

ANNEX 1

The following is a table of the 2004 HLMR review structure as developed by the Healthy Labour Market Review Group.

TABLE 23: Original HLMR Structure

Closer to Policy Indicators		Broad Outcome Indicators	
<i>Rapid functioning</i>	Business generation	<i>Output and Productivity</i>	GVA per head
	Business survival		GVA per hour worked
	Labour market turnover		Manufacturing GVA per capita
	Vacancies	<i>Structure</i>	Size of business by number of employees
	Redundancies	<i>Employment</i>	Employment rate
<i>Skills</i>	Hard-to-fill vacancies		Employment growth
	Skills shortage vacancies		Unemployment rate
	Internal skills gaps		Claimant unemployment
	Employer training		Long-term unemployment
Learning Targets		<i>Demography</i>	Population by age, gender and ethnicity
<i>Participation</i>	16-18 participation rate		Inter-regional migration
	Adult participation		Internal migration
<i>Workforce qualifications</i>	Basic literacy, language and numeracy		Household income
	NVQ level 2 equivalent		
	NVQ level 3 equivalent		
	NVQ level 4 equivalent		

ANNEX 2

LSC TARGETS⁸⁵

National Perspective

- The PSA target for young people for which the LSC has responsibility is to increase the proportion of 19 year olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008. The LSC has also responsibility to increase the proportion of 19 year olds with a Level 3 qualification.
- As part of the overall target, there is a Performance Indicator for the delivery of Apprenticeships. By 2008, the number completing their apprenticeship will have risen by three quarters.
- The adult targets focus on increasing the number of adults with the skills required for employability and progression to higher levels of training:
- Improve the Skills for Life levels of 2.25 million adults between 2001 and 2010, with a milestone of 1.5million in 2007.
- Reduce by at least 40 per cent the number of adults in the workforce who lack a Level 2 by 2010. Working towards this, one million adults in the workforce are to achieve Level 2 between 2003 and 2006.

Regional Perspective

- By the end of 2003/04, there were 41,930 19 year olds who had attained a Level 2 by age 19⁸⁶.
- By the end of 2003/04, there were 26,545 19 year olds who had attained a Level 3 by age 19⁸⁷.
- Approximately 1,666,000 economically active adults are qualified to Level 2 or above (72 per cent)⁸⁸.
- Skills for Life: by July 2004, there were 54,904 Skills for Life achievements. The region is working to add another 63,850 achievements by 2007 and a further 68,010 by 2010.⁸⁹

⁸⁵ Information provided by Devon and Cornwall LSC.

⁸⁶ LSC data June 2005.

⁸⁷ LSC data June 2005.

⁸⁸ LFS February 2003-March 04.

⁸⁹ The 2007 and 2010 milestones are provisional. Source: LSC June 2005.

GLOSSARY OF TERMS

Business churn: The movement of firms into and out of the market.

Capital: physical economic resources, eg plant and machinery, factories and offices, available for use as a factor of production with labour to generate output. If 'capital' means financial capital, it is stated as such.

Disposable income: the amount of income left after deductions such as income tax, pension contributions and national insurance.

Entrepreneurs: people who undertake the risks of innovative production of goods and services in the expectation of future returns.

Equilibrium: a state of market balance – where there is no tendency or incentive to change demand and supply.

Globalisation: The growing inter-dependence amongst world economies and enterprises, reflecting new technologies and the removal of barriers to international commerce.

Gross Domestic Product (GDP): the total value of all goods and services produced in a given time and in a given geographic or politically-defined area, excluding net property income from abroad.

Gross Value Added (GVA): the aggregated difference between the value of final goods (turnover) minus the cost of bought in raw materials and intermediate goods.

GDP = GVA (-taxes + subsidies on products)

Human Capital: the accumulated stock of skills, knowledge and expertise of workers/labour.

International Labour Organisation (ILO) unemployment: those who are not in work, want a job, have actively sought work in the previous 4 weeks and are available to start work within the next fortnight, or, out of work and have accepted a job which they are waiting to start in the next fortnight

Intervention: the accumulation of capital resources that enable economic actors to produce goods and services and yield returns in more than one period.

Labour Market: the market in which demand and supply for labour is effected – firms willing to employ workers and labour seeking employment.

Market Failure: occurs when the workings of the price mechanism are imperfect and result in an inefficient or unfair allocation of resources from the perspective of society.

NEETS: Young people not in education, employment or training.

NUTS: There are three levels of Nomenclature of Units for Territorial Statistics (NUTS) in the UK. NUTS 1 are Government Office Regions and Scotland, Wales and Northern Ireland. NUTS 2 consist of 37 areas often referred to as sub-regions. NUTS 3 consist of 133 areas that are generally groups of local authority areas or districts and are often referred to as local areas

Productivity: total output divided by total inputs (factors of production).

Real Terms: the adjustment of monetary values for the effects of inflation.

Total Factor Productivity (TFP): This measure combines both capital and labour productivity into one single measure.

ABBREVIATIONS

ABI	Annual Businesses Inquiry
BEM	Business and Economy Module
DfES	Department for Education and Skills
ESF	European Social Fund
ESOL	English for Speakers of Other Languages
FRESA	Framework for Regional Employment and Skills Action
GEM	Global Entrepreneurship Monitor
HE	Higher Education
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
HESA	Higher Education Statistics Agency
HLMR	Healthy Labour Market Review
ICT	Information and Communications Technology
IER	Institute for Employment Research
IES	Institute for Employment Studies
LFS	Labour Force Survey
LSC	Learning and Skills Council
LSDA	Learning and Skills Development Agency
NEET	Not in Education, Employment or Training
NES	New Earnings Survey
NESS	National Employers Skills Survey
NUTS	Nomenclature of Units for Territorial Statistics
NVQ	National Vocational Qualification
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
PSA	Public Sector Agreement targets
R&D	Research and Development
RA	Regional Assembly
RDA	Regional Development Agency
RES	Regional Economic Strategy
SBS	Small Business Service
SLIM	Skills and Learning Intelligence Module
SME	Small and Medium-sized Enterprises
SWO	South West Observatory
SWESA	South West Enterprise and Skills Alliance
SWIP	South West Impact and Performance Group
SWRDA	South West (of England) Regional Development Agency
TEA	Total Entrepreneurial Activity
TFP	Total Factor Productivity
WBL	Work-Based Learning