

ANNEX A

Sector specific priorities

There are a number of areas to address in the provision supply at a sectoral level. These have been informed by detailed analyses of our provision by sector, alongside demand side information such as Sector Skills Agreements and Regional Sector Skills Dialogues. As such, they reflect the changes to provision supply that the sector says that it needs and might not all be wholly funded from the public purse. As stated in our Regional Statement of Priorities we expect to see an increased contribution from employers and employees to the cost of their training. It may be that a provider develops full cost provision to plug a gap in the market which does not align with LSC priorities for public funding.

Note that demand side intelligence is more advanced for some sectors than others and the difference between sectors in the level of detail given below reflects this.

Further analysis at a partnership team and provider level will support a more focused dialogue with providers leading to provision at all levels across the region which is better aligned with sector and employer need.

Broad principles

We will commission qualifications that are listed by Sector Skills Councils as those which are a priority for employers, against LSC priorities. To this end we will expect providers to keep up-to-date with, and shift provision in response to the sector qualification strategies of the Sector Skills Councils as they are developed. They will also need to ensure that their own workforce development responds to the changing needs of the sectors.

We want to ensure that sectoral progression routes through all levels of learning are in place.

We want to build capacity for assessors and verifiers across sectors, especially where we anticipate growth in demand.

We will support the development of foundation degrees that are aligned with sector needs, as a work-based learning route into higher level learning.

We will ensure that Centres of Vocational Excellence (CoVEs) link learning opportunities to employer demand and the changing needs of the sector

We will work closely with the local 14-19 diploma development groups to advise on employer needs and sectoral progression routes.

Health Sector (Skills for Health)

This is an important sector in terms of employment, and expected to grow¹. But there will be a greater need to recruit to the sector to replace those who leave through retirement and staff turnover. The volume of provision reflects the importance of the sector. The health sector recognises the need to upskill its workforce to meet rapid changes in service delivery. The Regional Economic Strategy highlights the importance of the Health and Social Care sector to the region for increased economic participation and also productivity growth.

Key focus is to:

- ensure that progression routes are in place to higher learning, including exploring the introduction of foundation degrees
- encourage employer engagement in apprenticeships at Level 2 and Level 3
- ensure that provision responds to the new Healthwork qualifications currently under development
- encourage male participation in learning programmes to address the gender imbalance.

Social Care Sector (Skills for Care and Development)

This is a growing sector, but replacement demand far outweighs expansion demand. There is significant demand for up-skilling the workforce, largely as a result of the Care Act legislation which sets minimum standards for the qualifications of the workforce.

Key focus is to:

- investigate and if necessary correct the fall in the volume of provision in both FE and WBL
- increase apprenticeship provision
- encourage employer engagement for managers at Level 4 to meet the national standard
- ensure that progression routes are in place to higher learning, including foundation degrees

¹ Note that all sector employment projections are based on the Working Futures II projections. These are based on historic trends and are policy neutral.

- encourage male participation in learning programmes to address the gender imbalance.

Early Years, Childcare and Play work (included in Skills for Care & Development and Skills Active)

This is a growth sector and a Government priority sector. The demand for up-skilling the workforce is a result of legislation which sets minimum standards for the qualifications of the workforce, and the ratio of qualified carers to children. The current minimum requirement for entry to the sector is Level 2, with a commitment from the sector to progress staff to Level 3.

Key focus is to:

- ensure that Skills for Life is embedded in learning programmes
- support the introduction of Foundation Degrees as a work based learning route to higher level learning within the sector
- build capacity for assessors and verifiers at Level 3.

Sports, Games and Recreation (Skills Active)

This is a small but growing sector. The announcement of the 2012 Olympic and Paralympic Games will have a major impact on this sector, with much growth anticipated, although the full impact is not yet known.

Key focus is to:

- support accredited coaching courses for the volunteer workforce in preparation for the 2012 Olympics
- develop the provider network to enable them to deliver flexible learning provision that meets the needs of the sector
- develop a work based learning route to higher level learning through a foundation degree.

Environmental and Landbased sector (LANTRA)

This is a small and declining sector, although there will be a need to recruit to the sector to replace those who are leaving through retirement and staff turnover. The importance of the sector to underpin the priority sectors of Food and Drink and Tourism and Hospitality is highlighted in the Regional Economic Strategy.

Key focus is to:

- maintain current levels of provision but work with LANTRA to the better align course content with the needs of the sector

Financial services (Financial Services Skills Council)

This sector is projected to decline slightly over the next ten years. But there will be a need to recruit to the sector to replace those who are leaving through retirement and staff turnover. Knowledge intensive business services are identified in the Regional Economic Strategy as key to productivity growth in the region. There is a demand for intermediate and higher level skills from this sector, including high level literacy and numeracy skills: the minimum qualification level needed for entry to the sector is Level 3.

Key focus is to:

- work alongside the Financial Services Skills Council to develop provision for the existing qualifications deemed as appropriate for the sector
- increase the capacity of provision to deliver the new qualifications as they come on stream including the new Apprenticeships in Advising on Financial Products, and in Retail Financial Services from 2007, and the Foundation Degree which is currently being developed
- focus provision at level 3 and above, while ensuring adequate provision at Level 2 for progression to higher levels
- explore the potential to develop a National Skills Academy spoke for the sector in the North East.

Communication Media (Skillset)

This is a very small sector, but is growing. Commercially Creative business (of which communication media is a part) is identified in the Regional Economic Strategy as a key strategic sector for a modern regional economy. There has been a shift in provision in 2005/06 to the Tees Valley area in response to the digital media and digital technologies 'super cluster' based in the Tees Valley – the 'DigitalCity'. The Communication Media workforce is highly qualified and Level 3 is seen as the minimum entry requirement to the sector.

Key focus is to:

- continue to shift provision to Level 3, while maintaining appropriate Level 2 provision for progression
- explore the feasibility of introducing the available Apprenticeship frameworks in the region
- maintain the current balance of provision in order to adequately support DigitalCity in Tees Valley.

Construction and the Built Environment (AssetSkills, ConstructionSkills, EUSkills, SummitSkills)

This is an important sector in terms of regional employment. Overall growth is expected, however this is predicted predominantly for those employed under the AssetSkills footprint. For those sectors with projected employment change, and where there is a decline, there will be a need to recruit large numbers to replace those who are leaving through retirement, particularly at craft level in ConstructionSkills and at intermediate and higher level in AssetSkills and ConstructionSkills. The qualification level of employees varies between the sub-sectors. Those employed under the AssetSkills footprint have particularly low skills – over 50% of employees do not have a Level 2.

Key focus is to:

- review the volume of Level 1 provision for young people, which has recently grown considerably in FE, and ensure that it has a clear progression route to Level 2
- increase the uptake of Apprenticeships at Level 2 and Level 3 and broaden the occupational offer to reflect the changing priorities of the sector
- increase the offer of Level 2 qualifications via the OSAT method of delivery through mainstream funding and Train to Gain, and review the location of delivery within the region. The North East target for Level 2 via OSAT for 2007/08 is 5644
- maintain the offer at Level 3 and 4 in FE
- further support the development of Foundation Degrees, as a work-based progression route to higher learning
- ensure that Skills for Life are embedded within workplace learning.

Transport and Logistics (Skills for Logistics, GoSkills)

Some growth is projected in this sector, largely in passenger transport. But there will be a greater need to recruit to the sector to replace those who leave through retirement and staff turnover. The sector has an ageing workforce and has difficulty recruiting young people. A large proportion of the freight transport sector have no or very low qualifications.

Key focus is to:

- working with the CoVE, increase provision in both FE and WBL of Driving Goods Vehicle qualifications at Level 2 and Level 3, and Carry and Deliver Goods qualifications at Level 2
- build capacity for assessors and verifiers within the sector, ensuring that they hold the appropriate qualifications and licences
- support Skills for Logistics and the Logistics CoVE in developing the hub and spoke model of delivery in the North East
- introduce the Foundation Degree in Logistics through the CoVE
- investigate increasing capacity in Level 3 provision to meet the needs identified by the Sector Skills Council.

Engineering (SEMTA, Cogent, Proskills)

This is an important sector in terms of employment. It is large & complex and the needs vary within the different sub sectors. Employment numbers are declining but there will be a need to recruit in large numbers to replace those who are leaving through retirement and staff turnover. The Regional Economic Strategy identifies Chemicals, Automotive, Defence & Marine, and Energy as key strategic sectors.

The Engineering sector recognises the need to up skill the workforce from Level 2 to Level 3. Business Improvement Techniques (BIT) is the preferred qualification for manufacturing, in particular automotive.

Key focus is to:

- continue to build capacity for the delivery of BIT at Level 2, and develop the capacity to deliver Level 3 across the region. It is anticipated that there will be increased demand from the process sector for BIT. The BIT targets for 2007/08 are for 3000 Level 2 and 300 Level 3. We expect that these will largely be delivered through the Train to Gain programme and through full cost provision
- continue to grow capacity in Level 3 provision in FE in response to cross sector demand

- grow apprenticeship provision to meet increased requirement from sub sectors such as the process sector and engineering construction
- encourage female participation in learning programmes to address the gender imbalance
- ensure that the provider network are in a position to deliver the new Performing Manufacturing Operations NVQ which become available in spring 2007
- support the development of the spoke of the National Skills Academy for Manufacturing in the region
- work with the National Skills Academy for Manufacturing to establish new standards for BIT delivery in the North East.

Information Technology (E-Skills)

IT professionals in the IT industry and in other sectors

This is a rapidly growing sector. 73% of the workforce is in higher level occupations. Sector analysis suggests that providers in the North East are delivering a large volume of IT Professional qualifications that are not seen as priority qualifications by the Sector Skills Council.

The priority qualifications for IT and Telecoms are:

- NVQ for IT Practitioners/Professionals
- Technical Certificates and units from them
- NVQ for Communications Technologies Practitioners/Professionals
- NVQ for Contact Centres Operations/Professionals
- Key Skills that are part of Apprenticeships

Key focus is to:

- shift provision from non-priority to priority qualifications in response to the e-skills qualification strategy
- focus provision at Level 3 and above, including the delivery of foundation degrees
- encourage female participation in IT Professional learning programmes to address the gender imbalance.

IT Users

There is a forecast growth in the number of individuals using IT in their day to day work, particularly at higher levels. Provision in FE and WBL at all levels has declined in 2005/06. The e-skills qualification strategy for IT users sets

out priority qualifications and employer requirements for ITQ Level 2 and Level 3.

Priority order of qualifications for employed ICT users are:

1. ITQs funded by a direct route (funded at NBR2)
2. conversion of VRQs to ITQs (funded at NRB3)
3. VRQs that are Contributory Qualifications (funded at VRQ rates)
4. other VRQs and other NQF qualifications (funded only in special circumstances)

Priority order of qualifications for non-employed and non-users are:

1. VRQs that are Contributory Qualifications
2. other VRQs and other NQF qualifications

The e-skills ITQ target for 2007/08 is 14,500.

Key focus is to:

- increase provision through Train to Gain to meet the future demand of the sector
- shift provision from non-priority to priority qualifications in response to the e-skills qualification strategy
- trial the Credit Framework for ITQ. The target for 2007/08 is for 250 learners to achieve a credit.

Retail (Skillsmart)

This is an important sector in terms of employment. Employment numbers are forecast to grow but there will be a need to recruit in far larger numbers to replace those who are leaving through retirement and through staff turnover. Skillsmart recognises the need for employers to harness the skills of older workers to meet the growing demands of the sector. The Sector Skills Council has also set out the preferred qualifications:

- Retail Level 1 (low priority)
- Retail Level 2 (high priority)
- Retail Level 3 (high priority)
- BTEC First Certificate (medium priority)
- BTEC First Diploma (high priority)
- ABC Diploma in Fashion Retail Level 2 (high priority)
- ABC Diploma in Fashion Retail (high priority)
- Apprenticeship in Retail (high priority)
- Advanced Apprenticeship (high priority)
- Young Apprenticeship (high priority)

Key focus is to:

- focus provision on priority qualifications as above in response to the Skillsmart qualification strategy
- ensure that providers delivering customer service to the retail sector are using the preferred Retail specific Customer Service NVQ.

Hospitality, Leisure, Travel and Tourism (People 1st)

Growth is projected in this sector. But there will be a greater need to recruit to the sector to replace those who leave through retirement and through staff turnover (particularly high in this sector). Recruitment demand will be at all levels, but particularly at intermediate and higher levels. The majority of the workforce is currently employed in lower level occupations. The sector experiences skills shortages largely at craft level, but also at management level. People 1st have identified Customer Service Skills, Management & leadership, and Craft skills for Chefs are seen as priority skills areas for the sector. The Regional Economic Strategy identifies Tourism & Hospitality as a key strategic sector.

Key focus is to:

- encourage employer engagement at Levels 3 and 4 particularly for Management and Leadership to meet the demands of the sector
- ensure provision responds to the sector qualification strategy of People 1st as it is developed.

Food and Drink Manufacturing and Processing (Improve Ltd)

This is a relatively small but important sector for the North East. It is projected to decline over the next ten years. But there will be a need to recruit to the sector to replace those who are leaving through retirement and staff turnover. Food and Drink Manufacturing is identified by the Regional Economic Strategy as a key strategic sector for the North East. The sector has recognised the need to make itself more attractive to skilled new entrants and also to up skill its current workforce in order to raise productivity. The industry experiences: shortages of skilled workers e.g. engineers, and traditional craftsmen e.g. butchers; and skills gaps at management and supervisory levels. There is only a small volume of provision for this sector and it is almost entirely in FE and largely at Level 1.

Key focus is to:

- build capacity in the provider network to increase the provision supply for this sector, in particular to deliver the new Apprenticeship Frameworks at Level 2 and Level 3

- further support the development of a Foundation Degree, as a work-based progression route to higher learning
- ensure that Skills for Life is embedded within learning programmes.

Creative and Cultural (Creative and Cultural Skills)

A growing sector. The sector is comprised of a large proportion of sole traders, freelancers, and SMEs. Employees are generally highly qualified. There is little engagement of the sector in accredited learning. There has been a growth in FE provision in 2005/06, largely at Level 3. There is no WBL provision.

Key focus is to:

- ensure that progression routes up to Level 3 are adequate
- support the Sector Skills Council in developing Creative and Cultural Skills Apprenticeships and the 14-19 specialised diploma
- support the Sector Skills Council in developing its qualification strategy to ensure that specialist learning is appropriately accredited.

Lifelong Learning (Lifelong Learning Skills Council)

Some growth is projected in this sector. But there will be a greater need to recruit to the sector to replace those who leave through retirement and through staff turnover. Over 80% of current employees are in intermediate or high level occupations and are qualified to level 3 or above. Starts on courses relevant to this sector have reduced in 2005/06 in FE. Provision in FE is predominately adult Level 3. The sector recognises the need to harness the skills of traditionally under-represented sections of society to meet the growing demands of the sector.

Key focus is to:

- ensure that providers are prepared for the introduction of the new teacher qualifications from September 2007. The proposed teaching qualifications are:
 - Level 3/ level 4 Award in Preparing to Teach in the Lifelong Learning sector (6 credits)
 - Level 3/level 4 Certificate in Teaching in the Lifelong Learning sector (24 credits)
 - Level 5/ 6/ 7 Diploma in Teaching in the Lifelong Learning sector (120 credits)
 There may also be a Level 4 Diploma.

Education and Teaching (includes School Support Staff)

This is an important sector in terms of employment. Almost 80% of current employees are in intermediate or high level occupations, and are qualified to Level 3 or above.

Key focus is to:

- contribute to the national target of delivering training to 15,000 school support staff.