

LEVEL 2 / LEVEL 3 PRIORITIES WITHIN THE EAST MIDLANDS 2006/7 PLANNING YEAR.

1. Background

The Skills Strategy published in June 2003 outlined several key skills issues to be addressed if business was to compete internationally and individuals could access the skills that would help them remain employable and to remain personally fulfilled. The Skills Strategy identified a key role for the Regional Skills Partnerships in identifying level 3 qualifications that were of significant importance to the regional economy.

This Level 2 / 3 Steering Group was established on behalf of the Employment and Skills for Productivity Partnership (esp) to identify priorities for level 3 and give a clear steer on those level 2 priorities that should be the feature prominently in any level 2 entitlement. The esp was keen to ensure an evidence-based approach to the development of the priorities at both level 2 and 3. This report has focused on the sector priorities of some but not all of the esp priorities. It has not covered:

- Clothing and Textiles
- Environmental Technologies
- Medical / Pharmaceutical / Biotechnology
- Creative Industries

This is mainly related to the likely change to the prominence of these sectors / clusters to the region likely to come from the review and re-draft of the Regional Economic Strategy (RES) or the fact that the key skills requirements for the sector / cluster resided at higher than level 3 needs.

This report is the second in the series of reports and has been updated by the Learning and Skills Council (LSC) and Sector Skills Councils (SSCs) since June 2005 to reflect the changing needs of employers in the region. It provides a key pointer in the establishment of priority qualifications demanded by the sectors and serves as a significant planning tool for the LSC and its providers in shaping the mix and balance of provision to meet employer and workforce needs whilst helping to achieve the key Public Service Agreement (PSA) targets of reducing the number of economically active people with qualifications below level 2. This is commonly known as the adult PSA target.

2. Methodology

In early 2005, a sub-group of the esp was formed to investigate Working Futures: New Projections of Occupational Employment by Sector and Region, 2002-2012 which was prepared by the Institute for Employment Research (IER). This work had been commissioned jointly by the Sector Skills Development Agency (SSDA) and the LSC. The 'results are intended to provide a sound statistical foundation, on a consistent and comparable basis, for the deliberations of the SSCs, Regional Development Agencies (RDAs) and Local LSCs, about future developments in

occupational employment'. The projections are based on the use of the Cambridge Econometrics (CE) multisectoral, regional macroeconomic model (RMDM), which provides the general economic scenario.

This analysis was supplemented by work commissioned by the esp as part of the development of the priority setting work. Work was undertaken by Craig Bickerton and Brian Peto in to those sectors and clusters that had shown the potential for employment growth, decline, productivity growth, and for the volume of employment currently within the sector.

All sets of data were reviewed by the esp and the Level 2 / 3 Steering Group and a set of sectors / clusters were identified as the key priorities for the esp. The sectors / clusters offer a balanced portfolio approach to the region and therefore include sectors / clusters that are large in employment terms, have the potential for significant growth or decline or have the potential for significant productivity growth. This approach supports the broad view of the esp that we should focus on issues relating to employment growth as well as employment quality alongside those sectors / clusters that will aid productivity growth and increase Gross Value Added and support the aim of the region to lose its "low skills; low equilibrium" tag. All of these reports can be accessed from the esp website at www.espartnership.org.uk – found in the labour market section.

The LSC embarked upon a process of analysing the data and prepare 16 industry sector analyses. This series of reports included reference to the skills related issues identified by the National Employer Skills Survey (NESS), SSCs and former National Training Organisations (NTO).

The reports also contain an analysis of each industry sector by nine broad occupational groups; this included a table providing a 'Local Indicator of Industry Skills / Qualification Need' derived from the literature sources referred to above. Each occupational group being assigned a notional qualification level based on the national framework of levels 1 to 5 with the inclusion of Basic Skills.

The methodological approach to both Working Futures data and the "Local Indicator of Industry Skills / Qualification Need' have been broadly circulated and discussed by regional partners. This included a formal presentation of a discussion paper¹ for the esp in August 2004 and a subsequent paper² proposing level 2 and level 3 priorities for the East Midlands region.

The Level 2 / 3 Steering Group have focused attention on these regionally important sectors / clusters for the determination of level 2 / 3 priorities.

The Key Sectors/clusters for the East Midlands region

- High Performance Engineering / Engineering Manufacturing
- Construction
- Health and Care

¹ A Synopsis of Industrial & Occupational Change in the East Midlands Region 2002-2012. Brian Peto. Nottinghamshire LSC

² Level 2 and 3 Priorities for The East Midlands Region 2002-2012. Brian Peto. Nottinghamshire LSC.

- Transportation, Distribution and Logistics
- Manufacture of Food and Drink
- Tourism, Leisure and Hospitality
- Retail
- Clothing and Textiles
- Environmental Technologies
- Pharmaceutical / Medical / Biotechnology
- Creative Industries - or 'New Media' / 'Technological Development'

During the work of this group, it became apparent that many sectors were identifying a cross cutting business and skills issue related to the use of IT within the business to drive value added processes and performance and the associated lack of appropriate skills of the workforce to effectively use IT. It was therefore agreed to add IT user skills to the list of priorities for the group to consider.

3. How did we determine the priorities?

Forecast Employment Growth

The Working Futures data provides detailed information in relation to local LSC areas and Government Office Regions. Data for each SIC and SOC is based upon official statistics from 1981 to 2002 with IER employment projections through to 2012. These projections are the source of current and future employment growth by industry and occupation for the East Midlands region.

The forecast changes were included within a matrix providing a 'Local Indicator of Industry Skills / Qualification Need' where each occupational area was awarded a score. The matrix was developed to provide a detailed examination of employer demand. Notwithstanding the tensions that exist between employers' demands for skills versus the supply of qualifications, the matrix attempts to provide a logical approach to identifying and prioritising the varying skills level requirements between industry sectors and main occupational areas. Details of the methodology used accompany the matrix.

4. The rationale used in scoring is as follows:

4.1 Estimate of Occupational Need - Which occupations require support and at what level?

Applying the knowledge and understanding of the skills / qualifications needs within each of the occupational areas, this scoring system uses a score of '0' to indicate 'no perceived need' through to a score of '4' indicating 'significant need'. This column provides a weighting to identify the level of learning needs for each occupational area.

4.2 Skills Shortage Factor - Which occupations are affected by skills shortages and how severe are they?

Using information from NESS and other literature in relation to reported skills shortages, the scoring system indicates the severity of a skills shortage where a score of '0' indicates 'none' to '3' indicating 'significant skills shortages' to provide a weighting for those occupations affected by skills shortages.

4.3 Employment Factor - How important is each occupational area to the industry?

This column applies a factor using the projected employment growth / decline and the proportion of current employment within the industry for each occupation. This provides a factor relative to predicted occupational growth / decline thereby weighting those occupations predicted to grow, thus indicating skills demand and need for training, whilst also providing a weighting for the need to retrain in occupations predicted to decline.

4.4 Economic Factor - How important is this industry to local employment?

This weighting factor is relative to the proportion of employment the industry accounts for, thereby prioritising the occupations within it for attention.

4.5 LSC Target Factor - Which occupational areas present opportunities for workforce development that may contribute to LSC Targets?

This column adds the scores awarded to Basic Skills, level 2 and level 3 qualifications and so raise the profile of those occupational areas where LSC resources might be directed.

4.6 Sector Priority Factor - Is this industry a priority sector?

Provides a series of weightings dependent upon whether the sector has potential to offer: a) high-level employment as identified within the RES; b) a key employment sector identified for skills action within the old FRESA; and, c) whether the sector is identified by the LSC as a priority. This weighting is therefore cumulative depending upon whether the sector falls within any combination of the three or, none.

For example, Table 2 taken from the paper 'Level 2 and 3 Priorities for The East Midlands Region 2002-2012', illustrates how the matrix uses the projections for employment growth and scoring to arrive at level 2 and level 3 priorities in Engineering for Technicians, Business, Administration and Skilled Trades which emerges as having the highest score in relation to skills / qualifications needs.

Table 2 – ENGINEERING

Engineering	2002	2012	2002 - 2012 Change	Basic Skills	Level 1	Level 2	Level 3	Level 4	Level 5	Total Score	Level 2 & 3 Score
11 Corporate Managers	7556	7440	-116	0	0	0	3	4	3	10	3
12 Managers & Proprietors	413	357	-56	0	0	0	2	3	1	6	2
21 Science/Tech Professionals	3561	3427	-134	0	0	0	4	4	3	11	4
22 Health Professionals	53	63	9	0	0	0	0	0	0	0	0
23 Teaching/Research Prof.	205	148	-58	0	0	0	0	0	0	0	0
24 Business/Public service Prof.	1424	1396	-28	0	0	2	3	3	1	9	5
31 Science/Tech Associate Prof.	2467	2406	-61	0	0	2	4	3	1	10	6
32 Health Associate Prof.	154	134	-20	0	0	0	0	0	0	0	0
33 Protective Service Occs	297	275	-21	1	1	0	0	0	0	2	0
34 Culture/Media/Sport Occs	497	510	13	1	1	1	0	0	0	3	1
35 Bus/Public Serv. Assoc Prof.	2872	2610	-262	0	0	2	4	3	1	10	6
41 Administrative Occupations	4085	3845	-240	2	2	4	2	1	0	11	6
42 Secretarial & Related Occs	1452	1058	-395	1	1	3	1	1	0	7	4
51 Skilled Agricultural Trades	1203	1108	-95	1	1	3	1	0	0	6	4
52 Skilled Metal/Elec Trades	10065	5990	-4075	2	2	4	3	2	0	13	7
53 Skilled Construct. Trades	2394	1872	-521	2	2	3	2	1	0	10	5
54 Other Skilled Trades	827	554	-274	1	1	2	1	0	0	5	3
61 Caring Personal Service Occs	182	172	-10	0	0	0	0	0	0	0	0
62 Leisure/Oth Pers Serv Occs	378	332	-46	0	0	0	0	0	0	0	0
71 Sales Occupations	650	599	-51	1	1	2	1	0	0	5	3
72 Customer Service Occupations	658	924	266	1	1	2	1	0	0	5	3
81 Process, Plant & Mach Ops	7499	5435	-2064	4	4	4	1	0	0	13	5
82 Transport Drivers and Ops	3758	3186	-573	4	4	4	0	0	0	12	4
91 Elementary: Trades/Plant/Stor	3329	2528	-801	4	4	4	0	0	0	12	4
92 Elementary: Admin/Service	2673	1858	-815	4	4	4	0	0	0	12	4
All occupations	58651	48227	-10423	29	29	46	33	25	10	172	79

Source: Working Futures: New Projections of Occupational Employment by Sector and Region, 2003, SSDA/LSC/IER/CE. Electronic Resource

5. Detailed analysis of skills and qualifications by esp sector / cluster priority

Approach

The Level 2 /3 Steering Group agreed that the LSC Sector Skills Managers, for the relevant sector, would work with the SSC to determine the need for level 2 / 3 priorities and state priority qualifications if able. All work started with a review of the reports produced for the esp (contained within this document). Each Sector Skills Manager and SSC representative took soundings from employers and used details of any developing Sector Skills Agreement if available.

Their work was focused on identifying what key occupations and priority qualifications should be the focus of attention for any level 2 offer, but more importantly to determine any level 3 priorities. Details of the volumes of employees and potential take up of skills and qualifications are contained within a separate annex.

6. Recommendations

6.1 Engineering

LSC regional research and discussions with SEMTA identified the following in terms of Engineering NVQ priorities:

Level 3

Generally lie within replacement demand and the upskilling / multiskilling of the existing workforce particularly moving skilled operators at level 2 to level 3 technicians. There is also specific demand for advanced welders, electrical and electronics technicians, maintenance technicians, hydraulics and pneumatics and CNC operators all at level 3.

However the single biggest level 3 priority is the Business Improvement Techniques (BIT) NVQ. The current ESF project aims to deliver 60 level 3s but this is well short of the 300 required.

Level 2

Lie within the demand for skilled metal and electrical trades, although there is still a significant need to address the basic skills levels of those employed in low-level occupational areas.

Discussions with SEMTA would broadly support those findings though their discussions with engineering employers both nationally and regionally would indicate that at level 2 there is little enthusiasm for full NVQs – with employer interest at that level being focused on supporting the development of a more flexible workforce using NVQ modules / units to address specific needs particularly in areas such as:

- Welding (especially advanced welding which is a significant shortage area)
- Hydraulics
- Pneumatics
- CNC Operators

There is also interest in level 2 Technical Certificates, particularly in Electrical, Mechanics and Electronics.

However as for level 3, the biggest priority is the BIT level 2 NVQ which is being addressed to some extent by the regional ESF project that hopes to deliver 439 level 2s, but as for the level 3 this target falls well short of the 1,200 required.

There is clearly significant employer interest in Lean Manufacturing Skills and SEMTA are actively encouraging the level 2 VRQ / NVQ in BIT rather than the traditional Performing Manufacturing Operations (PMO) qualification, although there is still a strong demand for the more challenging Performing Engineering Operations (PEO).

6. 2 Construction

The main focus for the industry is to ensure that the existing workforce and new entrants are fully qualified to full NVQ Level 2. NVQ Level 2 is now recognised as the minimum entry level requirement for all craft occupations. The East Midlands construction sector needs to qualify around 13,000 existing employees by 2010, (@ 2,600 by 2007) and recruit around 32,500 new entrants by 2010 (6,500 per annum).

The key requirements for the construction sector are for:

- Providers capable of delivering On Site Assessment and Training provision across a wide range and breadth of craft level NVQ level 2 qualifications to support the Industries Qualifying the Workforce agenda will be crucial to support the Sector Skills Agreement. A coordinated approach through the development a regional network of FE and private providers will enable employers to have a single contact point.
- Of the 6,500 new entrants, approximately 3,800 qualified NVQ level 2 new entrants will be required to undertake craft trades.
- Wood trades is currently the highest skills shortage in the East Midlands (1,000 average annual requirement from 2006-2010 qualified at NVQ level 2 / 3)
- Maintenance Occupations: Provision for Maintenance Occupation NVQ level 2 should be developed to meet the requirements of the housing and domestic repair and maintenance sector, to support sustainable housing developments, particularly as this represents just under 50% of the overall output in the sector. (Over 100 Maintenance workers required annually 2006-2010). Only two FE providers currently accredited to deliver.
- Plumbers (Over 400 average annual requirement from 2006-2010) Qualified to NVQ level 2 / 3 but the industry does **NOT** want Foundation / Craft level certificates
- Bricklayers - (500 average annual requirement 2006-2010) Qualified to NVQ level 2 / 3
- Plasterers - (200 average annual requirement from 2006-2010) Qualified at NVQ level 2)
- Painters & Decorators - (200 average annual requirement from 2006-2010) Qualified at NVQ level 2
- Steel erectors / structural (level 2 / 3 needed but not delivered within the East Midlands)

Full NVQ Level 3

There will be a requirement for some skilled workers to undertake level 3 in specialist areas and also where supervisory responsibilities are relevant. There is a significant shift towards higher-level occupations particularly Managers, Technical and Professionals all of which require level 3. (Cumulative average annual requirement of 1,800 Managers, Technicians and Professional staff 2006-2010).

There are also a number of other level NVQ level 2 / 3 needs that are currently not satisfied by regionally delivered provision, including steel erectors / structural, plant operatives at NVQ level 2, floorers at NVQ level 2 / 3, glaziers at NVQ level 2 / 3 and

other specialist building operatives at NVQ level 2, particularly Kitchen Fitting and Roofing and Cladding.

A full list of NVQs at levels 2 and 3 for construction can be found at annex B.

6.3 Health and Care

6.3.1 Social Care

Within social care settings, there is considerable support and encouragement for unqualified staff to seek qualification via the NVQ route. The value of a well-trained workforce is recognised by employers and the Government strongly supports these initiatives, providing employers with resources to aid staff to gain qualifications.

There is now access to NVQ level 2 and 3 in social care and in promoting independence – both of which are related to work with adults. For those specialising in residential childcare and foster care an NVQ level 3 is available and is now required for all staff continuing to be employed in these areas.

In order to drive up care standards, the Government has introduced National Minimum Standards for the sector requires the following:

- Registered managers of care homes must have two qualifications – one that is relevant to the care they are providing and one in management.
- Fifty per cent of care staff in care homes for older people and younger adults must hold a level 2 NVQ in care by December 2005.
- All new and existing staff of homes for younger adults (18 – 65) must be working towards level 2 or 3 qualifications even when the 50% target is reached, unless they can demonstrate that they are qualified by experience.
- In domiciliary care 50% of all personal care is to be delivered by workers NVQ qualified or equivalent by 1 April 2008. New personal care staff and those in post for less than two years must register and complete an NVQ even when 50% targets are reached. Managers are to have a nationally recognised management qualification equivalent to NVQ level 4 within the next five years.

National minimum standards also include requirements in relation to induction training, supervision and assessment of staff and a minimum number of training days per year for employees.

In recognition of the urgency of the problems facing the care sector, the Government did set a national workforce strategy which included a target of an additional 30,000 people employed within the sector with NVQ level 2 or higher by March 2006.

Significant increases in employment in the health and social work sector and in caring personal service occupations are forecast over the next eight years or so as a result of both structural change and replacement demand in the East Midlands. It is likely that some of the increased demand in social care will be in the area of

domiciliary care services as a result of the Government's drive to increase the number of people being supported in their own homes with intensive care packages. If increased capacity is to be provided it may be necessary to widen the pool from which the workforce is recruited – at the moment this is overwhelmingly female.

Targets set by respondents to a relatively recent TOPSS survey of independent sector providers in the East Midlands suggest that employers are aware of this potential problem and are seeking to address it.

Employers have high demand for skills training – not all linked to level 2 but include items such as generic essential skills such as first aid, manual handling etc, introduction to the TOPSS England standards, softer generic skills such as communication, managing aggression, IT and training towards specific issues related to the part of the service the employer / employee is involved with such as working with adults, dementia etc.

The demand for this type of training is likely to remain high, in part due to high rates of staff turnover. However there are significant barriers to employers training their staff, despite the need to meet minimum care standards. These barriers relate to a lack of funding, lack of time and lack of cover. These are compounded by the part time nature of the workforce and the small size of workplaces which are likely to lack both specialist HR functions and staff cover for training. Delivery in the workplace will be crucial to this sector.

Key Qualifications for the East Midlands – Social Care

Level 2

- NVQ 2 Care Award

Other level 2 qualifications needed include:

- Intermediate GNVQ Care level 2
- New joint Health and Social Care awards
- BTEC National Diploma Social Care

In terms of developing the existing workforce:

- Certificate in Mental Health (RVQ)
- Mentoring and Coaching Diplomas
- C & G certificate in “personal development and learning for unpaid carers”
- LIM awards for managers at levels 2 – 5

Level 3

- NVQ 3 Care Award
- NVQ 4 and Registered Managers' Award
- A1/V1 NVQ Assessors' Award

6.3.2 Key Qualifications for the East Midlands – Health care

Level 2

- New Health awards level 2 awards to meet specific health and clinical care roles and functions e.g. Blood donor support, Clinical Support and Peri operative care support
- NVQ 2 NHS Support Worker Customer Service
- NVQ 2 in Operating Department Support
- NVQ 2 Pharmacy Services
- Level 2 intermediate awards in general theatre conditions

Level 3

- Health awards Level 3
- Other level 3
 - Diploma in Anatomy and Physiology
 - Access to Nursing and Social Care
 - National Certificate in Health Studies
 - National Diploma / Award (Dental Technology)
- NVQ 3 in:
 - Pharmacy Services
 - Oral Health Care: Dental Nursing
 - Operating Departmental Practice
 - Diagnostic and Therapeutic Support
 - Dialysis Support
 - Custodial Health Care

6.3.3 Child Care and Early Years

The key drivers for the sector relate to the need to increase the size of workforce to support expansion, meet Governments expectations (Every Child Matters and Next Steps), meet regulatory standards, enhance quality of provision and ensure children's safety and welfare – nationally the requirements are:

- Up to 180,000 new childcare workers by 2006
- At least 130,000 childcare workers to be trained to levels 2 and 3 by 2006
- Developing leadership and management skills
- Meeting basic skills needs

Regulation is encouraging and driving employer and workforce participation in training. The Day Care Standards require:

- The person in charge and supervisors in full day care settings to be qualified to at least level 3
- 50% of all staff to hold a Level 2 qualification

- Childminders are required to have completed a Local Authority approved pre-registration course within six months of commencing childminding

Key qualifications for support are:

Level 2

- Early Years Care and Education NVQ level 2

Other level 2 needs:

- BTEC Diploma in Early Years level 2
- Childcare and Education Good Practice – level 2
- Pre-School Practice – level 2
- Early Years Setting – level 2
- Early Years Practice – level 2
- Foster Care – level 2
- Residential Care – level 2

Level 3+

- Early years and care Education NVQ level 3 and 4

Other level 3 needs:

- Diploma in Childcare and Education
- Childminding Practice
- Professional Development in work with Children and Young People
- Pre-School Practice Diploma
- National Certificate in Early Years
- National Diploma in Early Years
- Early Years BTEC Award
- Early Years BTEC National Certificate
- Foster Care
- Residential Care

6.4 Transportation, Distribution and Logistics

Total regional Logistics employment at 2003 was estimated by the Labour Force Survey at 139,200 (73,100 within the Logistics SIC codes and a further 66,100 in Logistics related employment) and 176,045 by Working Futures in 2002 which also estimates that 16% have no formal qualifications, 50% have only levels 1 or 2, 20% have a level 3. Present FE provision of logistics related, but not specific, qualifications are estimated by DTZ Pineda at 40,000 students per year.

Research commissioned during 2005 by Skills for Logistics as part of stages 1 and 2 of the Sector Skills Agreement process has identified some key skills issues:

- The need for a range of management training that is user friendly both in content and mode of delivery to SMEs. Courses such as the CILT Certificate / Diploma and the Foundation Degrees in Logistics and Supply Chain Management will respond to this requirement at levels 3 and 4.

- Below management level there is a need for supervisory training for staff that have been promoted due to technical competence but are often lacking in any kind of people management skills. Even at this level there are disguised issues relating to Essential Skills of Literacy and Numeracy.
- At level 2 there are a range of upskilling needs involving drivers of goods vehicles, admin / clerical staff and warehouse personnel. These skills include both the occupationally specific and the generic such as Essential Skills (including ESOL) IT and Customer Service.

There are three main occupations that require support:

- LGV Drivers
- Warehouse Operatives / Store Men
- Administrative staff

The key qualifications to support these occupations are identified as:

- Driving Goods Vehicle NVQ level 2
- Warehouse and Distribution NVQ level 2
- Traffic Office NVQ level 2
- ITQ level 2 (ITQ is a new employer led and tested qualification that is designed to meet the needs of IT Users cross-sector. It has been tested in Logistics companies including TNT and can be customised to the employer's requirements)
- Customer Service NVQ level 2
- Essential Skills Support (incorporating ESOL) and National Test at level 2 is seen as a precursor to involvement of individuals on NVQ programmes.

Level 3

The main occupations at this level are:

- Management - Strategic awareness, planning, problem solving and team Building and communications
- Supervisory / Charge Hands - Team working, general IT, literacy and numeracy
- LGV Drivers - A particular emphasis on customer service skills, general IT and in cab technology, installation and testing of goods on site etc., literacy and numeracy

The sector and employers are looking for the following qualifications:

- Chartered Institute of Logistics and Transport Certificate - This is the knowledge and competence based route; a level 3 qualification for managers which, depending on the chosen modules, can lead to exemptions from the Certificate of Professional Competence (CPC)
- Certificate of Professional Competence - This level 3 qualification is mandatory in order to obtain a road haulage freight operations transport licence

- Driving Goods Vehicle NVQ level 3 - A newly developed qualification (designed to encourage progression for LGV drivers to level 3 NVQ from either no NVQ or from the current NVQ 2 which compliments the LGV C and C+E licences).
- Warehouse and Distribution NVQ level 3
- ITQ level 3. ITQ is a new employer led and tested qualification that is designed to meet the needs of IT Users cross sector and will contribute to the PSA Adult Level 2 targets. It has been tested in logistics companies including TNT.

6.5 Manufacture of Food and Drink

19% of people working in the sector in the East Midlands have no qualifications. A further 32% have qualifications below level 2. Less than half the workforce, therefore, fit the LSC priority client group definition (having no qualification at level 2 or above). This is worse than the national average or the sector. There are some sub-sector variances in the distribution of those with less than level 2 qualifications as follows:

- Fruit and vegetables 78%, dairy 67%, meat 66%, “other foods” 58%, milling and starches 50%, animal feeds 33% and beverages 13%.

Whilst there is provision that caters for the food industry, there is a distinct lack of provision for the manufacture of drinks industry. In part this is due to there being no specific related qualifications. There are elements within the food sector being used at level 2 but this is an area that will need further development by the SSC and the associated Awarding Body. There is some synergy with the engineering sector and many manufacturing industries do tend to use the BIT qualification focussed on lean manufacturing. This could offer a way forward within the East Midlands as an interim measure.

The sector has identified some key occupations as qualifications as follows:

Level 2

- Process, plant and machine operatives, and other skilled trades requiring key qualifications in:
 - Food and Drink Manufacture
 - PMO (moving to BIT) level 2, Engineering Maintenance at level 2,
 - ILM in Team Leading
 - NVQ level 2 in Meat and Poultry Processing

Level 3

- Science and technical associates, skilled mechanics and electrical trades requiring qualifications for:
 - Food Science and Technology at level 3
 - Engineering Maintenance at level 3
 - Food and Drink Manufacturing at level 3
 - ILM in Food Manufacturing at level 3

- Business Improvement Techniques

6.6 Tourism, Leisure and Hospitality

Whilst the arts and entertainment area have a high proportion of well-educated staff, the tourism and hospitality sector³ in contrast, has a large proportion of its workforce (26%) with qualifications no higher than level 2⁴. There is a broad spectrum of qualifications across the sector, in some areas around 9% of the staff possess a degree and 26% A levels. At the opposite end over 14% of the staff have no educational qualifications.

Within Tourism and Leisure 73% of all employment falls within three sub-sectors:

- Other Sporting Activities (39%)
- Operation of Sporting Arenas and Stadiums (20%)
- Gambling and Betting Activities (14%).

Level 2

The industry SSC (People 1st) identifies a need for level 2 qualifications among Managers and Proprietors. Their analysis of official statistics identifies that 32% of managers working in the hospitality sector are not qualified to level 2. Within Hotels and Catering, almost two-thirds (62.7%) of all employment falls within two occupational groups. Managers for whom employment is predicted to fall slightly and Elementary Occupations forecast for significant decline.

Level 2 priorities are relevant to managerial, administrative skilled trades, customer service e.g. receptionists; call centre staff, waiting / bar staff and elementary occupations.

Level 3

The industry employs people at level 3 order jobs in managerial positions including corporate and owner managers, associate professional and technical as well as other skilled trades. Whilst the research shows a decline on the employment within this sector it masks a major skills gap and shortage within the sector. Feedback from the sector indicates that there is a skills shortage for chefs and cooks requiring an increase in training provision despite an overall decline in employment.

Level 3 priorities are identified as falling within Managerial, Personal Service Professionals e.g. travel agents and travel tour guides and some skilled trades.

In management / supervisory levels, whilst there is a predicted decline in employment there is currently a skills gap and shortage for managers and supervisors and training should be targeted at this important group.

³ The sector is made up of 14 industries: hotels; restaurants; pubs, bars and nightclubs; contract catering; visitor attractions; travel services; tourist services; membership clubs; events; gambling; hospitality services; youth hostels; holiday parks and self-catering accommodation.

⁴ Source: Labour Force Survey, average of 4 quarters, 2003q2 to 2004q1.

The key qualifications defined by the sector are:

Customer Service

Level 2 / 3

- NVQ in Customer Service

Managers

Level 2

- NVQ in Team Leading
- First Diploma in Business
- National Diploma in Business
- Level 3
- NVQ in Management
- National Certificate in Business
- National Diploma in Business

Supervisors

Level 3

- NVQ in Restaurant Supervision
- NVQ in Hospitality Supervision
- National Diploma in Hospitality Supervision
- NVQ in On-Licensed Premises Supervision
- NVQ in Accommodation Service

Skilled Trades (Chefs)

Level 2

- NVQ in Food Preparation And Cooking
- NVQ in Food Processing And Cooking
- Food & Drink Service

Level 3

- NVQ in Food Preparation and Cooking (General)
- NVQ in Food Preparation and Cooking (Kitchen and Larder Work)
- NVQ in Food Preparation and Cooking (Patisserie and Confectionery)
- NVQ in Food Service Advanced Craft
- NVQ in Craft Baking (Technical Operations)

Front of House Occupations

Level 2

- NVQ in Bar Service

Travel Agents / Tour Guides

Level 2

- First Diploma in Travel and Tourism
- NVQ in Travel Services (Leisure Travel, Business Travel, Call Centre Operations)

Level 3

- Advanced VCE (Double Award) in Travel and Tourism

- National Diploma in Travel & Tourism

Elementary occupations

Level 2

- NVQ in Housekeeping
- NVQ in Hospitality Quick Service
- NVQ in Hospitality Service

6.7 Retail

The retail sector is of major economic importance to the UK economy. It is thought to currently employ between 2.7 and 2.9 million people.

Employment demand will continue to be strong, particularly replacement demand. This means that those possessing a broad base of the core retail competences will continue to find employment within the sector.

However, it should be noted that the growth in new jobs, although strong in the five years to 2003, is now indicating a decline in overall employment in the sector, although growth is still predicated across some occupational areas, i.e. sales occupations. Consideration to the impact on employment figures need to be tempered in light of the new retail developments that are projected within Leicestershire, Nottinghamshire and Derbyshire. There are some 184,000 people employed in retail across the region of whom around 60% (110400) have either basic skills needs or lack qualifications at level 2

As the nature of retail changes, there are a number of high profile skills areas that will need to be addressed, both in terms of quality of people of people with the available skills and also the quantity. These include Management and Leadership, Customer Services, Information Technology and Basic Skills.

There are also ranges of core retail competences that will be demanded of employers to be of a consistent high standard. These include sales, property management, money management, dealing with security and health & safety.

Key Qualifications

Level 2

- NVQ Level 2 Retail Operations
- NVQ 2 Optical Retailing
- Technical Certificate
- BTEC First Diploma - Retail, Business Administration, General Business (entry level qualification)
- Certificate in Retail Principles (Nine units at level 2)

Level 3

- BTEC National Award / Certificate / Diploma
- NVQ 3 Retail Operations
- NVQ 3 Optical Retailing

6.8 IT

IT User skills remain a key issue: 29% of businesses with skills gaps are looking to improve the general IT user skills of their employees and employers forecast that IT user skills will gain in importance over the coming 3 years.

IT user skills are changing and will continue to change rapidly. New channels to market such as increasingly virtual shop fronts will require IT users with the skills to use them such as publishing to the web, remote and collaborative working will require more users to use portable devices and operate on the move, and, as the need for routine data entry and administrative work continues to decline, the skills to exploit technology effectively will increasingly be taken as a given.

40% of today's IT Users, eight million people, are reported to have received no IT training. IT skills are often developed on the job and informally. Too often this results in patchy skills development which does not enable either the organisation or the individual to achieve their full development. This widespread informal approach may be one reason why the UK has not realised the productivity gains from IT that have been seen in the US and elsewhere.

Employers often find it difficult to assess IT user skills and diagnose skills needs accurately and to update their IT workforce skills in line with business needs. Forecasts indicate that employers see an increase in the complexity of IT user skills in the very near future. In 2003 6% of staff were required to have 'Advanced level' IT user skills. By 2006 this will have risen to 12%, which equates to over 1.4 million people needing a significant upgrade in their IT User skills over the next three years. Approximately seven million people in the workforce are not IT users and many of them lack basic IT skills. They are often the same people who have poor literacy and numeracy skills and are in increasing danger of finding themselves excluded from the labour market and suffering from other forms of social exclusion.

Level 2 / 3 Priorities

e-skills UK, through its cross sector responsibility for IT Users nationally, does not see 'more of the same' as being beneficial to employers, with regard to existing provision of IT User qualifications. Many existing IT User awards are not appropriate for businesses, being too prescriptive and lacking transfer to workplace competence.

The ITQ at level 2 and 3 has been designed and tested to overcome this problem and we recommend it be the main qualification of choice for upskilling the workforce in IT Use.

SSCs with a higher than average incidence of IT user skills gaps are; CITB Construction Skills, Finance, Go skills (passenger transport), e-skills UK (IT and Telecoms only), Justice and Skillset (Audio Visual)

The ITQ is a new qualification and as such there is a great deal of capacity to be developed within the provider infrastructure to move from current IT provision to the new, sector specific provision.

7. Recommendations

This report offers an up to date and full analysis of employer needs for level 2 and 3 qualifications in the top priority sectors of the East Midlands region (covering employment size and need).

This report will be used by local LSC internal colleagues to help plan and purchase provision to meet needs and targets, it will help LSC Sector Skills Managers work with employers, SSCs and providers to ensure that appropriate provision is made available to meet economic needs in the region.

It will be a key feature in helping to plan the provision needed for the new Train To Gain programme and should form a useful piece of information to inform providers in the region on the relative priority of provision and qualifications.

ANNEX A

SECTOR	2005/6	2006/7	2007/8
Engineering			
Level 2 BIT	1000	1200	1400
Fabrication / Welding	200		
Level 3 BIT	300	600	
Welding / Fabrication	200	200	
Electrical / Electronics	400		
PEO	200		

Construction Recruitment, Employment Training Forecast by Occupational Area – New Entrants			
Occupational Areas	Average Annual Requirement		
	2005/6	2006/7	2007/8
Maintenance Workers – level 2	100	100	100
Steel Erectors level 2 / 3	100	100	100
Plumbers level 2 / 3	400	400	400
Technicians / Managers / Professionals – level 3	1600	1600	1600
Architects and Technical Engineers	700	700	700
Plant Operatives – level 2	100	100	100
Other CE Operatives – level 2	100	100	100
Wood Trades level 2 / 3	1,000	1,000	1,000
Electricians level 2 / 3	700	700	700
Roofers level 2 / 3	<100	<100	<100
Plant Mechanics / fitters level 2 only	100	100	100
Floorers level 2 / 3	100	100	100
Glaziers level 2 / 3	100	100	100
Scaffolders level 2 / 3	<100	<100	<100
Painters and Decorators level 2 only	200	200	200
General Operatives – level 2 only	100	100	100
Bricklayers level 2 / 3	500	500	500
Other SB Operatives level 2 only	200	200	200
Clerical – level 2	600	600	600
Plasterers – level 2	200	200	200
Source CITBConstructionSkills Employment & Training Forecast Oct 05			

Construction	Average Annual Requirement			
	2006/2007	2007/2008	2008/2009	2009/2010
Training Forecast – Existing workforce requiring NVQ Level 2	2629	3310	3503	3503
Source CITBConstructionSkills				

Sector	2005/6	2006/7	2007/8
Health and Social Care			
Level 2	10,449	10,825	11,215
Level 3	19,405	20,103	20,827

Early Years, Childcare and Play Work			
Level 2	1,601	1,659	1,719
Level 3	1,682	1,743	1,806

Sector	2005/6	2006/7	2007/8
Transportation, Distribution and Logistics			
Full NVQ level 2	320	355	375
Other level 2 (Introductory CILT Certificate in Logistics & Transport)	37	42	45
Full NVQ level 3 / Apprenticeships	143	233	410
based on 04/05 baseline enrolment data and predicted capacity building for two regional Logistics CoVES			
Other level 3 (CILT Certificate and Certificate of Professional Competence)	50	81	143

Sector	2005/6	2006/7	2007/8
Manufacture of Food and Drink			
BTEC Food Science and Management and Food Science and Technology level 3	100	100	100
Engineering Maintenance – level 2	250	250	250
Engineering Maintenance level 3	150	150	150
Food and Drink Manufacturing level 3	350	350	350
ILM Team Leading level 2 / 3	1000	1000	1000
NVQ 2 in Meat and Poultry Processing	250	250	250

Sector	2005/6	2006/7	2007/8
Tourism, Leisure and Hospitality			
Customer Service			
Level 2 NVQ Customer Service	1146	1260	1386
Level 3 NVQ Customer Service	188	207	228

Management			
Level 2 NVQ in Team Leading	160	176	194
First Diploma in Business	100	110	121

Level 3 NVQ in Management	66	73	80
National Diploma in Business	10	11	12
National Certificate in Business	45	50	55

Supervisors	2	3	4
Level 3 NVQ in Restaurant Supervision			
NVQ in Hospitality Supervision	248	272	300
National Diploma in Hospitality Supervision	41	45	50
NVQ in On-Licensed Premises Supervision	17	19	21
NVQ in Accommodation Supervision	3	4	5

Skilled Trades (Chefs)	840	924	1017
Level 2 NVQ in Food Preparation and Cooking			
NVQ in Food Processing and Cooking	91	100	110
Food and Drink Service	331	364	401
Level 3 NVQ in Food Preparation and Cooking (General)	92	102	112
NVQ in Food Preparation and Cooking (Kitchen and Larder Work)	145	160	176
NVQ in Food Preparation and Cooking (Patisserie and Confectionery)	18	20	22
NVQ in Food Service (Advanced Craft)	12	13	15
Advanced Double Award in Hospitality and Catering	32	35	39
NVQ in Craft Baking (Technical Operations)	11	12	13

Front of House Occupations	81	90	98
Level 2 NVQ in Bar Service			
Level 3 NVQ in Drink Service (Advanced Craft)	2	2	3

Travel Agents / Tour Guides	192	212	233
Level 2 First Diploma in Travel and Tourism			
GNVQ Intermediate Leisure and Tourism	106	116	128
NVQ in Travel Services (Leisure	26	29	32

Travel, Business Travel, Call Centre Operations			
Level 3 Advanced VCE (Double Award) in Travel and Tourism	338	371	409
National Diploma in Travel and Tourism	124	137	150
Elementary occupations	71	79	87
Level 2 NVQ in Housekeeping			
NVQ in Hospitality Quick Service	45	50	55
NVQ in Hospitality Service	4	5	6

ANNEX B

NVQ Full Level 2 Qualifications - Construction

Learning Aim Ref	Learning Aim Title
10000033	GNVQ in Intermediate Construction and the Built Environment
10000422	GNVQ in Intermediate Construction and the Built Environment
10000653	GNVQ in Intermediate Construction and the Built Environment
10012540	Construction Award
10019157	NVQ in Domestic Natural Gas Installation
10019169	NVQ in Domestic Natural Gas Installation and Maintenance (ACS)
10019170	NVQ in Domestic Natural Gas Maintenance
10022417	NVQ in Insulation and Remedial Maintenance Operations (Construction)
10023574	NVQ in Fencing
10029321	NVQ in Site Logistics (Construction)
10029710	BTEC First Diploma in Construction
10029990	NVQ in Installing Public Lighting Systems
10032848	NVQ in Mechanical Engineering Services - Plumbing
10033087	NVQ in Maintenance Operations
10033452	NVQ in Plant Maintenance
10033476	NVQ in Post Tensioning Operations
10033555	NVQ in Installing Public Lighting Systems
10033567	Certificate in Basic Plumbing Studies
10033713	NVQ in Mechanical Engineering Services - Heating and Ventilating (Maintenance of Systems Components)
10033737	NVQ in Mechanical Engineering Services - Refrigeration and Air Conditioning
10033750	NVQ in Mechanical Engineering Services - Heating and Ventilating Installation
10035102	Certificate in Small Commercial Refrigeration and Air Conditioning Systems
10035126	Certificate in Heating and Ventilation Installation
10035138	Certificate in Heating and Ventilating - Maintenance of System Components
10035394	NVQ in Specialist Installation Occupations (Construction)
10037068	NVQ in Thermal Insulation
10037470	NVQ in Erection of Precast Concrete (Construction)
10038565	NVQ in Fenestration Installation and Surveying
10045715	NVQ in Provide Energy Efficiency Services
10045727	Certificate in Thermal Insulation
10047852	Certificate in Domestic Natural Gas Installation and Maintenance
10050802	NVQ in Applied Waterproof Membranes
10050814	NVQ in Interior Systems
10050826	NVQ in Roof Sheeting and Cladding
10050875	NVQ in Mastic Asphalt
10050917	NVQ in Trowel Occupations
10050942	NVQ in Wood Occupations
10050978	NVQ in Floor covering
10051004	NVQ in Plastering
10051028	NVQ in Refractory Installations
10051041	NVQ in Sub-Structure Work Occupations - Underpinning Operations
10051065	NVQ in Steel fixing Occupations
10051077	NVQ in Roofing Occupations

10051090	NVQ in Associated Industrial Services Occupations
10051119	NVQ in Tunnelling Operations
10051120	NVQ in Chimney Engineering/Cleaning.
10051132	NVQ in Fitted Interiors
10051144	NVQ in Demolition
10051168	NVQ in Decorative Finishing and Industrial Painting Occupations
10051193	NVQ in Formwork
10051211	NVQ in Wall and Floor Tiling
10051247	NVQ in Wood Preserving - Industrial Pre-Treatment
10055848	NVQ in Construction Operations
10055861	NVQ in Plant Maintenance
10055873	NVQ in Plant Operations
10055885	NVQ in Plastering
10055897	NVQ in Steel fixing Occupations
10055903	NVQ in Trowel Occupations
10055915	NVQ in Wood Occupations
10057493	NVQ in Temporary Traffic Management
10057523	NVQ in Piling Operations
10057535	NVQ in Highways Maintenance
10057547	NVQ in Road building
10057584	NVQ in Accessing Operations and Rigging
10057791	NVQ in Construction Operations
1002931X	NVQ in Structural Waterproofing (Construction)
1004940X	NVQ in Industrial Building Systems
1005084X	NVQ in Stonemasonry
1005411X	Certificate in Plant Maintenance
1005585X	NVQ in Formwork
1005747X	NVQ in Specialist Concrete Occupations
1005750X	NVQ in Plant Operations
Q1053276	NVQ in Construction and Civil Engineering Services (Road Building)
Q1053657	NVQ in Glazing Installation and Maintenance
Q1053676	NVQ in Construction and Civil Engineering Services
Q1053793	NVQ in Wood Machining (Construction)

Source Learning aims Database

NVQ full level 3 qualifications – Construction

Learning Aim Ref	Learning Aim Title
274139	Access to Construction - The Sheffield College
10012928	Certificate in Knowledge of Electrical Installation Engineering
10015632	National Certificate in Construction
10015644	National Certificate in Civil Engineering
10015656	National Certificate in Building Services Engineering
10015668	National Diploma in Building Services Engineering
10015681	National Diploma in Construction
10017902	Advanced Construction Award
10019182	NVQ in Domestic Natural Gas Installation
10019194	NVQ in Domestic Natural Gas Installation and Maintenance (ACS)
10019200	NVQ in Domestic Natural Gas Maintenance

10023586	NVQ in Fencing
10026514	NVQ in Construction Site Supervision
10031042	NVQ in Electro-technical Services
10033464	NVQ in Plant Maintenance
10033579	Certificate in Plumbing Studies
10033725	NVQ in Mechanical Engineering Services - Heating and Ventilating (Rectification of Systems)
10033749	NVQ in Mechanical Engineering Services - Refrigeration and Air Conditioning
10033762	NVQ in Mechanical Engineering Services - Heating and Ventilating Installation
10038619	NVQ in Fenestration Installation and Surveying
10045119	NVQ in Construction Site Supervision
10048145	NVQ in Site Inspection
10048169	NVQ in Construction Site Supervision
10050838	NVQ in Roof Sheeting and Cladding
10050851	NVQ in Stonemasonry
10050899	NVQ in Mastic Asphalt
10050929	NVQ in Trowel Occupations
10050954	NVQ in Wood Occupations
10051016	NVQ in Plastering
10051053	NVQ in Sub-Structure Work Occupations - Underpinning Operations
10051089	NVQ in Roofing Occupations
10051223	NVQ in Wall and Floor Tiling
10051235	NVQ in Occupational Work Supervision
10055927	NVQ in Plant Maintenance
10057481	NVQ in Specialist Installations
10057596	NVQ in Accessing Operations and Rigging
10057924	NVQ in Construction Contracting Operations
1001567X	National Diploma in Civil Engineering
1003285X	NVQ in Mechanical Engineering Services - Plumbing
1003514X	Certificate in Heating and Ventilation Installation
1005098X	NVQ in Floor covering
1005117X	NVQ in Decorative Finishing and Industrial Painting Occupations
1005120X	NVQ in Formwork
Q1023960	NVQ in Construction Plant and Equipment Supervision
Q1028193	NVQ in Building Services Engineering - Site Supervision
Q1050257	NVQ in Town Planning Support
Q1050771	NVQ in Surveying Support
Q1050895	NVQ in Building Maintenance and Estate Service
Q1050903	NVQ in Construction Contracting
Q1052275	NVQ in Property and Caretaking Supervision
Q1052998	NVQ in Technical Design (Built Environment)
Q1053658	NVQ in Glazing Installation and Maintenance
Q1053794	NVQ in Wood Machining (Construction)
Q1053827	NVQ in Local Land Charges