

Cornwall and the Isles of Scilly

Convergence ESF Framework

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1 OVERVIEW

1.1 Introduction

The England National European Social Fund Operational Programme 2007-2013 is being take forward through a series of Regional ESF Frameworks, covering the period from January 2008 to March 2011. There is a separate Convergence ESF Framework for Cornwall and the Isles of Scilly. After three years the Convergence framework will be reviewed against the 2007-2013 targets and there is scope to review the framework annually in light of performance.

The ESF Framework for Cornwall and the Isles of Scilly contains the following sections:

1. Summary of the National Programme Priorities and Target Groups;
2. The Regional Policy Context;
3. A Summary of the Regional Evidence Base and Equal Opportunities Review;
4. A Convergence Area SWOT Analysis;
5. The three Convergence Priorities;
6. The Cross Cutting Themes;
7. The Framework Financial Allocations; and
8. The Draft Framework Outputs and Results.

A series of Annexes are also included, covering the European and National Policy Context, the Evidence Base and Equal Opportunities and Diversity.

ESF will be delivered through a single Operational Programme in England with three priority axes relevant to the Convergence Area. These priorities focus on extending employment opportunities for unemployed and inactive people, developing a skilled and adaptable workforce, and technical assistance.

The purpose of the Convergence ESF Framework is to set out how ESF spending can support employment and skills priorities in the Convergence Area in the context of the agreed ESF Operational Programme for England. Planning employment and skills activity in an integrated way is central to recommendations in the Leitch review.

It is essential that ESF is effectively targeted to add value to regional and sub-regional priorities. The Convergence ESF Framework will enable the Co-Financing Organisations (CFOs) to develop their plans so that ESF provision contributes to regional and the Convergence area employment and skills priorities. The development of the Convergence ESF Framework will also take account of what has worked well in the past, and seek to increase the effectiveness of actions.

Cornwall and the Isles of Scilly will also benefit from a Convergence ERDF Operational Programme, which will focus on transforming the economy into a higher value added, knowledge based economy, underpinned by a more skilled workforce. Increasing both participation rates and skills levels of the workforce is crucial to the ambition of transforming the economy.

1.2 National Operational Programme

1.2.1 Programme Priorities

The overall strategic objective of the programme is to support sustainable economic growth and social inclusion in England by contributing to policies to increase the employment rate and to develop a skilled and adaptable workforce.

This objective translates into six priorities, three for the Regional Competitiveness and Employment Objective, and three for the Convergence Objective. The programme priorities for Convergence are:

- Priority 4:** Tackling Barriers to Employment
- Priority 5:** Improving the Skills of the Local Workforce
- Priority 6:** Technical Assistance

The Programme covers the whole of England and Gibraltar. It includes both the Convergence Objective (Cornwall and the Isles of Scilly) and the Regional Competitiveness and Employment Objective (the rest of England and Gibraltar).

1.2.2 Programme Concentration

The England Operational Programme states that ESF Funds will target in particular:

- People who are unemployed or economically inactive, especially people with disabilities or health conditions, lone parents, older workers, and ethnic minorities;
- Young people not in education, employment, and training (NEETS) or at risk of becoming NEET;
- Those with no or low qualifications;
- Workers that do not have a level 2 qualification relevant to their current occupation;
- Workers who do not possess a relevant level 3 qualification, or need to update their qualifications and skills in any sector or size of establishment;
- Women and men who want training to enter non-traditional occupations and sectors; and
- Managers and workers in small enterprises (up to 50 employees).

In addition there will be scope for:

- Supporting some higher level skills (above level 3), where there is market failure, in order to support the skills strategy; and
- Training provision to address skills gaps and the current and future skills needs of business.

The Convergence Priorities allow for support for higher level skills, including increasing the take up of higher education, and support for research skills.

1.2.3 Programme Delivery

The Regional Skills Partnership (RSP) has led the development of the ESF Convergence Framework, consulting with relevant stakeholders to ensure that the final Framework identifies the relevant regional and employment skills priorities and identifies how ESF Funding may be most appropriately targeted to meet these objectives.

The Convergence Framework covers the first three years of the England ESF Programme (January 2008 to March 2011), to coincide with the Spending Review Cycle. The RSP will have a strategic role in reviewing and updating the Convergence Framework as necessary, in light of the changing regional circumstances and ESF implementation.

1.3 Leitch Review

The Leitch Review reported in December 2006 on the UK's longer-term skill needs, and on how skills and employment services should complement each other. To reach the goal of the UK becoming a world leader in skills by 2020 the Review recommended a number of radical changes. These included:

- Routing public funding of vocational skills through demand-led routes;
- Strengthening the employer voice through a new Commission for Employment;

- Raising people's aspirations and awareness of the value of skills through a high profile, sustained awareness campaign; and
- Integrating public employment and skills services to deliver sustainable employment so more disadvantaged people can gain skills and jobs.

The proposal for a new integrated employment and skills service would offer universal access to work-focussed careers advice, basic skills, job placement and links to work training. The Review also recommends a stronger demand led approach and a clearer financial balance of responsibility for funding skills, with employers contributing at least 50% of the costs of higher integrated skills (level 3) training.

The Government is working with stakeholders to take forward the recommendations, and this work will influence both national and regional ESF investment.

2 CONTEXT AND PROGRAMME PRIORITIES

2.1 Policy Context

2.1.1 Introduction

The ESF Convergence Area Framework is set within the parameters of the England Operational Programme, which covers in great detail the European and National context. The purpose of this chapter is to identify how the Convergence Framework may contribute to the relevant regional and sub-regional strategies. A summary table of the Framework's fit with relevant European and national policies is included at the end of the chapter and more detailed summaries are included in Annex 1.

2.1.2 Regional Strategies

Regional Economic Strategy

The Regional Economic Strategy identifies skills as a key economic driver with the following vision:

'Where people have the skills and adaptability to underpin a modern and inclusive economy'

Within the economic context the strategy identifies high level skills and an adaptable approach to learning and working as critical to supporting a region that is trying to compete on the basis on innovation and technology, where knowledge based and technical skills are at a premium. The Strategy has the following skills and inclusion measures:

Strategic Objective 1 '**Successful and Competitive Businesses**'

Measure 1A '*Support Business Productivity*' – Higher level skills and increased sector networking is essential for higher productivity.

- Increased business productivity;
- Increased business resource efficiency.

Measure 1C '*Deliver skills for the economy*' – The economy depends on a skilled and versatile workforce, so building a better skills base remains a key priority.

- Reduced number of adults in the workforce lacking NVQ2 or equivalent qualifications;
- Increased levels of participation in higher education.

Under Strategic Objective 2 '**Strong and Inclusive communities**'

Measure 2A '*Improve participation in the economy*' – The region needs more people to be economically active, so removing the barriers that prevent people getting into work and business is key.

- Increased levels of employment and training rates;
- Reduction in proportion of disadvantaged groups not in education, employment or training.

Measure 2B '*Regenerate the most disadvantaged areas*' – Tackling deprivation in our communities provides real opportunities both for those communities and the wider economy.

- Reduced gap in productivity between the region's least well performing areas and the rest of the region;
- Increased levels of enterprise in disadvantaged communities.

Implications for ESF Priorities in Cornwall and the Isles of Scilly

The priorities of the SW RES align with a number of areas of the England ESF OP Convergence strands.

Priority 4 'Tackling Barriers To Employment' seeks to address the issue of worklessness, by tackling the barriers to entering work faced by the region's disadvantaged groups. It also has a particular focus on reducing the number of individuals who are, or are at risk of becoming, NEET (Not in Employment, Education, or Training). These actions will directly support measures 2A and 2B of the RES, which supports strong and inclusive communities through tackling the barriers to economic activity to reduce the gaps between the region's best and worst performing areas. The focus on the unemployed and inactive is also directly relevant to the region's most disadvantaged communities, including those areas identified in the RES as suffering from high levels of multiple deprivation.

Priority 5 'Improving the skills of the local workforce' will help people to develop the skills needed by business in a knowledge-based economy. By focusing on those who lack basic skills and level 2 qualifications, the priority will also promote sustainable employment and social inclusion, therefore addressing the strong and inclusive communities objective above. The Convergence ESF Priorities also supports higher level skills in particular:

Training will be supported at level 3 where there is market failure, for example where there are skills shortages, in SMEs and among women and ethnic minorities where they are under-represented.

Managers and workers in small enterprises (up to 50 employees) will be eligible for support whatever their current qualification level, including training and development in leadership, management, enterprise and technical skills needed for business development, business growth innovation and productivity.

Activities to prepare people from disadvantaged groups to access Higher Education (but not higher education provision itself).

The focus of support on people employed by smaller enterprises is particularly relevant to Cornwall and the Isles of Scilly, given the high proportion of small businesses, lifestyle businesses, and those in self-employment. Activities under Priority 5 will also make a major contribution to some of the RES productivity targets, including the priority sectors.

Regional Skills Strategy

The South West Regional Skills Strategy has three objectives¹:

1. To **increase employer's participation** in skills development in the South West. The purpose of this objective is to enable skills and learning to enhance productivity within businesses. Activities under this objective include: 1) developing employer's commitment to skills development by removing barriers to training and demonstrating the benefits; 2) co-ordinating workforce development to improve the skills of the workforce and fill skills gaps and shortages; 3) promoting management skills to help improve the productivity of businesses, especially SMEs; and 4) integrating sector skills activities in the region to ensure that sector skills activity is effectively co-ordinated with other skills development activities.
2. To **raise aspirations and skills** for working in the South West. The purpose of this objective is to create a learning culture to ensure the population of the South West has the right skills and attitudes to support a developing economy and to reduce barriers to employment and training to increase economic inclusion. Activities under this objective include: 1) stimulating individuals'

¹ The South West Regional Skills Strategy is in the process of being redrafted to cover the period 2007 to 2010; this section reflects the Regional Skills Partnership's most recent thinking concerning the proposed RSS.

commitment to learning so that individuals take responsibility for their own learning and in order to keep pace with change covering all ages and all levels; 2) encouraging participation for all ages at all levels; 3) raising the standard of Skills for Life to help people secure and maintain employment and improve business productivity; and 4) developing generic skills for employment and progression to ensure that training in key skills required for employment is incorporated into all publicly funded programmes.

3. To develop the **efficient and inclusive working** of the South West England's **labour market**. The purpose of this objective is to improve the functioning of the South West Labour Market to ensure employers get the staff they need, all people can access employment and when people want to train, they can do so easily. Activities under this objective include:

- Providing a coherent skills development infrastructure;
- Maximising access to jobs and skills development;
- Encouraging effective recruitment practices;
- Stimulating and supporting investment and responding to labour market emergencies;
- Promoting the benefits of skills in developing creativity and risk taking; and
- Working closely to close the salary gap with other regions or within our region.

Given these objectives The South West Regional Skills Partnership (RSP) has identified four main Priorities for action and three sub priorities for the period 2007-2010. These are issues on which the RSP, either by taking a lead, or by co-ordinating the efforts of other agencies, is able to add value to the skills, enterprise and employment agenda in the region. It recognises fully the contributions of the key agencies within the region that take the lead on specific aspects of the agenda. In this respect the RSP has a critical role in monitoring progress.

Three key themes emerge from the analysis of the needs of the region, all of which are closely linked to the region's competitiveness. They are:

- Productivity – to ensure that SW businesses have access to the right skills and business practices to improve their productivity;
- Progression – to ensure the availability of effective routes for progression to enable people to maximise their potential within the workforce, addressing issues of equality and diversity; and
- Sustainability – to ensure that the development of the region is sustainable, maximizing the impact of the public resources that are deployed, encouraging investment by individuals and businesses, and planning for the future.

The SW RSP priorities have been selected to address these themes.

The main priorities for 2007-2010 are:

- Improving leadership and management skills;
- Developing the enterprise skills of all ages within the SW;
- Developing the skills to increase innovation and creativity within the SW economy; and
- Ensuring that the skills needs of the regional economy, and in key sectors in particular, are addressed at level 3 and above (including higher education).

There are other areas which whilst not being priorities per se, they are nevertheless areas which the Partnership needs to monitor closely and may need to influence, these are:

- Supporting effective strategies for the integration of migrant workers;
- Supporting the development of an integrated all age Information, Advice and Guidance service; and
- Supporting strategies for the reduction of NEETS.

The SW RSP Priorities will be supported by three underpinning activities:

- Joint planning;
- Promoting investment in skills; and
- Generating robust intelligence and monitoring impact.

The RSP has also acknowledged the importance of sectors to the economy and skills demand. The sectoral analysis has highlighted a number of issues that need to be addressed as:

- Cross cutting activities; or
- Sectoral gaps and shortages.

It has been recognised that the process for dealing with such issues will be an ongoing one and is fundamentally supported by the work of the Sector Operations Group (SOG). The SOG has developed a clear process and the strong commitment of Partners to manage the regional issues arising out of the development and regionalisation of Sector Skills Agreements. This will be a continuous process and the issues arising that will be addressed by Partners will be regularly added to and refreshed.

Implications for ESF Priorities in Cornwall and the Isles of Scilly

Priority 4: ESF activities under this priority will be supported by the second RSS objective, which seeks to stimulate an individual's commitment to learning and reduce barriers to employment and training. ESF support is available to address issues with regard to NEETs (and those at risk of becoming NEET) and migrant workers. There is a very strong linkage between the third RSS objective – to develop the efficient and inclusive working of the labour market and Priority 4 of the Convergence ESF Framework, particularly with regard to maximising access to jobs and skills development.

Priority 5: ESF Priority 5 will contribute to RSS priorities in a number of ways. The RSS supports the development of leadership and management skills, in order to promote productivity and sustainability across the region - under ESF Priority 2 a similar activity is focused on the regions small business owners and managers. ESF will also support activities that increase employer's participation in skills development, developing generic skills for employment and progression, and to develop the efficient and inclusive working of the labour market. Provision has also been made for addressing skills shortages.

Cornwall Strategy and Action

Strategy and Action is the long term strategy for economic development for Cornwall and the isles of Scilly. It has been agreed after extensive research and consultation with all of the stakeholders involved in social and economic regeneration. It has the following vision:

'To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly'

Strategy and Action will contribute towards the achievement of four key framework goals for sustainable prosperity in Cornwall and the Isles of Scilly. The framework goals link to the European Union's Lisbon agenda for competitiveness and to the Gothenburg sustainability agenda. The four framework goals reflect the objectives of the Regional Economic Strategy:

- To establish Cornwall and the Isles of Scilly as a knowledge economy and society;
- To ensure environmental sustainability;
- To remove economic and social disadvantage and improve the well being of people; and
- To establish Cornwall and the Isles of Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors.

Strategy and Action has four objectives for developing people:

Achieve Economic Inclusion and Reduce Worklessness – To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly by reducing unemployment and worklessness and addressing spatial and thematic inequalities in employment rates by removing barriers to economic inclusion. Greater economic inclusion, in turn, will generate a more productive economy measured in GVA per head of population and greater well being for the people of Cornwall.

Provide the Best Start for Young People – To ensure that young people have the best start in life by raising aspirations, achievement, self esteem and success levels and make Cornwall and the Isles of Scilly an attractive area for young people to live and work.

Support Higher Education – To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly through further development of Higher Education (HE) and research by building on the success of the Combined Universities of Cornwall partnership and work towards the creation of a University of Cornwall.

Improve Workforce Development – To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly by raising the workforce and business skills appropriate to the needs of the economy at all levels and across all sectors in Cornwall to match the best in the world and for this to act as one of the key drivers for economic success. This applies to both development of the local workforce and to attracting new talent into the area.

Implications for ESF Priorities in Cornwall and the Isles of Scilly

The Convergence ESF Framework will make a major contribution to the learning and skills priorities set out in Strategy and Action. This includes Priority 4 and its focus on reducing worklessness; and Priority 5 with regard to the up-skilling of the workforce.

Strategy and Action sets out a clear vision to develop an inclusive society, and fundamental to this objective is reducing the degree of economic exclusion. The focus of Priority 4 on those groups who face the greatest changes in taking up training and employment opportunities is critical to reducing worklessness.

The facility for Priority 5 to support higher level skills will make a major contribution to developing a knowledge based and higher skilled economy which under-pins the strategy for reducing the dependence on lower paid employment. This includes the further development of higher education, again a major priority for Strategy and Action.

The Convergence Operational Programme (ERDF)

Cornwall and the Isles of Scilly will benefit from a Convergence Operational Programme, funded by the European Regional Development Programme. This Programme is being developed in line with EU policy and is strongly influenced by the Regional Economic Strategy and Strategy and Action.

The Convergence Programme has a major focus on competitiveness and in order to move to a more prosperous and sustainable economy, Cornwall and the Isles of Scilly needs to:

- Develop a business base with a higher proportion of economic activity in sectors where the growth prospects are positive i.e. a more rounded, modern, knowledge based economy;
- Be characterised by a greater proportion of employment in higher paid jobs and a highly skilled workforce, at all levels, including those qualified at Levels 4 and 5; and
- Have an economic infrastructure and attractive towns which support a knowledge based and more diverse economy.

The Programme aims to establish the momentum of transforming the economy to a high value added economy where knowledge, environment and quality of life underpin sustainable economic growth. The

operational objectives are: transforming the economy to a more knowledge based, high value added economy with a broader range of sectors; providing a broader range of employment opportunities for the community; and managing economic and population growth in a sustainable manner and take a leading role in a developing a low carbon economy.

The Convergence Programme will focus on:

- Innovation, Research and Development
- Enterprise and Investment
- Transformational Infrastructure and
- Place Based Regeneration

The focus of the Convergence Programme on transforming the economy will include substantial investment in new business and economic infrastructure. This will include Innovation Centres, with an incubation and out-reach function; the Wave Hub; new research centres, an extensive land and premises programme, new investment in the Airport and in digital / ICT infrastructure and actions to unlock the employment potential of key locations.

These investments in physical assets will be accompanied by interventions to support individuals and companies to take forward business ideas and expansion plans. This will include support for developing innovative products and processes, investor readiness and improving access to finance, accessing new markets, and mentoring. Other actions will include increasing the use and take up of ICT. The focus on high growth companies will require investment in the workforce to help accelerate business plans. The Convergence Operational Programme anticipates a leading role for higher education expertise and higher level skills.

The inclusion of objectives around transforming the economy and supporting all sections of the community to access employment is dependent upon both increased levels of participation, particularly by disadvantaged groups, and a workforce which is more highly skilled. The success of the Convergence ERDF Operational Programme is dependent upon the inclusion and skills agenda set out in this Framework. Of particular importance is the further development of higher education and CUC, and linking higher education to the business base in Cornwall and the Isles of Scilly.

Implications for ESF Priorities in Cornwall and the Isles of Scilly

The Convergence ESF Framework will make a major contribution to the aims and objectives of the Convergence Operational Programme (ERDF). The two Funds will have a very high degree of complementarity. The need to upskill the workforce is crucial to the aim of transforming the economy, and as well as the support provided for levels 3 and 4, the ESF support for research skills will make a major contribution to developing an economy based on innovation and knowledge.

The ERDF Programme will help create a range of new and additional jobs, relevant to all sections of the workforce, and ESF has a key role to play in helping companies to realise plans to improving productivity and increase employment. This is particularly important at level 3 and above, including updating skills of the current workforce.

ESF support has been identified as crucial in taking forward innovation and research and development as well as the plans of high growth companies. .

2.1.3 Strategic Links between Community, National Programmes and the ESF programme

Table 1 overleaf provides an overview of the strategic links between the ESF programme and the relevant Community and national strategies and policies, which are described in the England Operational Programme. Although this table separates out employment and skills activities, they do of course support each other, and are often integrated (see Annex 1 for further detail).

Community Strategic Guidelines	Integrated Guidelines on Growth and Jobs	National Strategic Reference Framework	National Reform Programme	ESF Priority
3. More and Better Jobs	17. Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.	Strategy to promote sustainable economic growth and social inclusion by a) extending employment opportunities and b) improving productivity – including by developing skills.	National strategies for increasing employment (80% employment rate aspiration) and skills (especially young NEETs, and adults without basic skills and level 2 qualifications).	Priorities to extend employment opportunities and develop a skilled adaptable workforce.
3.1 Attract and retain more people in employment and modernise social protection systems.	18. Promote a life cycle approach to work. 19. Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job seekers, including disadvantaged people and the inactive. 20. Improve matching of labour market needs.	Extending employment opportunities by: <ul style="list-style-type: none"> ▪ Developing the employability and skills of unemployed and economically inactive people; ▪ Overcoming barriers to work faced by disadvantaged groups (e.g. people with disabilities and health conditions, lone parents, older workers, ethnic minorities, amongst others); ▪ Reducing the numbers of young people not in education, employment or training (NEET). 	Jobcentre Plus; New Deals; Pathways to Work; employment support for people with a disability or health condition; initiatives for lone parents; initiatives for ethnic minorities; initiatives to extend working lives; National Childcare Strategy; Cities Strategy; New Deal for Skills, Entry to Employment.	Priorities 1 and 4. To increase employment and reduce unemployment and inactivity, including tackling barriers to work faced by disadvantaged groups and reducing the numbers of young people who are NEET.
3.2 Improve adaptability of workers and enterprises and the flexibility of the labour market. 3.3 Increase investment in human capital	2.3 Expand and improve investment in human capital. 2.4. Adapt education and training systems in response to new competence requirements.	Developing a skilled and adaptable workforce by: <ul style="list-style-type: none"> ▪ Improving basic skills; ▪ Tackling skills deficit in the workforce; ▪ Training managers and workers in small enterprises 	Learning and Skills Council; Apprenticeships; Skills for Life; Train to Gain; Women and Work Commission.	Priorities 2 and 5. To develop a skilled and adaptable workforce by: reducing the number of people without basic skills; increasing the number of workers qualified to level 2 and, where there are skills shortages, to level 3; reducing gender segregation in the workforce; and developing managers and workers in small enterprises

2.2 Summary of Evidence Base

This section provides a summary of the ESF Convergence Framework evidence base and equal opportunities review. Full details of the data sources are provided in the full documents (see ANNEX 2 and ANNEX 3)

Economic Performance and Employment

In 2004, Cornwall and the Isles of Scilly accounted for only 7% of the total regional Gross Value Added, with GVA per head standing at 69% of the regional average. However, in recent years, the sub-region's performance has been strong, outpacing the other South West sub regions.

Despite very strong employment growth (11.6% between 2001-06), increases to the employment rate continue to lag behind the regional and national averages and, despite some evidence of a shifting employment base, the sub-region continues to have a high representation in the 'Distribution, Hotels, and Restaurants' sector. This sector employs 56,200 people, or 28% of the workforce, compared to 21% across the South West. Between 2001 and 2005, the 'Public Administration and Health' sector overtook the 'Distribution, Hotels, and Restaurants' sector as the regions largest employer, and there has been strong employment growth in the 'Banking Finance, and Insurance', 'Transport and Communications', and 'Other Services' Sectors, albeit from very low employment bases.

Across the region, employment growth is expected in retail, the 'other business services' sector, and the non-marketed sector (specifically the health, social work, and educational sectors). Smaller gains are expected within construction, hotels and restaurants and employment is expected to decline in the primary and manufacturing sectors. The growth of the construction sector is expected to be focused on Cornwall, Devon and the West of England. Cornwall and Devon are expected to witness the largest decline in manufacturing employment. The largest employment gains across the region are expected among corporate managers, teaching and research professionals, skilled construction and building occupations, caring personal services and sales occupations.

Inactivity and Disadvantaged Groups

Economic inactivity is more prevalent in Cornwall and the Isles of Scilly than for both the South West and England as a whole. In 2006 there were 71,200 economically inactive individuals of working age within Cornwall, accounting for 24% of the working age population, compared to 20% regionally and 22% for England. However, of these, 18,500 stated that they would like to find a job (26%, compared to 24% nationally), which suggests that there are a number of barriers within the sub-region that prevent individuals from accessing the labour market.

Unemployment within the region is in line with that seen regionally (3.5%), however the region contains areas of higher unemployment, including Caradon and Carrick (5.5% and 4.9%) respectively.

The pattern of unemployment differs markedly for a number of different groups and the following sections provide a brief summary of the performances of a number of disadvantaged groups.

Disadvantaged Parents and Lone Parents: In 2006, 10,100 parents claimed some form of DWP benefit, accounting for 26% of all claimants. The number of parent claimants increased significantly between 2001-06 (12.2%), in contrast to a decline in claimants generally. Single parents accounted for 45% of all parent claimants, however unlike the claimants that are part of a couple with children, the total number of single parent claimants has declined since 2001.

NEETS: In 2005 there were 2,895 16 to 18 year old NEETs in Cornwall and Devon, accounting for 5.3% of the total 16-18 year old population. This reflects a decline from 7% in 2002 and is below the national figure of 7.7%. Recent estimates suggest that there are approximately 900 NEETs in Cornwall, representing a similar proportion of the population to Devon and Cornwall and representing a core group of young people that have hitherto been unengaged. There is also a significant group of young people at risk of becoming NEET.

Deprivation: Cornwall is a middle ranking county in terms of deprivation, (ranked 75th out of 148); although this masks significant internal disparities. In particular Penwith is ranked among the 20% most deprived districts nationally, and is the most deprived local authority area in the South West. Over 11,000 of the population are residents of neighbourhoods ranked within the 10% most deprived nationally, and there are particular issues regarding much of the population's access to housing and services.

Equal Opportunities and Diversity

Older People: Cornwall and the Isles of Scilly has an increasingly older population, compared to both the South West and England. In 2005 43% of the region's population were aged over 50. Employment among this group is low, as is economic activity. As with the South West there is a skills deficit among this age group, with 17% of the over 50s population holding no qualifications.

Gender: Despite strong employment growth between 2001-06 in Cornwall and the Isles of Scilly, the female employment rate is lower than elsewhere within the region (70%) and women are more likely to work part-time (52%) compared to the other South West sub-regions. The gender pay gap in Cornwall and the Isles of Scilly amount to £3,500 annually. Although this is less significant than the gap at the regional level, this reflects the lower wage levels for both men and women.

Ethnicity: BME individuals account for only 1% of the population of Cornwall and the Isles of Scilly, or almost 5,000 individuals, and due to the small population it is difficult to collect robust labour market statistics for these groups. The very small nature of the BME community presents specific challenges for the sub-region as employers and service providers are less likely to be aware of the specific needs of BME individuals.

Migrants: Between 2002/3 and 2003/4 the total number of migrant workers in the South West increased by 15,650 to 23,105². However, this is relatively low compared to other regions, accounting for only 4.7% of the UK total. Migrant workers in the South West experience higher rates of unemployment than their UK counterparts, however migrant workers in the South West perform better than those resident elsewhere in the UK. National research³ suggests that migrant workers are concentrated at both the low and high end of the skills distribution. Research in Cornwall⁴ suggests that the majority of Cornish employers did not consciously aim to attract migrant workers, with many stating that there was a lack of local labour or suitable labour.

Disabled People: The County has a relatively high proportion of disabled people, with 22% of the population registered as disabled and 14% classified as DDA and Work Limited Disabled. The proportion of the disabled population that are economically active is relatively low (54%), especially for male disabled people, where participation in Cornwall and the Isles of Scilly lies significantly below the other sub-regions of the South West.

Skills

Cornwall performs well in the lower level skills, with 81% of the population having at least NVQ1 and 66% holding at least NVQ2; these figures are broadly in line with the national average, although this still leaves one third of the workforce without level 2 qualifications. The region is most significantly under-represented for NVQ4+ level qualifications (only 20.4%, compared to 26.2% nationally).

² Migrant Workers: The Challenge For The South West Learning Theme Report, SW SLIM 2006 (Figures are based on National Insurance Number Registrations)

³ Migrants in the UK: A descriptive analysis of their characteristics and labour market performance, based on the Labour Force Survey, Department for Work & Pensions, 2002.

⁴ Research into the issues affecting migrant workers in Cornwall, LINC 2006

In 2005, skills shortages were most severe in the skills trades, reflecting the high demand for construction workers, in addition to professional occupations and personal services. Recruitment difficulties affected all parts of the economy, even the booming construction sector where many of the jobs are well paid.

Feedback from employers illustrates that skills gaps are evident across the spectrum of qualifications and experience, from entry level and semi-skilled through to higher order occupations. Analysis of recent inward migration patterns to Cornwall suggest that this inward migration has helped to address some of the skills and recruitment demands of employers.

Skills for Life

The Cornwall & the Isles of Scilly population have relatively good levels of basic skills in comparison with the national average. Approximately 19% of the adult population in Cornwall have numeracy skills below entry level 3, less than both the England (21%) and South West (21%) averages. This marked difference is also reflected in the percentage of literacy skills below entry level 3. Approximately 5% of the England population have poor literacy skills, whilst just 1.8% of the Cornwall population have literacy skills below entry level 3.

Concerning Level 2 Basic Skills, 57% of those surveyed in the DfES skills for life survey attained level 2 in literacy or numeracy, compared to only 52% nationally. While the sub-region performs well against both literacy and numeracy, there is still a substantial section of the population that failed to achieve level 2 in either of these areas.

Higher Education

Participation rates in higher education in Cornwall & the Isles of Scilly are good, but until recently almost 90% of Cornwall's young people going into higher education left the area to study. Evidence from ONS migration data sets show that the development of the Combined Universities in Cornwall (CUC) has had an immediate impact. Less people aged 18 are leaving Cornwall and more are moving in at 18, and the CUC aims to provide courses to 7,300 students by 2010. The peak year for in migration is 22, suggesting significant number who leave at 18 return after graduating.

Summary

The section above highlights that, despite strong recent performance against some indicators, Cornwall and the Isles of Scilly continues to lag behind regional and national comparators. Looking forwards there is significant scope for further improving the performance, although this will be dependent upon the quality of employment and the upskilling of the workforce.

A major factor contributing to the low output is the under-utilisation of the existing workforce. Measures taken to increase participation in the workforce, promote employment in higher value added sectors and reduce the level of part-time employment would generate significant economic improvements for the sub-region. Further improvements may be through narrowing or eliminating the occupational and sectoral gender gaps, and increasing economic activity among women and older people.

In many cases, this will require the successful identification of the major barriers individuals face and developing appropriate steps to overcome them. The large number of inactive individuals stating that they would like a job (18,500) highlights the scale of the potential benefits.

The region is under-represented in higher levels skills (only 20.4% qualified to Level 4 and above, compared to 26.2% nationally), and the establishment and further development of the Combined Universities in Cornwall (CUC) will play a crucial role in redressing this and transforming the economy. At the same time, the need to address the significant part of the workforce with basic skills issues and qualifications below level 2 is fundamental to developing the workforce needed to meet the ambitious aspirations set out in Strategy and Action.

2.3 Convergence Area SWOT

<p>Strengths</p> <ol style="list-style-type: none"> 1. Strong employment growth 2. Strong sectoral performance and resilient business base 3. Strong and long established enterprise culture and high levels of self employment in dynamic sectors 4. Evidence of increasing economic activity 5. Low proportion of 16-19 year olds are NEET 6. Good skills stock for NVQ levels 1 to 3 7. Good performance against literacy and numeracy indicators 8. High levels of adult participation and employers investment in training 9. Presence of the Combined Universities in Cornwall 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Poor employment and activity rates among the disadvantaged and equality strand groups 2. Pockets of worklessness and unemployment in deprived areas 3. High numbers of Incapacity Claimants 4. Low levels of productivity, given the sub-regional skills base, with under-utilisation of some workers 5. Predominance of lower paid jobs and a lack of graduate and higher skilled jobs 6. The sub-region has a poor base of higher level skills 7. Skills shortages in skilled trades, professional occupations, and professional services 8. Evidence of occupational and sectoral gender segregation 9. Poor access to training and related services across parts of the sub-region due to its predominantly rural nature and poor transport connectivity
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Forecast demand for higher level skills in the sub-region and beyond 2. Predicted employment growth will generate more entry level positions, providing greater opportunities for accessing work 3. Increasingly flexible working practices will promote the retention of older workers and improve access to training opportunities for employed people 4. The creation of knowledge intensive jobs through ERDF 5. Potential to exploit changes in the global economy, including technology, production, trading, and developing new markets in Eastern Europe and the Far East 6. Increasing demand for skills from the environmental technologies and renewable energies sector – further promoted through the Stern Report 7. In-migration (both domestic and foreign) will bring additional skills into the sub-region 	<p>Threats</p> <ol style="list-style-type: none"> 1. The inability of smaller employers to take-up apprenticeships and related qualifications 2. Growing international competition for jobs in manufacturing and service industries 3. Pace of up-skilling the workforce may be too slow to safeguard employment 4. The impact of structural adjustments, particularly in rural areas 5. Significant levels of retirement may remove some generic skills from the labour force 6. Persistence of NEETS and those at risk could undermine social cohesion 7. The lack of robust sectoral intelligence at a sub-regional level may result in a failure to address sector specific skills shortages and gaps 8. Restructuring and modernisation of industries such as china clay, agriculture, fishing, tourism

Conclusions and Key Issues for the ESF Convergence Programme

Although Cornwall and the Isles of Scilly has a low GVA per head, it exhibits a number of key strengths, and the major challenge for the Convergence ESF Programme is to assist the process of economic transformation, building on the very good economic performance of the last five years. There is a good skills base among NVQ levels 1 to 3 and employment and economic activity has increased in recent years. Employment is expected to continue growing, alongside increasing employer demand for higher level skills.

The growth of the environmental technologies sector and the further development of global markets present a range of opportunities for Cornish businesses, which will continue to feed their demand for a skilled and adaptable workforce. Employer needs extend beyond the achievement of formal qualifications, and a major challenge of the ESF Framework will be to ensure that the individuals are ready for work. While the region performs well against literacy and numeracy measures, a number of skills gaps have been identified across the region.

Access to education and employment opportunities remains a particular challenge for Cornwall and the Isles of Scilly. The rural nature of the sub-region coupled with its poor transport connectivity means that access to training providers and wider opportunities may be limited for many individuals. The small nature of much of the business base presents additional challenges as smaller employers may find it more difficult to support their employees through apprenticeships and related qualifications.

Further issues concern the sub-region's pockets of unemployment and worklessness, and the poorer performance of particular groups, such as older people and women, a major challenge for the region moving forward will be the need to ensure that sections of the sub-region are not left behind. In this regard, the rising number of Incapacity Benefit claimants presents a particular concern.

The baseline and SWOT analyses identify challenges facing the **following groups** as priorities for the Convergence ESF Framework:

- Those on Incapacity Benefit;
- Inactive residents in the most deprived communities;
- Older people, aged over fifty;
- Those with literacy and numeracy problems;
- Lone and disadvantaged parents, and also carers;
- Young people not in education, employment or training, and those at risk of becoming NEETs; and
- Individuals with disabilities.

The Framework must also seek to address the following **areas of weakness** in the Cornwall and Isles of Scilly labour market:

- Addressing the 34% of adults not qualified to level 2;
- Improving the skills of the workforce to increase the proportion of the workforce qualified at Level 3 and 4 and above to support increased productivity and meet skills shortages and gaps;
- Supporting SMEs, and particularly smaller enterprises to strengthen their management skills and the skills of the workforce, particularly with regard to level 3 and above; and
- Building a research base for the benefit of the economy.

3 PRIORITY AXES

3.1 Priority 4 Tackling Barriers to Employment

The objective of Priority 4 is to increase employment and to reduce unemployment and inactivity. It addresses Article 3.1.b of the ESF Regulation:

"enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people, preventing unemployment, in particular long term and youth unemployment, encouraging active ageing and prolonging working lives, and increasing participation on in the labour market"

The Priority description is presented in two elements – worklessness and inactivity and 14-19 year olds. All proposed actions will be subject to scrutiny to ensure eligibility for ESF support

To ensure that Ministerial priorities and output and results targets in the Operational Programme are met, there are some parameters described below on the range and levels of ESF activity that can be supported in the Regional Competitiveness and Employment objective. Although the Convergence objective allows a wider range of eligible activities, the Cornwall ESF framework will need to take these parameters into account in determining how ESF resources can be best targeted to meet regional employment and skills priorities.

Priority 4 (Extending employment)

- At least 70% of ESF funding to improve the employability and skills of unemployed and inactive people, particularly disadvantaged groups such as people with disabilities, health conditions, lone parents, older workers, ethnic minorities and people with low or no qualifications. Of this amount, at least half should be aligned with and complement DWP employment programmes that focus on helping the target groups identified in the Operational Programme and described above;
- At least 23% of ESF funding is ring-fenced for work with young people aged 14 to 19 who are not in education, employment or training (NEET) or at risk of becoming NEET. This is the funding that has been 'moved' from Priority 5 to Priority 4 compared with the draft NSRF, as a result of the Commission's requirement to move the NEET target group from Priority 5 to Priority 4; and
- Up to 2.5% (subject to further review) of ESF funding to be distributed as small grants to community groups. This is broadly similar to the proportion of funding for Global Grants in 2000-06.

3.1.1 Worklessness

Aim:

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly by reducing unemployment and worklessness, and addressing spatial and thematic inequalities in employment rates by removing barriers to economic inclusion. Greater economic inclusion, in turn, will generate a more productive economy measured in GVA per head of population and greater well being for the people of Cornwall and the Isles of Scilly.

Context

Reducing worklessness is one of the major challenges facing stakeholders involved in the social and economic regeneration of Cornwall and the Isles of Scilly. In spite of employment growth, a number of groups continue to face difficulties in taking up training and employment opportunities. There are

significant pockets of deprivation in Cornwall, often amongst affluent areas. The numbers involved are substantial, and the effects on both individuals and communities and the economy are significant.

Within Cornwall, there is a need to develop appropriate childcare provision which addresses local needs and a requirement to promote the increased use of learning technology to develop the concept of a Cornwall Learning Network as initiated in Objective One to support flexible delivery methods, such as e-learning, to help businesses, people and communities access learning.

Previous experience and feedback from employers has emphasised a number of aspects of addressing worklessness which need to be incorporated into future support. These are the degree of pre-employment support, to increase employment readiness; post employment mentoring and support to increase the chances of individuals retaining employment; and greater understanding and support for employers recruiting some of the target groups.

For some participants, particularly those experiencing multiple disadvantage, the outcome may be progress towards labour market entry rather than a job.

Activities

Support for those out of work to gain skills for employability and to overcome barriers to employment, which may include:

- Early interventions and activities to prevent long-term benefit dependency, with individual action plans and personalised support;
- Pre-employment skills activities including basic skills, (literacy, numeracy, ICT, ESOL) employability and life skills, and vocational skills;
- Pathways to Employment programmes focused on the re-integration of people and groups who are most distanced from the labour market and have the most severe or complex barriers to employment;
- Sector based and demand led route-ways to work that overcome skills shortages and recruitment difficulties;
- Activities that focus on the transition to work (for example, money management, childcare and transport, provision for carers, adult work placements, volunteering and other innovative work placement models);
- Job search training, advice and support, and improving access to IAG;
- Information, advice and guidance support and training for self-employment, business creation and social enterprise;
- Activities to provide appropriate and bespoke support to particular groups or individuals who may be disadvantaged in the labour market; and
- Post-employment support, mentoring and after-care activities for both employees and employers, regardless of sector and size of company.

Support for those in work who are under-employed or under threat of redundancy, which may include:

- Active and preventative measures which ensure early identification of needs, with individual action plans and personalised support for people under threat of redundancy or who are unemployed;
- Workplace initiatives to prevent long-term sickness absence and worklessness, such as mental health awareness and support for increasing the diversity of the workforce;
- Supported employment programmes;
- Post-employment support, mentoring and after-care activities for both employees and employers, regardless of sector and size of company;
- Post-employment skills activities including basic skills, ICT skills, financial literacy, employability and life skills, English for Speakers of Other Languages and vocational skills; and

- Information, advice, guidance, support and training for self-employment, business creation and social enterprise.

Support for disadvantaged communities of need and place, which may include:

- Community development activity to identify, engage and support disadvantaged jobless individuals and groups where this is clearly linked to a pathway to employment or other progression activity;
- Community projects and volunteering activities to mobilise unemployed and inactive people who are disadvantaged or excluded and to facilitate their integration into the labour market;
- Activity to tackle linked and complex causes of worklessness where this activity is clearly linked to economic progression;
- Activities that link to specific regeneration initiatives, including ERDF funded projects to ensure residents can take advantage of opportunities that arise from the regeneration of their areas;
- The development of multi-agency partnerships to facilitate and deliver Pathways to Employment and other relevant activities such as links between health and employment organisations to support people on health related benefits to progress towards and move into work; and
- Improved access to Information, Advice and Guidance for individuals.

Where employment is an outcome of the activities, post employment support, including further training must be included. Employment focused activities must be responsive to the needs of employers and occupational sectors, securing appropriate links with businesses as part of the delivery process.

Target Groups

Those needing support will be eligible regardless of where they live. However, priority will be given to those geographical areas where there are high concentrations of worklessness defined by overall benefit claim rates for people of working age. This will be appropriate where an area has an overall benefit claim rate above the average for Cornwall (currently 18.3%). Artificial boundaries such as postcodes or wards will not be used for this prioritisation.

Priority will be given to people out of work with a particular focus on:

- People with disabilities and health conditions – including those with learning difficulties or drug and alcohol dependency problems;
- Older workers aged 50 and over;
- Lone parents and other disadvantaged parents;
- Carers;
- Women with limited work experience or qualifications and those seeking to return to the labour market;
- People from ethnic minorities;
- Offenders; and
- The homeless.

Many of the above will have debt problems and find themselves in the benefit's trap.

Other groups which the Framework will seek to support include underemployed people including seasonal workers; people who have made the transition from unemployment or inactivity to work and may require post employment support and those under threat of redundancy.

LAA Outcome Links

The following links to LAA outcome indicators have been identified. Further research is currently being undertaken, with which may identify a broader list of indicators that link with the Framework.

- Improve Mental Health (HCOP5);

- Increase support and improve safety of survivors of domestic violence & their families (stretch) (SAFE1);
- To reassure the public, reduce the fear of crime and anti-social behaviour and influencing the community's perceptions (SAFE2);
- Reduce the harm caused by illegal drugs to communities, individuals and families (SAFE4);
- To increase capacity of local communities so that people are empowered to participate in local decision making and are able to influence service delivery (stretch) (STRONG1);
- Increase the number of people from under-represented groups engaging in volunteering (STRONG2);
- Improve the quality of life for people in the most deprived neighbourhoods and ensure service providers are more responsive to the needs of communities (STRONG4);
- Reduce social exclusion for migrant workers (STRONG4);
- Build a cohesive society based on equality of opportunity. Celebrating race, ethnicity, faith, age, disability, gender, sexual orientation through reducing discrimination, improving inclusion and building individuals and communities self esteem. (STRONG5);
- Increase opportunities and reduce indebtedness for people who are income deprived (STRONG7);
- Improve access to work, healthcare, education, food shops and recreation (SUSTAIN4); and
- Reduce worklessness and unemployment (stretch) (ECON1).

3.1.2 The Best Start for Young People

Aim

To achieve sustainable prosperity with opportunity for all by ensuring that young people have the best start in life by raising aspirations, achievement, self esteem and success levels and make Cornwall and the Isles of Scilly an attractive area for young people to live and work.

Context

The focus of support is on activities to prepare young people for working life and to reduce the numbers of young people not in education, employment or training. The focus on developing vocational skills amongst young people is particularly relevant to the large numbers of young people less suited to academic routes of progression. Although the numbers for youth unemployment and those not in education, employment and training are relatively small, there is a need to offer focussed support to re-engage young people at the earliest opportunity.

For some participants, particularly those experiencing multiple disadvantage, the outcome may be progress towards labour market entry rather than a job.

Operational Programme

Activities to prepare young people for working life, in particular 14 to 19 year olds not in education, employment or training (NEET) or at risk of becoming NEET may include:

- Initiatives to reform vocational routes for, and develop vocational skills among, 14 to 19 year olds, including developing the vocational curriculum to improve employability;
- Initiatives to help raise awareness of the world of work, enterprise and entrepreneurship among young people (from age 14), including work experience placements;
- Activities to engage 14 to 19 year olds not in education, employment or training, tackle their barriers to learning, and help them access mainstream provision;
- Activities, including vocational training and preventative work, for young people at risk of becoming NEET to provide pathways to employment; and
- Activities to reduce youth unemployment by developing the employability and skills of young people.

Activities

Preventative measures:

To prevent those young people who are likely to become NEET with an attractive, viable and interesting intervention that prevents them from disengagement.

Initiatives to reform vocational routes for, and develop vocational skills, among 14-19 year olds, and reducing the number Not in Education, Employment, or Training (NEET)

Activities will be concerned with improving accesses to vocational training for all 14 to 19 years olds. Further activities will address the barriers to access and achievement and supporting young people who have difficulties in engaging with, and progressing in, learning and work.

Activities may include:

- Developing the opportunities for expanding Apprenticeships;
- Adding value to Apprenticeship frameworks through partnership collaboration between teachers, trainers and employers;
- Enabling those gifted and talented young people early access to take HE modules/units.
- Identifying 'hotspots' of NEET individuals and gaps in provision, promote joint working and integrated service support, share and embed 'Best Practice' models;
- Supporting initiatives and innovative programmes focused on those not in education, employment or training and those at risk of entering this category;

- Supporting initiatives and innovative programmes on reducing social exclusion and engaging with the following groups: Traveller and Gipsy families, Migrant Workers families, children in care/disabled children;
- Enabling young people at risk and their families to explore a variety of modes / levels / types of learning to expand their learning and work opportunities and potential; and
- Increasing the number of young people from under represented groups engaging in volunteering and community based projects.

Raising Awareness of Work, Enterprise and Entrepreneurship in the 14-19 cohort :

Enhance the relevant curriculum, offer opportunities to young people to maximise their potential with regard to enterprise and entrepreneurship:

Activities may include:

- Developing initiatives to support the provision of learning activities in respect of enterprise, entrepreneurial behaviours and skills, innovation and creativity in business / employability, team work and leadership for young people;
- Engaging young people in Enterprise Education activities; and
- Establishing a wider Aimhigher programme for all young people in Cornwall and the Isles of Scilly.

Engage employers and business sector organisations in shaping the curriculum and providing work experience placements.

Activities may include:

- Enabling and gaining the experience, knowledge and input from employers, businesses, the Sector Skills Councils and Sector Groups in achieving a relevant and topical curriculum and work experience opportunities;
- Developing a portfolio of locally devised placement programmes, courses, modules and/or units that reflect practical responses to the identified needs/demands of Cornwall and the Isles of Scilly; and
- Enabling access to work experience and work based learning/placements and explore the opportunities of using external partners in the delivery of work experience placements e.g. voluntary and business sectors.

Raise the Aspirations and Ambitions of Young People

Develop a relevant, coherent and consistent individual learning plan for young people, supported by independent tutorial advice and guidance along with one to one mentoring with adult role models, to inform progression at all stages

Activities may include:

- Providing appropriate personalised learning support in appropriate situations to enable early identification of potential interventions needed;
- Working with young people to enable progress in learning and training to be tracked and career potential identified to establish an ongoing life long learning record; and
- Enabling employed and / or recently retired, adult skilled team of adults to support / mentor young people in developing and engaging with work related transferable skills.

Help learners progress into employment, training and Further or Higher Education by delivering independent advice and guidance (IAG) to all learners, delivered through the Integrated Youth Support Services Programme.

Activities may include:

- Commissioning and establishing independent IAG for early /timely identification of needs; and
- Ensuring the engagement of a wider community audience by:

- Enabling and supporting initiatives for the wider Community, including parents, carers and families have access to IAG so that young people are supported in an appropriate way;
- Enabling specific advice and guidance for the 'at risk', 'hard to reach' and vulnerable young people; and
- Providing businesses with explicit provider links to information and guidance about suitability of education and training.

Devise programmes of activity which build self expression, confidence, motivation, collaboration and creativity for young people who are disengaged with learning

Activities may include:

- Seeking out and develop innovative solutions to empower young people to develop the personal skills identified above;
- Ensuring the engagement of youth organisations from the voluntary and community service are engaged in the development and delivery of programmes; and
- Designing and developing a range of relevant contextualised activities to enable young people to be able to use a range of transferable skills in a variety of situations.

Target Groups

- Young people not in education, employment or training;
- 14-19 year olds;
- Children of Gipsies, Travellers, Migrant Workers and BME groups; and
- Children in care, vulnerable and hard to reach young people.

LAA Outcome Links

- Young people receiving the services they need and contributing to their design and delivery (CYP1);
- Improve life chances for children in need, particularly but not exclusively looked after/disabled children and young people (stretch) (CYP2); and
- To alleviate the causes and impact of child poverty (stretch) (CYP3).

3.2 Cornwall and the Isles of Scilly : Focus For Priority 4

While all of the target groups and activities are relevant to Cornwall and the Isles of Scilly, there are a number of elements which have added weight, reflecting the profile of the labour market and policy priorities. These are:

Activities

Demand Led Provision: Priority will be given to projects which take account not only of supply, but also the demand for labour. This is a crucial element in developing support which assists individuals back in to sustainable employment, reflecting the needs of employers. It will be important to fully understand the labour needs of employers to ensure that suitable pre employment training can be provided.

Pre-employment support and post-employment mentoring: Feedback for employers and others have highlighted the need to focus on ensuring that candidates are employment ready, and to provide continuing support during employment. The first element is a major focus of this priority, ensuring that workless and at risk individuals develop the necessary skills to move into employment. Once individuals move into employment, it is essential that further support, including mentoring, is provided to both the employer and employee in order to identify where additional support is required and to ensure that employment is sustainable.

ESF Community Grants: formerly known as global grants, community grants have an important role to play in helping certain groups receive appropriate support and training, while at the same time involving and strengthening the capacity of community and voluntary groups, enabling them to play an important role in delivering key services.

Target Groups

Workless households present a particular challenge as they are linked to a range of wider issues. There are links between workless households and child poverty, and workless households contribute to the number of young people that are NEET, or at risk of becoming NEET.

NEETs and those at risk of becoming NEETS are a priority target group for ESF support, particularly in areas of multiple deprivation and linked to workless households.

Spatial

Multiple Disadvantage: While the designation of programme wide intervention areas, by local authority, ward, or postcode is likely to prove too restrictive, there is a spatial concentration of worklessness in some urban areas. It will be important to provide support to those communities where the DWP claimant rate is above the Cornwall average.

Rural areas: it is essential that the additional barriers facing the more remote rural areas (such as access to training and employment) are identified and measures to overcome these barriers are incorporated into the programme activities.

3.3 Priority 5: Improving the Skills of the Local Workforce

To ensure that Ministerial priorities and output and results targets in the Operational Programme are met there are some parameters described below on the range and levels of ESF activity that can be supported in the Regional Competitiveness and Employment objective. Although the Convergence objective allows a wider range of eligible activities, the Cornwall ESF Framework will need to take these parameters into account in determining how ESF resources can be best targeted to meet regional employment and skills priorities. All proposed actions will be subject to scrutiny to ensure eligibility for ESF support.

Priority 5 (Workforce skills)

- At least 20% of ESF funding to support basic skills training;
- At least 20% of ESF to support training at level 2;
- At least 25% of ESF to support training at level 3 and above; and
- At least 25% of ESF funding to support Higher Education activity.

In addition to developing the skills of individuals within businesses, this Priority will include skills for entrepreneurship, self-employment and social enterprise. This is consistent with the approach adopted with Priority 2 of the South West ESF Framework.

3.3.1 Workforce Development

Aim

To achieve sustainable prosperity with opportunities for all in Cornwall and the Isles of Scilly by raising the workforce and business skills appropriate to the needs of the economy at all levels and across all sectors in Cornwall to match the best in the UK and for this to act as the key driver for economic success.

Context

The up skilling of the workforce is one of the most important challenges facing stakeholders in Cornwall and the Isles of Scilly is central to addressing the issue of low earnings, and to the aim of the Convergence Programme of moving to a more knowledge based and higher skilled economy. While the priority groups are micro and small businesses, support may also be provided to the self-employed and individuals within larger businesses.

Previous experience and feedback from employers will influence future ESF actions. This will include the need to ensure that all of the workforce have at least an appropriate level 2 skills and adequate basic skills, although this is only a starting point in developing the workforce of the future; the need to support higher level training and the up-dating of skill levels; and the need to ensure that training meets the needs of employers, particularly with regard to how it is delivered. Level 3+ skills are particularly important for businesses for improved productivity. Furthermore there is a need to develop appropriate childcare provision which addresses local needs and a requirement to promote the increased use of learning technology to develop the concept of a Cornwall Learning Network as initiated in Objective One to help businesses, people and communities access learning.

All participants will have an effective, relevant diagnosis of the skills needs linked to the requirements of enterprises and the economy of Cornwall.

Business Support Simplification

The national Operational Framework for ESF made clear that Government expects ESF to be aligned with and support the emerging strategy for the simplification of business support. It is anticipated that a

full consultation on the Simplification Programme will be published toward the end of June 2007. It is therefore important that where ESF funds initiatives which make an offer to or require engagement with existing or potential businesses these initiatives are designed from the outset to align with the national effort to simplify business support.

Activities

Increase the number of adults qualified to at least Level 2 with improved progression to, and achievement at, Levels 3 and 4

Activities may include:

- Activities to support access to and the provision of apprenticeships;
- Support progression with Skills for Life activity for employees including basic literacy, and numeracy skills together with other employability skills such as language, appropriate attitude, communication, working in teams and problem solving;
- Address the skills issues of those who do not possess qualifications up to level 3, or those who need to update their qualifications, in any sector or any size of establishment. Special attention will be given to businesses that have particular barriers to learning;
- Activities to support access and progression for individuals from foundation level including mentoring;
- Grow links between the adult workforce and vocational developments for the 14–19 group of students;
- Develop improved access of adults to Level 4 and 5 HE courses to address the needs of business and Individuals in the economy; and
- Help to people to access specific courses.

Activities will be expected to address the specific needs of under-represented or disadvantaged groups in lifelong learning and skills development including vulnerable workers including people with no qualifications or limited ICT skills; the low paid and low skilled women; workers facing redundancy or who have been made redundant; part-time workers especially women, lone parents, older workers; groups seeking to overcome occupational stereotyping; people with disabilities, ethnic groups in Cornwall, migrant workers; young, seasonal and agency workers.

Achieve a step change in workplace learning and the numbers of businesses engaged in professional training and development of staff:

Activities may include:

- Workforce development activity should link with ERDF business support and advice to provide an integrated, seamless service relevant to the needs of enterprises;
- Activities to promote leadership and management skills at all levels, especially in smaller businesses including enterprise and technical skills, business development, growth, innovation, productivity and the internationalisation of the business world;
- Improve relevant information and advice available to all enterprises to identify skills gaps and sector specific business needs to support their expansion and competitiveness;
- Support initiatives to boost the demand for learning and skills in any size of enterprise e.g. through mentoring, apprenticeships, placements, sharing best practice and making good use of the world-class businesses now developing in Cornwall. Also providing support for workplace learning projects, learning representatives and champions;
- Provide special support for the development of skills where there are identified gaps in the supply to ensure the supply of skills is relevant to employers' needs;
- Initiatives by social partners to promote life long learning in the workplace; and
- Training trainers (at any level) to deliver activities (e.g. basic skills provision, childcare and care workers) which benefits ESF target groups.

Further develop sector and local workforce skills programmes:

Activities may include:

- Support for the development of effective Sector Organisations able gain the confidence of their business members and to articulate the skills needs of the sector. Particular priority will be given to sectors representing major groups of employees in Cornwall and IoS, or those at the cutting edge of business performance;
- Training leading to level 3 qualifications and above where there are skills shortages at level 3, in small and medium sized enterprises (up to 250 employees), and for women and ethnic minorities in sectors and occupations where are under-represented at level 3;
- Sector Organisations will work with regional and national structures to ensure that the training provision addresses current and forecast skills gaps; and
- Cross sector networking and clustering will promote the acquisition of generic skills and spread good practice between sectors, including ICT, e-learning and eco-friendly skills and practices to improve productivity and competitiveness.

Social Partner Capacity Building

With very high numbers of micro and small companies in Cornwall and the Isles of Scilly, it will be important to ensure that these are engaged with the programme and have equal access to ESF to help develop their employees. Ring-fenced funding for social partner capacity building projects, which shall include training, networking measures, strengthening the social dialogue and activities jointly undertaken by social partners, will enable the social partners to contribute to delivering Convergence ESF priorities and outcomes. Joint actions with social partners, particularly with trade unions and employer organisations, will need to be encouraged to ensure that this is achieved. This should also include the support and development of social enterprises.

Target Groups

- People who do not possess a relevant qualification at level 2 or 3;
- People who need to up-date or upgrade their qualifications and skills at any level;
- Enterprises where there are skills gaps and needing to enhance and upgrade employee skills to be more productive and competitive;
- Under-represented or disadvantaged groups in lifelong learning and skills development including vulnerable workers including people with no qualifications or limited ICT skills; the low paid and low skilled women; workers facing redundancy or who have been made redundant; part-time workers especially women, lone parents, older workers; groups seeking to overcome occupational stereotyping; people with disabilities, ethnic minorities in Cornwall and migrant workers; and
- Social partners.

LAA Outcome Links

- Reduce social exclusion of migrant workers (STRONG4);
- Improve access to work, healthcare, education, food shops and recreation (SUSTAIN4);
- Improve the sustainability of tourism (stretch) (SUSTAIN5);
- Grow Cornwall's sustainable energy economy, reduce greenhouse gas emissions and reduce fuel poverty (stretch) (ECON2);
- Demand driven, sector led workforce development (ECON?) – to be confirmed
- Developing the provision of suitable employment space in Cornwall (ECON?) – to be confirmed.

3.3.2 Higher Education and Higher Level Skills

Aim

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly through the further development of Higher Education (HE) and research by building on the success of the Combined Universities in Cornwall Partnership.

Context

The development of Higher Education and developing a research community with close links to the business base was an important feature of the Objective One Programme. Further developing these strengths is central to Strategy and Action and the Convergence Operational Programme.

The emphasis on further developing research skills is now central to the development of a knowledge economy, as is the objective of increasing the number of graduates in the workforce. Supporting SMEs in particular to engage graduates is an important activity, although there is need to improve placement support in order to assist both the graduate and the employer, in addition to a requirement to promote the increased use of learning technology to develop the concept of a Cornwall Learning Network as initiated in Objective One to help businesses, people and communities access learning.

Operational Programme

Higher education has a unique role to play in the Convergence ESF activities in Cornwall and the Isles of Scilly. The role of higher education in the transformation of the economy is recognised in the Convergence ERDF Programme, and the development of research skills was one of the positive features on the Objective One Programme. The England Operational Programme outlines support for higher level skills and higher education under seven bullet points:

- Research activities that support training of researchers and post-graduate studies, where related to the knowledge economy, labour market and human capital linked to employment and skills needs now and in the future;
- Graduate placement programmes within small and medium sized enterprises to support business growth and increase the numbers of graduates employed in Cornwall, including those from disadvantaged groups;
- Developing employer demand-led provision that meets key skill and key sector needs at level 4 and above;
- Developing and improving pathways from level 3 vocational programmes to foundation degrees and beyond, including curriculum development where linked to vocational studies that meet business needs, current and emergent;
- Increasing access for all to Higher Education provision (particularly for part-time employees, older and migrant workers) via innovative access routes including modular and bespoke courses, e-learning, local delivery and other flexible, blended methods of delivery where linked to vocational studies that meet business needs, current and emergent;
- Raising the level of technical skills for those in employment to meet existing and potential sector skills shortages (including environmental skills needed for sustainable business development and growth); and
- Support for access to Higher Education modules available outside of Cornwall where no provision exists in Cornwall to meet business demand.

In developing the higher education strand for the Convergence ESF Framework, graduate placement programmes include programmes and projects for small and medium sized companies which support business growth and increase the likelihood of companies recruiting graduates.

Activities

To note that the beneficiaries for P5 are individuals who already in or about to enter employment.

Research Activities That Support Training of Researchers and Post Graduate Studies

Strengthen and Create Research Capacity and Knowledge Exchange Networks/Clusters, though:

- Helping to develop CUC as a world class research institute through provision of research within and outside education, which interlock with business including the growth of postgraduate and research training;
- Closer collaboration between Higher Education, businesses and the public sector;
- Strengthening existing networks/clusters (and, where appropriate build new ones); and
- Accessing world class research skills and knowledge, including knowledge in academic disciplines, technology, markets, business process, and skills drawn from world class regional, national and international partners to support the further development of the Cornish knowledge economy.

Graduate Placement Programmes

Develop and promote pathways through HE into workforce. Activities may include:

- Develop post-graduate placements and employment pathways alongside learning pathways;
- Promote the employment of graduates in businesses in Cornwall through initiatives such as Unlocking Cornish Potential with the potential to roll out this successful model to other HE providers; and
- Promote and support graduate and postgraduate start-up company formation and growth.

Developing Entrepreneurship and Enterprise:

There is a need to continue the development of the HE and FE to develop entrepreneurship and enterprise of young people through the educational process to help ensure the supply of skills is relevant to employer needs. Activities may include:

- Develop initiatives to support the provision of learning activities in respect of enterprise, entrepreneurial behaviours and skills, innovation and creativity in business / employability;
- Involve young people in developing the overall process of raising the level of creativity in economic development; and
- Explore the concept of entrepreneurship by developing and sustaining a range of key activities in an integrated approach to applied enterprise and employability e.g. curriculum enterprise in Media / English etc; entrepreneurial management development workshops to develop personal attributes; skills and behaviours, innovation and enterprise workshops; business challenges and problems; and starting your own business, mini enterprises including business and social enterprises.

Employer Demand Led Provision That Meets Key Skills Need at Level 4 and above

Tailor the Courses Provided by HE Institutions to the Needs of a Knowledge Economy. Activities may include:

- Develop bite-size HE Programmes for the workforce;
- Development of high quality skills and academic (research and teaching) specialism which will assist in the development of a knowledge based economy; and
- Plan, design, promote and recruit to new demand led programmes.

Increase Access For all To Higher Education Provision

Increase the number of HE students in or from Cornwall and the Isles of Scilly to develop skills for a knowledge economy. Activities may include:

- The provision of high quality and comprehensive information, advice and guidance;
- Develop progression routes and pathways into and through HE for learners suffering disadvantage whether economic, social or geographic through schemes like Aimhigher (a programme to get more people into HE from disadvantaged areas / those who would not normally engage);
- Develop and promote pathways from Levels 3/4 programmes to Foundation Degrees and facilitate progression to honours degrees and higher levels;
- Encourage links between HE and business to provide higher level apprenticeships, and HE based CPD opportunities for companies to increase the take up of HE skills by those in employment;
- Increase the number of programmes available through Cornwall Learning Network as a means of supporting and delivering flexible HE learning to improve access ; and
- Support school 6th formers to do early HE modules

Target Groups

- Graduates;
- Post Graduate Students;
- SMEs;
- People who do not possess a relevant qualification at level 3 or 4;
- People who need to up-date or upgrade their qualifications and skills; and
- Enterprises where there are skills gaps and needing to enhance and upgrade employee skills to be more productive and competitive.

3.4 Cornwall and the Isles of Scilly: Focus for Priority 5

While all of the target groups and activities are relevant to the Cornwall and the Isles of Scilly, there are a number of elements which have added weight, reflecting the profile of the labour market and regional policy priorities. These are:

Basic skills and training for those without level 2 will remain a major priority given the substantial numbers of the workforce involved. The Priority actions will ensure that more generic issues are incorporated across all ESF activities and focus on the potential for progression onto more advanced courses. This will involve signposting participants towards further training and ensuring that courses provide the opportunities for progression. Specific support will be provided for:

- Priority and Key Sectors identified by the RES and Strategy and Action;
- Older workers (aged over fifty);
- Numeracy and literacy;
- ESOL, for migrant workers; and
- Meeting the ICT need of the workforce.

Skills shortages: The main focus of Priority 5 will be those sectors and occupations where skills shortages have been identified. These priorities will be identified taking account of the latest available labour market information, drawing on the analysis and plans of key stakeholders.

Management and leadership development: For managers and workers in small enterprises, both private and social enterprises (up to 50 employees, and including working owners with no or few employees). Individuals will be eligible for support whatever their current qualification level. It has been demonstrated that investing in leadership and management (including supervisory skills) is the most effective strategy for improving skills utilisation and productivity⁵.

Smaller businesses: In order to address the under-utilisation of the region's existing skills base and to provide additional support to the region's small and micro businesses, Priority 5 will also focus on the delivery of skills which will increase business productivity. Smaller business includes working owners with no or few employees.

Higher education: the development of human capital and the use of knowledge is a key element of the Convergence ERDF Programme. This includes further investment in CUC facilities particularly with regard to research and development and innovation. It is important that ESF support is available to capitalise on these new assets.

While the Convergence ESF Framework does not have exclusive spatial or sectoral priorities, it will be important that project activity contributes to:

- Priority and key sectors identified by the RES, Strategy and Action and Regional Skills Partnership;
- Developing a low carbon economy. Training will be supported to help address specific skills gaps in relation to environmental management skills for businesses;
- Environmental technology and renewable energy sectors will also be a priority. In particular training that enables businesses to diversify into this sector will be supported, where there is evidence of need;
- Companies involved in business growth, innovation and research and development through the Convergence (ERDF) Programme; and
- Social enterprises, particularly those involved with the most disadvantaged communities.

⁵ Regional Skills, Enterprise, and Employment Analysis 2007-08, SLIM

3.5 Priority 6 Technical Assistance

Technical assistance funds will be available to finance the preparatory, management, monitoring, evaluation, information and control activities of the Operational Programme, together with activities to reinforce the administrative capacity for implementing the funds, at national and regional levels.

Technical assistance will be available to third sector networks to support the participation of voluntary and community organisations in the programme and to invest in administrative capacity to facilitate programme delivery and strengthen capacity in impact analysis and evaluation. This includes supporting the implementation of the Local Area Agreement for Cornwall.

In Cornwall and the Isles of Scilly, the following would be developed as part of the regional Technical Assistance strategy:

- Effective monitoring and evaluation systems;
- Support for the cross cutting themes of gender equality, equal opportunities, and sustainable development;
- Support for voluntary and community sector network organisations to encourage participation of the third sector in the programme activities;
- Research to identify the labour market demands of employers to ensure a match with ESF supported activities;
- Support for labour market monitoring and intelligence, and evaluation activities to identify best practice; and
- The programme's publicity and communications strategy.

Technical Assistance funds will also support the development of capacity within the Regional Skills Partnership to manage and deliver the Programme.

4 CROSS CUTTING THEMES

4.1 Sustainable Development

The National Operational Programme identifies that sustainable development incorporates the three inter-related areas of social, economic, and environmental. Given the social and economic focus of the ESF Programmes, it is essential that environmental issues are also integrated into the activities and management of the Programme. The proposed methods for achieving this are laid out below.

The UK National Strategic Reference Framework states that environmental sustainability should be a cross cutting theme in all future Structural Funds Programmes, building on the success of the current Programmes. All Structural Funds Programmes will include integrated strategies for addressing environmental concerns and respecting the principles of sustainable development. In particular all future Programmes must take account of the goal to reduce the UK's emissions of carbon dioxide by 20% by 2010 and 60% by 2050 in order to tackle climate change.

The National Operational Programme sets out how sustainable development will be integrated into the programme at both a strategic and operational level. This includes clear roles for the Regional Skills Partnership and Co Financing Organisations. Integration will ensure that:

- The Programme meets ESF regulatory requirements;
- The Programmes key strategic aims in terms of promoting employment and skills are delivered in a way which uses resources and energy as efficiently as possible and in ways which can also help to enhance or protect the physical and natural environment; and
- It contributes to the UK Sustainable Development Strategy.

A central feature of all the EU Programmes in Cornwall and the Isles of Scilly is the aim to develop a low carbon economy, both to help address environmental challenges and help position businesses to positively take advantage of increasing demands for new and developing products and services that will emerge in response to these challenges. The Convergence ESF Framework will complement ERDF investment in relation to moving towards a low carbon economy. It will do this in a number of ways:

- Ensuring all training activity is delivered in such a way that is consistent with the UK Sustainable Development Strategy, ensuring good practice in delivery in keeping with the objectives of the UK Sustainable Procurement Action Plan;
- Addressing the region's skills needs in relation to developing the environmental technology and renewable energy sectors, complementing ERDF investment in this area; and
- Ensuring that the economy benefits from a workforce that has the skills to enable businesses to address their own environmental challenges, and increase their competitiveness.

Co-financing plans will show how they will contribute to these aims. Further work will be undertaken to develop the ESF Sustainable Development Toolkit and link it with specific project level targets that will enable its contribution to the sustainable development aims of the Programme to be monitored.

4.2 Gender Equality and Equal Opportunities

Gender equality and equal opportunities is a cross cutting theme of the Convergence ESF Framework. The Operational Programme maintains the dual approach to promoting gender equality and equality of opportunities by funding specific activities which target women and disadvantaged groups as well as integrating equal opportunities into the planning, implementation, monitoring and evaluation of the programme as a whole. The theme will be under-pinned by a number of requirements. These are:

- All partners associated with the programme will be required to maintain their public duty to promote equal opportunities;

- The principle of accessibility for people with disabilities will be taken into account during the various stages of implementation;
- All projects will have to take account of the needs of people with disabilities;
- Technical assistance will be available to support gender and equal opportunities training;
- The Equal – WORKS digital repository will be promoted and maintained; and
- A balanced participation of women and men in the management and delivery of the Convergence ESF Framework.

Given the importance of securing employer support for gender and equality issues, consideration will be given to developing gender audits to help companies identify best practice.

The Convergence ESF Framework has set a number of targets relevant to Gender and Equal Opportunities in each of the two main Priorities. These include targets with regard to women, ethnic minorities and people with disabilities. The weight and emphasis with regard to these targets are:

- Women not economically active, particularly lone parents and those with care responsibilities, and women from ethnic minority groups with low levels of economic participation;
- People with disabilities, particularly those who are economically inactive and those in employment with basic skill need and qualification below level 2;
- Individuals from ethnic minority groups, including migrant groups, particularly those living in disadvantaged communities and from ethnic communities with low levels of economic participation; and
- Older workers, particularly those with basic skills needs and qualifications below level 2.

Although Gender and Equal Opportunities are issues across the sub-region, there is some spatial concentration of disadvantaged which is relevant:

- Communities categorised as within the worst 20% in England, using the Index of Multiple Deprivation

In these communities the combination of multiple factors of disadvantage increases the challenges facing many groups.

Sectoral and occupational gender segregation affects both men and women in Cornwall and the Isles of Scilly. Priority will be given to projects addressing segregation including:

- Women: under-representation in sectors, notably manufacturing, transport and communication; and occupationally in skilled trade occupations, managers and senior officials (both categories are higher paid occupations); and
- Men: under-representation in sectors, notably health and social work, and part time work in education; and occupationally in administrative, personal services and customer services.

The following targets have been set for women, ethnic minorities, people with disabilities and older people. These targets are a first draft and may change nationally. Further work is necessary to define the indicators and to examine their feasibility.

Priority 4 Tackling Barriers To Employment		
Group	2007-2013	% of beneficiaries
Participants with disabilities or health conditions	6,615	27%
Participants who are lone parents	1,960	8%
Participants aged over 50	7,350	30%
Participants from ethnic minorities	245	1%
Female participants	12,485	51%
Priority 5 Improving the Skills of the Local Workforce		
Participants with disabilities or health conditions	8,534	17%
Participants aged 50 and over	11,044	22%
Participants from ethnic minorities	502	1%
Female participants	25,602	51%

5 PROPOSED THEMES FOR REGIONAL INNOVATIVE ACTIVITY

Innovation may be a feature of any activity, and could take a number of forms. In addition to encouraging innovation as a means of improving the effectiveness of support, Priorities 4 and 5 will provide for innovative actions. This will be supported nationally through the establishment and work on an innovation and mainstreaming sub-committee of the National Monitoring Committee.

Dedicated innovative activity will be delivered through Co-financing as separate tender specification, with an emphasis on what outcomes are to be achieved, rather than how they are to be achieved. Where appropriate innovative projects should take forward and develop best practice ideas from EQUAL.

All innovative projects will be required to:

- Have an evaluation strategy so that methods and results can be independently assessed;
- Make the results of their projects available for dissemination; and
- Have an element of co-operation with one or more Member States.

The proposed themes for innovative activity in Cornwall and the Isles of Scilly could include:

- Facilitating access and return to the labour market for those who have difficulty in being integrated or re-integrated into a labour market which must be open to all;
- Opportunities to promote potential for ethnic minorities within the world of work;
- Opening up the business creation process to all by providing the tools required for setting up in business and for the identification and exploitation of new possibilities for creating employment in urban and rural areas;
- Strengthening the social economy (the third sector), in particular the services of interest to the community, with a focus on improving the quality of jobs;
- Promoting lifelong learning and inclusive work practices which encourage the recruitment and retention of those suffering discrimination and inequality in connection with the labour market;
- Supporting adaptability of firms and employees to structural economic change and the use of information technology and other new technologies;
- Reconciling family and professional life, as well as the re-integration of men and women who have left the labour market, by developing more flexible and effective forms of work organisation and support services; and
- Promoting gender equality in the work place, reducing gender gaps and supporting job desegregation.

The National Monitoring Committee will subsequently agree a menu of innovative activity, and this will form the basis of Co Financing tenders.

6 FINANCIAL ALLOCATIONS

Overall funding allocations are provided by the National ESF Division and are subject to confirmation. The current share by priority axis is as follows:

Priority 4 Tackling Barriers to Employment	38%
Priority 5: Improving the Skills of the Local Workforce	60%
Priority 6: Technical Assistance	2%

The total ESF allocation of for the Convergence Areas is €196.4 million over 2007-13, €80.9 million of which will be made available in the programme's first three years. With UK public match funding this amounts to €261.9 million over 2007-13 or €107.8 million over 2007-09.

Priority 4: Regional Financial Allocations, by Priority and Funding Source, (€ 000s)

Year	ESF	Public Match	ESF + Match
2007	€ 10,040,631	€ 3,346,877	€ 13,387,508
2008	€ 10,241,444	€ 3,413,815	€ 13,655,259
2009	€ 10,446,273	€ 3,482,091	€ 13,928,364
2010	€ 10,655,198	€ 3,551,733	€ 14,206,931
2011	€ 10,868,302	€ 3,622,767	€ 14,491,069
2012	€ 11,085,668	€ 3,695,223	€ 14,780,891
2013	€ 11,307,381	€ 3,769,126	€ 15,076,507
Total	€ 74,644,897	€ 24,881,632	€ 99,526,529

Priority 5: Regional Financial Allocations, by Priority and Funding Source, (€ 000s)

Year	ESF	Public Match	ESF + Match
2007	€ 15,853,628	€ 5,284,543	€ 21,138,171
2008	€ 16,170,701	€ 5,390,234	€ 21,560,935
2009	€ 16,494,115	€ 5,498,038	€ 21,992,153
2010	€ 16,823,997	€ 5,607,999	€ 22,431,996
2011	€ 17,160,477	€ 5,720,159	€ 22,880,636
2012	€ 17,503,687	€ 5,834,562	€ 23,338,249
2013	€ 17,853,759	€ 5,951,253	€ 23,805,012
Total	€ 117,860,364	€ 39,286,788	€ 157,147,152

Priority 6: Regional Financial Allocations, by Priority and Funding Source, (€ 000s)

Year	ESF	Public Match	ESF + Match
2007	€ 528,454	€ 176,151	€ 704,605
2008	€ 539,023	€ 179,674	€ 718,697
2009	€ 549,803	€ 183,268	€ 733,071
2010	€ 560,800	€ 186,933	€ 747,733
2011	€ 572,016	€ 190,672	€ 762,688
2012	€ 583,456	€ 194,485	€ 777,941
2013	€ 595,127	€ 198,377	€ 793,504
Total	€ 3,928,679	€ 1,309,560	€ 5,238,239

Sterling conversions of these tables may be found in Annex 3.

7 OUTPUTS AND RESULTS

7.1 Priority 4 Tackling Barriers to Employment

There will be a small number of targets which be quantified by indicators of outputs and results.

PRIORITY 4: TARGETS		
Outputs	2007-13 Targets	% of Total*
Total number of participants	24,500	100%
Participants who are unemployed	10,200	42%
Participants who are inactive	8,400	34%
Participants aged 14 to 19 not in education, employment or training i.e. NEETS (or at risk)	4,900	20%
Participants with disabilities or health conditions	6,615	27%
Participants who are lone parents	1,960	8%
Participants aged 50 or over	7,350	30%
Participants from ethnic minorities	245	1%
Female participants	12,485	51 %
Results	2007-13 Targets	% of Beneficiary Target*
Participants in work on leaving	5,900	24%
Participants in work six months after leaving	7,300	30%
Economically inactive participants engaged in job search activity or further learning	3,800	45%
14 to 19 NEETs or at risk in education, employment or training on leaving	2,200	44%

* Proportionate targets set by the DWP

Providers will also report on the acquisition of qualifications and basic skills in order to measure the overall programme performance indicators.

These are indicators for the Priority as a whole. For some participants, particularly those experiencing multiple disadvantage, the outcome may be progress towards labour market entry rather than a job. There are a number of difficulties in devising programme level 'soft' indicators because, for example, they are difficult to define and it is unlikely that one methodology for measuring soft outcomes would suit all clients. Providers will be encouraged to record softer outcomes such as improved time-keeping or self-confidence, but the programme will not impose a single methodology for doing this. These softer outcomes will be analysed in evaluation studies. The indicator on 'economically inactive participants engaged in job search activity on leaving' will also seek to capture the distance travelled by people who have moved from inactivity to some form of formal job search activity.

Most of the indicators will be measured through monitoring data collected from projects. Some of the indicators, such as those on the status of participants six months after leaving projects, will be measured by data collected in follow-up surveys of samples of participants.

7.2 Priority 5 Improving the Skills of the Local Workforce

There will be a small number of targets which be quantified by indicators of outputs and results.

PRIORITY 5: TARGETS		
Output	2007-13 Targets	% of Total*
Total number of participants	50,200	
Participants with basic skills needs	18,200	36%
Participants without a level 2 qualifications	18,200	36%
Participants without a level 3 qualifications	5,400	11%
Participants without a level 4 or above qualifications	3,800	8%
Number participating in research qualifications (Masters/PhD)	800	2%
Number of graduate placements	1,100	2%
Participants with disabilities or health conditions	8,534	17%
Participants aged 50 and over	11,044	22%
Participants from ethnic minorities	502	1%
Female participants	25,602	51%
Results	2007-13 Target	% of Beneficiary Target*
Participants gaining basic skills	8,200	45%
Participants gaining a level 2 qualifications	7,300	40%
Participants gaining a level 3 qualifications	1,600	30%
Participants gaining a level 4 qualifications	760	20%
Participants undertaking post-graduate research gaining level 5 qualifications	120	15%
Graduates placed within SMEs who gained employment	830	75%

* Proportionate targets set by the DWP

These are indicators for the priority as a whole. They recognise that for some participants the outcome will be a qualification, but for others the outcome will be engagement in education or training. As under Priority 1, providers will be encouraged to record softer outcomes such as improved time-keeping or self-confidence.

Most of the indicators will be measured through monitoring data collected from projects. Some of the indicators, such as those on the status of participants six months after leaving projects, will be measured by data collected in follow-up surveys of samples of participants.

8 ANNEX 1: EUROPEAN AND NATIONAL POLICY CONTEXT

8.1 EU Guidelines and Objectives

8.1.1 Lisbon Agenda

In 2000, the European Council agreed the Lisbon agenda. This set a new strategic goal for the next decade for the EU to 'become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'. The Council also stated that 'People are Europe's main asset and should be the focal point of the Union's policies'. ESF supports the Lisbon agenda by investing in people and attracting more people into employment. ESF has a particular role to play in targeting people who are at a disadvantage in the labour market. Improving their employability and skills is critical to increasing the supply of skilled labour and achieving the Lisbon goals.

8.1.2 Community Strategic Guidelines

The Community Strategic Guidelines provide an indicative framework for Structural and Cohesion Fund programmes. The Council adopted the Guidelines on 6 October 2006⁶. They identify three main priorities for future spending:

- improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services, and preserving their environmental potential;
- encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including new information and communication technologies; and
- creating more and better jobs by attracting more people into employment or entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.

The priorities in this programme will primarily support the third guideline on more and better jobs, but will also contribute to the others.

8.1.3 Integrated Guidelines for Jobs and Growth

The June 2005 European Council approved the Integrated Guidelines for Growth and Jobs for the period 2005-2008. There are now 24 guidelines incorporating the previously separate Broad Economic Policy Guidelines and Employment Guidelines (see Table 1).

The European Council in March 2006 confirmed that the Integrated Guidelines for jobs and growth remained valid. It also agreed that increasing employment opportunities should be one of the areas for priority action within the Lisbon Agenda. In particular, the Council called on Member States to: develop a lifecycle approach to work; pursue the shift towards active and preventative policies; and better focus measures for those with low skills and low pay. It emphasised the need to improve the participation of young people, older workers and women. These are all issues which are central to the England ESF Programme.

8.1.4 The European Employment Strategy and Recommendations to the UK

The most recent Recommendations to the UK were made on 12 Nov 2006⁷. They were prefaced by the following description on the implementation of the National Reform Programme:

⁶ Council Decision of 6th October 2006 on Community Strategic Guidelines on Cohesion

⁷ Recommendation for a Council Recommendation on the update of the broad guidelines for the economic policies of the Member States and the Community and on the implementation of Member States' employment policies. Brussels, 12.12.2006 COM (2006) 816 final PART III.

'The UK is making good progress in the implementation of its National Reform Programme and of the commitments made by the 2006 Spring European Council. Solid progress has been made in all policy areas, particularly in micro-economic and employment policy. In macro-economic policy, plans for fiscal consolidation and pension reform have been drawn up and still need to be implemented. The UK has made greater efforts to involve stakeholders'

The recommendations identified the following weaknesses to be addressed:

- Improving skills levels compared with other economies; and
- Taking further measures to tackle disadvantage and exclusion in the labour market.

It recommended that the UK:

- Increase basic and intermediate skills, in order to raise productivity, and further improve employment prospects for the most disadvantaged.

8.1.5 Social Protection and Inclusion Objectives

The England ESF programme contributes to the relevant employment related objectives of the Community in the field of social inclusion. It will contribute to the long-term goal, set by EU Member States at the Nice European Council in December 2000, that there should be a decisive impact on the eradication of poverty, across Europe, by 2010.

In December 2005, the Commission set out the new common objectives on social protection and social inclusion in the communication 'Working Together, Working Better: A new framework for the open coordination of social protection and inclusion policies in the European Union. The England Operation Programme sets out how ESF will contribute to this.

8.1.6 Education and Training Objectives

The England ESF programme will contribute to the relevant employment related objectives of the Community in the field of education and training. The England Operational Programme refers to the future objectives of education and training systems adopted by EU Education Ministers in February 2002.

8.1.7 Sustainable Development Strategy

The programme will operate within the EU's sustainable development strategy, which was first discussed at the Gothenburg European Council in June 2001. In June 2006 the European Council adopted a renewed sustainable development strategy for the EU. The UK Government also has a Sustainable Development Strategy, which was published in March 2005, and which emphasises the need to take an integrated approach to policy making recognising both the potential impact of economic policies on the environment and the potential economic benefits that environmental policies can bring. The programme's employment and training activities will be implemented in a way that respects the limits to the planet's environment, resources and biodiversity. The programme will be able to provide training in environmental management skills and environmental technologies.

8.2 National Strategies

8.2.1 Lisbon National Reform Programme

As part of the renewed Lisbon agenda, Member States are now required to identify their Lisbon priorities and share best practice through National Reform Programmes. The UK National Reform

Programme details the challenges currently facing the UK economy, and sets out the Government's strategy for delivering long term sustainable growth, high employment and a fair and inclusive society⁸.

The UK's National Reform Programme sets out the Government's overall approach to increasing growth in the UK economy. This is based on maintaining macroeconomic stability and driving forward lasting improvements focused on employment and the five drivers of productivity: investment, skills, innovation, competition and enterprise. The Government believes that radical labour market reform aimed at getting more people into employment is key to delivering economic growth and ensuring the long-term fiscal sustainability of the economy. A flexible and job-creating labour market is especially important for competing in today's increasingly global markets.

8.2.2 National Strategic Reference Framework

The UK National Strategic Reference Framework provides a reference instrument for drawing up Structural Funds Programmes to ensure that Structural Funds spending is consistent with the Community Strategic Guidelines and the National Reform Programme for delivering the Lisbon Agenda. The UK Framework was published by the Department of Trade on Industry in October 2005⁹. The priorities for ESF spending identified in the Framework have been translated into the priorities in the England Operational Programme.

8.2.3 National Employment Strategy

The Government has set a long-term goal of employment opportunity for all – the modern definition of full employment. Delivering this requires that everyone should be provided with the support they need to enable them to find employment and develop skills. The employment strategy is therefore closely inter-related with the skills strategy, and the links between the two are increasingly being emphasised in initiatives such as the new Cities Strategy.

Recognising that individuals need the state to play a different role at different points in their lives, the Government is developing labour market policies and welfare reforms that are flexible and take account of people's changing circumstances. By combining flexible active labour market policies with measures to make work pay and initiatives to reduce barriers to work, the Government intends to increase employment opportunities for all, alongside offering help for those who cannot work. This involves:

- Active labour market policies – tailored and appropriate help for those without work, both unemployed and inactive, to prevent long-term detachment from the labour market. Priorities 1 and 4 will add value to these policies.
- Policies that make work pay – improved incentives through reform of the tax and benefit system, and the introduction of the National Minimum Wage. These policies are outside the scope of ESF.
- Policies that reduce barriers to work – including education, skills, childcare and training policies to create an adaptive, flexible and productive workforce. Priorities 1, 2, 4 and 5 will add value to these policies.

The future challenge for the Government is to reach its own aspiration of an 80 per cent employment rate¹⁰. To achieve this, a further 2.3 million people would need to be helped into work. This might include for example an extra 1 million Incapacity Benefit recipients in work, a further 300,000 lone parents and 1 million older people. This requires a welfare reform agenda focused on improving people's employability and therefore their lives whatever their circumstances.

⁸ UK National Reform Programme 2005-08, HMT, October 2005; UK National Reform Programme Update on Progress, HMT, October 2006.

⁹ UK National Strategic Reference Framework, DTI, October 2005.

¹⁰ The Department for Work and Pensions (DWP), Five year Strategy, February 2005.

8.2.4 National Skills Strategy

The Government launched its National Skills Strategy in 2003. It is committed to ensuring that all young people reach the age of 19 ready for skilled employment or higher education. For those already in the workforce its aim is to ensure employers have the right skills to support the success of their businesses, and individuals have the skills they need for employment and personal fulfilment¹¹.

Despite improvements over the last few years, the UK still has a large stock of workers with low or no skills, including poor basic literacy and numeracy. This stock of low skills directly accounts for some of the productivity gap between the UK and peer economies¹². People with low skills are also more likely to be unemployed and therefore at risk of social exclusion.

The Government's approach to addressing these challenges is described in a series of recent policy documents and White Papers and is underpinned by a five year strategy for children and learners which sets out an integrated lifelong learning strategy to raise the skills levels of all¹³. The Government's priority has been to open up the acquisition of skills for all, so that England has the right skills mix as it seeks to move into more innovative sectors and businesses, at a time of rising skill levels across the world economy. This will ensure that everyone in the workforce has the skills necessary to take higher value-added jobs and the flexibility to retrain and adapt to new technologies and innovation.

On 5 December 2006, Lord Leitch published his final report into UK Skills: 'Prosperity for all in the global economy – World class skills.' In his final report, Lord Leitch recommends that the UK should aim to be a world leader on skills by 2020, in the upper quartile of OECD surveyed countries. The report highlights the need for urgent action if this target is to be met. Even if the UK achieves all of its current skills targets, it would still lag behind many comparator countries in 2020. The consequences of inaction are significant. Public Services will not deliver best value and the engine of the economy, UK businesses, will increasingly find it difficult to compete. There is also a risk that as a consequence of low skills, the UK will create a sub-section of society which is permanently cut off from labour market opportunity and facing increasing inequality.

The report identifies a need to radically reconfigure the system so that it is more demand led, with the employer voice through the sector skills councils given real power to shape the system towards economically relevant education and skills development. Achieving world leader status will mean doubling attainment at most levels. To do this will require a cultural shift towards viewing learning as something people at all levels and at all ages in the workforce need to be doing all their working lives.

¹¹ These targets are contained in the Public Service Agreement between the Treasury and the Department for Work and Pensions agreed in the 2004 Spending Review. They will be reviewed during the 2007 Comprehensive Spending Review which will set new targets for 2008-2011.

¹² Productivity in the UK 6: Progress and new evidence, HMT, 2006.

¹³ Skills in a Global Economy, HMG, December 2004; 14-19 Education and Skills White Paper, DfES, February 2005; Skills: Getting on in business, getting on at work, HMG, March 2005; Further Education: Raising Skills, Improving Life Chances, DfES, March 2006.

9 ANNEX 2: CORNWALL EVIDENCE BASE

9.1 Introduction

This document reviews the available evidence concerning the performance of Cornwall and the Isles of Scilly against a range of indicators. As part of the ESF Framework development process, the particular emphasis is on the strengths and weaknesses of the skills base within the region.

9.2 GVA / Output

The headline GVA performance of Cornwall and the isles of Scilly is poor, with the sub-region accounting for only 7% of regional output and achieving a GVA per head figure only 69% of the regional average. However, in recent years Cornwall and the Isles of Scilly has witnessed strong output growth, achieving the fastest level of growth among NUTS 2 areas in the South West.

Table 1: GVA and GVA / Head, 2004

	GVA (£m)	Average Annual % Growth 1999-2004	GVA / Head (£s)	Average Annual % Growth 1999-2004
Cornwall and IoS	5,41	7.5%	11,094	6.5%
GWNS	44,098	6.3%	19,988	5.8%
South West	81,322	5.9%	16,141	5.3%
England	878,247	5.5%	17,532	5.0%
Devon	14,585	5.4%	13,240	4.6%
Dorset and Somerset	16,899	5.0%	13,933	4.3%

Source: Office for National Statistics

A key issue for consideration is how this level of GVA growth may be sustained moving forwards, in order that the GVA per Head within Cornwall and the Isles of Scilly may be brought up to the regional level. To meet the current level of regional GVA per head, Cornish GVA must increase by 45%, which at current levels of growth would take almost six years.

Increasing GVA per capita is closely linked to both industrial structure and the skills levels in the workforce. Upskilling the workforce is an important priority for Cornwall and the Isles of Scilly.

9.3 Employment

Cornwall and the Isles of Scilly has benefited from significant employment growth in recent years, growing by 22,800 between 2001 and 2006. This level of employment growth (11.6%) is considerably higher than that seen regionally (1.3%) or nationally (1.6%): in spite of this growth the Cornish employment rate continues to lag behind the regional and national figures (73.6% in Cornwall and the Isles of Scilly, compared to 74.4% across England and 77.6% across the South West).

Despite a decline in overall employment, the 'Distribution, hotels, and restaurants' sector remains a significant source of employment for Cornwall and the Isles of Scilly, accounting for 24.5% of total employment in 2006 (or 56,200 people). This compares to 2001 when the sector employed an additional 18,000 and accounted for 28.2% of total employment. Nationally only 19% of employees are employed in this sector, whereas the figure stands at 21% across the South West.

The growth of service sector employment in Cornwall and the Isles of Scilly has been faster than that seen nationally, increasing by 19% to 173,700 between 2001 and 2005, compared to only 6.5% nationally. Significant service employment increases (of 22.2% or 12,200 jobs) occurred in the 'Public Administration and Health' sector, which overtook the 'Distribution, Hotels, and Restaurants' sector as the largest employer in the Cornish economy.

Employment also increased significantly in the 'Banking, Finance, and Insurance' (by 51%), 'Transport and Communications' (by 49%), and 'Other Services' sectors (by 44%), however the large proportionate increases in these sectors largely reflect the small employment bases of these sectors. For example, in 2006 the number employed in the 'Banking, Finance, and Insurance' sectors stood at only 24,000, accounting for only 10.5% of total employment, compared to 14% regionally.

Table 2: Total Employment by Sector 2006 and Percentage Growth 2001-06

	Cornwall			SW	
	Employment	% of Total	% Growth	% of Total	% Growth
Public admin. education and health	67,200	29%	22%	30%	14%
Distribution, hotels and restaurants	56,200	25%	-3%	21%	1%
Manufacturing	25,100	11%	-3%	13%	-19%
Banking, finance and insurance	24,100	11%	51%	14%	-5%
Construction	20,800	9%	30%	8%	19%
Other services	15,800	7%	44%	6%	15%
Transport and communications	10,400	5%	49%	6%	12%
Agriculture and fishing	5,500	2%	*	2%	*
Energy and water	2,700	1%	*	1%	*
<i>Total service sector employment</i>	<i>173,700</i>	<i>76%</i>	<i>19%</i>	<i>76%</i>	<i>6%</i>
Total Employment	229,200		11%		3%

Source: Annual Population Survey / Labour Force Survey

9.4 Inactivity and Unemployment

Economic Inactivity is higher in Cornwall, at 23.8% of the working age population, than either the national and regional levels of 22% and 20% respectively. However, between 2001 and 2006, the level of inactivity across Cornwall and the Isles of Scilly has declined from 25% of the working age population, compared to increases across England and the South West.

The annual population survey asked Economically Inactive Respondents whether they would like to access employment. In 2006, 18,500 economically inactive residents of Cornwall and the Isles of Scilly reported that they wanted a job, accounting for 26% of the economically inactive population. This proportion is marginally higher than the equivalent proportions for England and the South West, which stand at 24.2% and 25.2% respectively.

Cornwall and the Isles of Scilly has also shown a positive trend concerning the total number of DWP benefits¹⁴ claimants. In 2006 there were 38,400 DWP benefits claimants in Cornwall and the Isles of Scilly, accounting for 12.6% of the working age population. This figure is in line with that seen nationally (12.8%) and marginally higher than the regional proportion of 10.5%. However, since 2001, the total number of benefits claimants has declined by 4.4%, which is over double the rate of decline seen nationally. Even this reduction can be regarded as modest however given the sharp increase in employment.

As with England and the South West, Incapacity Benefit claimants account for the highest proportion of claimants in Cornwall; and the proportion is higher in Cornwall. In 2006, the number of Incapacity Benefit claimants, as a proportion of the working age population, stood at 8.9% in Cornwall, compared to 7.2% in the South West and 7.8% nationally. In addition, while the total number of benefits claimants within Cornwall has declined by 4.4% since 2001, the number of Incapacity Benefits has increased by 1,700, or 6.7%. This increase is greater than that seen across England (2.8%), but lower than the increase regionally (10.3%).

¹⁴ The total number of JSA, IB, DLA, and SDA Claimants.

The number of JSA claimants within Cornwall and the Isles of Scilly decreased by 2,600 between 2001 and 2006, to 5,300. This represents a significant fall from the 2001 figure, of 33%, significantly greater than the regional and national figures of 22% and 3% respectively.

The Cornish rate of ILO Unemployment is lower than that seen nationally, having declined from 5.8% in 2001 to 3.4% in 2006, and is now in line with the regional level (3.5%). However there are still areas that suffer from higher levels of unemployment, such as Caradon and Carrick where the unemployment rate stands at 5.5% and 4.9% respectively.

Table 3: Employment and Activity Indicators

	2006				% Change 2001-06		
	Total	% of Working Age Population			Cornwall	SW	England
	Cornwall	Cornwall	SW	England			
Economic Activity	227,500	76.2%	80.4%	78.4%	8.3%	0.6%	1.5%
Employment	219,800	73.6%	77.6%	74.4%	11.6%	1.3%	1.6%
Unemployment	7,700	3.4%	3.5%	5.1%	-35.8%	-14.9%	-1.2%
Inactivity	71,200	23.8%	19.6%	21.6%	1.7%	14.4%	7.3%
% Who Want a Job	18,500	26.0%	25.2%	24.2%	*	*	*

Source: Annual Population Survey / Labour Force Survey

The unemployment and economic inactivity performance of key diversity groups is provided in Table 4. The key issues concern the economic activity figures of older and disabled people, which are considerably higher than for working age people generally. In contrast the BME population perform better than average, however representation of BME individuals in Cornwall is very low.

The low rate of unemployment of older people is likely to reflect the high levels of inactivity among this age group, with many being 'discouraged workers' that are not actively seeking employment, in addition to the higher rate of retirement among this group. In contrast, there are 2,400 out of work disabled people in Cornwall that are actively seeking employment.

Table 4: Unemployment and Inactivity Rates of the Working Age Population, 2006

	All Working Age People	Older People (50 – Retirement)		BME		Disabled	
	%	000s	%	000s	%	000s	%
Unemployed	3.4%	1,800	2.7%	*	*	2,400	6.5%
Inactive	23.8%	29,400	33.1%	900	14.2%	31,800	46.3%

Source: Annual Population Survey

* Denotes that data is suppressed, due to small sample size

9.5 Disadvantaged Parents and Lone Parents

In 2006, there were 10,100 parents¹⁵ claiming some form of DWP benefit¹⁶ in the South West, accounting for 26% of all DWP benefits claimants. The total number of parent claimants has increased significantly within the country, relative to the rate of growth across the South West and England. This is due to an increase in claimants from two parent households; which increased by 55% across Cornwall and the Isles of Scilly.

Across the Cornwall and the Isles of Scilly, single parents account for 55% of all parent claimants, in contrast to 64% across the region, and has declined since 2001. In 2006, Cornwall and the Isles of Scilly had the lowest sub-regional level of single parent claimants as a proportion of all parent claimants.

¹⁵ Defined as parents of children aged under 16, of children aged 16 to 18 in full-time education, for whom an additional payment is paid.

¹⁶ Either JSA, IB, SDA, DLA, or some combination of these benefits.

Table 5: DWP Benefits Claimant, by Parent Type, February 2006

	Number of Claimants (000s), 2006				2001-06 Percentage Change			
	All Claimants	All Parents	In Couple with Children	Single Parent	All Claimants	All Parents	In Couple with Children	Single Parent
England	4,035.0	1,201.5	394.9	806.6	-2.6%	6.0%	41.6%	-5.6%
South West	320.8	86.9	31.0	55.9	-1.7%	5.3%	60.6%	-11.6%
Cornwall & IoS	39.5	10.1	4.5	5.6	-6.6%	12.2%	55.2%	-8.2%

Source: DWP Benefit Claimants 5% data - Working Age client Group, NOMIS

Across Cornwall and the Isles of Scilly, those claimants in a couple and with children were most likely to be claiming primarily for sick and disability related benefits (65%), with 35% claiming JSA. Unsurprisingly, single parents were most likely to be claiming primarily for lone parent related benefits (80%), however 20% claim sick and disability related benefits.

9.6 NEETS

In November 2005, there were estimated to be 2,895 16 to 18 years olds Not in Education, Employment or Training across Devon and Cornwall, representing 5.3% of all 16 to 18 year olds, down from 7% in 2002. The Cornwall figure is relatively low, being less than the national figure of 7.7% and compares well to the rest of the South West region.

Table 6: Estimated Number of 16 to 18 Year Olds 'NEET'

	November 2005		November 2004		Nov 2002
	Number	%	Number	%	%
Bournemouth Dorset & Poole	1,336	6.5%	1,218	6.1%	7.0%
West of England	1,971	6.2%	1,961	6.4%	7.4%
Gloucestershire	1,221	5.9%	842	4.4%	4.9%
Cornwall & Devon	2,895	5.3%	3,005	5.6%	7.0%
Wiltshire & Swindon	926	4.9%	953	5.3%	5.7%
Somerset	760	4.7%	708	4.1%	4.7%

Source: Connexions Services

9.7 Ex-Offenders

While figures on the geographic location of ex-offenders are not collected, figures relating to the Probation Service caseload will provide an indication of how ex-offenders may be distributed across the region. However, all figures must be treated with caution and reported figures for Cornwall are collated with those for Devon.

Across the Cornwall and Devon there were 4,600 individuals on probation in 2006, 28% of which are were aged between 18 and 24, which highlights the level of youth offending within the sub-region. While Devon and Cornwall have one of the largest populations of individuals on probation, accounting for population the area has one of the lowest levels within the region.

Table 7: Probation Caseload Files, November 2006

	Aged 18-24		25 and Over		Total		
		% of Region		% of Region		% of Region	per 1000 of Population
Gloucestershire	516	12.4%	1,345	12.1%	1,861	12.2%	5.4
Dorset	529	12.7%	1,551	13.9%	2,080	13.6%	5.2
Avon & Somerset	1,324	31.9%	3,458	31.0%	4,782	31.3%	5.1
South West	4,154		11,138		15,292		5.0
Wiltshire	499	12.0%	1,442	12.9%	1,941	12.7%	5.0
Devon & Cornwall	1,286	31.0%	3,342	30.0%	4,628	30.3%	4.8

Source: National Offender Management Service, Regional Commissioning Plan for the South West, 2007-08

9.8 Deprivation

The 2004 Index of Multiple Deprivation provides a snapshot of the economic and social well being of Cornwall and Scilly across a basket of indicators. Overall, the County is ranked at the mid point of the local authorities in England (75th out of 148), although this hides significant internal differences – Penwith is amongst the 20% most deprived of districts nationally and is the most deprived local authority area in the South West region, whereas Caradon is ranked outside the worst 50%.

The overall IMD rankings mask considerable differences on each of the domains, reinforcing some of the key challenges facing the County:

- One in five of Cornwall's "super output areas" are ranked in the 15% most income deprived areas in England;
- Employment deprivation which captures all of those not in work, not just those registered as unemployed, is most severe in Restormel and Penwith;
- On health deprivation, the County's rankings are good relative to the other domains, reflecting lower than average mortality rates. Incidence of the major diseases has, however, increased since 2000;
- The Barriers to Housing and Services domain (which captures indicators such as distances to key facilities such as a post office) shows a worsening position with more than half of the County's SOAs ranked in the 20% most deprived in England. The loss of services and facilities in many rural communities as well as the worsening of housing affordability ratios. Particular problems are evident in North Cornwall where 4 SOAs are within the 1% most deprived nationally.

Although not directly comparable, the relative position of the Cornish districts has by and large improved between the 2000 and 2004 rankings – only North Cornwall is ranked as being more deprived in 2004 than in 2000. Whilst this is positive in principle, the rankings reinforce the east-west split within the County, with the most severe disadvantage found in Penwith, followed by Kerrier and Restormel.

9.9 Skills

Cornwall performs well in terms of the proportion of working age people that have some form of qualification, with approximately 81% of the population being qualified to at least NVQ level 1 and 66% of the population achieving at least NVQ level 2. These figures are broadly in line with the patterns at the regional level.

Approximately 43% of the population are educated to NVQ 3 and above, which is marginally behind the national figure, and lagging the proportion seen regionally (46%). However, Cornwall is most significantly under-represented at the NVQ4 and above level, with only 20% of the population achieving this level, compared to 26% across England and 27% across the South West.

Table 8: Educational Attainment of the Working Age Population, 2005

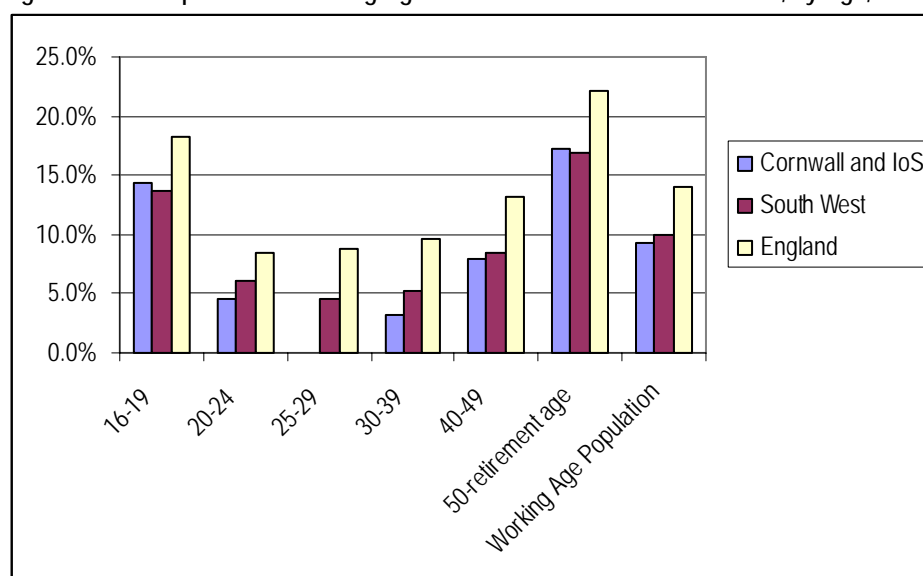
	NVQ4+	NVQ3+	NVQ2+	NVQ1+
England	26.2	43.9	62.5	77.1
South West	26.5	46.0	66.2	82.0
Cornwall and IoS	20.4	42.8	65.8	80.8

Source: Annual Population Survey

Looking back, over the past five years, the Cornwall has managed to close the skills gap at the NVQ3 level, with the proportion of working age people educated to NVQ 3+ increasing from 38% in 2001 to 43% in 2005, compared to one percentage point increases at the regional and national level. In contrast, the proportion of individuals with NVQ 4 and above has remained relatively unchanged across Cornwall, the South West, and England as a whole.

A lack of qualifications is a more serious issue among older people, with the proportion of individuals with NVQ levels 2 or 3 peaking for the 25-29 age group. The figure below highlights this key issue, by clearly showing the positive relationship between an individual's age and the likelihood of them not holding any qualifications. The peak of number of qualifications among 16 to 19 is most likely to reflect the fact that many will not yet have completed college, however the proportion without NVQ levels 1 or 2 (GCSE equivalent and below) is significant.

Figure 1: The Proportion of Working Age Individuals with No Qualifications, by Age, 2005



Source Labour Force Survey

Qualifications levels remain low in several important sectors in Cornwall, and the Isles of Scilly, namely wholesale/retail and hotels/restaurants which capture the majority of tourism employment, and also manufacturing where skill levels would have been expected to be higher. Overall some 40% of the workforce has low levels of qualifications and given the changing nature of employment, those who do not hold qualifications above the minimum level remain vulnerable to labour market change.

There is a clear relationship between the level of qualifications held and employment. Nearly 90% of those holding level 4 qualifications are in work, compared to 73.8% of those whose highest qualification is a level 2, and just 53.3% of those without qualifications. There is a need to increase the numbers in the workforce qualified to Levels 3 and 4 as part of the process of moving to a knowledge based economy¹⁷.

¹⁷ Cornwall and Isles of Scilly Strategy and Action Evidence Base, 2006

9.10 Skills Gaps

Tackling skills gaps is crucial to ensuring that businesses are able to operate effectively and to their full potential. Both the skills of the existing workforce (skills gaps) and potential workforce (skills shortages) need to be addressed to enable local businesses to increase productivity and efficiency levels.

The scale of recruitment and skills shortage would suggest that the economic growth of the economy is being affected by labour related issues. This is affecting a number of the most important sectors in the economy, and hard to fill vacancies cover all levels and types of jobs.

Skills Shortages: In 2005 the highest skills shortage was in 'skilled trades' at 24%, where many occupations have been affected by the high demand for construction workers, and reduced investment in this area of training in earlier years. Other occupations experiencing skills shortages were 'professional occupations' (15%) and 'personal services' (12%). Occupations least affected by skill shortages were 'managers and senior officials' (6%) closely followed by 'administrative staff' and 'associate professionals' at 7% and 8% respectively.¹⁸

Skills Gaps: In 2003, the sector reporting the largest skills gap was manufacturing at 19%. This was followed by tourism at 16%, retail at 11%, whilst construction and social care both stood equally at 10%. In spite of many jobs paying low wages, skills gaps are identified as the biggest problem for firms seeking new recruits. More than 1 in 4 employers reported difficulties in recruiting the desired number of staff, with the result in some cases that posts were left unfilled. Surprisingly, the worst recruitment problems were evident in the health sector.

Recruitment difficulties: Recruitment difficulties affect all parts of the economy, even the booming construction sector where many of the jobs are well paid. The feedback from employers shows that skills gaps are evident across the spectrum of qualifications and experience from entry level and semi-skilled right through to higher order occupations. Analysis of recent inward migration patterns to Cornwall shows that a high proportion of individuals possess a range of skills and that this inward migration has helped to address some of the skills and recruitments of demands of employers.

The causes of skills gaps and recruitment difficulties are complex, relating partly to levels of job-related training, workforce adaptability and prior qualifications and experience. In a tightening labour market, the ability of workers to transfer between jobs and sectors relatively seamlessly becomes even more of a necessity, with the evidence suggesting that the skills available are in many instances not keeping pace with employers needs.

Such gaps have serious implications for employers. The gaps increase the workload for other staff and therefore increase operating costs for businesses. With increased costs businesses experience difficulty meeting quality standards which results in loss of trade. Businesses are forced to focus on 'fire-fighting' rather than making strategic investments in future productivity, with consequent effects on the overall strength of the Cornwall economy.

While the ability of companies to import labour is now a feature of the economy, this adds additional pressure in terms of the housing market, both rented and for owner occupation, as well as local service provision. Identifying the specific skills which are in demand will help public sector agencies to focus their investment where it is most needed and employers should be encouraged to identify the skills which they require, and appropriate training provision either made or extended.

There are however relatively low numbers of people registered as unemployed, and a much larger group of economically inactive in receipt of Incapacity Benefit. In the latter category, many will need additional support to return to the labour market. In summary, there is not a large pool of untrained

¹⁸ Cornwall and Isles of Scilly Strategy and Action Evidence Base, 2006

labour, ready to take up new opportunities, and a major priority will be up-skilling those already in employment and increasing the participation rates of women.

Job related training

A survey of Devon and Cornwall businesses concluded that businesses employing between 100 and 199 (63% of workforce) were more likely to train their employees. Those less likely receive any training were those working in small businesses (between 1 to 10 employees) those working in much larger organisations (200 or more).

Within this trend it is interesting to note that a higher percentage of supervisory management training can be attributed to small scale employers. Similarly, employees in businesses employing fewer than 10 people (13%) were found to be more likely to be studying towards formal qualification than those working in businesses employing more than 200 (7%).

In terms of training undertaken by sector, the retail sector performs particularly well with 56% of employees receiving training. Similarly, over 50% of the health and social care workforce received job-related training in 2003. In contrast only 26% of employees in the agriculture sector received job-related training in 2003. This is however unsurprising as businesses in agriculture sector reported low skills gaps. The sector reporting the highest skills gap in 2003 was the manufacturing sector. Only 32% of those employed in manufacturing were receiving training in 2003.

9.11 Wages

Wages across Cornwall are significantly lower than elsewhere, with the median gross weekly wage of all workers standing at £304 in 2006, compared to £344 for the South West and £370 across England. Cornwall's high level of part-time employment will explain, in part, the lower levels of wages; however the gap persists for full-time employees, with the median full time wages of Cornwall and Isles of Scilly being £364, compared to £424 across the South West and £454 nationally.

Table 9: Median Gross Weekly Pay, 2006

	All Workers		Full-Time Workers		Part-Time Workers	
	£	<i>CloS</i> %	£	<i>CloS</i> %	£	<i>CloS</i> %
Cornwall and IoS	304.5		364.1		134.4	
South West	344.2	88%	423.5	86%	138.0	97%
England	370.6	82%	454.4	80%	137.5	98%

Source: Annual Survey of Hours and Earnings, 2006

9.12 Skills for Life

Literacy and numeracy underpin all educational achievement, help drive human potential and raise self-esteem. The Cornwall & the Isles of Scilly population have relatively good levels of basic skills in comparison with the national average. Approximately 19% of the adult population in Cornwall have numeracy skills below entry level 3 (i.e. poor – equivalent to age 9: not able to add or subtract using three digit numbers), less than both the England (21%) and South West (21%) averages. This marked difference is also reflected in the percentage of literacy skills below entry level 3. Approximately 5% of the England population have poor literacy skills, whilst just 1.8% of the Cornwall population have literacy skills below entry level 3 (equivalent to age 9: not able to organise text into short paragraphs)¹⁹.

Concerning Level 2 Basic Skills, 57% of those surveyed in the DfES skills for life survey attained level 2 in literacy or numeracy, compared to only 52% nationally. While the sub-region performs well against both literacy and numeracy, there is still a substantial section of the population that failed to achieve level 2 in either of these areas.

¹⁹ Cornwall and Isles of Scilly Strategy and Action Evidence Base, 2006

Table 10: DfES Skills for Life Survey Results

LSC Area	Below level 2 literacy	Below level 2 numeracy	Both below level 2	At least one at level 2
England	55%	74%	48%	52%
South West	54%	77%	47%	53%
Devon and Cornwall	49%	77%	43%	57%

9.13 Higher Education

Across the South West, the total number of HE applications has increased by 14% to 186,200 between 2001 and 2005. Over this period applications to the Falmouth College of Arts (the only HEI solely based within Cornwall) increased by 63%, receiving over 3,000 applications.

Participation rates in higher education in Cornwall & the Isles of Scilly are good, but until recently almost 90% of Cornwall's young people going into higher education left the area to study. The Combined Universities in Cornwall (CUC) was established to increase HEI provision and reduce the flow of young people out of the County. The aim is to develop higher education facilities and course provision so that by 2010 the Cornwall student population will exceed 7,300. Indeed, evidence from ONS migration data sets shows that this has had an immediate impact. Less people aged 18 are leaving Cornwall and more are moving in at 18. The peak year for in migration is 22, suggesting significant number who leave at 18 return after graduating²⁰.

²⁰ Cornwall and Isles of Scilly Strategy and Action Evidence Base, 2006

10 ANNEX 3: EQUAL OPPORTUNITIES AND DIVERSITY

10.1 Equalities Summary

The Equal Opportunities and Diversity Baseline which accompanies this Framework provides an overview of the key diversity issues facing the South West and Cornish labour markets. The issues identified will inform the European ERDF and ESF Programme for both the South West Competitiveness and Convergence regions. The main purpose of this analysis is to ensure that the European Programmes assist in tackling the various diversity issues facing the region. The main issues are summarised below.

1. Older People

The population profile of Cornwall is older than for the South West, and has become increasingly older over the past 20 years. In 2005 42% of the Cornish population were aged over 50, compared to 38% across the South West and only 34% nationally; within Cornwall this proportion has increased from 37% in 1985.

Employment among the over 50s is low, despite strong recent growth. Claimant unemployment for this age group is low, although this reflects the low levels of economic activity of this age group and the proportion that are retired. As with the South West and England, there is a skills deficit among the over 50s, with 17% of the 50 to retirement age group holding no qualifications.

2. Gender

Despite strong employment growth between 2001-06 in Cornwall and the Isles of Scilly, the female employment rate is lower than elsewhere within the region (70%) and women are more likely to work part-time (52%) compared to the other South West sub-regions.

In addition, the median full-time weekly wage of women (£252.3) is £67.3 below that of full-time male employees, representing a pay gap of almost £3,500 annually. However, while significant, the gender wage gap is smaller than for the South West, with the male full-time wage amounting to 80% of the regional figures, compared to 88% for women, although this reflects lower average earnings over all. There is evidence of gender segregation in the labour market, and this is reflected in very low numbers of women in certain occupations and sectors.

3. Ethnicity

BME individuals account for only 1% of the population of Cornwall and the Isles of Scilly, or almost 5,000 individuals and due to the small population, it is difficult to collect robust labour market statistics for these groups. The very small nature of the BME community presents specific challenges for the sub-region as employers and service providers are less likely to be aware of the specific needs of BME individuals.

4. Disabled People

The County has a relatively high proportion of disabled people, with 22% of the population registered as disabled and 14% classified as DDA and Work Limited Disabled. Concerning participation, the proportion of the disabled population that are economically active is relatively low (54%), especially for male disabled people, where participation in Cornwall and the Isles of Scilly lies significantly below the regions other sub-regions.

Employment of disabled people is also low within the County, with the working age unemployment rate being less than 50% for disabled males.

10.2 Introduction

This paper provides an overview of the key diversity issues of the South West labour market, highlighting gaps in the performance of key target groups. The conclusions of this paper will inform the following European Programmes:

- The Competitiveness Programme for the South West, funded by European Regional Development Fund (ERDF);
- The Employment Programme for the South West, funded through the England European Social Fund (ESF) Operational Programme; and
- The Convergence Programme for Cornwall and the Isles of Scilly.

In addition to identifying key issues and gaps at the regional level, this paper will identify the key intra-regional disparities, placing particular emphasis on the Convergence Area.

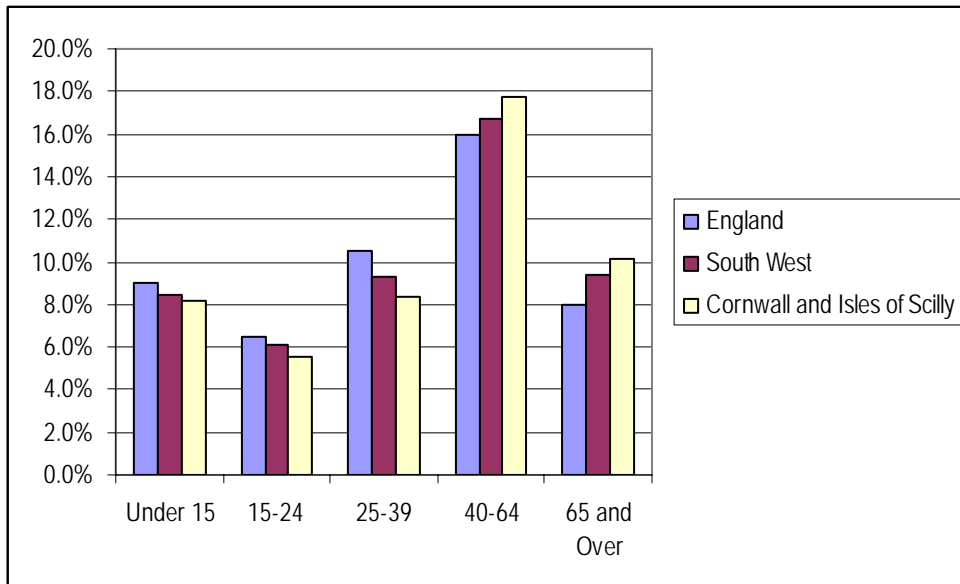
This paper focuses on the following equality strands:

- Age;
- Gender;
- Ethnic Minorities; and
- Disabilities.

10.3 Age

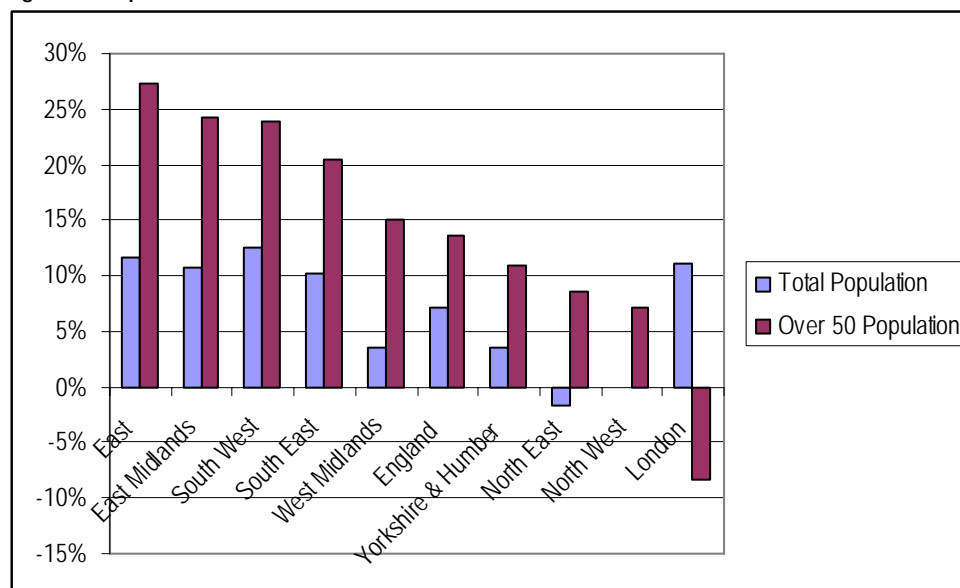
Overall, the population age profile of the South West is older than that seen nationally, with a higher proportion of individuals aged between 40 and 64, as illustrated in Figure 2 below. At the regional level, the South West has the highest proportion of residents aged over 50 (38%, compared to 34% across England), and has seen the third highest proportionate increase in this population over the past 20 years.

Figure 2: Population Distribution, by Age, 2005



Source: ONS Mid-Year Population Estimates (Nomis)

Figure 3: Population Growth, 1985-2005



Source: ONS Mid-Year Population Estimates (Nomis)

10.3.1 Employment

The employment rate for the over 50s is considerably lower for the under 50s, nationally and regionally, in part reflecting the large proportion of retired individuals in this age category. However, employment in this age category has increased significantly in the past five years, and there is potential for participation among this age group to increase further.

Table 11: Employment and Employment Growth, by Age, 2006

	Employment as a % of Working Age People			% Change In Number Employed 2001-06		
	16-24	25-49	50 and over	16-24	25-49	50 and over
England	57.4%	81.2%	38.2%	-0.7%	-0.5%	11.9%
South West	61.3%	85.3%	37.9%	0.6%	-0.8%	10.9%
Cornwall and IoS	57.8%	84.8%	31.5%	5.3%	13.8%	11.5%
Devon	55.9%	79.1%	30.2%	16.6%	0.8%	9.1%
Dorset and Somerset	67.2%	81.3%	29.6%	-11.0%	-3.5%	14.7%
GWNS	68.1%	83.1%	37.6%	7.1%	5.5%	19.8%

Source: Annual Population Survey / Labour Force Survey

The OECD estimates that the British economy loses nearly £30 billion annually due to the number of 50 to 69 years olds that do not work. Coupled with the region's high proportion of residents aged over 50, the potential gains to the region of increasing participation among the over 50s are significant. The DTI Age Matters report identifies 'two nations of unemployment', where economic activity among the over 50s is particularly pronounced:

1. Those in higher occupations, where more people have been choosing early retirement, as increased prosperity has been used to purchase increased leisure time; and

2. Men in manual occupations, who have left the labour market due to a lack of demand for their skills²¹.

Employment is also lower among the 16-24 age group, reflecting both the age group's higher rate of unemployment and economically inactive full time students. Both nationally and regionally, employment growth among this age group has remained relatively static; however this hides wide disparities at the sub-regional level. Devon witnessed significant increases in employment among this age group between 2001 and 2006 (of 17%), compared to the sharp contraction within Dorset and Somerset. Between 2001 and 2006 total employment of 16 to 24 year olds declined by 8,000 (or 11%), where as the 16-24 population base declined by only 2,000 over this period.

10.3.2 Unemployment

Unemployment among the over 50s is low across England, and has declined significantly since 2001; however economic activity is also low among the 50 to retirement age group, suggesting high degree of worklessness.

The rate of youth unemployment within the region is lower than nationally, but still significant. In 2006 there were 360,400 unemployed individuals aged between 16 and 24, representing almost 9% of total South West unemployment. Youth unemployment has increased significantly across the South West, despite a fall in overall unemployment, which has outpaced the increase nationally.

The pattern of youth unemployment varies across the region, being most pronounced in Cornwall and the Isles of Scilly and the GWNS sub-region. In addition, the intra-regional disparities have increased in recent years, with the problem declining in Devon, Dorset and Somerset while increasing across the GWNS sub-region.

Table 12: Unemployment and Unemployment Growth, by Age, 2006

	Unemployment as a % of Economically Active Population			% Change In Number Unemployed 2001-06		
	16-24	25-49	50 and over	16-24	25-49	50 and over
England	13.5%	3.8%	2.7%	4.6%	-24.1%	-23.5%
South West	9.9%	2.3%	2.2%	15.6%	-38.9%	-11.8%
Cornwall and IoS	11.3%	1.2%	2.7%	*	-78.6%	*
Devon	9.2%	2.3%	2.3%	-22.2%	-40.9%	-38.3%
Dorset and Somerset	7.7%	3.2%	2.6%	-12.9%	-1.8%	*
GWNS	10.8%	2.1%	1.9%	20.7%	-17.1%	-26.3%

Source: Annual Population Survey / Labour Force Survey (* denotes data is suppressed)

10.3.3 Economic Activity

The region performs relatively well in terms of economic activity, activity among the under 50s has remained largely unchanged over the past five years. Economic activity of those aged over fifty has increased since 2001, albeit at a slower rate than that seen nationally.

²¹ Age And Employability, Learning Theme Report, April 2005 - Skills And Learning Intelligence Module, Marchmont Observatory, University Of Exeter

Economic activity levels at the sub-regional level are generally in line with the South West figures, however the activity rate of the over 50s in Cornwall is below elsewhere, and Dorset and Somerset have seen a sharp decrease in the proportion of 16-24 year old that are economically active.

Table 13: Economic Activity, by Age

	2006			% Change, 2001-06		
	16-24	25-49	50 to retirement	16-24	25-49	50 to retirement
England	66.4%	84.4%	73.3%	1.0%	-0.8%	8.2%
South West	68.0%	87.3%	74.7%	1.0%	-1.7%	6.2%
Cornwall and IoS	65.2%	85.8%	66.9%	5.8%	9.3%	9.8%
Devon	65.7%	86.2%	73.0%	11.3%	-0.8%	3.4%
Dorset and Somerset	69.6%	86.9%	72.6%	-11.1%	-3.5%	8.5%
GWNS	68.9%	88.2%	78.9%	2.5%	-2.9%	5.2%

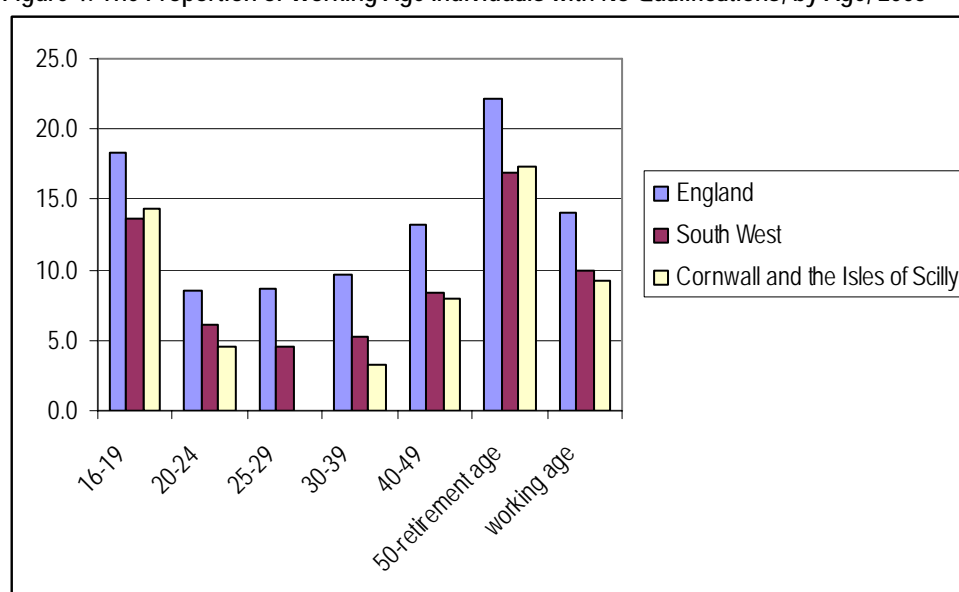
Source: Annual Population Survey / Labour Force Survey

10.3.4 Skills

Generally the population aged over 50 is less qualified than their 25-49 year old counterparts, with proportion of the population trained to each NVQ level being lower for those over 50. This issue is highlighted in Figure 4, which plots the relationship between age and holding no qualifications. While the South West outperforms England, a significant proportion of the population (10%) do not hold any qualifications, rising to 17% for individuals aged between 50 and retirement.

The peak of no qualifications among 16 to 19 is most likely to reflect the fact that many will not yet have completed college courses, however the proportion without NVQ levels 1 or 2 (GCSE equivalent and below) is significant and highlights an additional key challenge for the region. In particular, the issue of a skills deficit among the 16-19 population is relevant to the discussion surrounding youth unemployment, and in particular the NEET (Not in Education, Employment or Training) population within the region.

Figure 4: The Proportion of Working Age Individuals with No Qualifications, by Age, 2005



Source: Labour Force Survey

10.3.5 Cornwall and the Isles of Scilly

The population profile of Cornwall is older than for the South West, and has increased over the past 20 years. In 2005 42% of the Cornish population were aged over 50, compared to 38% across the South West and only 34% nationally; within Cornwall this proportion has increased from 37% in 1985.

Employment among the over 50s is low, despite strong recent growth; however unemployment for this age group remains healthy, reflecting the low levels of economic activity of this age group and the proportion of this age group that are retired. As with the South West and England, there is a skills deficit among the over 50s, with 17% of the 50-retirement age group holding no qualifications.

As with England and the South West, unemployment among the 16 to 24 age group is higher than general unemployment, and while Cornwall performs better than nationally, it is the worst performing South West sub-region.

Key Points

- The age profile of the South West is older than the rest of the country, and is expected to become increasingly older over time;
- The over 50s are much less likely to be in employment, despite strong employment growth within this age group;
- Youth unemployment is less severe than for England, however it still represents a significant pool of young people; and
- The region's population is relatively well educated, however there are issues concerning the level of young people with no qualifications and the skills deficit among older workers.

10.4 Gender

Across many of the indicators, the women within the South West are performing comparatively well compared to the performance of women nationally. However, the performance of women within the region still lags, sometimes significantly, behind that of men, and these headline figures hide wide intra-regional disparities. Closing this gender gap across the South West and beyond will generate significant capacity related benefits to the national and regional economies.

The Women and Work Commission was set up in 2004 to examine the issues surrounding the gender pay gap. It found that the pay gap within Britain is among the worst in Europe, with full time women earning 17% less than men, and the figure falling to 38% for part-time employees. The Commission estimate that the national economy loses £23bn per annum due to women's skills being lost or under utilised²².

10.4.1 Employment

The level of participation within the South West is higher for both male and females, however the region still exhibits an employment gender gap, with only 74% of working age females being employed, compared to 81% of males. Since 2001, the gender gap has narrowed with female employment increasing at a faster than average rate, and this pace of change is faster than that seen nationally; however this is due to a lower rate of employment growth for men, compared to nationally, rather than a faster than average female employment growth in the South West.

²² Equality South West, <http://www.equalitysouthwest.org.uk/our-networks/gender/women-and-work-commission-work.html>

At the sub-regional level, female participation ranged between 70% in Cornwall and the Isles of Scilly to 76% in the GWNS sub-region. Between 2001 and 2006, the employment gender gap increased in Dorset and Somerset, as the contraction of employment in the sub-region affected female staff to a greater extent. Overall, 18 of the region's 45 Local Authorities have seen an increase in the employment gender gap, and are located across the four sub-regions. In addition to a number of rural districts, these Local Authority areas include the urban districts of Bristol, Exeter, Christchurch, Torbay, and Weymouth and Portland.

Table 14: Employment Rate, by Gender, 2006

	2006			% Change in employment, 2001-06		
	Total	Male	Female	Total	Male	Female
England	74.4%	78.8%	69.7%	1.6%	1.1%	2.3%
South West	77.6%	81.3%	73.6%	1.3%	0.4%	2.4%
Cornwall and IoS	73.6%	77.4%	69.5%	11.6%	10.7%	12.7%
Devon	75.9%	79.3%	72.3%	3.9%	3.4%	4.4%
Dorset and Somerset	76.9%	81.1%	72.5%	-1.7%	-0.9%	-2.2%
GWNS	79.6%	83.2%	75.7%	-0.2%	-2.0%	2.0%

Source: Annual Population Survey / Labour Force Survey

In addition to the gap in overall employment figures, female employees are far more likely to work part-time; with almost 50% of female employees in the South West working part-time, compared to 10% of male employees. The incidence of part-time working among females is more common across the South West, compared to England as a whole, however this reflects a higher incidence of part-time working in the region generally. There is a clear spatial pattern of part-time employment moving from East to West, with only 45% of female employees working part-time in the GWNS sub-region, compared to 52% in Cornwall and the Isles of Scilly.

The extent of part-time working reflects the contrasting industrial structures of the sub-regional economies, described in further detail below, with the West of the region being more dependent on sectors that employ a higher proportion of part-time staff, such as Tourism. A high incidence of part-time employment may reflect labour market demand and generate economic benefits, if it allows individuals that are unable to work full-time (for example, lone parents or carers) to participate in the labour market. However, part-time work is generally more prevalent among low value added sectors and consequently often low paid. In some sectors part-time and other flexible employment patterns are chosen to meet the needs of employers, rather than staff.

If it is the case that improvements to the female employment rate are achieved through employment growth in the low paid, low value added sectors of the economy, then this presents significant challenges moving forward. Closing the gender gap requires female representation to increase in higher valued added positions. These issues are further discussed in the wage and industrial structure sections below.

Table 15: Total Employment by Part Time / Full Time Employees and Gender (000s), 2006

	Males			Females			Total		
	FT (%)	PT (%)	Total	FT (%)	PT (%)	Total	FT (%)	PT (%)	Total
England	90.70%	9.30%	12,384	58.40%	41.50%	10,357	76.00%	23.90%	22,741
South West	89.80%	10.20%	1,246	51.90%	48.10%	1,060	72.40%	27.60%	2,307
Cornwall IoS	88.40%	11.40%	120	47.70%	52.30%	100	69.90%	30.00%	220
Devon	87.30%	12.70%	258	48.10%	51.90%	224	69.10%	30.90%	482
Dorset & Somerset	89.50%	10.50%	292	51.50%	48.50%	247	72.10%	27.90%	539
GWNS	91.30%	8.70%	576	54.80%	45.20%	490	74.50%	25.50%	1,066

Source: Annual Population Survey

10.4.2 Employment Structure

Female employees are most heavily represented in the service sector, accounting for more than 60% of total employment in the 'health and social work', education, and 'hotels and restaurants' sectors. In line with the findings above, females are over-represented in part-time positions across all sectors, in particular the education, 'hotels and restaurants', and the 'wholesale and retail trade...' sectors.

Table 16: South West Employment by Gender and Sector, 2005

	% of All Employees		% of Full-Time Employees	
	Male	Female	Males	Female
N: Health and social work	16.3%	83.7%	25.0%	75.0%
M: Education	28.4%	71.6%	42.1%	57.9%
H: Hotels and restaurants	39.8%	60.2%	52.3%	47.7%
J: Financial intermediation	42.7%	57.3%	48.7%	51.3%
G: Wholesale and retail trade...	45.6%	54.4%	64.4%	35.6%
O: Other community, social, personal...	47.7%	52.3%	58.9%	41.1%
K: Real estate, renting & bus' act'	50.9%	49.1%	60.2%	39.8%
L: Public admin and defence...	55.2%	44.8%	62.4%	37.6%
E: Electricity, gas and water supply	72.2%	27.8%	74.9%	25.1%
A: Agriculture, hunting and forestry	73.2%	26.8%	78.5%	21.5%
D: Manufacturing	74.4%	25.6%	78.9%	21.1%
I: Transport, storage, communication	74.7%	25.3%	80.7%	19.3%
B: Fishing	75.1%	24.6%	92.8%	7.2%
F: Construction	87.1%	12.9%	93.0%	7.0%
C: Mining and quarrying	89.0%	11.0%	91.6%	8.4%

Source: Annual Business Enquiry

Across the region, the most significant levels of employment growth were witnessed in the 'Real Estate, renting, and business activities' and 'health and social work sectors'; however female employment growth was under-represented in each of these sectors. Female employment growth exceeds that of men in the education, construction, 'other community, social, and personal service activities' and the 'public admin and defence...' sectors.

Table 17: South West Sectoral Employment Growth, by Gender, 2001-05

	Male	Female	Total
K: Real estate, renting and business activities	40.3%	22.8%	31.7%
N: Health and social work	39.0%	21.5%	24.3%
M: Education	2.6%	20.4%	15.3%
F: Construction	12.6%	19.9%	13.5%
H: Hotels and restaurants	14.9%	12.3%	13.3%
I: Transport, storage and communication	13.9%	3.5%	11.2%
O: Other community, social & personal service activities	8.3%	10.2%	9.3%
G: Wholesale and retail trade...	12.0%	-0.2%	5.4%
L: Public admin and defence...	-11.0%	10.1%	-1.6%
J: Financial intermediation	9.7%	-12.1%	-2.8%
A&B: Agriculture, hunting, forestry, and fishing	-4.3%	-6.1%	-4.8%
E: Electricity, gas and water supply	-5.7%	-41.1%	-15.6%
D: Manufacturing	-14.5%	-23.8%	-16.9%
C: Mining and quarrying	-22.9%	-23.8%	-23.0%

Source: Annual Business Enquiry

10.4.3 Occupational Structure

The patterns of employment by occupation are provided in the table below. At this headline level, a number of the patterns fall in line with the general gender stereotypes, for example:

- Female employment is dominant in 'sales and customer service' and 'administrative and secretarial' occupations; and
- Male employment is dominant in skilled trades occupations and 'process, plant and machine operatives'.

These patterns provide examples of broad sections of the economy where employment is associated with gender and may highlight areas in which participation among males or females may be promoted.

However, more significantly the data highlights the under-representation of women among the 'managers and senior officials' and the professional occupations. This is not a phenomena particular to the South West (the figures for these groups are in line with those for England). It does, however, illustrate a serious shortfall in the number of women that rise to the more senior positions within organisations. Where large numbers of women are unable to fulfil their potential in the workplace, this is likely to represent a loss of economic output to the region. The closing of this gender gap must be a priority for the region, however it is unlikely that the gap is due to direct forms of discrimination, and the narrowing of the gap would require the region's organisations to actively identify and remove glass ceilings and other barriers to the progression of women in the workplace.

Table 18: Employment, by Occupation and Gender, 2006

	Total	Male	Female
1: managers and senior officials	15%	19%	11%
2: professional occupations	12%	13%	11%
3: associate prof & tech occupations	14%	13%	15%
4: administrative and secretarial occupations	12%	5%	21%
5: skilled trades occupations	12%	21%	2%
6: personal service occupations	8%	2%	15%
7: sales and customer service occupations	8%	5%	12%
8: process, plant and machine operatives	7%	11%	2%
9: elementary occupations	12%	12%	12%

Source: Annual Population Survey

10.4.4 Unemployment

The female employment rate has remained below that of men both regionally and nationally in 2001 and 2006, and despite a decline in the overall level of unemployment; the regional gender gap has remained unchanged since 2001.

At the sub-regional level, the patterns differ with female unemployment ranging from only 2.2% in Cornwall and the Isles of Scilly, to almost 4% in Devon, where the female unemployment rate exceeds that of men.

Table 19: Unemployment, by Gender

	2000			2005		
	Total	Male	Female	Total	Male	Female
England	5.2%	5.6%	4.7%	5.1%	5.5%	4.6%
South West	4.1%	4.3%	3.9%	3.5%	3.7%	3.3%
Cornwall & IoS	5.8%	6.0%	*	3.4%	4.4%	2.2%
Devon	5.2%	5.2%	5.2%	3.4%	3.0%	3.9%
Dorset & Somerset	3.9%	4.3%	3.4%	3.8%	3.9%	3.5%
GWNS	3.5%	3.7%	3.3%	3.4%	3.7%	3.1%

Source: Annual Population Survey

The duration of unemployment (JSA) benefit claimants is lower for women within the South West, with 75% of total claimants claiming for under 6 months, compared to only 67% of male claimants. In addition, the proportion of claimants that have been claiming for over 2 years stands at 3.4% of male claimants, compared to 2.3% of female claimants (a total of 325 women within the South West). This pattern is reiterated by the median duration of claimants, which stands at 11.1 weeks for female claimants within the South West, over four weeks less than their male counterparts. This pattern is not however particular to the South West, with the English median duration figures showing a similar pattern, albeit for longer durations.

Table 20: South West Claimant Count Unemployment, by Gender and Duration, August 2006

	Male		Female		Total	
	number	%	Number	%	number	%
Up to 6 Months	23,335	67.1%	10,470	75.1%	33,805	69.4%
6 to Under 12 Months	6,855	19.7%	2,225	16.0%	9,085	18.6%
12 to Under 24 Months	3,415	9.8%	915	6.6%	4,330	8.9%
Over 24 Months	1,185	3.4%	325	2.3%	1,510	3.1%
Total	34,790		13,935		48,725	

Source: Claimant Count Data, Nomis

Table 21: Median Duration of Unemployment, August 2006

	Male	Female	Total
England	19.1	14.1	17.7
South West	15.6	11.1	14.0

Source: Claimant Count Data, Nomis

10.4.5 Economic Activity

While the unemployment patterns for women with the South West are generally positive, women have lower levels of economic activity, and are consequently less likely to be actively 'looking for work'. In the latter part of the twentieth century, female economic activity has increased substantially, however recent figures suggest that this growth may have stagnated. The five year period 2000 to 2005 witnessed modest decreases in the overall level of economic activity, reflected in the regional figures for both males and females. Overall the level of female activity stood at 76%, in contrast to 85% of working age men.

Table 22: Working Age Economic Activity Rates, by Gender

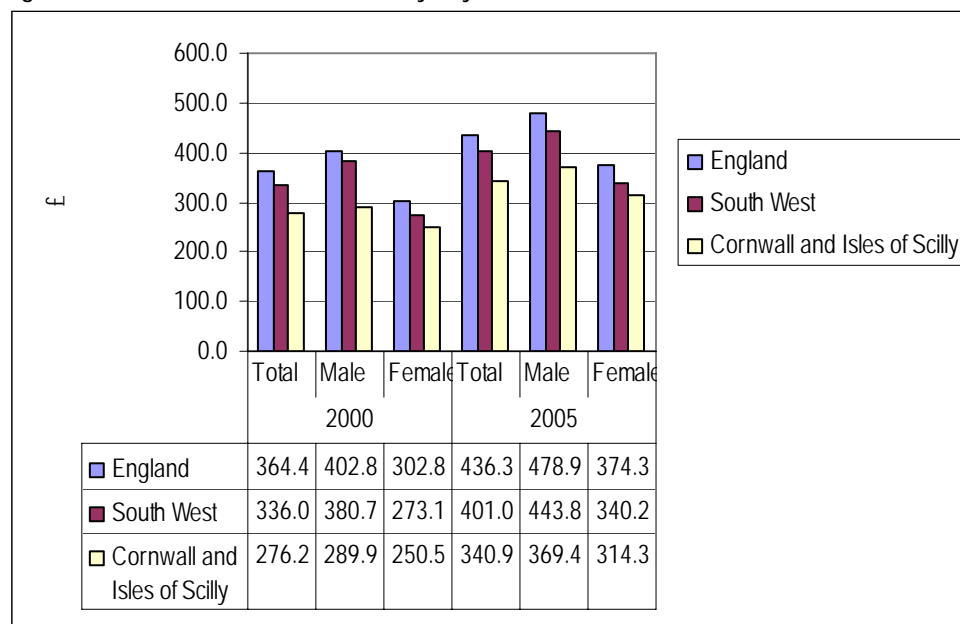
	2000			2005		
	Total	Male	Female	Total	Male	Female
England	79.3%	84.9%	73.4%	78.4%	83.3%	73.1%
South West	82.3%	87.0%	77.4%	80.4%	84.5%	76.1%
Cornwall & IoS	75.0%	81.3%	68.6%	76.2%	80.9%	71.1%
Devon	80.4%	84.5%	76.2%	78.6%	81.8%	75.3%
Dorset & Somerset	82.1%	86.9%	77.0%	79.9%	84.5%	75.1%
GWNS	85.0%	89.3%	80.2%	82.4%	86.4%	78.1%

Source: Labour Force Survey (Four Quarter Average, Ending May)

10.4.6 Average Earnings

The growth of female earnings outpaced the earnings growth of men between 2000 and 2005, increasing by 25% within the South West compared to 19% for men; however, the median full-time gross weekly pay of female employees still remains below that of men. In 2005 the average gross weekly pay for females within the South West stood at 77% of the male figure, broadly in line with the English average of 78% and compares to the figure of 72% for the South West in 2000.

Figure 5: Median Full-Time Gross Weekly Pay



Source: Annual Survey of Hours and Earnings

These figures again highlight the fact that female employees are more likely to work in lower value sectors and are less likely to hold senior positions within those sectors. This is a key issue for the region to address moving forwards. In addition, the figures above provide the median wages of full-time earnings only. Given the over-representation of women in part-time positions, the income gap between all male and female workers will be greater than that provided above.

10.4.7 Qualifications

The pattern of qualifications by gender within the region is mixed, but exhibits the following key points:

- The proportion of individuals educated to NVQ4+ is broadly in line among males and females;

- Women are more likely to be educated to NVQ levels 1 or 2 and less likely to hold trade apprenticeships;
- Women educated to NVQ3 are under-represented in the region and nationally; and
- Women are less likely to hold any qualifications, both regionally and nationally.

There are two key issues concerning the educational attainment of women. Firstly, once women embark on formal qualifications, they are more likely to stop once they have achieved NVQ level 1 or 2, and secondly, there is an initial challenge in getting women to embark on formal qualifications at all.

Table 23: Educational Attainment, by Gender, 2006

	Cornwall and IoS		South West		England	
	Males	Females	Males	Females	Males	Females
NVQ4+	21%	20%	26%	27%	26%	26%
NVQ3 only	21%	19%	18%	15%	16%	14%
Trade Apprenticeships	9%	1%	9%	2%	9%	2%
NVQ2 only	18%	23%	14%	21%	13%	19%
NVQ1 only	14%	17%	14%	18%	13%	17%
Other qualifications	10%	9%	9%	7%	10%	8%
No qualifications	8%	11%	9%	11%	13%	15%

Source: Annual Population Survey

Within Cornwall, the gender gap at NVQ 3 is less significant (19% for women, compared to 21% for men); however the issue in this sub-region is the small proportion that are educated to NVQ4 and above. However, this issue is not specific to women; 20% of women achieve NVQ4+ compared to 21% of men.

10.4.8 Cornwall and the Isles of Scilly

Despite strong employment growth between 2001-06 in Cornwall and the Isles of Scilly, the female employment rate is lower than elsewhere within the region (70%). Women are more likely to work part-time (52%) compared to the other South West sub-regions and the median full-time weekly wage of women (£252.3) is £67.3 below that of full-time male employees – amounting to almost £3,500 annually. However, while significant, the gender wage gap is smaller than for the South West, with the male full-time wage amounting to 80% of the regional figures, compared to 88% for women.

Key Points

- Despite high levels of employment within the region, the gap between male and female employees persists;
- In recent years the employment gap has been closing fastest in those sectors in which women are least represented;
- Women on average experience lower rates of unemployment and lower unemployment claimant duration periods. Women are also more likely to be economically inactive, suggesting that fewer women are actively seeking employment;
- For those women that do work, they are more likely to be employed in part-time positions, within service sector based organisations;
- Across the region women are less likely to fill the most senior positions within an organisation and despite recent wage growth outpacing that of men, the gender pay gap persists within the region.

10.5 Ethnic Minorities

Across the South West, the total number of BME individuals accounted for only 2.3% of the total population. The BME population is underrepresented across all areas of the region, with BME individuals accounting a lower proportion of the total population than the national average of 9.1% for all districts. However, wide disparities do exist between local authorities with the proportion ranging

between 8.2% in Bristol, and 1% in Cornwall and the Isles of Scilly. There is also a clear pattern to the spatial distribution of the region's BME communities, with all local authorities with a concentration of BME individuals higher than the regional average, besides Bournemouth, being located in the North East Triangle Functional Zone.

Table 24: Population, by Ethnicity

	White	Total BME
England	90.9%	9.1%
Bristol	91.8%	8.2%
Swindon	95.2%	4.8%
Bournemouth	96.7%	3.3%
Bath and NE Somerset	97.2%	2.8%
Gloucestershire	97.2%	2.8%
South West	97.7%	2.3%
South Gloucestershire	97.7%	2.3%
Poole	98.2%	1.8%
Plymouth	98.4%	1.6%
Wiltshire	98.4%	1.6%
North Somerset	98.6%	1.4%
Dorset	98.8%	1.2%
Somerset	98.8%	1.2%
Torbay	98.8%	1.2%
Devon	98.9%	1.1%
Cornwall and Isles of Scilly	99.0%	1.0%

Source: Census 2001

The ethnic groups with the greatest representation with the South West are 'mixed' and 'Asian or Asian British' individuals, accounting for 0.8% and 0.7% of the total population respectively. Bristol, which accounts for 8% of the region's population, accounts for 28% of the region's BME population. Of its total population, the 'Mixed', 'Asian and Asian British' and 'Black or Black British' ethnic groups account for 2.1%, 2.9%, and 2.3% of the population respectively.

10.5.1 Employment

Across England, the employment rate for working age BME individuals is low, standing at 59% compared to 74% for all people. Comparatively, the BME population of the South West performs well, with 71% of the working age BME population being in employment; however this still lags significantly behind the employment rate of all working age people in the South West, 78%.

The South West employment rate for each of the BME groups exceeds their employment rate nationally, with significantly higher performances for those of Indian origin and 'other ethnic groups'. However, there are still key areas of concern, in particular the employment rate of the Pakistani / Bangladeshi BME groups, where employment in the region stood at only 46%. While higher than the group's national employment rate, this still represents a significant challenge for the future, and compared to the overall employment rate for the South West, represents a larger percentage point gap than nationally.

Table 25: Working Age Employment Rate, by Ethnicity, 2006

	England	South West		Cornwall & IoS	Devon	Dorset & Somerset	GWNS
Indians	70%	80%		*	74%	77%	80%
All People	74%	78%		74%	76%	77%	80%
White	76%	78%		74%	76%	77%	80%
Other Ethnic Groups	58%	71%		88%	52%	77%	69%
Non-White	59%	71%		80%	58%	78%	71%
Black and Black British	61%	69%		*	57%	92%	69%
Mixed Ethnic Group	64%	66%		*	50%	78%	71%
Pakistanis/Bangladeshis	43%	46%		*	64%	*	45%

Source: Annual Population Survey

The figures for the sub-regions must be treated with some care, due to the small numbers involved in some areas. The GWNS sub-region has the largest BME population; in this area Pakistani / Bangladeshi perform particularly poorly. Within Devon, the poorest performances are seen within the Mixed Ethnic and Other Ethnic groups. Due to the inclusion of Bournemouth, Dorset and Somerset also have a relatively large BME population for the region, however the employment rate of all BME groups in this sub-region provide generally positive results.

10.5.2 Unemployment

The unemployment rate of each BME group within the region (for which data was statistically reliable) is lower than the national rate of unemployment, ranging from 7% for the mixed ethnic group to 5% for the other ethnic group. However, the unemployment rate for BME individuals within the region is high compared to the Non-BME population (4.5% for BME compared to 3.3% for White individuals).

Table 26: Unemployment Rate, by Ethnicity, 2006

	England	South West
Mixed Ethnic Group	12.3%	6.6%
Black and Black British	13.7%	5.0%
Other Ethnic Groups	10.2%	5.0%
Non-White	11.0%	4.5%
All People	5.1%	3.5%
White	4.3%	3.3%
Indians	7.2%	*
Pakistanis/Bangladeshis	13.4%	*

Source: Annual Population Survey

* denotes figure unreliable due to small sample size (Cornwall and IoS figures are unreliable for all BME groups)

10.5.3 Economic Inactivity

The pattern of economic activity by ethnicity is similar to the patter for unemployment; however, unlike unemployment the 'mixed ethnic' group performs less well than the national average. The level of inactivity among all of the ethnic groups, besides those of Indian origin, is significantly higher than the figure for the white population. This is particularly the case for the Pakistani / Bangladeshi population.

Table 27: Economic Inactivity Rates, by Ethnicity, 2006

	England	South West
Pakistanis/Bangladeshis	50.8%	46.6%
Mixed Ethnic Group	26.9%	29.1%
Black and Black British	29.1%	26.9%
Non-White	34.0%	25.6%
Other Ethnic Groups	35.3%	24.9%
Indians	24.3%	19.8%
<i>All People</i>	21.6%	19.6%
White	20.0%	19.4%

Source: Annual Population Survey

10.5.4 Cornwall and the Isles of Scilly

BME individuals account for only 1% of the population of Cornwall and the Isles of Scilly, or almost 5,000 individuals and, due to the small population, it is difficult to collect robust labour market statistics for these groups. The very small nature of the BME community presents specific challenges for the sub-region as employers and service providers are less likely to be aware of the specific needs of BME individuals.

Key Points

- There is a low representation of Ethnic Groups within the region, however BME representation is high in Bristol and Swindon;
- While a gap remains between BME and Non-BME labour market performance, the regional indicators are generally positive in comparison with the national figures;
- However, the performance of ethnic groups varies considerably, particularly the Pakistani and Bangladeshi population which has significant levels of unemployment and inactivity.

10.6 Disabilities

Equality South West reports that disabled people within the UK 'face massive discrimination and exclusion'. For example:

- Disabled people are twice as likely to have no qualifications;
- If they are of working age, they are twice as likely as non-disabled people to be out of work and claiming benefits; and
- Disabled workers earn 10% less on average than non-disabled people.²³

The Disability Discrimination Act (DDA) 1995 gave 10 million disabled people new rights in employment, education, access to goods and services, and the buying and renting of land or property and education. Employers have a legal duty not to discriminate against disabled people and must make reasonable adjustments to the working environment to enable them to work. Moving forward, ensuring that disabled people are able to contribute to the future prosperity of the region remains a key challenge for the region.

The regional disability figures for the South West are in line with those nationally. Overall, 18% of the working age population are classified as disabled, 14% of which are recognised as disabled under the Disability Discrimination Act (DDA), and 14% have a disability that impacts their ability to work.

²³ <http://www.equalitysouthwest.org.uk/about-us/promoting-equality-for/disability.html>

At the sub-regional level, overall levels of disability range from 23% of the working age population (Torbay) to 12% (South Gloucestershire). These two local authorities also have the highest and lowest rates of individuals with a work limiting disability, ranging from 19% in Torbay to 8% in South Gloucestershire. Besides Gloucestershire, the highest disability rates are to be found in the southern authorities of Torbay, Cornwall and the Isles of Scilly, Plymouth, Dorset, and Poole.

Table 28: Disability by Local Authority

	Disabled	DDA & work-limiting disabled	DDA only disabled	Work-limited only disabled
Torbay	23%	15%	4%	4%
Cornwall and Isles of Scilly	22%	14%	3%	5%
Plymouth	22%	14%	5%	3%
Dorset	20%	11%	5%	4%
Gloucestershire	20%	10%	7%	4%
Poole	19%	11%	5%	3%
England	18%	11%	4%	3%
South West	18%	10%	4%	4%
Bristol	18%	10%	3%	4%
Devon	18%	11%	3%	4%
Wiltshire	18%	9%	6%	3%
Somerset	17%	10%	4%	4%
Swindon	17%	9%	6%	2%
Bournemouth	16%	9%	4%	3%
Bath and North East Somerset	15%	8%	3%	4%
North Somerset	15%	9%	4%	3%
South Gloucestershire	12%	6%	4%	2%

Source: Annual Population Survey, 2005

10.6.1 Economic Activity and Employment

Across the South West 60% of working age disabled people were classified as economically active, higher than the national rate of 55%. However this compares to an economic activity rate of 80% for all people. The activity rate for disabled working age males was marginally higher than the female figure within the South West; the gender gap stood at 3.1 percentage points, compared to 4.8 percentage points across England.

Table 29: Working Age Economic Activity Rate, by Disability and Gender, 2005

	All People	All Disabled	Male Disabled	Female Disabled
England	78.4%	55.3%	57.6%	52.8%
South West	80.4%	60.2%	61.7%	58.6%
Cornwall and Isles of Scilly	76.2%	53.7%	51.9%	55.7%
Devon	78.6%	56.2%	57.9%	54.5%
Dorset and Somerset	79.9%	60.9%	63.5%	58.0%
GWNS	82.4%	64.0%	65.7%	62.2%

Source: Annual Population Survey 2005

At the sub-regional level, economic activity rates for working aged disabled people ranged from 64% in the GWNS sub-region to 54% in Cornwall and the Isles of Scilly.

The likelihood of a disabled person being in employment is considerably lower than for population as a whole; however the region performs better against this indicator than England. As with many of the

other indicators, there is a clear east-west divide, with employment being more likely among the disabled residents of GWNS and Dorset and Somerset, compared to Devon and Cornwall, which are in line with the national figures.

Table 30: Employment, by Disability as a proportion of working age people

	All People	All Disabled	Male Disabled	Female Disabled
England	74.4%	50.9%	52.4%	49.2%
South West	77.6%	56.5%	58.0%	55.0%
Cornwall and Isles of Scilly	73.6%	50.2%	48.3%	52.3%
Devon	75.9%	51.9%	53.7%	50.0%
Dorset and Somerset	76.9%	57.6%	60.2%	54.8%
GWNS	79.6%	60.3%	61.9%	58.7%

Source: Annual Population Survey

10.6.2 Cornwall and the Isles of Scilly

The County has a relatively high proportion of disabled people, with 22% of the population registered as disabled and 14% classified as DDA and Work Limited Disabled. Concerning participation, the proportion of the disabled population that are economically active is relatively low (54%), especially for male disabled people, where participation in Cornwall and the Isles of Scilly lies significantly below the regions other sub-regions.

Employment of disabled people is also low within the County, with the working age unemployment rate being less than 50% for disabled males.

Key Points

- The region exhibits relatively positive levels of economic activity and employment among disabled people, compared to the national average, however there is a substantial gap between the performance of disabled people, compared to non-disabled people;
- There are wide variations at the sub-regional level, with the performance of Cornwall lagging the regional figures, especially concerning the performance of disabled males.

11 ANNEX 3: FINANCIAL ALLOCATIONS IN STERLING

The total ESF allocation of for the Convergence Areas is £134 million over 2007-13, £55 million of which will be made available in the programme's first three years. With UK public match funding this amounts to £178 million over 2007-13 or £73 million over 2007-09.

The figures below are based on an exchange rate of 0.68 £/€

Priority 4: Regional Financial Allocations, by Priority and Funding Source, (€ 000s)

Year	ESF	Public Match	ESF + Match
2007	£6,827,629	£2,275,876	£9,103,505
2008	£6,964,182	£2,321,394	£9,285,576
2009	£7,103,466	£2,367,822	£9,471,288
2010	£7,245,535	£2,415,178	£9,660,713
2011	£7,390,445	£2,463,482	£9,853,927
2012	£7,538,254	£2,512,751	£10,051,005
2013	£7,689,019	£2,563,006	£10,252,025
Total	£50,758,530	£16,919,510	£67,678,040

Priority 5: Regional Financial Allocations, by Priority and Funding Source, (€ 000s)

Year	ESF	Public Match	ESF + Match
2007	£10,780,467	£3,593,489	£14,373,956
2008	£10,996,077	£3,665,359	£14,661,436
2009	£11,215,998	£3,738,666	£14,954,664
2010	£11,440,318	£3,813,439	£15,253,757
2011	£11,669,124	£3,889,708	£15,558,832
2012	£11,902,507	£3,967,502	£15,870,009
2013	£12,140,556	£4,046,852	£16,187,408
Total	£80,145,047	£26,715,016	£106,860,063

Priority 6: Regional Financial Allocations, by Priority and Funding Source, (€ 000s)

Year	ESF	Public Match	ESF + Match
2007	£359,349	£119,783	£479,132
2008	£366,535	£122,178	£488,713
2009	£373,866	£124,622	£498,488
2010	£381,344	£127,115	£508,459
2011	£388,972	£129,657	£518,629
2012	£396,750	£132,250	£529,000
2013	£404,687	£134,896	£539,583
Total	£2,671,503	£890,501	3,562,004