

## ANNEX A

### Sector Intelligence

There are a number of areas to address in the provision supply at a sectoral level. These have been informed by a detailed analysis of our provision by sector, alongside demand side information such as Sector Skills Agreements. 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 Commissioning Plan 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 ensuring that there is a mix and balance of provision across the region

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:

- Progressively align funding with (moving to a position where we only fund) preferred qualifications identified by sector skills councils within the context of their sector qualification strategies. Key changes for 2008/09 are set out in the addendum to the National Statement of Priorities<sup>1</sup>.
- Ensure that sector progression routes are in place through all levels of learning.
- Support capacity building for assessors and verifiers across sectors, especially where we anticipate growth in demand.
- Work closely with the local 14-19 diploma delivery consortia to advise on sector needs and progression routes.
- Encourage recruitment into learning of groups traditionally underrepresented in certain sectors e.g. young people in traditional industries, and where gender stereotypes are evident.

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<sup>1</sup> [http://readingroom.lsc.gov.uk/lsc/National/Aligning\\_Public\\_Funding\\_with\\_Priority\\_VQs\\_\(11Dec2007\).pdf](http://readingroom.lsc.gov.uk/lsc/National/Aligning_Public_Funding_with_Priority_VQs_(11Dec2007).pdf)

## Health Sector (including Skills for Health)

This is an important sector in terms of employment, and is expected to grow<sup>2</sup>. There will be a great 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 sector is dominated in terms of workforce numbers by the NHS but the significance of the independent hospitals, nursing homes and independent practitioners and voluntary sub sectors is substantial. 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. The LSC is actively involved in the Health Sector Joint Investment Framework- a framework for the joint planning and co-investment in developing the skills of the health sector workforce.

Skills for Health published its Sector Qualification Strategy in August 2007.

Key focus for 2008/09:

1. Encourage the delivery of the Health Assistants Award (available 2008) and other qualifications to match new roles or competencies, in response to the NHS Agenda for Change.
2. To meet the employer needs identified in the emerging NE Health JIF workforce development plans, ensure there is provision in:
  - a. Health (L2 & L3)
    - i. Renal Support
    - ii. Perioperative Care Support
    - iii. Maternity/paediatric Support
    - iv. Decontamination
    - v. Clinical Healthcare
  - b. Pharmacy Services (L2 & L3)
  - c. Support Services in Health (L2)
  - d. Oral Health/Dental Nursing (L2 & L3)
  - e. Health and Social Care (L2, L3 & L4)
  - f. Pharmacy Services (L2 & L3)
  - g. Clinical Laboratory Support (L2 & L3)
3. Encourage the take up of Apprenticeships, including Apprenticeships for Adults, within the sector, specifically the following frameworks:
  - Health and Social Care
  - Pharmacy Support Services
  - Dental Nursing
  - Health Support Services

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<sup>2</sup> Note that all sector employment projections are based on the Working Futures II projections. These are based on historic trends and are policy neutral.

## **Social Care Sector (including 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. 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.

Skills for Care and Development is currently developing its Sector Qualification Strategy which is due to be published in January 2008.

Key focus for 2008/09:

1. Respond to the Skills for Care and Development SQS when available.
2. Increase the numbers of Registered Managers qualifications to meet the Government's targets set in 2005.
3. Ensure providers deliver the Administer Medication to Individuals unit as part of the Health and Social Care NVQ L3, in line with competencies requirements for staff.
4. It is anticipated that volunteers will be eligible for Train to Gain funded provision. The sector employs a significant number of volunteer workers, in particular personal assistants, who would benefit from the Health & Social Care NVQ L2 funded through Train to Gain to meet anticipated demand.

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

This is both 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.

There are close links between this sector and the Health and Social Care sector defined as a priority in the Regional Economic Strategy.

The Sector Qualification Strategy for this sector will be covered by the Skills for Care and Development SQS (expected publication January 2008).

Key focus for 2008/09:

1. Develop route ways for male learners to enter the sector to address the gender imbalance.

2. Increase the provision of NVQ L3 & L4 in Children's Care, Learning and Development to meet the government's targets for supervisors and managers in childcare.
3. Ensure Skills for Life is embedded in learning programmes.

### **Clothing & Textiles (included in Skillfast)**

The sector continues to have a pivotal role as one of the main employers in manufacturing, however this is a declining sector. Changing skills needs, driven by the outsourcing of production to low cost location overseas with technical finishing work remaining in the UK. These changes have led to the need for a reduced, but more technically skilled workforce.

Skillfast-UK published their SQS in August 2006.

1. For this sector there is demand for the following sector frameworks:
  - Apparel
  - Textile Industry
  - Footwear and leather goods
2. The preferred qualifications for the sector are:
  - Manufacturing Sewn Products
  - Laundry & Dry Cleaning (when available)
  - DSTI (distribution)

### **Sport, Recreation and Leisure (Including Skills Active)**

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. The sector relies heavily on a volunteer workforce, particularly in sport and recreation.

The Sector Qualification Strategy from Skills Active is currently in draft form and is expected to be published in January 2008.

Key focus for 2008/09:

1. Increase delivery of Apprenticeship Provision.

There are 6 pathways at levels 2 and 3:

- Level 2
  - Operational Services
  - Coaching Teaching and Learning

- Instructing Exercise and fitness
  - Activity Leadership
  - Spectator Control
  - Playwork
- Level 3
  - Coaching Teaching and Instruction
  - Instructing Physical Activity and exercise
  - Playwork
  - Outdoor Education, Development Training, and Recreation
  - Sports Development
  - Leisure Management

2. Undertake capacity building activities to improve the supply of qualified assessors and verifiers to accommodate the expected increase in uptake of apprenticeships.
3. Explore the delivery of the 'Personal Best' Volunteering qualification (available summer 2008) in the region.

The aim of the programme is to use the games as a way of engaging people who have low level of skills from hard to reach groups into training.

4. The sector would like to see the newly launched Level 2 and Level 3 qualifications for sport officials that have just been launched by the SSC being delivered in the region.

### **Environmental and Land based sector (including LANTRA)**

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. Environmental Conservation is predicted to be a growth industry in the North East.

The LANTRA Sector Qualifications Strategy is expected to be published in September 2009.

Key focus for 2008/09:

1. The sector would like to see a growth in Apprenticeships for Environmental Conservation to meet the needs of this industry in the region.
2. The sector would like to see a growth in Apprenticeships for Veterinary Nursing as a progression route to Higher Education.

3. In addition to the above the sector would encourage the take up of Apprenticeship and Advanced Apprenticeships in the following Lantra frameworks:

- Agricultural Crops and Livestock
- Amenity Horticulture
- Animal Care
- Dry Stone Walling
- Environmental Conservation
- Equine Industry
- Floristry
- Game keeping and Wildlife Management
- Land-based Service Engineering
- Production Horticulture
- Trees and Timber

### **Business Management including Financial Services Skills Council (FSSC)**

Knowledge Intensive Business Services (KIBS) is identified in the Regional Economic Strategy as key to productivity growth in the region.

Higher level and intermediate level occupations predominate in the sector footprint of FSSC, which includes: Banking and Building Societies; Insurance; Financial Advice; Wholesale Financial Services; Investment and Fund Management; Credit, Finance and Leasing and Third Party Administration. There is demand for intermediate and higher level skills including high level literacy and numeracy.

FSSC is due to publish its SQS in March 2008.

Key focus for 2008/2009:

1. In line with the sector requirements there is a need to ensure that provision at Level 1 and Entry Level be reduced where there is no clear progression to Level 2.
2. The sector would like to see an increase in the delivery of SSC preferred Level 3 qualifications, with progression routes to Level 4+ being fully exploited. There are a number of qualifications currently not available or of limited availability, which are required to meet the needs of the sector including:
  - FFSC – Financial Advice; Financial Services; Insurance; Investment; Mortgage Advice; Pensions and Personal Finance.
3. Currently there are no qualifications available, approved by the FSSC. The sector would like to see the following qualifications developed:

- FSSC – Advising on Financial Products Level 3; Retail Financial Services Level 2 and 3.

### **Communication Media (Skillset footprint)**

Commercial Creative business (of which communication media is a part) is a growing sector and is identified in the Regional Economic Strategy as a key strategic sector for a modern regional economy. Employer demand is increasing in this sector especially in the south of the region as the Interactive Media and Education Multimedia content clusters develop, demonstrated by the growth of DigitalCity in Middlesbrough.

The Communication Media workforce is highly qualified and Level 3 is seen as the preferred minimum entry requirement to the sector. Skillset are, however, developing Apprenticeships at Level 2 as routes into some sub sectors.

Skillset expects to publish its Sector Qualification Strategy in March 2008.

Key focus for 2008/09:

1. Explore the delivery of the Apprenticeship in Photo Imaging in the region as a vocational route into the sector.
2. Raise awareness among providers and employers of the Apprenticeship framework in Photo Imaging and those Apprenticeship frameworks currently in development by Skillset:
  - a. Games Testing (Piloting )
  - b. Technical Roles in Film and TV (Piloting in NW with BBC)
  - c. Production Roles in TV
  - d. Set Crafts
3. Ensure that providers have developed partnerships with HE to allow progression and provide routes to employment.

### **Construction & the Built Environment including AssetSkills, ConstructionSkills, EUSkills and SummitSkills.**

The Regional Economic Strategy identifies Construction as a key underpinning sector in the North East.

Overall growth is expected, with significant recruitment demand for new entrants and replacement demand including craft, intermediate and higher level occupations particularly managerial and professional.

ConstructionSkills published its Sector Qualification Strategy in September 2007. AssetSkills and EUSkills are expected to publish their SQS in December 2007, while the SQS from SummitSkills is expected March 2008.

Key focus for 2008/09:

1. The sector anticipates that the future requirement of Level 1 provision will decline due to the range of programmes available which support entry and progression within the sector.  
In line with the sector requirements there is a need to ensure that provision at Level 1 and Entry Level be reduced where there is no clear progression to Level 2.

2. There has been an appropriate move towards those qualifications classed as economically viable by the sector. Analysis of provision suggests that this change has been supported for example through the removal of Level 2 qualifications that are not classed as Full Level 2 qualifications and by the introduction of new qualifications. The sector would like to see a continuation of this trend. However, there are gaps in provision presently offered and the sector would like to see delivery in the following areas that are currently either not available or of limited availability:

- AssetSkills – Cleaning Services Supervision at Level 3; Facilities Management.
- ConstructionSkills - NVQ Level 3 in Heritage Skills (Construction); NVQ Plant Level 2.
- EUSkills - Waste; Water; Electricity and Gas.

### **Transport and Logistics (including Skills for Logistics, GoSkills)**

The sector has an ageing workforce therefore there will be a need to recruit to the sector to replace those who leave. The Regional Economic Strategy identifies Transport and Logistics as a key underpinning sector in the North East. A large proportion of this sector has no or low qualifications. GoSkills published its SQS in September 2007. The SQS for Skills for Logistics was published in August 2007.

Key focus for 2008/09:

1. The delivery of the new Road Passenger Vehicle Driving Level 2. Also to develop the capacity to deliver the provision through Train to Gain.
2. Encourage an increase in the uptake of the following Apprenticeship frameworks in the sector to meet the anticipated future demand.

#### **Skills for Logistics**

- |   |               |
|---|---------------|
| a. Traffic Office                                   | Level 2 and 3 |
| b. Distribution, Warehousing and Storage Operations | Level 2 and 3 |
| c. Driving Goods Vehicles                           | Level 2 and 3 |
| d. Carry and Deliver Goods                          | Level 2       |
| e. Storage and Warehousing                          | Level 2       |
| f. Mail Services                                    | Level 2       |

## Go Skills

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|--|---------------|
| a. Rail transport engineering            | Level 2 and 3 |
| b. Aviation                              | Level 2 and 3 |
| c. Transport Engineering and Maintenance | Level 2 and 3 |
| d. Rail transport operations             | Level 2       |
| e. Road Passenger Transport              | Level 2       |
3. The sector would like to see the delivery of the new Logistics Operations Management qualification.
  4. Encourage employer engagement in Skills for Life.

## Engineering (including SEMTA, Cogent, Proskills and Automotive Skills)

This is an important sector in terms of employment. It is large & complex and the needs vary within the different sub sectors. 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. The Sector Qualification Strategies from SEMTA and Cogent were published in September 2007. The SQS from ProSkills was published in February 2007.

The key focus for 2008/09:

1. Further develop capacity in the region for Apprenticeships in the process sector. Particularly in the chemical and polymer sub sectors. There is a need to explore the development of the Cogent framework in addition to existing SEMTA frameworks.
2. Continue to build the capacity of provision of Business Improvement Techniques to the National Skills Academy for Manufacturing standard. There is also a need to develop specialist provision to contextualise delivery of the BIT qualification for the Cogent, Proskills and Improve sectors.
3. Continue to deliver Performing Manufacturing Operations (PMO) valued by employers particularly for new entrants to the sector whilst gradually managing the transition to increased delivery of Business Improvement Techniques.
4. Develop provision over the coming year to meet the needs of the emerging process and nuclear national skills academies.
5. The automotive sector has specified the demand for body repair qualifications at Levels 2 and 3. In line with the sector requirements

there is a need to ensure that provision at Level 1 and Entry Level be reduced where there is no clear progression to Level 2.

## **Information Technology (including e-Skills)**

### **IT professionals in the IT industry and in other sectors**

There is forecast to be growth in IT sector employment to 2014 and this growth will predominantly be attributed to high value, sophisticated roles requiring skills at Level 4+.

There are links between this sector and the Financial Intermediation and Business Services sector (including Knowledge Intensive Business Services) defined as a priority in the Regional Economic Strategy.

Analysis of supply-side sector data has demonstrated that there has been a shift in provision to those qualifications that are preferred by the sector. e-Skills UK is due to publish its updated Sector Qualification Strategy in January 2008.

Key focus for 2008/09:

1. To meet the needs of the sector increase the delivery of SSC preferred full Level 2 and full Level 3 qualifications with progression routes to Level 4+ fully exploited to meet the needs of the sector.
2. Continue to shift provision to those qualifications that are considered to be economically valuable by the sector.
3. To fulfil employer demand for Higher Level skills there needs to be an increase in delivery of e-skills preferred Apprenticeship and Advanced Apprenticeship framework numbers where there are appropriate progression routes to HE Level qualifications (Foundation/Work-based Degrees, Higher Apprenticeship Framework).

### **IT Users**

There is a forecast growth in the number of individuals using IT in their day to day work, with an even greater requirement for individuals to have higher skills levels. The e-skills qualification strategy for IT users sets out preferred qualifications and employer requirements for ITQ at Level 2, 3 and above. e-skills UK is due to publish its updated Sector Qualification Strategy in January 2008.

Key focus for 2008/09:

1. The sector would like to see a further increase in the delivery of full Level 2 and full Level 3 provision through the displacement of short-course provision pending further policy decisions around unit funding and/or funding for IT user qualifications.

## **Contact Centre**

Contact Centres play a key role in the economy of the North East region. It is understood that around 5% of all those who are in employment in the North East, are employed in Contact Centres.

Many of the regions employers have reported that they envisage the size of their own operations, as well as the industry as a whole, growing over the next 2 years.

e-skills UK is due to publish its updated Sector Qualification Strategy in January 2008.

Key focus for 2008/09:

1. Work through the Train to Gain brokerage service to drive up the demand for Level 2 and 3 qualifications from Contact Centre employers.
2. Take forward the Progression Pathways employability activity commissioned through ESF.

## **Retail (including Skillsmart)**

The Regional Economic Strategy identifies Retail as a key underpinning sector in the North East.

This is an important sector in terms of employment in the region. Employment numbers are forecast to grow.

Skillsmart is due to publish its Sector Qualification Strategy in December 2007.

Key focus for 2008/09:

1. Encourage the delivery of the Retail Store Management Foundation Degree which is not currently delivered in the North East.
2. The sector would like to see a growth in Apprenticeships and Advanced Apprenticeships in Retail Skills.
3. To promote the delivery of the sector specific Customer Service in Retail Skills at Level 2 and 3 in line with the SSC recommendation.

## **Hospitality, Leisure, Travel and Tourism including (People 1<sup>st</sup>)**

Employment growth is projected in this sector. Customer service skills, management & leadership, and craft skills for chefs are key skill needs for the sector. The Regional Economic Strategy identifies Tourism & Hospitality as a key strategic sector.

People 1<sup>st</sup> expect to publish its Sector Qualification Strategy in 2008.

Key focus for 2008/09:

1. Whilst People 1st have not yet published their qualifications strategy they have identified Management/Leadership as a key skill need for the sector therefore it would be appropriate to see a higher volume of Level 3 and 4 qualifications in this area.
2. To meet the identified need for qualified chefs in the region the sector requires the following qualifications:
  - a. NVQ in Food Preparation and Cooking
  - b. Apprenticeships in Hospitality (Food preparation) Level 2 and 3
3. The sector would like to see an increase in the delivery of the Apprenticeship and Advanced Apprenticeships in Hospitality and Tourism.

## **Food and Drink Manufacturing and Processing (including Improve Ltd)**

Food and Drink Manufacturing is identified by the Regional Economic Strategy as a key strategic sector for the North East region. The industry experiences shortages of skilled workers e.g. engineers and traditional craftsmen such as butchery. There are also skills gaps at management and supervisory levels.

Improve Ltd published its SQS in September 2007.

Key focus for 2008/09:

1. Develop provision in the new Apprenticeships & Advanced Apprenticeships for this sector. This new framework is made up of NVQ in Food Manufacture and includes sub sector specialism e.g. Bakery and Butchery along with key skills.
2. The delivery of management and leadership qualifications relevant to this sector.

## **Creative and Cultural (including the Creative and Cultural Skills footprint)**

A growing sector, which is comprised of a large proportion of sole traders, freelancers, and SMEs. Employees are generally highly qualified.

Creative and Cultural Skills is expected to publish its Sector Qualification Strategy in March 2008.

Key focus for 2008/09:

1. Promote the available Apprenticeship frameworks for delivery within the region
2. Raise awareness of the new preferred “Creative Apprenticeship” framework to be launched in September 2008 and the contributory elements that allow the Apprenticeship to be tailored to Employer/ Learner need.
3. CCSkills are looking for providers to pilot the contributory qualifications during the approval stage (between December 2007 and September 2008).
4. Be mindful of the contribution this sector can make at Entry and Level 1 in engaging the disengaged and hard to reach. The creative sector has been successful in engaging these groups in developing opportunities for further learning and employment.

### **Lifelong Learning (Lifelong Learning Skills Council)**

Some growth is projected in this sector due to the introduction of the initial teacher tutor trainer qualification. Over 80% of current employees are in intermediate or high level occupations and are qualified to level 3 or above. LLUK plans to publish its Sector Qualification Strategy in 2008.

Key focus in 2008/09:

1. Staff in post 16 teaching to be fully qualified or working towards accreditation via CPD to Qualified Teacher Learning and Skills (QTLS) status.
2. There is little provision for the full qualification in the region but it is essential that the CPD is undertaken.