

# Employer Facing Provision



Leading learning and skills

2008

## Cumbria Strategic Analysis – Employer Facing Provision

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- 1 This section of the Strategic Analysis looks at provision within Cumbria that responds directly to employer need. This area of training provision has been given increasing focus in recent years as the Learning and Skills Council moves towards a “Demand Led” system and responds to the challenges set out by Lord Leitch.

### PSA Targets

- 2 The Public Service Agreement (PSA) indicators shown in the box below are national aspirations. Each Local Area within the North West has its own relative position against these figures. For some local areas these targets could appear to be very challenging, for others the gap may not be as large. However, each local area has its own contribution to make to the national picture, even if these targets are not disaggregated to lower geographical levels.

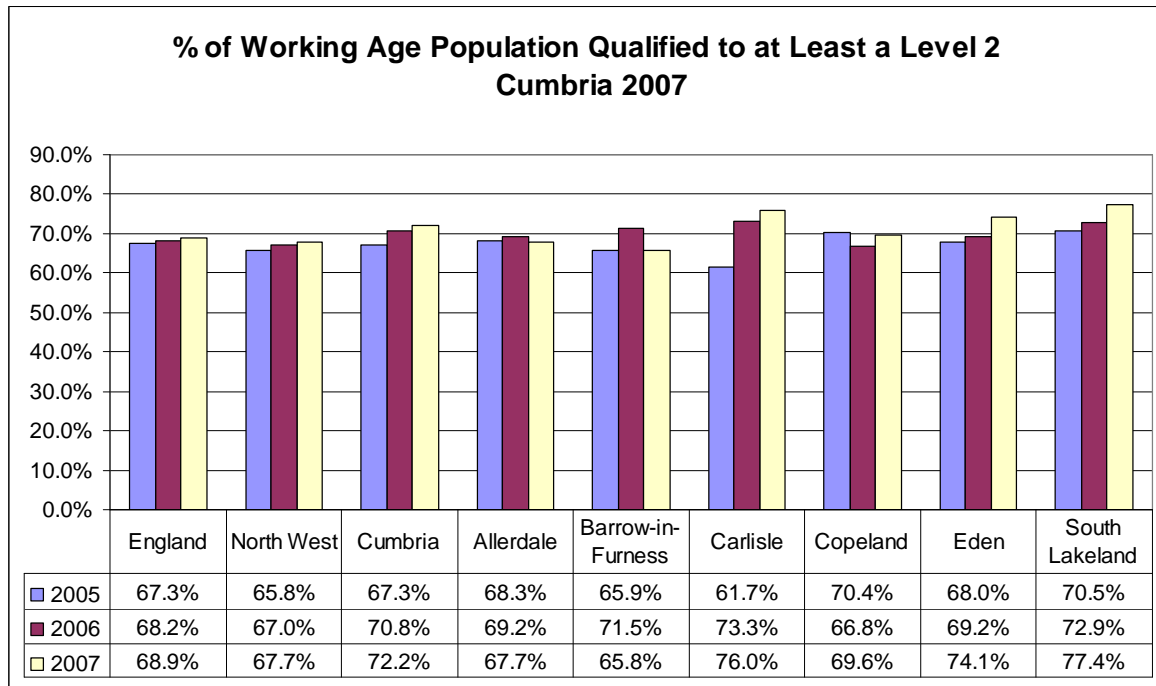
### PSA Indicators - 2011

- 79 per cent of adults qualified to at least Full Level 2
- 56 per cent of adults qualified to at least Full Level 3
- 130,000 apprentices to complete the full apprenticeship

### Level 2

- 3 The latest data from the Annual Population Survey shows that 72.2 per cent of working age people (19-59/64) in Cumbria are qualified to at least a level 2. This is above the regional and national averages and has increased by 4.9 percentage points since 2005, a rate of increase that is above that seen in the North West and England (therefore the gap has increased). This information indicates that there are around 77,000 people of working age in Cumbria without a level 2 qualification.
- 4 When analysing Annual Population Survey data, especially at smaller geographical levels the confidence interval associated with the data has to be considered. For example, the information in Figure 1 shows us that South Lakeland has increased by 6.9 percentage points since 2005; however there is a confidence interval of 5.8 percentage points attached to this data. The key message remains the same, that there is positive movement in this area.
- 5 Within Cumbria the highest rate of attainment is in South Lakeland, where 77.4 per cent of working age people is qualified to at least a level 2. This proportion represents 44,000 working age people.
- 6 The lowest rate of attainment within Cumbria is in Barrow-in-Furness (65.8%). Over the 3 years shown there has been a slight reduction. This rate is below the regional and national averages and means that there are approximately 13,000 people of working age without a level 2 qualification in Barrow. Progress towards the national PSA indicator for 2011, which aims to have 79 per cent of working age qualified to at least a level 2 has to be considered in this analysis.
- 7 Please use the following link to access information regarding adult level 2 targets suggested for Local Area Agreements  
<http://www.idea.gov.uk/idk/core/page.do?pagelId=8399572> – (note: information correct as at 10/09/2008).

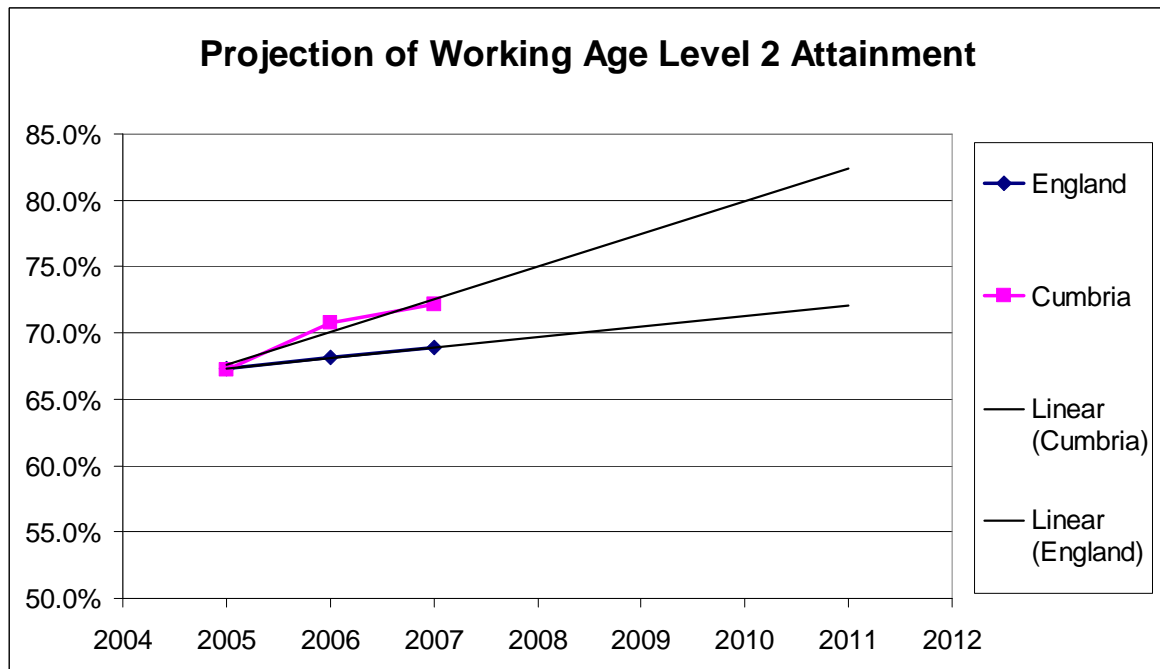
**Figure 1: Proportion of the Working Age Population Qualified to at Least Level 2**



Source: Annual Population Survey (APS) 2007

- 8 Between 2005 and 2007 the rate of working age level 2 attainment in Cumbria rose by 4.9 percentage points. Based on this performance, we can estimate that by 2011 Cumbria could have met and exceeded this target. If current performance is maintained Cumbria could have an attainment rate of 83 per cent by 2011.

**Figure 2: Proportion of Working Age Qualified to at Least Level 2 - Projection to 2011**

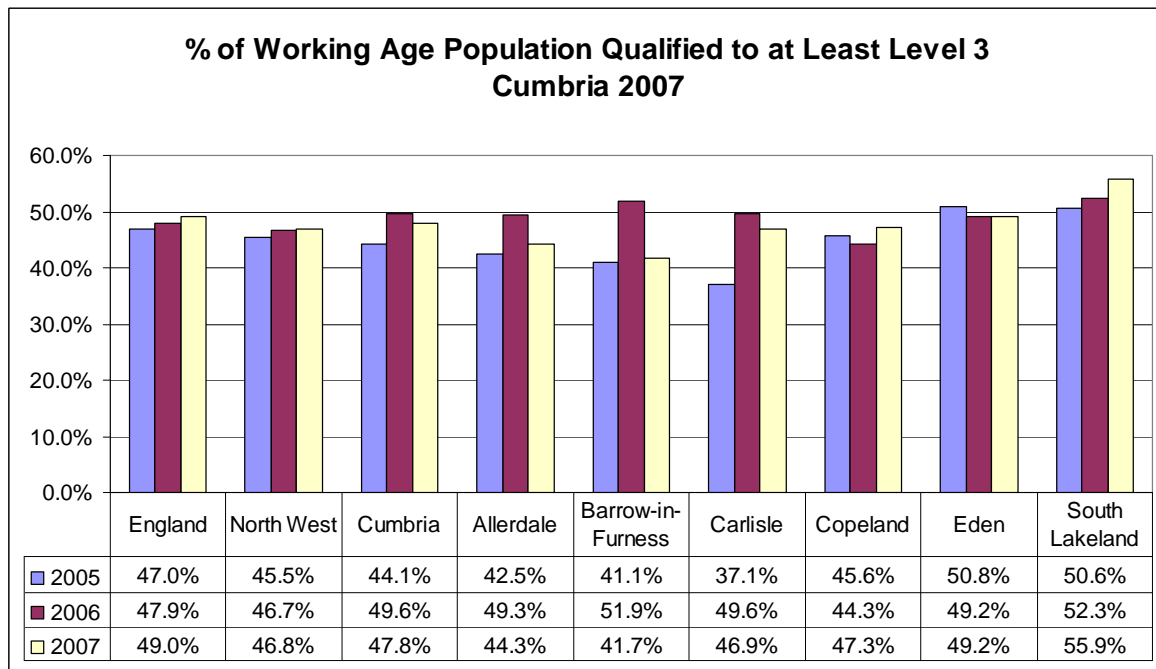


Source: Annual Population Survey (APS) 2007 & LSC NW Projections

### Level 3

- 9 47.8 per cent of working age people in Cumbria are qualified to at least level 3. This has risen by 3.7 percentage points since 2005 and represents 132,000 people. The rate of attainment in Cumbria is above the North West average but is below the national rate, however the gap with the national rate has narrowed in the last 3 years.
- 10 Within Cumbria the highest rate of attainment is seen in South Lakeland (55.9%). This has increased by 5.3 percentage points since 2005 and equates to 32,000 people. The lowest rate in Cumbria is in Barrow-in-Furness (41.7%) despite a 'spike' of 51.9 per cent in 2006 this rate has a net increase of 0.6 percentage points in 3 years and is below the regional and national rates.

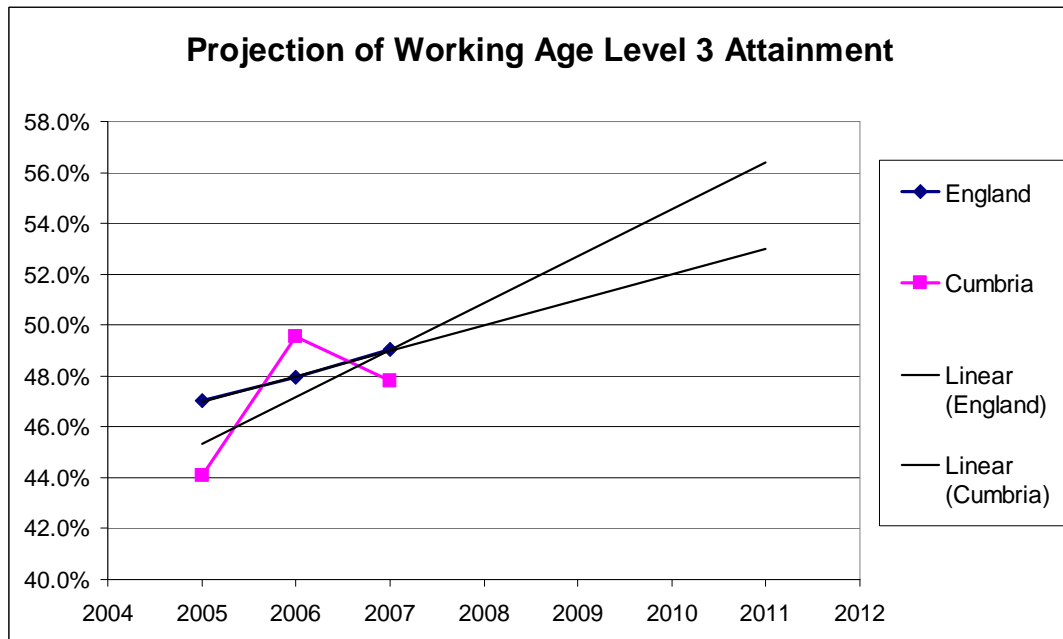
**Figure 3: Proportion of the Working Age Population Qualified to at Least Level 3**



Source: Annual Population Survey 2007

- 11 If the recent pattern of attainment of level 3 qualifications amongst the working age population was projected forward to the target year of 2011 Cumbria could rise to around 56.5 per cent attainment of at least a level 3 qualification. This trajectory provides a very challenging rate of increase of around 2.1 percentage points each year up to 2011, however if this were achieved Cumbria could surpass the national equivalent trend as well as meeting the 2011 target of 56 per cent.

**Figure 4: Proportion of Working Age Qualified to at Least Level 3 - Projection to 2011**



Source: Annual Population Survey (APS) 2007 & LSC NW Projections

## Apprenticeships

- 12 Although the national Apprenticeship target of 130,000 completions in the year 2010/11 has not been dis-aggregated to lower geographical levels (at the time of writing) an assessment of Apprenticeship performance is still helpful in planning provision. Please see the performance section later in this chapter.

## Cumbria

### Employer Size

- 13 Although the overall balance of employers by size is similar to the regional and national pictures, there is slight variation in Cumbria.
- 14 A smaller proportion of the overall volume of businesses in Cumbria employ 200 or more people than the national figure. There are also proportionately slightly less small (1-10 employees) business in Cumbria than nationally.
- 15 According to the Annual Business Enquiry (ABI) 2006 the total number of businesses in Cumbria is 21,911. The highest proportion of these is in South Lakeland (6,093).

**Figure 5: Businesses by Size**

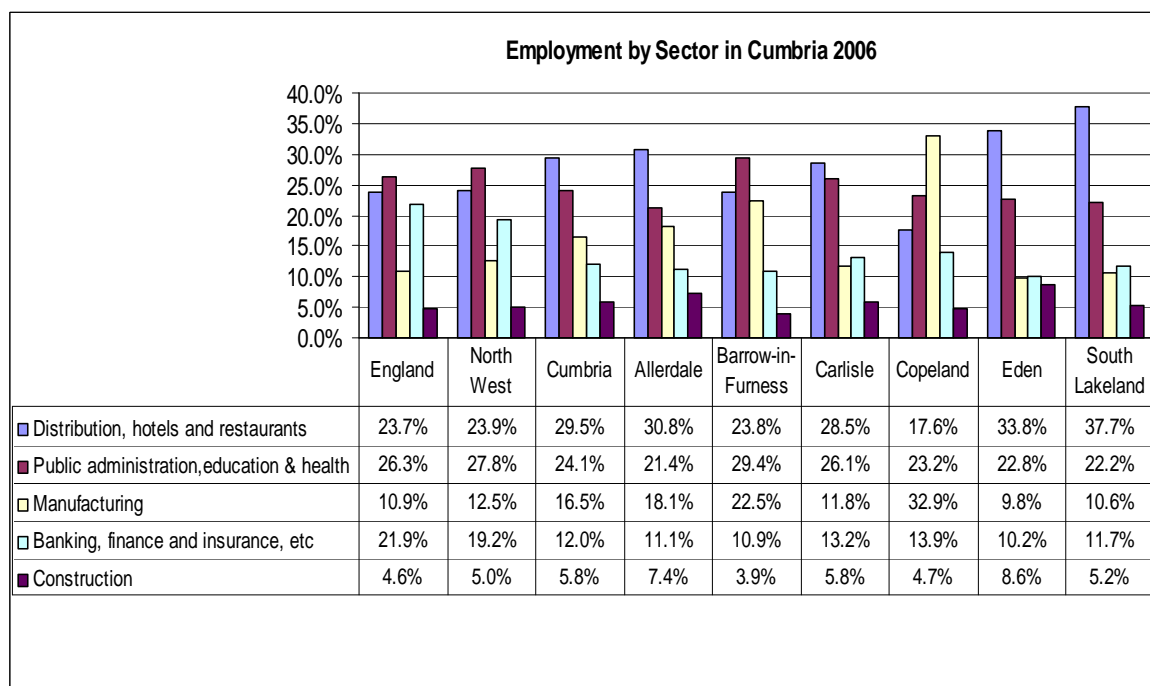
Area	1-10 employees	11-49 employees	50-199 employees	200 or more employees
England	84.6%	11.9%	2.8%	0.7%
North West	82.8%	13.3%	3.2%	0.7%
<b>Cumbria</b>	<b>83.7%</b>	<b>13.5%</b>	<b>2.2%</b>	<b>0.4%</b>
Allerdale	83.9%	13.6%	2.1%	0.4%
Barrow-in-Furness	80.2%	16.1%	3.0%	0.7%
Carlisle	80.9%	15.2%	3.0%	0.8%
Copeland	85.7%	11.8%	2.2%	0.3%
Eden	85.5%	12.3%	1.8%	0.4%
South Lakeland	85.2%	12.7%	1.7%	0.3%

Source: Annual Business Enquiry (ABI) 2006

### **Industrial Sectors of Cumbria**

- 16 Figure 6 shows the 5 sectors in Cumbria that employ the highest volumes of people. These figures are taken from the Annual Business Enquiry (ABI) 2006 and should be used alongside other economic data such as working futures and Department for Work and Pensions Benefit Claimants data to give a complete picture of employment in an area.
- 17 **The industry sector that employs the most people in Cumbria is distribution, hotels and restaurants.** 64,000 people are employed in this sector. In contrast the public administration, education and health sector employs the most people to England and the North West.
- 18 The distribution, hotels and restaurants industry is one of the main sectors of employment in the districts in Cumbria. This sector accounts for the highest proportion of employment in Four of the six districts of Cumbria; South Lakeland the highest at 37.7 per cent.

**Figure 6: Employment by Sector 2006**



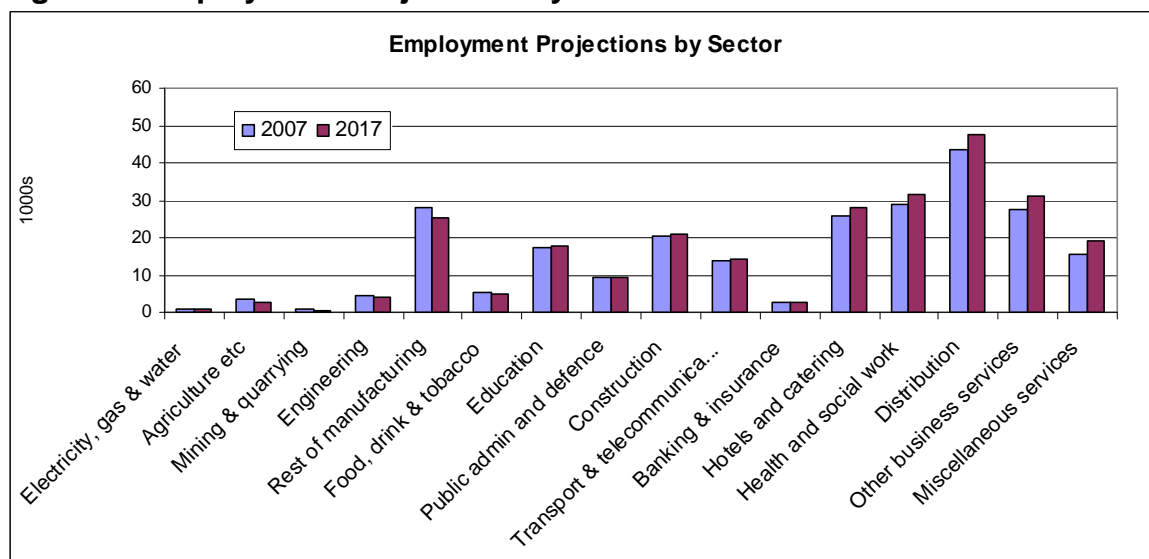
Source: Annual Business Enquiry (ABI) 2006

## Future of the Economy

- 19 The following economic projections are taken from the Working Futures 3 study from Warwick University's Institute for Economic Research, the information used here is based on the ABI data such as that shown above, but the two data sets may not align precisely. As with all economic forecasting information direction of travel (rather than exact volume changes) should be the key message drawn from analysis.
- 20 Absolute levels of employment (shown in thousands) are projected to 2017 in Figure 7. **Overall volumes of employed people in Cumbria are estimated to grow** by 5.0 per cent (+12,000) to 260,000. The growth rate for the North West is also 5.0 per cent with volumes set to increase by 85,000 people.
- 21 **A notable decrease in employment is in the rest of the manufacturing sector** which is set to decline by 10.1 per cent (a reduction of 3,000 employees). This sector includes industries such as publishing and printing, rubber and plastics and the metal goods industry.
- 22 **The Other business services sector is forecast to grow the fastest at a rate of 12.6 per cent (+3,000) people.** This sector includes the real estate, computing and renting of goods industries. The ABI data in Figure 6 shows that distribution, hotels and restaurants is a key sector of employment in Cumbria. This sector is expected to have the largest volume increase between 2007 and 2017 (+4,000 people).

- 23 The current economic climate makes any shorter term forecasting problematic, with erratic shifts occurring in the last year. Because of the nature of information such as Working Futures it is recommended that data sets are put together and less emphasis placed on exact volumes (especially at sub-regional level) to assess the overall direction of travel.

**Figure 7: Employment Projections by Sector 2007-2017**



Source: Working Futures 3

### National Employer Skills Survey (NESS)

- 24 The following results are taken from the National Employer Skills Survey (NESS) 2007. This survey investigates skills deficiencies and the role of workforce development amongst employers in England.

The National Employer Skills Survey (NESS) for 2007 indicates that:

- **3.1 per cent of employers in Cumbria have Skills Shortage Vacancies.<sup>1</sup>**
- 25 This rate is lower than the North West and the other local offices. This shows a decrease from the 2005 figure of 4.5 per cent and this trend is consistent with the other local LSC areas. 3.1 per cent represents a total of 1,204 Skills Shortage Vacancies and is below the national rate of 4.6 per cent.
- **15.2 per cent of establishments have skills gaps.**
- 26 This is the highest rate compared to the North West and the other local LSC areas and has increased from the 2005 rate of 13.4 per cent.
- **41.7 per cent of employers have a training plan for their staff.**
- 27 This shows a small increase of 40 per cent from 2005, it is significantly<sup>2</sup> below the highest rate of 56 per cent for Greater Merseyside. The

<sup>1</sup> Skills shortage vacancies are defined as vacancies due to lack of work experience or qualifications.

proportion of employers in Cumbria with a training budget is also below that of any local area in the North West (30.6%).

## Employer Responsive Provision

- 28 Employer responsive training provision must meet the needs of the local economy as set out in this chapter. The following pages analyse government funded training provision in light of the local economic environment as well as the wider policy context.

### The Required Growth Through Train to Gain

- 29 The Regional Strategic Analysis of Employer Responsive Provision contains information on the planned growth of Train to Gain in the next few years. These trajectories have been provided at regional level, however it is not appropriate at to disaggregate this to sub-regional level due to regional contracting arrangements associated with Train to Gain provision.
- 30 Overall planned growth for Train to Gain in the North West is 54.9 per cent, with the highest level of growth seen in Skills For Life (+174.2%) between 2007/08 and 2010/11. Level 2 volumes have a planned increase of 27.4 per cent (+14,500 L2 Starts).
- 31 Although these targets have not been disaggregated below regional level, each sub-region should monitor their contribution to this target.

### Have We Delivered Provision To Learners In The Major Sectors Of Employment?

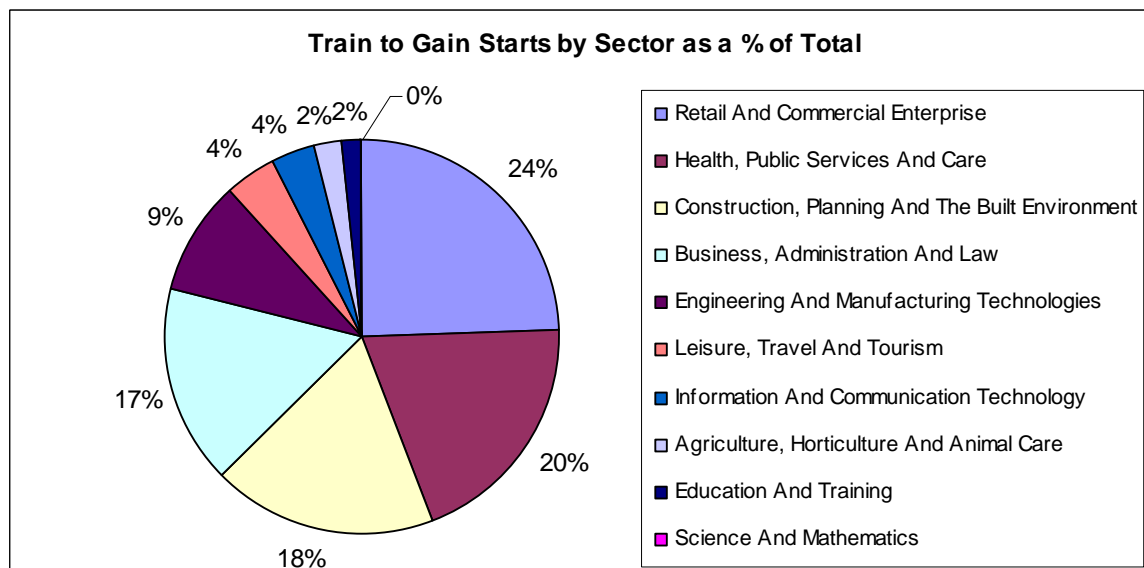
- 32 According to the ABI information (Figure 6) the **distribution, hotels and restaurants** sector employs the highest proportion of people in Cumbria. This sector is also expected to increase by 2017 according to the Working Futures 3 study (Figure 7: Employment Projections by Sector 2007-2017). Health and Social Work is anticipated to have similar volumes of increase.
- 33 Figure 8 shows the proportion of Train to Gain Starts in each industry sector in 2007/08 (P12) in Cumbria. **The highest proportion of starts was in retail and commercial Enterprise (24%)**. This appears to be in line with the ABI and Working Futures 3 analysis where retail is included in the distribution grouping.
- 34 **Starts in construction, planning and the built environment make up 18% of the total TtG Starts in Cumbria.** 5.8 per cent of all employees in Cumbria work in the construction sector. The relatively high proportion of Train to Gain starts in Construction (18% of the total) should be closely monitored in the current economic environment and the impact it has had

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<sup>2</sup> Significantly is defined as either an increase or decrease of 5 or more per cent.

on the construction industry. The retail sector is another area of business that could be vulnerable in times of economic slowdown.

**35 Figure 8: Cumbria Train to Gain Starts by Sector 2007/08**



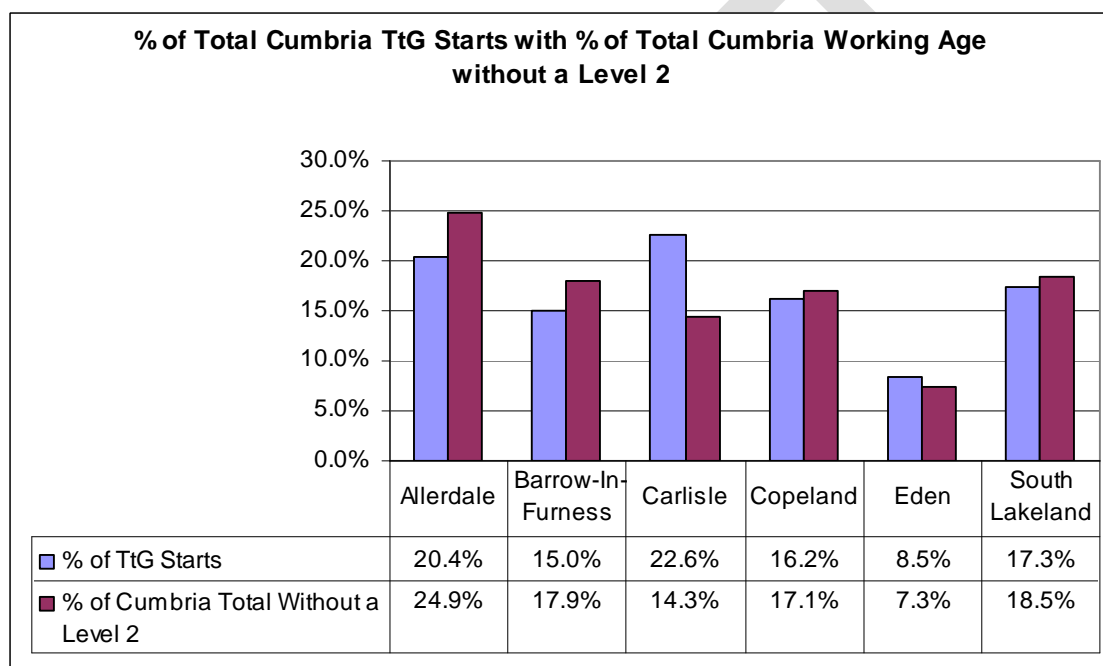
Source: Train to Gain ILR 2007/08 (P12)

## Have We Engaged and Delivered In The Areas Where Provision Is Needed?

- 36 Figure 9 shows the proportion of the total Cumbria Train to Gain (TtG) Starts in each local district area (residency based learner volumes). This is shown with the proportion of the total Cumbria working age population without a level 2 qualification in each district.
- 37 The Train to Gain analysis shown below should be considered alongside other funding streams to give a coherent picture. This information can be used as part of a wider assessment of Train to Gain delivery to see if provision is being delivered according to need.
- 38 Figure 9 indicates that the balance of **Train to Gain provision in some districts could be reviewed**. To get a more realistic picture, the number of TtG starts has also been analysed with the employment rate of those without a level 2 qualification to assess the impact of gaining a qualification at this level.
- 39 **The number of TtG starts for both Allerdale and Barrow-in-Furness is lower** than the proportions of those without Level 2. The employment rate for those qualified to below level 2 varies between districts. The Annual Population Survey (APS) shows that the 2007 employment rate for those without a level 2 qualification in Barrow-in-Furness was 62.4 per cent compared to 79.4 per cent for Allerdale.

- 40 **There is a higher proportion of the Cumbrian total TtG starts in Carlisle than the proportion of working age people without a level 2.** This may be considered an imbalance, or may be informed by trends in employment in this area.
- 41 This analysis should be conducted alongside the qualifications profile of the economically active population of Cumbria<sup>3</sup>, this information for 2007 is unavailable at the time of writing.

**Figure 9: Train to Gain Delivery with Qualification Profile by LA**



Source: Train to Gain ILR 2007/08 (P12) & Annual Population Survey 2007

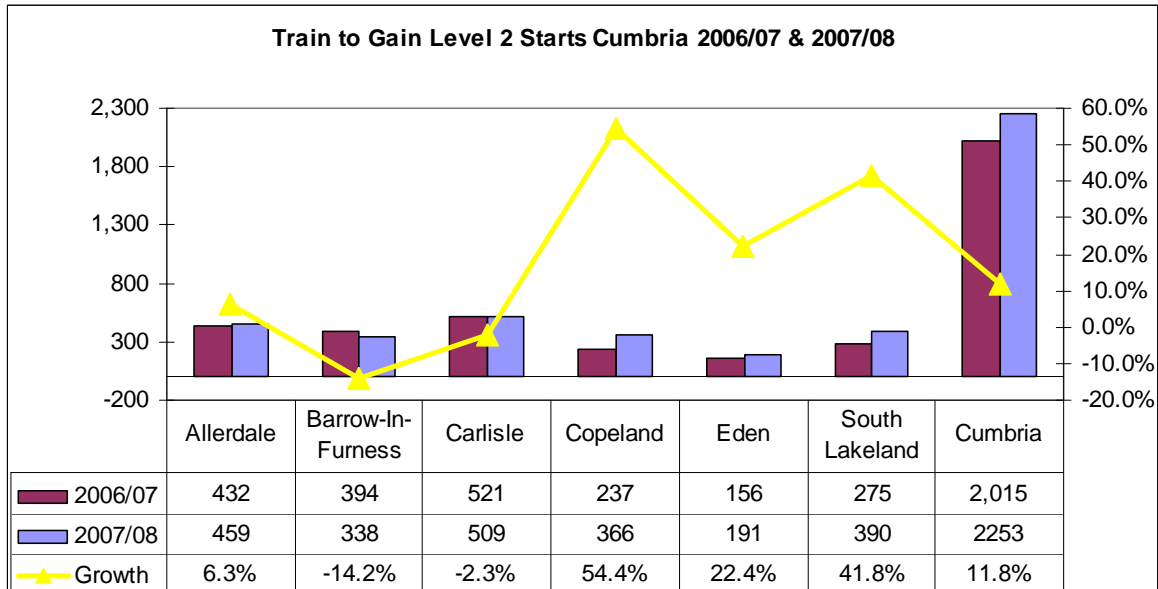
### Train to Gain Starts

- 42 Figure 10 shows the volume of Train to Gain (TtG) level 2 starts in Cumbria in 2006/07 and 2007/08.
- 43 **In 2007/08 there were 2,253 Train to Gain level 2 starts** in Cumbria, this accounts for 5.3 per cent of the level 2 (TtG) provision in the North West. And has grown by 11.8 per cent from 2006/07.
- 44 **Growth in Cumbria is significantly lower** than other local LSC areas in the North West, where increases of over 50 per cent and more occurred. This could indicate that further work may be required to encourage employers to engage in Train to Gain activity.

<sup>3</sup> Analysis of the Economically Active Population would be more appropriate because Train to Gain provision is aimed at those who are employed.

- 45 Barrow-in-Furness had a decline in TtG provision of 14.2 per cent between 2006/07 and 2007/08. Copeland had the highest increase at 54.4 per cent however this rate of growth was still low compared to other areas in the North West.

**Figure 10: Train to Gain Level 2 Starts**



Source: Train to Gain ILR 2007/08 (P12)

## FE Employer Facing Provision

- 46 Employer Facing FE<sup>4</sup> data available to LSC analysts for use in this report is based on institutions rather than the residency of the learner. District level analysis of FE employer facing provision has been omitted here because it would be possible to identify individual institutions from such analysis which is not the purpose of this report. The LSC treats this type of data as personal information and is therefore subject to the Data Protection Act 1998. For information on the Performance of FE Employer Responsive provision in Cumbria compared to other LSC areas of the region please see that Regional Employer Facing Provision Report<sup>5</sup>

## The Required Growth in Apprenticeships

- 47 The growth expected in Apprenticeship provision in England is assessed in the Regional Strategic Analysis (Employer Responsive Provision) and is referred to in this document (Paragraph 12). The following analysis looks at Apprenticeships in Cumbria for learners aged 19+<sup>6</sup>.

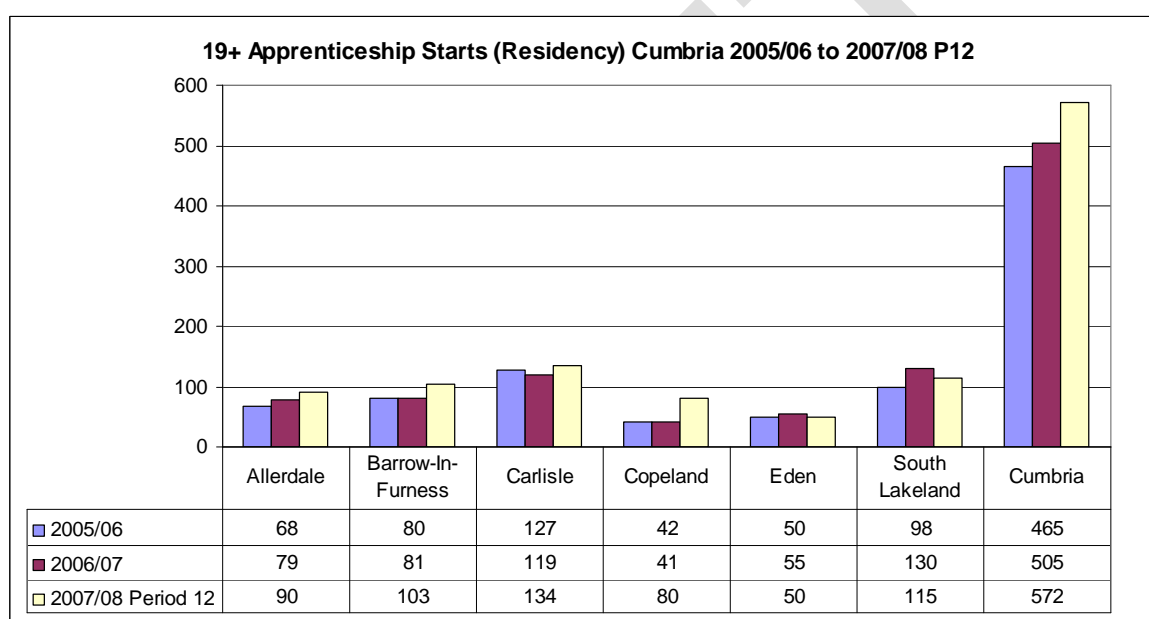
<sup>4</sup> Employer Facing FE Provision is defined as that which directly responds to employer need – The alternative to this within FE is Adult Learner Responsive provision undertaken by the individual rather than the employer. – Analysis of this provision is contained in a separate chapter.

<sup>5</sup> Available at <http://www.lsc.gov.uk/regions/NorthWest/NORTH+WEST.htm>

<sup>6</sup> Note: Apprenticeships for those aged under 19 are addressed in the 14-19 Strategic Analysis

- 48 Figure 11 shows the volume of starts on 19+ Apprenticeships (Level 2) in Cumbria between 2005/06 and 2007/08 Period 12. The data shown is based on the residency of the learner, not where the employer is based.
- 49 **In 2007/08 Cumbria had 572 19+ Apprenticeship starts**, which was an increase of 23 per cent from 2005/06 and represents 6.0 per cent of the North West total. This is representative of the working age population at 7.0 per cent.
- 50 **There has been steady growth at district level** between 2005/06 and up to 2007/08 (P12) except for a few fluctuations. All districts in Cumbria except Eden had an increase in starts. Copeland doubled the number of apprenticeships between this period while Carlisle had a smaller increase of 5.5 per cent.

**Figure 11: Apprenticeship Starts**



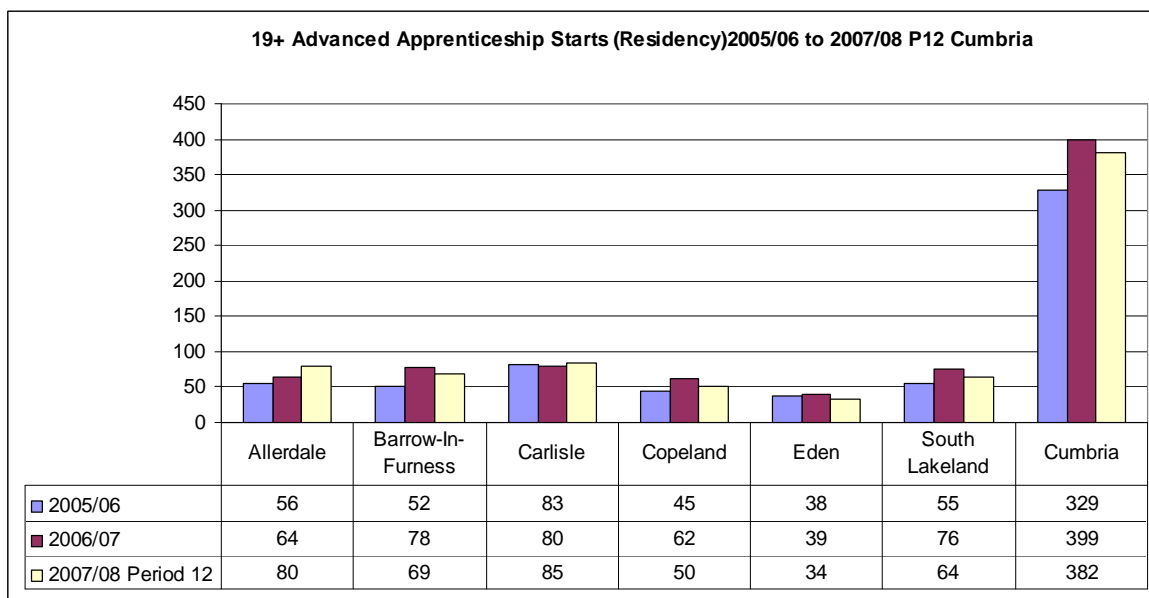
Source: Work-based Learning ILR 2005/06 to 2007/08 (P12) (Residency Based)

- 51 Figure 12 shows the volume of starts on 19+ Advanced Apprenticeships<sup>7</sup> in Cumbria 2005/06 to 2007/08 period 12. The data shown is based on the residency of the learner rather than provider / employer location.
- 52 Cumbria's 19+ Advanced Apprenticeships growth was less than that for Apprenticeships at level 2, however there was an increase of 16.1 per cent between 2005/06 to 2007/08 (P12).
- 53 **Cumbria accounted for 5.8 per cent** of the regional Adult Advanced Apprenticeship starts in 2007/08. This has decreased by a percentage point since 2005/06 and is below Cumbria's share of the working age population (7.0%).

<sup>7</sup> Advanced Apprenticeships are those which include a Level 3 qualification, whereas Apprenticeships comprise a Level 2.

- 54 **Between 2005/06 to 2007/08 period 12, there was a marked difference in growth rates across the districts.** Allerdale increased volumes of starts on 19+ Advanced Apprenticeships by 42.9 per cent. This suggests that adults are taking up the opportunity to progress further. Where as the volume of 19+ Advanced Apprenticeships in Eden decreased by 10.5 per cent.

**Figure 11: Advanced Apprenticeship Starts**



Source: Work-based Learning ILR 2005/06 to 2007/08 (P12) (Residency Based)

## Success Rates

### Further Education Success Rates

#### FE 19+ Full Levels 2 and Level 3 Success Rates

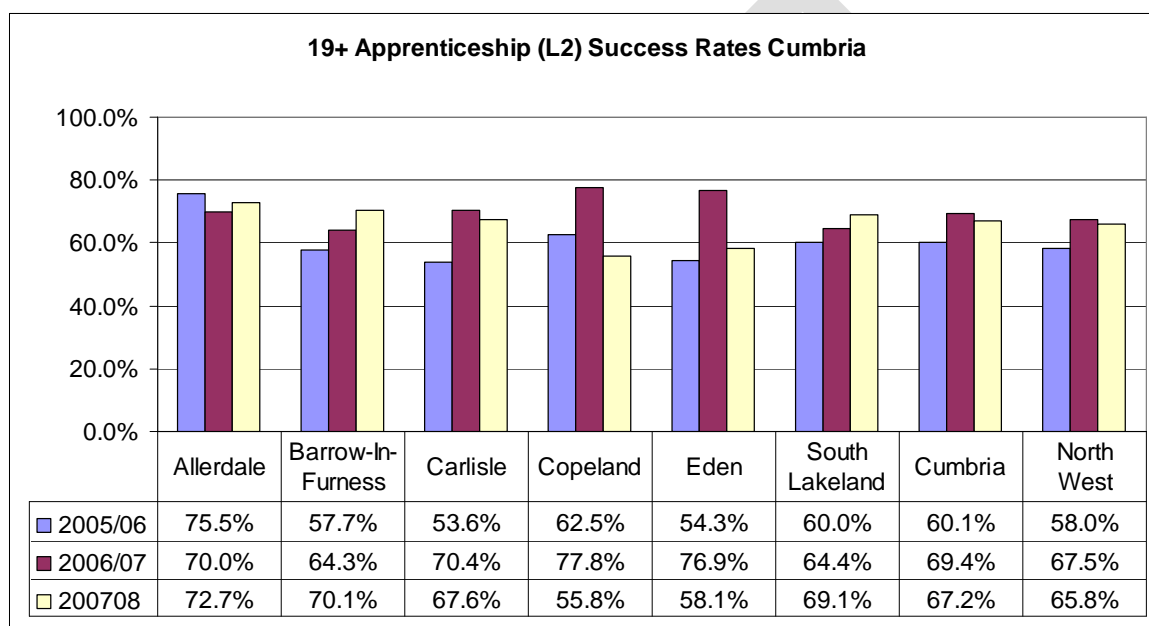
- 55 At present it is not possible to obtain FE success rates for employer responsive provision only, due to data limitations. The data shown is based on the location of the provider rather than the residency of the learner.
- 56 **District level analysis of FE success rates in Cumbria has been omitted** here because it would be possible to identify individual institutions. The success rates are available at partnership level and can be found in the North West Employer Responsive Provision Report.

### Apprenticeships and Advanced Apprenticeship Success Rates

- 57 Figure 12 shows 19+ Apprenticeship success rates in Cumbria between 2005/06 and 2007/08. **In 2007/08 success rates in Cumbria rose to 67.2 per cent, an increase of 7.1 percentage points from 2005/06, this is above the regional rate of 65.8 per cent.**

- 58 The strongest growth in Cumbria was in Barrow-in Furness, where the success rate rose by 12.4 percentage points to 70.1 per cent. This indicates strong performance especially as the number of apprenticeship starts increased.
- 59 Please note that some areas on the chart are showing a reduction in success rate between 2006/07 and 2007/08. **This may be due to the 2007/08 data being from Period 12, i.e. not a complete year of data.** This is at the time of writing the latest available residency based success rate data.

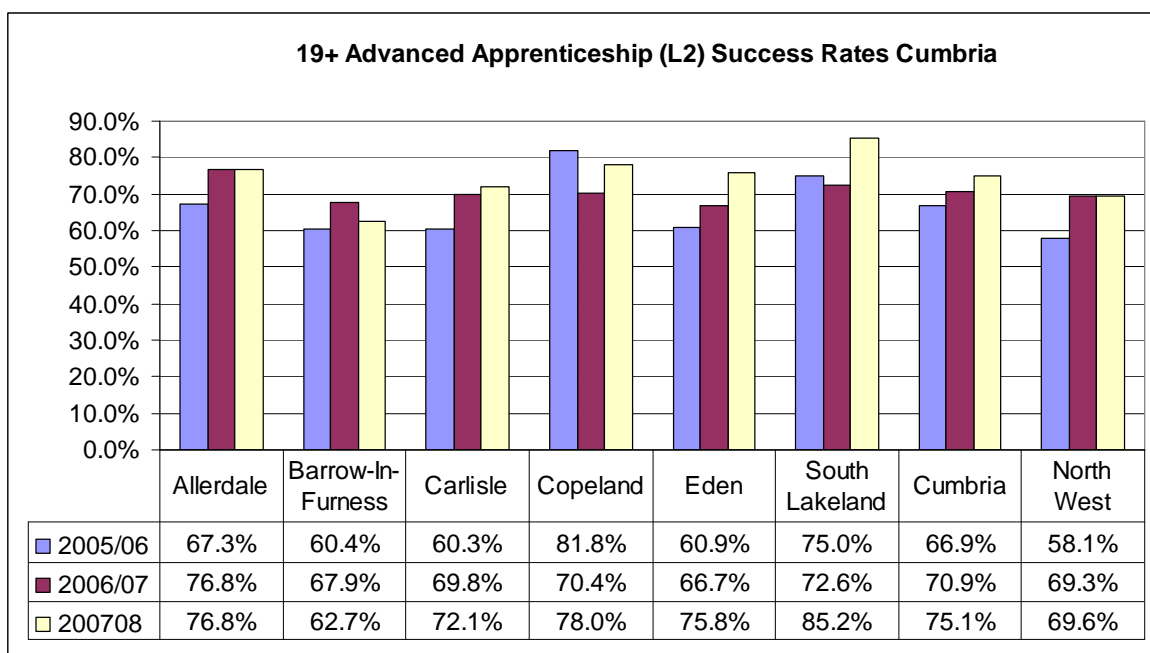
**Figure 12: Apprenticeship Success Rates**



Source: Work-based Learning ILR 2005/06 to 2007/08 (P12) (Residency Based)

- 60 **19+ Advanced Apprenticeship success rates in Cumbria have increased to 75.1 per cent in 2007/08 (P12).** This is above the regional rate and increased by 8.2 per cent from 2005/06.
- 61 Within Cumbria, South Lakeland had the highest success rate at 85.2 per cent. Eden had the highest rate of increase of 14.9 percentage points to 75.8 per cent.
- 62 As with the Apprenticeship data, the information shown is based on the residency of the learner and uses data as at period 12 for 2007/08.

**Figure 13: Advanced Apprenticeship Success Rates**

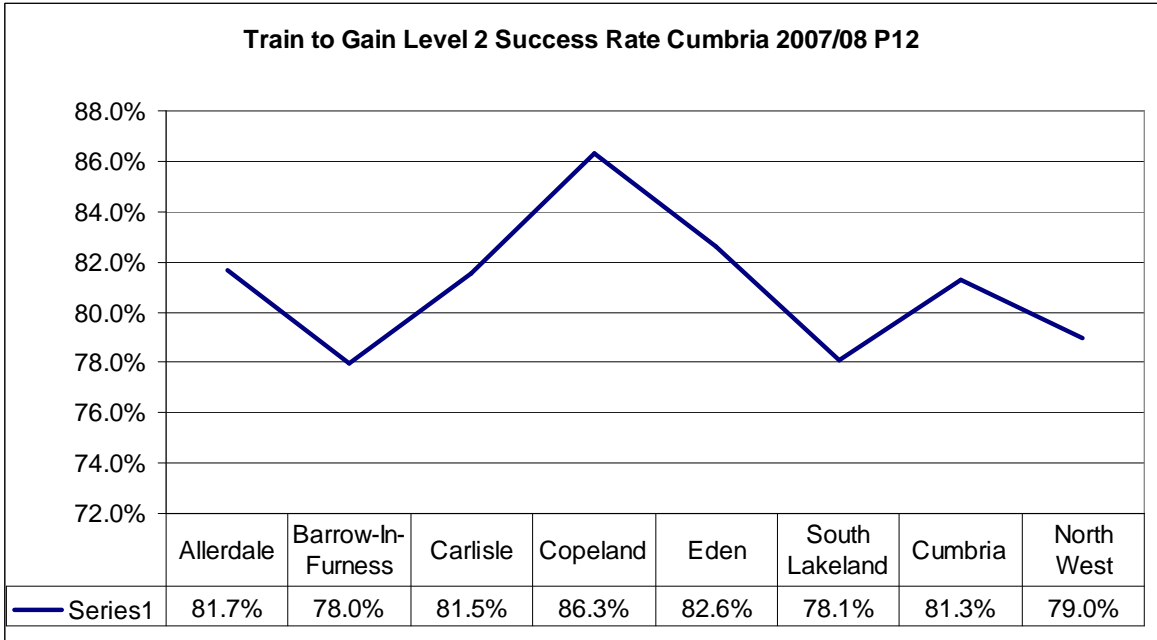


Source: Work-based Learning ILR 2005/06 to 2007/08 (P12) (Residency Based)

### Train to Gain

- 63 Train to Gain provision is still relatively 'new' when compared to other LSC funded provision therefore the only success rate data currently available is for 2007/08 (period 12). The success rate shown in Figure 14 is based on the residency of the learner and shows the volume of achievements as a percentage of the volume of leavers.
- 64 **Cumbria's TtG level 2 success rate at 81.3 per cent** is above the other local offices and the North West rate.
- 65 With 1,620 achievements Cumbria accounts for 6.8 per cent of the regional total.
- 66 The difference between the highest and lowest success rate in the districts is 8.3 percentage points. Copeland and Barrow in Furness have success rates of 86.3 per cent and 78.0 per cent respectively. Their employment rates for those qualified to below level 2 those are 70.0 per cent for Copeland and 62.4 per cent for Barrow in Furness.

**Figure 14: Train to Gain Success Rates**



Source: Train to Gain ILR 2007/08

**Summary**

- 67 In recent years the balance of LSC funded adult skills provision has shifted dramatically towards target-bearing employer facing provision. This is evidenced by both the increase in Apprenticeships as well as the large growth seen in Train to Gain. In addition to this Further Education providers have been increasingly shifting their provision for adults towards that which directly responds to the needs of local employers.
- 68 Analysis shows that high levels of growth are required in Train to Gain provision to meet challenging targets. In Cumbria the rate of growth could improve if the local contribution to this target is to be met. Contribution to regional and national targets have positive effects on the local economy with more highly trained employees proven to increase output and productivity.
- 69 **As with Train to Gain provision Cumbria will need to continue to maintain its growth in Apprenticeship volumes** as part of the large contribution expected of Employer Responsive provision to the level 2 and 3 Public Service Agreement (PSA) targets.
- 70 Recently key developments have featured in driving this agenda forward including the creation of the National Apprenticeship Service (NAS) as well as the further developments associated with Train to Gain funding.
- 71 In past years the volume of Apprenticeship opportunities being offered by employers has been particularly affected by the economic climate. With the

formation of the NAS a result of increasing government focus, it will enable close monitoring and the ability to react quickly to any changes that arise in future.

- 72 **Level 3 provision has not had the same growth across Apprenticeships or Further Education** as seen in other parts of the region, this may highlight issues of progression / aspirations or could indicate that provision is being delivered according to need i.e. there is greater demand for Level 2, or there are more jobs available at Level 2 than Level 3. As with Apprenticeships at level 2, the Advanced Apprenticeship success rate has continued to grow and is above the regional rate by 5.5 percentage points (2007/08, P12).
- 73 **Another key development is the creation of Skills Accounts. Skills Accounts** will give learners access to a new range of services which will help them take control of their learning and working life. They will also include a confidential record of an individual's achievements so that they can share these with employers and careers services. Each account holder will also have a Unique Learner Number which will be used to link the different services and build a verified record of their learning.
- 74 Analysis of the economic structure of the Cumbria has been included in this chapter. The forecasts used in the analysis project forward 10 years to estimate changes of the economic make-up of the area. Given the current economic climate and uncertainty any shorter term forecasts should be used with caution.
- 75 In previous periods of economic downturn there is evidence of employers undertaking less training amongst their workforce. In light of these previous trends the effects of the current economic climate on levels of training amongst employers should be monitored closely in order for progress against challenging PSA targets to be maintained and improved upon.