

Shaping Our Place 2026

Local Development Framework

Core Strategy

Policy Direction Paper
Education and Skills

January 2010

LDF CORE STRATEGY: POLICY DIRECTION BACKGROUND PAPER

Policy: Education and Skills

Preferred Policy Direction

The preferred policy direction for education and skills would be to:

1. Facilitate increased higher educational provision in Herefordshire through supporting new and extended college facilities, the provision of a university centre and other proposals in the Hereford Area Plan;
 2. Support development proposals generally for new and extended educational and skills training facilities, including via developer contributions.
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1.0 Introduction

- 1.1 This report provides background information and evidence to support the policy directions that form part of the Core Strategy Place Shaping Paper. The full policy wording will form part of the pre-submission Core Strategy.
- 1.2 The Core Strategy will set out the vision and objectives for the Herefordshire Local Development Framework (LDF), together with the 'place shaping policies' at a strategic level, explaining how the county as a whole is expected to develop up to 2026.
- 1.3 The remainder of this report seeks to address the following questions:
 - What is the current situation (issue)?
 - What is the national, regional and local policy framework?
 - What is the available evidence base indicating?
 - What can the Core Strategy do?
 - What were the results/indications for the Developing Options consultation?
 - What further consultation will take place?
 - What conclusions can be drawn?
 - What happens next?

2.0 The need for the policy

- 2.1 Herefordshire's workforce is potentially large – its residential working age population is just under 103,500. The economic activity rate is 68% (the proportion of people of working age in or seeking work) and there are just over 79,000 employees and self-employed people within the county, the majority of whom work full-time (36%) and 14% part-time.
- 2.2 The latest edition of the State of Herefordshire Report (2009) reveals that the county's wages are low, particularly in comparison with the West Midlands

region and England as a whole. For instance, the average salary in 2008 was £20,304 per annum, which was considerably below the West Midlands average of £23,407 and the national average of £25,190. The gap between Herefordshire's earnings and those of the West Midlands region and the rest of England is getting wider.

- 2.3 Within the national Index of Multiple Deprivation, the skills sub-domain, of the education, skills and training domain shows that Herefordshire has 17 Lower Super Output Areas (LSOAs) which fall within the 25% most deprived in England in terms of skills. Nine of these LSOAs are in Hereford City the rest are in the market towns of Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye. In addition, three out of four of the LSOAs in the 10% most deprived in England are in the South Wye area of Hereford City, the other is in Leominster (Gateway).
- 2.4 Herefordshire's labour market has also been affected in recent years by the arrival of migrant workers. This can be largely attributed to the expansion of the European Union in 2004 to include the 8 accession states and there were 3,000 new national insurance number registrations for overseas nationals in Herefordshire in 2007-08, a 55% increase compared with 2006-07. This is the third highest increase in the UK where only a small proportion of local authorities experienced an increase of more than 20% this year; two-thirds of local authorities experienced a decrease or no change.
- 2.5 A report on the economic impact of migrant workers in the West Midlands, published by the Institute for Employment Research (University of Warwick) in November 2007, claims that substantial numbers of migrant workers are generally better skilled than any unemployed indigenous residents, and local employers have therefore been keen to recruit them.
- 2.6 Typically Herefordshire has a low unemployment rate (proportion of the working age population claiming Job Seekers Allowance) compared to regionally and nationally. In the last ten years, the county has seen considerable reductions. However, in the second half of 2008 the number of Job Seekers Allowance claimants increased dramatically. In March 2009, there were just over 3,000 people claiming Job Seekers Allowance in Herefordshire and the unemployment rate stood at 3%, compared to 1.5% in March 2008.
- 2.7 Education and training has a pivotal role in reducing unemployment and making the local economy more flexible, as businesses gain access to an appropriately skilled workforce. But the skills of the current workforce are relatively low with just over a quarter of Herefordshire's population qualified to NVQ Level 4 or 5, compared with an average of 28% for England as a whole. Moreover, the number of people without any qualifications (14%) is higher, but not statistically so, than the average for England (13%). The decline in the number of jobs available in primary industries and manufacturing will continue to reduce the demand for people with no formal skills.
- 2.8 The UK has witnessed a steady rise in the number of people employed in knowledge intensive industries over the last two decades as a result of de-industrialisation and economic restructuring. Consequently there is higher demand for a broader range of work place competencies and soft skills that compliment academic or technical skills.

- 2.9 Herefordshire's workforce needs to be more skilled in order to keep up with changing demands, preferably in the NVQ Level 4 area and beyond, and the emerging Core Strategy has the potential to make a valuable contribution to educational and skills attainment.

3.0 The policy framework

- 3.1 There is general consensus that skills will become even more important in the future as global, demographic and technological change places an even greater premium on a highly skilled workforce.

Leitch review of skills

- 3.2 In December 2006, Lord Leitch published the final report of his independent review into the UK's skills needs. He identified skills as one of the most important drivers of a successful economy and a just society that offers opportunities for all citizens, regardless of their background.

- 3.3 The review recommended that the UK should commit to becoming a world leader in skills by 2020, which would have the impact of doubling attainment at most levels.

- 3.4 The overarching objectives for 2020 include:

- 95% of adults to achieve the basic skills of functional literacy and numeracy;
- Exceeding 90% of adults qualified to at least level 2;
- Shifting the balance of intermediate skills from level 2 to level 3;
- Exceeding 40% of adults qualified to level 4 and above.

- 3.5 Leitch also recommended that these goals should be achieved through the following principles:

- Shared responsibility;
- Focus on economically valuable skills;
- Demand-led skills;
- Adapt and respond;
- Build on existing structures.

- 3.6 In July 2007, the Department for Innovation, Universities and Skills published *World Class Skills: implementing the Leitch Review of Skills in England* in response to Lord Leitch's report. Building upon the foundations of the 2003 and 2005 Skills Strategy white papers, *World Class Skills (2007)* will take this agenda forward, tackling the skills challenge so that that the UK can be a world leader in skills by 2020.

Education and Skills Act (2008)

- 3.7 Education and training in the UK needs to evolve alongside changing demands in order to ensure that young persons can fulfil their potential and secure skilled employment in the future. Intrinsic to this are the key elements

of reform set within the Education and Skills Bill, which received Royal Assent on the 26 November 2008.

- 3.8 The Education and Skills Act (2008) aims to increase participation in learning for young people and adults, helping to meet the Government's ambition of achieving world-class skills in the UK by 2020.
- 3.9 This is a joint Act between Department for Children, Schools and Families and the Department for Business, Innovation and Skills that puts in place a right for adults to learn basic and intermediate skills, giving them a second chance to gain the skills they need to thrive in society and throughout their working lives.
- 3.10 For the first time in 30 years, the Government has legislated to raise the education leaving age to 18 on the premise that it will give every young person the best chance to achieve and succeed. Young people are required to participate in education or training until their 18th birthday either through:
- Full-time education or training, including school, college and home education;
 - Work-based learning, such as an Apprenticeship, including traditional contracts of apprenticeship;
- Or
- Part-time education or training, if they are employed, self-employed or volunteering more than 20 hours a week.
- 3.11 In doing this, young people have new rights to take up opportunities for education and training, and the support they need to engage in learning.
- 3.12 Over the next five years, the Government will be working with professionals in schools, colleges and partner organisations to deliver this transformation.

National Planning Guidance

- 3.13 Planning Policy Statement 1 (PPS1): Delivering Sustainable Development makes clear that the town and country planning system has a key role in tackling the education and skills challenge.
- 3.14 PPS1 refers to the need for spatial planning to go beyond traditional land use planning to bring together and integrate policies for the development and use of land with other policies and programmes which influence the nature of places and how they can function.
- 3.15 PPS1 specifically requires development plans to ensure that suitable locations are available for the public sector, including education, as well as other types of development affecting the economy. Development plans are also required to address accessibility for all members of the community to facilities providing education and skills training.
- 3.16 The draft Planning Policy Statement 4 (PPS4): Planning for Sustainable Economic Development aims to build on the objectives for the planning

- 3.17 Local planning authorities are advised to adopt a flexible approach to the supply and use of land so that their development plans do not represent a barrier to the provision of facilities which would help to ensure enhanced skills and innovation.

Regional guidance

- 3.18 At a regional level, the West Midlands Regional Spatial Strategy (WMRSS) seeks to promote economic growth and social inclusion, focussing development on urban areas, whilst respecting the environment and exploiting opportunities to both mitigate and adapt to the worst impacts of climate change.
- 3.19 The creation of sustainable communities is one of the key objectives of the WMRSS, hence the inclusion of Policy PA1: Prosperity for All. The policy promotes training and skills and sets out the need for the Regional Development Agency to work with local authorities, local learning partnerships and local employers to develop the skills and abilities of the West Midlands people by improving access to training, higher education and employment opportunities.
- 3.20 Another key objective of the WMRSS is the renaissance of the region's rural areas. The main geographical focus for rural renaissance will be in the Marches, where Advantage West Midlands (AWM) has designated a Rural Regeneration Zone (RRZ). The RRZ covers parts of the rural areas of Herefordshire and is governed by Policy RR2.
- 3.21 Policy PA4 within the WMRSS covers education and recognises the potential of further and higher education as key economic and employment generators. The policy encourages development plans to facilitate the needs of further and higher education institutions and research facilities to grow and expand.
- 3.22 The Regional Economic Strategy, launched by AWM in December 2007, contains a number of strategic objectives, which collectively seek to transform the West Midlands into a world-class region. There are four themes which underpin these objectives: Business, Place, People and Powerful Voice.
- 3.23 The theme relating to People highlights the contribution of the region's population and their skills to the sustainable growth and increased productivity of the West Midlands economy. It is largely concerned with raising the skills level of all and providing better access to appropriate training at work and in local communities.
- 3.24 Also of importance is the West Midlands Rural Delivery Framework (WMRDF) which was completed in April 2006, following intensive consultation with rural partners.
- 3.25 The WMRDF identifies six rural priorities for the region:
1. Enhancing the value of the countryside;
 2. Developing a diverse and dynamic business base;
 3. Improving learning and skills;

4. Creating the conditions for growth;
5. Achieving fair access to services for all;
6. Securing vibrant, active, inclusive and sustainable communities.

3.26 The second economic priority, Learning and Skills Improved, seeks to drive the development of an appropriately skilled and adaptable workforce which attracts and supports the growth of high value jobs and wealth-creating businesses.

Sub-regional guidance

3.27 Most recently, Herefordshire Council supported a bid to create new higher education facilities within the county. However, although Herefordshire was announced last year as being among the first places in the UK to register for a new university centre under 'New University Challenge', the £150 million government programme aimed at creating up to 20 new centres of higher education by 2014, the bid was unsuccessful.

3.28 As such, the county is unlikely to be able to support a university campus in the medium term. There will however, be an opportunity to enhance the county's higher education offer through development of its existing establishments and the provision of a University Centre.

3.29 In the meantime, the council and the primary care trust will remain part of the Higher Education for Herefordshire Board, which also has representatives from a number of local further educational establishments, as well as businesses and regional government. The board believes that there is an increasing urgency to create further opportunities for young people, so they do not have to move away from Herefordshire to secure a university degree and develop key skills.

3.30 Within Herefordshire, there are three documents which directly relate to this topic:

- The Sustainable Community Strategy;
- The Local Area Agreement;
- The Economic Development Strategy;

3.31 The **Herefordshire Sustainable Community Strategy** sets out aspirations for the county by 2020 and how we might achieve them. The strategy also acts as Herefordshire's Local Agenda 21 Plan and Regeneration Strategy and is closely integrated with the emerging LDF for the county. This is currently being refreshed and will be published in the spring of 2010.

3.32 The **Vision** is that Herefordshire will be a place where people, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and well being for all.

3.33 The **Local Area Agreement (LAA)** is closely aligned with the Sustainable Community Strategy and is structured around five themes:

- Economic and Enterprise;
- Children and Young People;
- Healthier Communities and Older People

- Safer and Stronger Communities;
 - Environment.
- 3.34 Within each theme there are a number of outcomes, underpinned by performance indicators which are regularly monitored to show progress towards the achievement.
- 3.35 Two important LAA priorities 2008-11 are to:
- Increase the economic potential of the county, with particular regard to higher skilled and better paid jobs;
 - Increase access to learning and development at all levels, and increase participation, in order to raise achievement, address worklessness and improve workforce skills.
- 3.36 The **Economic Development Strategy (2006)** for Herefordshire has a crucial role in delivering the LAA priorities, as it recognises that higher skilled workers can adapt more quickly to new innovations, are more flexible generally, play a key role in knowledge creation and are more able and likely to receive additional training at work.
- 3.37 To ensure that skill levels are improving, the Economic Development Strategy sets a number of performance indicators. Targets for the indicators are included in the Action Plan and reported each year through the aforementioned State of Herefordshire Report. It is difficult to quantify the extent to which these practical measures are helping improve skills attainment at this stage, but it would appear that the percentage of the working age population with NVQ Level 4 qualifications is slowly improving – 28% in 2007 compared with 25% in 2005.

4.0 Evidence base

- 4.1 Over the last few years and as part of its LDF the council has been preparing a wide range of background studies as evidence to support its Core Strategy. In September 2007, Drivers Jonas was commissioned by Herefordshire Council to undertake a comprehensive review of employment land requirements within the county for the period up to 2026, and this is relevant to education and skills, albeit distantly.
- 4.2 The overall aim of the study, as defined by the council, can be summarised as follows:
- “To consider the economic opportunities and threats to Herefordshire as a whole, and also the specific issues regarding Hereford city, the individual market towns and the wider rural area, in helping to maximise the economic opportunities of the county”.*
- 4.4 The study was carried out in accordance with the three-stage process for employment land reviews as detailed in the ODPM’s ‘Employment Land Reviews Guidance Note’ dated December 2004 (the Guidance Note).
- 4.4 In particular, the study was carried out in the following key identifiable stages:

- Stage 1: Existing employment and land situation;
- Stage 2: Future employment and land scenarios;
- Stage 3: Employment land requirements, advice on strategic locations and policy recommendations.

4.5 The Stage 3 Report, published in October 2009, confirms that Herefordshire's economy is considerably more primary and manufacturing sector dependent, than are either the rest of the West Midlands region or the rest of the UK.

4.6 However, the relative concentration of employment in Herefordshire on primary activity is to be expected given the rural nature of much of the economy and the large amount of land given over to agricultural and horticultural activities. The relatively high proportion of manufacturing employment is also not surprising, including that there is a significant amount of food and drink related activity. The natural concomitant of relatively high levels of employment in agriculture and manufacturing within Herefordshire is a relatively low level of employment in service activities, with much of the service employment geared to meeting the needs of local residents and employers, although the attractiveness of the area does mean that there is a thriving tourism sector serving a much wider market.

4.7 The study reveals also that Herefordshire is relatively over represented in the following sectors:

- Retailing;
- Hotels and catering;
- Public administration;
- Education;
- Health.

4.8 Conversely, Herefordshire is under represented in the financial services sector, in transport and communications and in business services and personal services.

Evidence drawn from local strategy documents

4.9 The local strategy documents referred to earlier in this report make clear that Herefordshire has a lower share of people employed in higher-level occupations than the regional average. The local economy is also undermined by the fact that many skilled Herefordshire residents work outside of the county.

4.10 Furthermore, whilst Herefordshire has a number of further education/post 16 facilities, the absence of a university means that many young people leave the county for higher education and younger people do not move here to study. This limits the ability of local businesses to find higher skilled workers, and can also restrict the establishment of new research, development and high-tech companies.

5.0 What can the Core Strategy do?

5.1 The emerging Core Strategy can bring about improvements in the level of educational and skills attainment by delivering the aspirations of the

Sustainable Community Strategy. To achieve this, the following long-term headline spatial vision is proposed:

“By 2026, Herefordshire will be a place of distinctive environmental, historical and cultural assets and local communities, with sustainable development fostering a high quality of life for those who live, work and visit here. A sustainable future for the county will be based on the interdependence of the themes of social progress, economic prosperity and environmental quality with the aim of increasing the county’s self-reliance and resilience.”

5.2 There are twelve objectives which underpin this vision, two of which directly concern education and skills:

Objective 3: *To support existing education, life-long learning and the retention of our young people through the provision and/or improvement of higher education, skills development and training facilities.*

Key issues addressed:

- Providing for the needs of all generations;
- The need to capitalise on educational achievements;
- Provision of, and access to, important services and facilities;
- Diversification of the economy.

Sustainable Community Strategy priorities:

- Children and young people achieve their potential in education, personal, social and physical development;
- Children and young people engage in further education, employment and training on leaving school;
- Develop a more adaptable and higher skilled workforce and make training available to help businesses take on employees.

Objective 6: *To provide more local, better paid job opportunities to limit out-commuting and strengthen the economy by attracting higher value-added, knowledge based industries and cutting-edge environmental technologies to new/existing employment land and enable existing businesses to grow and diversity, facilitated by the universal provision of a high bandwidth broadband service.*

Key issues addressed:

- Providing for the needs of all generations;
- The need to capitalise on educational achievements;
- Diversification of the economy;
- Regeneration of the county.

Sustainable Community Strategy priorities:

- Attract high quality and better paid employment into the county and encourage entrepreneurship and innovation;

- Develop a more adaptable and higher skilled workforce and make training available to help businesses take on employees;

6.0 Developing Options Consultation Results

- 6.1 Public engagement is an important element of developing the Core Strategy and a Developing Options Consultation took place through the summer of 2008 in order to determine the options which the council should address in more detail.
- 6.2 The consultation period ran from 16 June to 8 August 2008 and residents, statutory consultees and other interested bodies were encouraged to examine and comment upon, among other things, the council's draft spatial vision and objectives.
- 6.3 The Developing Options Paper asked the following question in respect of diversifying and strengthening the local economy:
1. How can we improve the county's skills base?
 - a. Create a university style campus in Herefordshire;
 - b. Support the development of new and extended school/college facilities;
 - c. Allow market forces and demand to prevail and judge any applications at the appropriate stage.
- 6.4 The results of the Developing Options Consultation reveal that there was overwhelming support amongst respondents for supporting new and extended school or college facilities (93%), and to some extent a university campus (76%). Conversely, there was minimal support for allowing market forces and demand to prevail (40%).
- 6.5 Some respondents made additional comments in respect of training and skills, but their suggestions do not represent alternative options because the Core Strategy cannot influence the type of training courses to be provided, nor is it necessary for the plan to specify the exact type of education facility that is to be utilised. This may be best determined following more detailed studies by prospective providers taking into account the results of relevant studies.

Sustainability Appraisal and Habitat Regulation Assessment

- 6.6 As part of the Sustainability Appraisal (SA) process of the whole Core Strategy, the objectives were appraised in April 2008 at the Developing Options stage. The results of that exercise were published in June 2008 and the objectives relating to education and skills were considered to be in conflict with the following SA Objectives:
- Objective 4 (Transport);
 - Objective 12 (Waste);
 - Objective 14 (Energy);
 - Objective 20 (Natural and Built Environment).

- 6.7 Although the likely effects of options A and V (para 6.3) were considered to be moving towards sustainability, the Habitat Regulation Assessment (HRA) reveals that both options may place additional pressure on water resources and air quality.

7.0 Further consultation and Sustainability Appraisal

- 7.1 Over the next few months, the council will be undertaking further consultation with relevant internal departments and external organisations in order to finalise a preferred policy. The list of consultees can be found at Appendices 1 and 2 of this report.
- 7.2 In August 2009, the council undertook four SA workshops in order to assess the sustainability of the emerging set of preferred directions for education and skills policies. The emerging policy directions were considered to be moving towards sustainability, albeit marginally, and a full copy of the SA and HRA of the Place Shaping Paper can be found on the council's website.

8.0 Conclusion

- 8.1 In conclusion, the policy framework at the national and regional level makes clear that increasing skills attainment within the workforce could result in greater productivity, the creation of wealth and social justice.
- 8.2 Herefordshire's aspirations in relation to education and skills are set out in the Sustainable Community Strategy, the LAA and the Economic Development Strategy. The aim of the Core Strategy is to make these aspirations happen on the ground by creating a more adaptable and higher skilled workforce. This can be achieved through equipping the majority of the working age population with higher-level qualifications.
- 8.3 The results of the Developing Options Consultation show that there is strong support for new and extended school or college facilities, and to some extent a university campus. On this basis alone, policies in the Core Strategy should facilitate the provision and development of establishments providing education and skills training to equip the local workforce with the qualifications required by local employers. This will also link with other policies promoting higher value-added employment opportunities in the county.

9.0 Way forward

- 9.1 Herefordshire Council needs to demonstrate that there are clear mechanisms for monitoring the outcomes of policies (including education and skills policies) within its Core Strategy.
- 9.2 It is not the purpose of this report to propose indicators to measure all education and skills outcomes, but pending the Core Strategy's adoption, the policies for education and skills will need to be reviewed annually for the following purposes:

- To take account of policy changes at the national, regional or local level;
 - To monitor the number of sites which have achieved planning permission for an educational or skills training facility;
 - To monitor the number of people with higher-level qualifications;
 - To establish whether or not progress has been made in the provision of a University Centre.
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Appendix 1: List of internal consultees

Karen Night - *Capital and Asset Manager*

Rob Reid - *School Planning and Access Manager*

Colin Birks - *Property Services Manager*

Tony Featherstone - *Strategic Asset Manager*

Claire Winterbottom - *Performance Improvement Officer*

Susan Cobourne - *Adult and Community Learning Manager*

Nick Webster - *Economic Development Manager*

Appendix 2: List of external consultees

Advantage West Midlands

Herefordshire Partnership

County Association of Local Councils

Chamber of Commerce Herefordshire and Worcestershire

Rural Community Council for Hereford and Worcester

Confederation of British Industry West Midlands

The Gypsy Council for Health, Education and Welfare

South Wye Regeneration Partnership

Herefordshire and Worcestershire Learning and Skills Council

Appendix 3: Bibliography and Further Reading

National documents

Education and Skills Act 2008, London: HMSO

DUIS (2007): *World Class Skills – Implementing the Leitch Review of Skills in England*, London: HMSO

Planning policy statements/guidance notes

DCLG (2009): *PPS4 – Delivering Sustainable Economic Development (Consultation Draft)*, London: HMSO

DCLG (2006): *PPS1 - Delivering Sustainable Development*, London: HMSO

Regional documents

GOWM (2008) *Regional Spatial Strategy for the West Midlands (Incorporating Phase 1)*, London: TSO

AWM (2007): *Connecting to Success – West Midlands Economic Strategy*, Birmingham

Sub-regional documents

The Herefordshire Partnership (2009): *The State of Herefordshire Report*, Hereford

Herefordshire Council (2009): *Core Strategy - Developing Options Analysis Schedules*, Hereford

Herefordshire Council (2009): *Core Strategy - Developing Options Paper Sustainability Appraisal*, Hereford

Herefordshire Council (2009): *Core Strategy - Habitat Regulation Assessment*, Hereford

Herefordshire Council (2008): *Shaping our Place 2026 - Core Strategy Developing Options Paper*, Hereford

The Herefordshire Partnership (2008): *Herefordshire Story of Place Local Area Agreement 2008-2011*, Hereford

The Herefordshire Partnership (2006): *The Community Strategy for Herefordshire “A Sustainable Future for the County”*, Hereford

Herefordshire Council (2006): *Economic Development Strategy*, Hereford

Internal technical studies

Urban Initiatives (2008): *ESG Masterplan*, London

External technical studies (consultants)

Drivers Jonas (2009): *Herefordshire Employment Land Study – Final Report*, Birmingham

Background papers

Herefordshire Council (2009): *Core Strategy - Developing the Vision and Objectives Background Paper*, Hereford