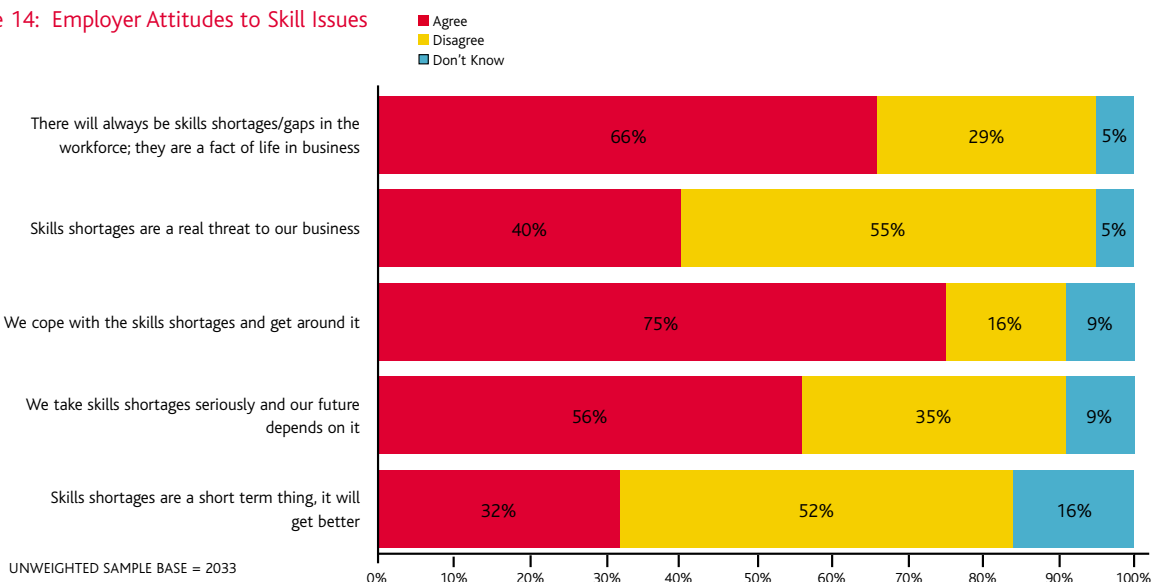
in business. Skills gaps and shortages have been with many organisations for a long time (years in some cases) and are by no means a new phenomenon. Skills problems are expected to continue almost as a matter of course by the majority of employers (Figure 14).

This somewhat laissez-faire attitude by a significant proportion of employers towards skills, becomes more stark when we see that over 38% do not identify any factors that will drive skills demand in the foreseeable future. Of those that do, however, many see it in terms of reacting to external influences beyond their control such as legislation and wider economic influences including competition. But, there is little appreciation as to how even this may impact upon future skills needs. Only one in five perceived that such factors might affect skills needs in the future. Few (7%) make the connection that competitiveness is a key driver for skills requirements, or that skills are a key driver of competitiveness. A point that all those involved in skills development in Devon and Cornwall need to be aware of is that not one employer identified skills shortages as being a factor that might impact upon their organisation in the long-term.

Whilst the picture varies across sectors and sizes, with some paying much attention to the issue of workforce planning, many organisations, especially small businesses, operate on a very short-term horizon, often one year at a time. Business planning, especially workforce and skills planning, tends to receive little attention. Indeed, many small businesses see training as unimportant.

Small organisations are less likely to undertake training, with just under 63% of those with 1 - 4 employees and 35% of those with 5 - 10, having not provided any training for staff in the last 12 months. Even amongst those businesses that have, only 40% of their staff are working towards a formal qualification.

Figure 14: Employer Attitudes to Skill Issues



Source: LSC DC 2001, Employer Skills Needs, 2001

The three most common types of training provided are in other technical skills (job specific) (51%), customer care (38%), and basic IT/user skills (37%). Three occupational groups account for a quarter of all training: senior/middle management, clerical/administrative/secretarial, and skilled manual workers. Only one in ten unskilled manual workers is likely to receive training, yet there are large numbers of people working at this level in Devon and Cornwall.

Training activity obviously varies across the sectors. Agricultural sectors are the least likely to have carried out any training but, as mentioned, small companies tend to be less active in training, and agriculture is dominated by small companies. Most manufacturing sectors have less than half the employers training their staff. It would appear that the public sector and knowledge based service sectors (finance, business services) are the most prolific trainers.

Changing technology is a major factor leading to training activity with a quarter of employers reporting this as the main reason for undertaking training. However, awareness is still low with about four in ten not knowing what factors will drive training requirements in the next year.

The direct link between training and profitability has always been tenuous. Further analysis of the Employer Skills Needs survey data shows that over two-thirds of companies that had trained their staff in the last year, reported stable or rising profits. This compares to just over half of those companies that had not been training their staff. However, this could be as a result of other impinging factors and does not provide conclusive proof that training will automatically mean increased profitability. The lack of a definitive way to demonstrate to employers, who often measure success in monetary terms, that a pound spent on training will result in creating profit, makes communicating messages about the benefits of training all the more difficult.

Connecting skills with profitability also seems to be suffering from awareness problems. For instance, when those who expected profits to fall over the next year were asked for the reasons, 18% did not know. However, 16% said lower levels of orders, 14% said poorer economic conditions, and 8% said competition. Whilst 13% associated problems with recruitment and retention of staff as a reason for an expected fall in profits, only 3% suggested skills gaps in the current workforce. If the assertion that an organisation's ability to sustain or grow orders, navigate through rough economic times, and be competitive, is reliant to a significant degree upon the skills of its workforce, including its management, then the lack of association between skills and performance is of concern.

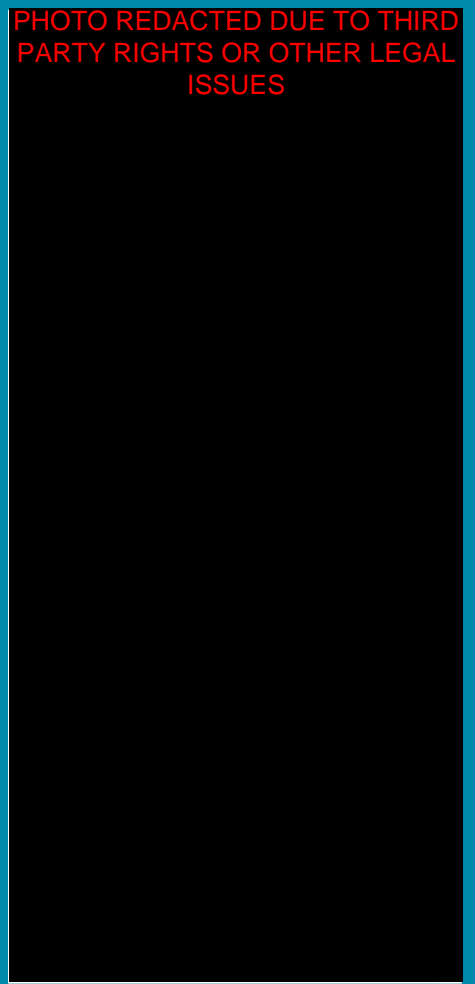
Implications

- The collective evidence points to an overall picture in Devon and Cornwall of skills shortages and gaps being seen as a way of life, presenting no real threat to performance, and has to be coped with as a long-term aspect of organisational life. These perceptions need to be challenged if the link between education and training is to be grasped as a vital concept by employers in an increasingly global and fast moving economy. The Learning and Skills Council and its partners need to promote skills issues in such a way that employers can identify with the necessity to take on board the importance of extending the time range when planning for future skills needs.
- However, those involved in education and training provision also need to appreciate the realities or facts of life of being in business. Skills are one of many issues vying for the attention and priority of employers. If a realistic approach is taken, it should be acknowledged that employers' planning time ranges will not be extended in response to future workforce planning requirements, but instead, they will become narrower in response to faster moving economic conditions. As such, education and training provision, and wider workforce development planning, also need to become more adaptive and responsive to employer needs, rather than relying on employers adjusting to the current time horizon for long-term planning for education and training delivery.
- Proving that training and developing staff leads to a particular outcome in terms that employers relate to, i.e. profitability, is difficult as it has wider benefits to the economy and society that cannot be measured in monetary terms alone. However, those extolling the virtues of workforce development need to appreciate that there are many employers who are not engaged in the learning agenda, but who will continue to make a profitable success of their business with little or no investment in training.
- There are also those who view workforce issues as just another scarce resource to be managed, in the same way as they view financial resources, market share, and sources of supply. Messages need to be conveyed without over-promising or hype. Business people are astute and require the benefits of training to be clear and relevant to them. Convincing those who recognise the benefits is easy. Convincing business people who do not recognise the benefits is quite another challenge and we need new and innovative ways to achieve this.

Chapter 4

Conclusions

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Increasing participation in structured learning amongst young people is essential if we are to ensure the further upskilling of the adult workforce so that employers across Devon and Cornwall can have at their disposal the skills that are necessary to compete within an ever changing global economy. This final section highlights some of the important issues that have emerged from the individual chapters and suggests the implications for skills as well as for policy. These issues will now be considered and developed by the Learning and Skills Council (LSC) Devon and Cornwall and with our partners throughout the strategic planning process during 2002 - 2003.

Raising Participation and Achievement of Young People

Key Issues	Implications for Skills	Implications for the LSC and its Partners
<p>Many young people are not attaining Level 2 qualifications at 16; some are not achieving any passes at GCSE</p>	<p>Attainment at Level 2 is important for ensuring employability and progression to higher level skills/qualifications; it will reduce the risk of drop-out and social disadvantage</p>	<p>How will we work with Education Business Link organisations, other employer organisations and pre-16 providers to increase achievement at 16? How can we help to address some of the barriers to achievement?</p>
<p>Attainment at Level 2 is more prevalent amongst females than males</p>	<p>Non-attainment at Level 2 may impact on attainment at higher levels, possibly disadvantaging and disengaging some young people</p>	<p>There is a need to understand fully the reasons for lower achievement amongst males and the decrease in the perceived value of learning amongst this group. How can we work with providers to remove barriers to male attainment? How can we change the culture where learning is 'uncool' and not 'masculine'?</p>
<p>Over the years, participation in structured learning post-16 has been steadily increasing. However, it tends to drop at 17 and significantly at 18. In particular, too many young people become unemployed or enter employment without training</p>	<p>Lower participation at 17 and 18 impacts on participation in higher education. Improved participation can also be equated with acquisition of skills and lower likelihood of social exclusion. Reduced participation will impact upon the achievement of targets for 19 year olds</p>	<p>How can we work most effectively with agencies involved in providing advice and guidance, and education and training providers, to maximise retention in structured learning through the removal of barriers? How can we work effectively with employers to motivate young people who are not in training to do so? How can we ensure young people are clear about the importance of lifelong learning? How can we promote the message that learning is important and useful in life (championing learning itself)? How can we provide innovative ways of delivering learning to young people to attract and maintain them in learning?</p>

Key Issues	Implications for Skills	Implications for the LSC and its Partners
There is under-representation of certain groups in government supported training: e.g. there are fewer females compared with males and fewer individuals of ethnic minority background	Work-based learning may be a good and more appropriate route for some individuals	How can we best promote vocational/work-based learning to young people of ethnic minority background, and females, so that they can have a wider range of opportunities to choose from?
Overall, government-supported training is the less preferred option post-16, and nationally, the take-up has been decreasing	Many skills shortages at craft and below craft level can be addressed through this provision in addition to leading to Level 2 and Level 3 qualifications	How can we continue to change the image of government-supported training to ensure that it is not a second best option for learning but rather that there is parity of esteem amongst all routes available to young people?
There are some reductions in numbers participating in government-supported training in areas such as engineering, care, retail and construction	Perpetuation of skills shortages in certain sectors	How can we communicate effectively to young people the demands of the labour market – through marketing initiatives and links with schools, training providers and other avenues?
There are solid indications of gender stereotyping in some areas of government supported training	Gender stereotyping is prevalent amongst areas of skill shortage such as construction and engineering	How can we work effectively with Sector Skill Councils to address this imbalance? How can we ensure training providers are addressing these inequalities? How can we impact on guidance given to young people ensuring impartiality, particularly regarding gender issues?
There are significant levels of dropout in government-supported training	Apart from being a waste of resources to the individual, employer and trainer, there is the loss of potential skills available to the labour market	How can we provide more effective advice and guidance so that government-supported training meets young people's expectations? How can we ensure sufficiency of support between the young person, course providers and employer?
In the FE sector, females are studying towards more qualifications, at higher levels, and in more academic subjects compared with males	There is a continued differentiation in attainment and progression between males and females in the sector	How can we work more effectively with Connexions and providers to ensure availability of suitable and stretching opportunities?

Key Issues	Implications for Skills	Implications for the LSC and its Partners
<p>Half of the young people in FE provision are studying below Level 3</p>	<p>The FE sector can make an important contribution towards the attainment of Levels 2 and 3</p>	<p>How can we encourage young people and use the FE sector to increase the numbers attaining Level 3 qualifications? How can the establishment of the COVE initiative contribute to increasing provision at Level 3?</p>
<p>As with government-supported training, in FE gender stereotyping exists in terms of the subjects taken up by males and females – especially in construction and engineering, but also in health and community studies</p>	<p>Gender stereotyping is prevalent in skills shortage areas</p>	<p>How can we work more effectively with Connexions and providers to ensure availability of suitable and stretching opportunities? How can we encourage young people to simply consider the full range of options available to them?</p>
<p>The numbers of FE students in certain skill shortage areas are failing to satisfy demand</p>	<p>There is a continued problem with addressing skills shortages in sectors such as construction, engineering and health/community care</p>	<p>How can we communicate effectively with young people the demands of the labour market – through marketing initiatives and links with schools, training providers and other avenues?</p>
<p>One in five young people withdraw from their FE provision; the rate increasing with age. Young people from an ethnic minority background are more likely to withdraw compared with the overall group. Withdrawals are more prevalent amongst those studying towards lower levels and those engaged in 'other' provision</p>	<p>Retention is important to ensure that young people acquire the skills that will enable them to participate in the labour market</p>	<p>How can we ensure, in conjunction with other agencies, that young people are getting appropriate advice and guidance to maximise retention? Are there innovative mechanisms to ensure courses meet students' expectations? Are there sufficient mechanisms in place to ensure support is available to those at risk? What can be done about the differential rate of disengagement between vocational and academic type courses?</p>
<p>Employers emphasise the need for personal qualities and skills when employing young people</p>	<p>There is a need to ensure young people are equipped with those skills to facilitate entry into the labour market</p>	<p>How can we work effectively with employers to ensure they are able to recruit young people with the appropriate skills? How can we work with Connexions and employers/employer groups so that young people are informed of the demands of local employers and understand the importance of these skills?</p>

Key Issues	Implications for Skills	Implications for the LSC and its Partners
Young people indicate that cost is a major barrier to learning (including cost of transport)	Risk of disengaging a proportion of young people who are positively disposed towards learning	The Education Maintenance Allowance has impacted on participation in Cornwall. Can this pilot be effective in other areas? Are there other novel ways of supporting these young people to increase participation further?
There are significant numbers of young people who have not attained Level 2 or Level 3 qualifications by the age of 19	Non-attainment impacts on the availability of skills and limits employment and other opportunities	There is a need to understand and put into practice actions that will encourage retention and achievement as well as reduce dropout from all types of provision
There are difficulties in estimating the numbers of 16 - 19 year olds in the two counties, as well as the number of young people in special groups	Some young people may not be counted in the statistics and be slipping through the intervention net and increasing their chances of disengagement or exclusion	How can we work more effectively with a multiplicity of agencies and providers to achieve a robust database of young people, their achievements and progress?

Increasing Demand for Learning by Adults

Key Issues	Implications for Skills	Implications for the LSC and its Partners
The population profile is shifting in favour of older people	The local labour market is unlikely to have sufficient young people to be able to replace the older employees, particularly in some occupational areas	How are we going to manage an ageing workforce? How can we better use the skills of the ageing workforce? How can we encourage young people to enter 'traditional' vocations?
Economic activity is reducing amongst males and is forecast to do so further. In large part this is due to a decline in manufacturing jobs	There is a need to understand further the reasons behind this decline and the impact of the skills lost to the local economy	How can we prevent the loss of skills to the local economy due to the decline in the economic activity of males? How can we best motivate males to retrain, and provide appropriate and attractive provision?
Economic activity is growing for females although it is still below that of males	It is necessary to ensure that opportunities exist to attract women into the labour market, particularly in light of the current trend in improved participation and achievement in education and training	How can we introduce further measures that can help women enter the labour market? How can we work with employers to encourage more flexible opportunities to attract women into the workforce?
There will be an increase in economic activity within the 25 - 44 age group – especially amongst females	There will be greater availability of skills to fill jobs especially in the service sector	How can we structure work to allow for flexibility, and how can we maximise facilities to support childcare needs?
Across the two counties there are high numbers of individuals who lack basic skills, yet the numbers who are accessing provision are very small	Lack of basic skills will prevent progression to further levels of learning and can lead to social exclusion	How can we work effectively with individuals and communities and employers to promote basic skills education?
Key skills are gaining greater importance in the workplace – driven by technological and structural change. But significant proportions of people across all ages are not confident in their key skills	This may prevent them accessing, and progressing, in employment. To employers, lack of key skills signifies the inability to adapt to changing requirements in the marketplace	How can we work with providers and employers to ensure availability of key skills?
The number of economically active people with a Level 3+ qualification in Devon and Cornwall will have to rise significantly within the next two years to reach the 52% target	To achieve the increase in Level 3 qualifications, targeting will need to be met with a reduction in structural barriers that may not be encouraging or conducive to progression. The question of how to progress this group may require very different answers for men and women. Indeed, a range of innovative and new approaches will be needed across gender and age	How will we develop innovative approaches that can attract a significant number of people to learning at Level 3?

Key Issues	Implications for Skills	Implications for the LSC and its Partners
A significant proportion of the economically active have elementary or no qualifications and should not be forgotten	Whilst the attention and effort required to achieve the increase in Level 3 qualifications will be intensive, the task of up-skilling an even larger number of people at an elementary level needs to be given as much consideration, energy and priority. Understanding the perceived benefits of learning by different groups in the labour market is essential for the marketing and promotion of lifelong learning	How should we tackle the task of up-skilling the low qualified and encourage them to progress to the next level, and introduce those with no qualifications to the benefits of learning?
Policy directed at employers may have a greater impact on numbers of people learning than that directed at individuals	Individuals are supportive of the learning ethic but it may need employer action to translate that ethic into actual learning	How can we effectively market and involve employers in the development of their workforce? How can we work with other agencies?
The proportion of positively motivated individuals has reached a plateau	To achieve the skills required for competitiveness, more individuals need to be involved in learning	How might we promote learning to individuals with neutral attitudes?
Individuals suggest they have a number of barriers that prevent them from learning	Strategies and policies need to take account of the perceived barriers to learning to improve demand	How can we work with employers, individuals and providers, as well as policy makers, to ensure that barriers to learning are removed?
Employers have a major part to play in the development of staff by instigating the need for training and paying for much of it	Employers' role in terms of the achievement of one of the Learning and Skills Council's targets is prominent	How can we work effectively with employers, Sector Skills Councils and other employer organisations to promote employee development?
Much of the learning that takes place is delivered at work or is employer-related	Many employees are updating and developing their skills although these are not accredited and do not contribute towards national targets	It will be necessary to explore how learning delivered by employers can be accredited and lead to actual qualifications, and therefore, to the achievement of the Learning and Skills Council's targets
There is a significant level of non work-related learning being undertaken but much of it does not lead to qualifications	The participation in such learning can have significant impact on progression. Thus, an individual, having overcome the fear of learning, or having acquired the taste for learning, may choose to undertake further learning that can eventually lead to qualifications	There is a need to encourage individuals to engage in non work-related learning, as a way of progressing to further learning

Key Issues	Implications for Skills	Implications for the LSC and its Partners
<p>There are specific groups in the labour market - such as those of ethnic minority background, people with disabilities, the homeless, refugees and ex-offenders - that need to have issues addressed prior to them being able to participate in learning and skills acquisition</p>	<p>Unless special needs are addressed, some specific groups have higher risks of being marginalized, and their contribution to the economy would be curtailed</p>	<p>How can we effectively work with special groups in the labour market through voluntary sector organisations as well as providers, to ensure social inclusion and opportunity for all in learning?</p>

Maximising the Contribution of Education and Training to Economic Performance

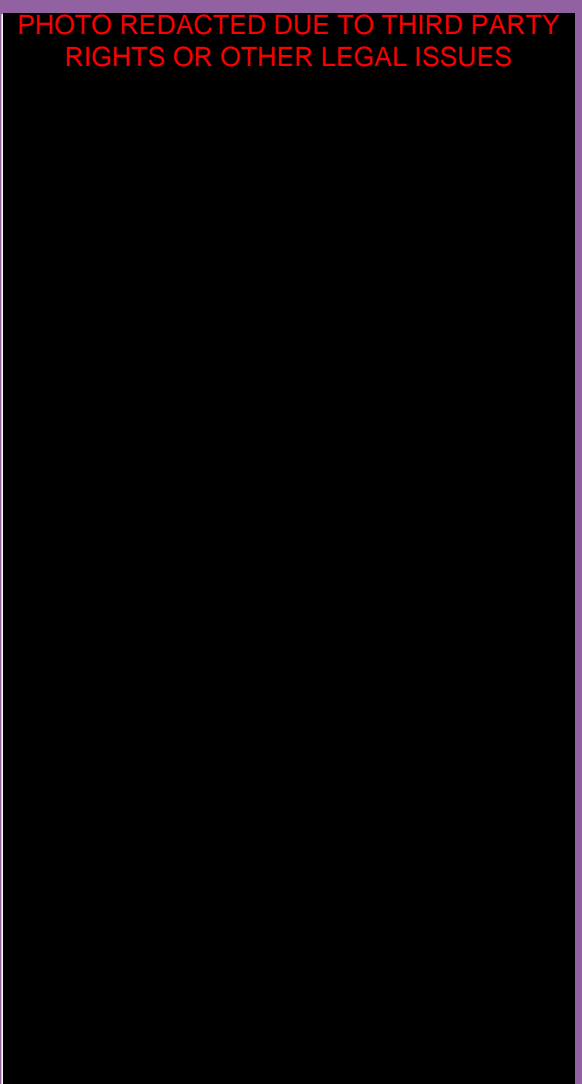
Key Issues	Implications for Skills	Implications for the LSC and its Partners
Distribution of size profile and industrial sectors varies across the two counties	Approaches to skill issues need to reflect employer size profiles and industrial sectors, as each will have particular needs in terms of training requirements	How are local providers tapping into the training requirements of employers? What means of assessing needs are they using? How are local providers adapting their delivery to address those needs? How are local providers involving employers in the process?
The two counties have a large proportion of small life-style type businesses	Life-style businesses are less likely to engage in training	The perspective of life-style businesses needs to be understood by providers and all those involved in post-16 education
Skills development needs to be managed to ensure sustainability due to skills displacement	Drive for skills needs to be appropriate to the location, and displacement needs to be managed	How can a more managed approach be put into place to move from a reactive to a proactive/sustainable approach to skills development?
Emerging growth sectors draw heavily upon the skills of the area	Skills and training needs tend to be rapid during this time	How can providers ensure they are dynamic and responsive to meet these needs? Do providers understand those needs, and are they able to respond accordingly?
The sub-region has a substantial self-employed population pre-dominated by males	This may lead to training provision which is male orientated, creating barriers for women entrepreneurs	How will training address the needs of women? Are providers ensuring that an imbalance is not being created? Are providers attempting to understand the needs of women?
The structure of the workforce will continue to change, with the distinctions between occupations becoming less clear	Training and education should move from a single occupation for life model to one of flexible multi-occupational skills development	How do we encourage people to take more responsibility for their own development to ensure their employability?
Because of demographic change, there will be more older people supported by fewer younger entrants into the labour market coupled with a change in the concept of retirement	Utilising retired people's tendency to work past retirement will alleviate the pressure of skills shortages in some occupations. However, this group is less likely to train and develop	Training the older age group needs to appreciate the diversity of attitudes to learning. How will providers understand the requirements of this age group and create suitable training for this part of the workforce, which is becoming more and more important with increasing longevity?

Key Issues	Implications for Skills	Implications for the LSC and its Partners
Patterns of childrearing amongst women are changing, leading to increased economic activity amongst this group	More women require updating or development of skills as well as demanding more higher education and development opportunities	Are providers, and those in the education arena taking into account sufficiently the changing needs of women?
Because of the service sector structure of the sub region, training and development opportunities are limited for part of the working population	The implications of skills benefits are not always clear to owner managers, leading to resistance to training development	There is a need to promote the benefits of training to owner managers who are less convinced about its importance in terms of growth, profit, and productivity. Do education and training providers understand the nature of operating these types of business and tailor provision accordingly (e.g. seasonality)?
There is restructuring of sectors	Education and training needs resulting from restructuring need to be addressed. There is a need for the most up-to date quality of education and training	Do providers understand what those needs are? Are education and training providers able to respond quickly and flexibly and do they have the capacity to do so? Are individuals flexible enough to respond to restructuring? How can they be helped to become more flexible? Are employers sufficiently flexible to respond to the restructuring of sectors and provide the training and development opportunities necessary for change?
There is a need to manage messages about declining sectors of the local economy	Poor management of messages may lead to problems in recruitment for education and training as well as actual workforce recruitment leading to skill shortages/gaps	How are providers of advice and education managing to ensure appropriate messages on declining sectors are delivered to individuals to attract sufficient recruits
The local economy may be entering into a period of downturn. Economic downturns are usually associated with a downturn in training opportunities in the workplace. Training become even more important in an economic downturn	A lack of trained labour compounds recovery when the economy picks up	How will we encourage employers to continue training their workforce during economic hardship?
Further economic development arising from major developments, such as the Peninsula Medical School, and the Meteorological Office, will create a demand on skilled labour which will be drawn from existing local employers, or imported	Employers not investing in staff development may, therefore, risk losing staff; as well as generally becoming less competitive in terms of the global economy	How will we encourage employers to become more competitive in the labour market?

Key Issues	Implications for Skills	Implications for the LSC and its Partners
There are varying levels of targeting, commitment and progress towards workforce development amongst various agencies, districts, and counties	The skills needs of employers, and the education and training needs of individuals, need to be married together and growth aspirations of economic development strategies need to be co-ordinated to ensure relevant and appropriate skills availability for the area	How will we become better at co-ordinating the diverse needs of employers, individuals and those within economic development agencies?
Only small proportions of employers report skills gap	Many skills issues are unreported, creating latent skills gaps	How can we help employers to recognise skills problems amongst their workforce, especially amongst the very small employers with little HR expertise?
IT and management skills are in particular demand at higher and intermediate level occupations. Softer generic skills are more in demand amongst those in lower level occupations. However, generic skills are becoming more important amongst higher level skills	Occupations are becoming broader to meet the demands of a fast moving global economy	Training in generic skills needs to be appropriate to all occupational levels. Do we have the capacity to deliver IT and management skills to the right level in the appropriate way required by employers?
Employers do not recognise skills gaps (including basic skills) or skills shortages as a major problem	The up-skilling and development of the workforce will be delayed or prevented	Educators and trainers need to understand the perspectives of employers and deliver training accordingly. There is a need to educate employers to the importance of appreciating skills gaps and shortages. How can we educate employers to raise skills issues on their agenda?

Appendices

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Appendix 1

Definition of Qualification Levels

<p>Level 5 Higher degree.</p>	<p>NVQ level 5.</p>	
<p>Level 4 First degree; Diploma in higher education; RSA higher diploma Teaching (including FE, secondary, primary and others).</p>	<p>Other degree; HNC, HND, BTEC etc higher; Other HE below degree.</p>	<p>NVQ level 4; Nursing etc.</p>
<p>Level 3 NVQ level 3; RSA advanced diploma; Scottish CSYS (67% of); Trade apprenticeship (50% of).</p>	<p>GNVQ advanced; OND, ONC, BTEC etc. national; SCE higher or equivalent (3+).</p>	<p>A level and equivalent (2+); City & Guilds advanced craft; AS level or equivalent.</p>
<p>Level 2 NVQ level 2; RSA diploma; AS level or equivalent (2 or 3); BTEC, SCOTVEC first or general diploma; O level, GCSE or equivalent (5+ grades A-C).</p>	<p>GNVQ intermediate; City & Guilds craft; Trade apprenticeship (50% of).</p>	<p>A level and equivalent (1); Scottish CSYS (33% of); SCE higher or equivalent (1 or 2).</p>
<p>Below Level 2 NVQ level 1; CSE below grade 1; City & Guilds other; AS level or equivalent 1.</p>	<p>GNVQ/GSVQ foundation; GCSE below grade C; SCOTVEC modules; BTEC, SCOTVEC first or general certificate.</p>	<p>Less than 5 GCSE grades A-C; RSA other; YT, YTP certificate.</p>

Source: National Task Force, Final Report, 2000

Appendix 2

Learning and Skills Council's Tasks and Targets for 2004: National and Local, Including Current Baselines

LSC Tasks	NATIONAL		LOCAL	
	Target for 2004	Current (2000) Position	Target for 2004	Current (2001) Position
Extend participation in education, learning and training	80% of 16 - 18 year olds in structured learning	75%	87%	82%
	Set baseline and targets for adults in 2002	-	-	-
Raise achievement of young people	85% at Level 2 by age 19	75%	85%	72%
	55% at Level 3 by age 19	51%	55%	43%
Raise achievement of adults	Raise literacy and numeracy skills of 750,000	N/a	23,000	
	% of adults at Level 2 target to be set in 2002	-	-	-
	52% of adults at Level 3	47%	52%	44%
Increase engagement of employers in workforce development	Develop measure of employer engagement in 2002	-	-	-
Raise quality of education and training and user satisfaction	Set baselines and targets in 2002	-	-	-

Appendix 3

Standard Occupational Groups, 1992 and 2000, and Skills Levels

Skill Level	Sub-major groups of:	
Level 4	SOC2000 11 Corporate managers 21 Science and technology professionals 22 Health professionals 23 Teaching and research professionals 24 Business and public service professionals	SOC90 1a Corporate managers and administrators 2a Science and engineering professionals 2b Health professionals 2c Teaching professionals 2d Other professional occupations
Level 3	12 Managers and proprietors in agriculture and services 31 Science and technology associate professionals 32 Health and social welfare associate professionals 33 Protective service occupations 34 Culture, media and sports occupations 35 Business and public service associate professionals 51 Skilled agricultural trades 52 Skilled metal and electrical trades 53 Skilled construction and building trades 54 Textiles, printing and other skilled trades	1b Managers/proprietors in agriculture and services 3a Science and engineering associate professionals 3b Health associate professionals 6a Protective service occupations 3c Other associate professional occupations 7a Buyers, brokers and sales representatives 9a Other occupations in agriculture, forestry and fishing 5b Skilled engineering trades 5a Skilled construction trades 5c Other skilled trades
Level 2	41 Administrative occupations 42 Secretarial and related occupations 61 Caring personal service occupations 62 Leisure and other personal service occupations 71 Sales occupations 72 Customer service occupations 81 Process, plant and machine operatives 82 Transport and mobile machine drivers and operatives	4a Clerical occupations 4b Secretarial occupations 6b Personal service occupations 7b Other sales occupations 8a Industrial plant and machine operators, assemblers 8b Drivers and mobile machine operators
Level 1	91 Elementary trades, plant and storage related occupations 92 Elementary administration and service occupations	9b Other elementary occupations

Appendix 4

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