

Strategic Analysis Cumbria

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Executive Summary

EKOS Consulting was commissioned by the North West Regional Skills Partnership (RSP) in August 2006 to develop a NW Statement of Skills Priorities to cover the period 2007/08 to 2009/10. The purpose of the Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. The Statement also articulates how the RSP will support the delivery of the Regional Economic Strategy.

The Regional Strategic Analysis report is the quantitative evidence base that underlies the North West Statement of Skills Priorities. It also acts as the evidence base for European social Fund (ESF) prioritisation and supports the Learning and Skills Council (LSC) planning and commissioning cycle. This sub-regional Strategic analysis report is designed to look at some key data on a district basis (where available) and to summarise some of the key data for the sub-region. It should be read in conjunction with the Regional report.

The economic performance of Cumbria is weak when compared to England average benchmarks and the other sub-regions in the North West. For example:

- GVA per capital, at £12,217 in 2004, is well below the England and regional averages (£16,521 and £14,269 respectively) and is the second lowest of the five North West sub-regions.
- New business starts, at 31 per 10,000 adult population, is the second lowest of the five sub-regions. This is particularly notable because more rural areas typically have higher rates of start-up.

Employment growth in Cumbria since 1996 has been at a rate slightly above the regional average. Employment levels have been more volatile than other sub-regions, since Cumbria is a relatively small economy and is more vulnerable to shocks, such as foot and mouth disease. The economy recovered quickly from foot and mouth, but there are some significant challenges for Cumbria going forward, including nuclear decommissioning.

There are some significant differences in the sector profile of employment when compared to England. In particular:

- the high proportion of people employed in manufacturing (17.2% v 12%);
- the high proportion of people employed in hotels and restaurants (9.7% v 6.8%); and
- the low proportion of people employed in real estate and business activities (10% v 16.6%).

The occupational structure is also quite different to the national average. There is a lower proportion of higher skilled jobs in Cumbria than nationally, and this is especially true for the Professional and

Associate Professional categories – the share of employment accounted for by these occupational categories is 2% points and 3% points below the national average respectively.

The Working Futures forecasts indicate employment growth in Cumbria of 1.7% between 2004 and 2014 (cumulative growth), which translates into 4,000 new jobs. This growth rate is the lowest of the North West sub-regions and well below the North West projection of 3% growth. The forecasts are for:

- Further employment decline in the manufacturing and primary & utilities sectors.
- A decline in employment in the construction sector and at a faster rate than regionally.
- Employment growth in the business and other services sector of 7.7%.

The employment rate in Cumbria is actually above national and regional averages (79.5% versus 75.1% and 73.5% respectively). Cumbria's problems are less about getting people into employment and more around the type of jobs available in the sub-region. To close the GVA gap with other sub-regions, Cumbria needs to attract a greater number of high skilled jobs.

A significant supply-side constraint that Cumbria faces is the low proportion of its population with higher level qualifications, which makes it a relatively unattractive location for higher value added businesses. Of the economically active population, 27% are qualified to Level 4 or above, compared to 29% in the North West and 31% in England.

A further challenge for the Cumbria economy is its ageing population. This is an issue nationally, but particularly in Cumbria. Of the five sub-regions, Cumbria currently has the highest proportion of over 65 year olds in its population (19%) and this is forecast to increase to 25% by 2020 – well above the regional average forecast of 20%. Migration patterns are likely to reinforce these trends, with migrants more likely to be attracted to sub-regions with large urban centres, particularly Manchester and Liverpool.

The performance of the education system and its learners in Cumbria is good:

- Attainment of Level 2 at age 16 and 19 is 53% and 72% respectively – 3% points and 2% points above corresponding national average rates.
- For all levels, FE sector success rates for long qualifications taken by 16-18 year olds are broadly in line with national averages and those for adults are above national averages. Full level 2 success rates for young people and adults are well above national averages (by 4% points and 8% points respectively). WBL success rates are also in line with or above national averages.
- The proportion of young people who are Not in Education, employment or Training (NEET) at 7.7% is well below the regional rate and 1% point below the national average.

1 Introduction and Context

1.1 Background and Purpose of the Sub Regional Strategic Analysis

EKOS Consulting (UK) Ltd, was commissioned by the North West Regional Skills Partnership in August 2006 to develop a NW Statement of Skills Priorities to cover the period 2007/08 to 2009/10. The purpose of the Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. The Statement also articulates how the RSP will support the delivery of the Regional Economic Strategy.

As part of the work, we have produced a Regional Strategic Analysis, which is the quantitative evidence base that underlies the NW Statement of Skills Priorities. It also acts as the evidence base for ESF prioritisation and supports the LSC planning cycle and the regional strategic commissioning document, which is due for completion in November 2006.

This report presents a sub-regional Strategic Analysis or evidence base for the Cumbria sub-region. It is primarily a quantitative report, with analysis conducted at the sub-regional and district level, where appropriate. Its purpose is to highlight the issues which are of particular importance for Cumbria.

1.2 Policy Background

The Regional Strategic Analysis sets out the national policy context and the recent focus on skills as being vitally important to improving productivity levels in the UK.

1.3 LSC Cumbria priorities

In addition to working towards national Learning and Skills Council (LSC) priorities, each local LSC produces an Annual Plan that focuses on issues that are specific to their areas. For Cumbria, the latest version of the plan (2005/06) highlights a number of local priorities to be addressed including target sectors. In addition, a number of challenges facing young people and adults are drawn out separately for special attention.

Local Priorities

- Make all learning inclusive to the diverse needs of individuals, taking account of different genders, abilities/disabilities and minority ethnic groups.
- Strengthen collaboration across the 14-19 phase, working with the LEA, so that all 14-19 year olds have access to high quality, relevant learning opportunities – widening choice and progression through the vocational route in all areas of Cumbria.

- Ensure that individuals and employers have the skills they need for social and economic sustainability and development – Skills for Life and Level 2 being crucial issues to address locally.
- Establish effective strategies to demonstrate the ability and value of further education to meet the skill needs of business and individuals – securing additional contributions towards the cost of skills training - ensuring that the mix and quality of provision is responsive to local needs – removing barriers to participation.
- Enabling the delivery of local and regional skills priorities – working with Cumbria Vision, the North West Development Agency, Business Skills North West and local/regional structures of the LSC.
- Meet the skills needs of key employment sectors in Cumbria, including the skills of those delivering public services – particularly in land-based, tourism/cultural industries, (nuclear) energy/decommissioning, engineering, construction, health/care, food production, manufacturing, public services.
- Support the development of university education in the County to increase participation in higher education towards 50% of those aged 18 to 30 by 2010.

Priority Sectors

Cutting across the local priorities, Cumbria LLSC identifies three sectors that are significant to the County and these are; health, education and public administration; tourism; and agriculture. Of these, the latter two do not typically demand high level skills. In addition, Cumbria is heavily dependent upon two employers (BAe Systems and BNFL). Whilst employment at both firms has declined recently, remaining jobs are relatively highly skilled and the new Nuclear Decommissioning Authority base in West Cumbria should generate significant skills demand – see the case study in chapter 3.

Issues and Challenges facing Young People

- Relatively low number of young people in NEET compared to the national average and ESF funding available to reduce this further.
- Greater role for enterprise training highlighted in Strategic Area Review.

Issues facing Adults

- Skills for Life needs in Cumbria are higher than the national average and further work is needed to close this gap through employer engagement, including through ESF funding in Cumbria.
- Improve participation in training and equality of skills across gender, disability and ethnic background. In particular, to encourage employers to offer opportunities to all groups, especially where cultural barriers exist.

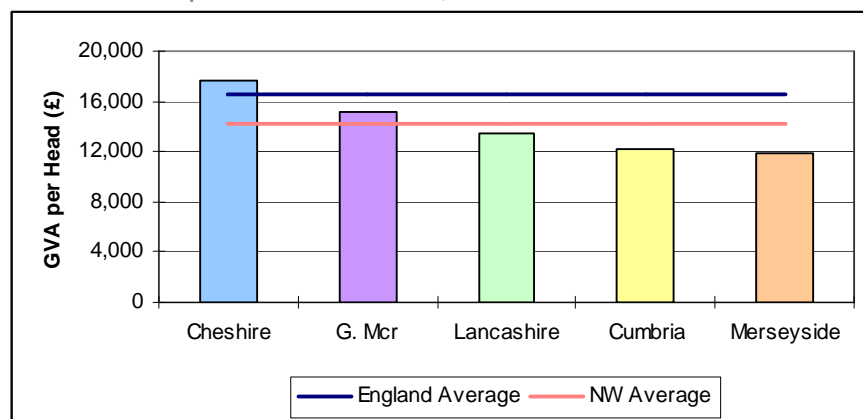
2 Economic Context

2.1 Productivity

Productivity in the economy is measured in terms of Gross Value Added – the value of the output produced. Gross Value Added per head gives an indication of the level of economic wealth of an area. Although GVA per head in the North West has increased substantially over the past six years, there remains a significant gap (13.3%) when compared to the England average. If levels of GVA per head could be raised to the England average, residents of the North West would be, on average, £2,280 better off than they are today.

The graph below shows GVA per head across the North West sub-regions. Cumbria has the second lowest GVA per head of the five sub-regions after Greater Merseyside. The productivity gap with the region is 14% and with England is 26%.

Gross Value Added per Head in the North West, 2003



Source: ONS GVA

GVA per head is determined by a number of factors, including:

- The industrial base.
- The relative size of the working age population compared to the dependent population.
- Activity levels within the working age population.
- The skills levels of those in employment.
- The number of hours worked by those in employment.

As shown later in this report, Cumbria's performance in terms of the skills base of the workforce is relatively weak against the England average, and in particular, the sub-region has a relatively low proportion of people qualified to Level 4.

2.2 Enterprise

An important determining factor in the economic success of an area is the level of enterprise, or the rate of new business start up. This is typically measured by the rate of new VAT registrations. The table below shows VAT registrations per 10,000 people in the North West. Whilst the rate of business start up in Cumbria is only slightly below the regional average, both of these rates are well below the England average.

New Starts (VAT Business Registrations), 2004

2004	New Starts		
	Total	Per 10,000 adult pop'	Per 10,000 working age pop'
England	158,535	41	52
North West	17,640	33	43
Cheshire	2,875	42	57
Cumbria	1,190	31	41
Lancashire	3,750	33	43
G. Manchester	6,990	36	46
G. Merseyside	2,830	25	31

Source: VAT Registrations; Small Business Service, 2004

3 The Demand for Skills

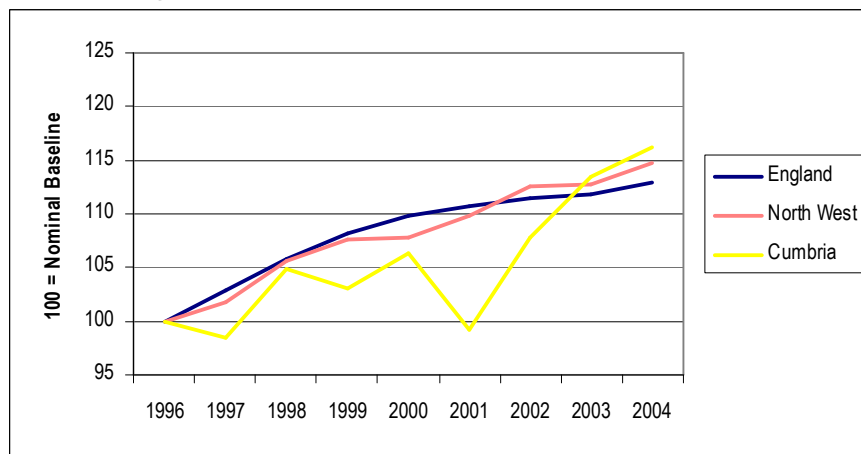
3.1 Demand for Labour

Employment

In excess of 247,000 people are currently employed in Cumbria according to the most recent Labour Force Survey Statistics. This represents an increase of over 60,000 in the period since 1996.

Cumbria has experienced employment growth at a rate slightly above the regional average since 1996. Being a relatively small economy, it is vulnerable to shocks, as witnessed in the chart below by the large fall in employment in 2001 – a result of the spread of foot and mouth disease. The economy recovered quickly from this, but there are some significant challenges for Cumbria going forward, including nuclear decommissioning.

Growth in Employment, 1996-2004



Source: Annual Business Inquiry; NOMIS, 1996, 2004

Note: employment based on workplace location

Employment by sector

There are some significant differences in the sector profile of employment when compared to England. In particular:

- the high proportion of people employed in manufacturing (17.2% v 12%);

- the high proportion of people employed in hotels and restaurants (9.7% v 6.8%); and
- the low proportion of people employed in real estate and business activities (10% v 16.6%).

Employment by Industrial Sector, 1996 & 2004

	Cumbria				England
	1996	%	2004	%	%
Agriculture, forestry & fishing*	795	0.4%	722	0.3%	0.2%
Mining and utilities	1,739	0.9%	1,409	0.7%	0.5%
Manufacturing	42,012	22.9%	36,755	17.2%	12.0%
Construction	7,457	4.1%	10,588	5.0%	4.5%
Wholesale and retail trade	32,573	17.8%	42,420	19.9%	18.2%
Hotels and restaurants	19,301	10.5%	20,600	9.7%	6.8%
Transport and communication	8,985	4.9%	10,094	4.7%	6.1%
Financial intermediation	4,830	2.6%	2,884	1.4%	4.1%
Real estate and business activities	13,364	7.3%	21,402	10.0%	16.6%
Public admin' and defence	8,931	4.9%	8,965	4.2%	5.4%
Education	11,182	6.1%	16,951	8.0%	9.2%
Health and social work	24,110	13.1%	25,717	12.1%	11.4%
Other community and personal services	8,151	4.4%	14,609	6.9%	5.1%
Total	183,431	100	213,116	100	100

Source: Annual Business Inquiry; NOMIS, 1996, 2004

*In-depth DEFRA Agriculture employment figures unavailable

The sectors exhibiting the highest employment growth rates since 1996 are shown in the table below. Employment growth has predominantly been in the service sector. In particular, when compared to national growth rates, Cumbria has experienced significant growth in employment in recreational, cultural and sport activities, highlighting the sub-region's increasing popularity as a tourist destination.

SIC2 Industrial Sectors with the Largest Employment Growth, 1996-2004

	Cumbria		England
	Change	% Change	% Change
Retail & repair, exc' motor vehicles	7,588	35	26
Education	5,769	52	37
Other business activities	4,325	46	29
Recreational, cultural and sport activities	3,408	84	25
Construction	3,131	42	40
Other service activities	2,592	158	23
Real estate activities	2,110	113	54
Wholesale trade, exc' motor vehicles	1,854	37	5

Source: Annual Business Inquiry; NOMIS, 1996, 2004

Cumbria has experienced a decline in employment in manufacturing, and mining and utility sectors, which is a common theme nationally. However, employment in financial intermediation reduced by 40% between 1996 and 2004, which is contrary to the positive employment growth experienced in that sector nationally. The table below shows the sub-sectors that have experienced the largest employment declines. Supporting the broader trends, the majority of job losses have been in the manufacturing sector, although Cumbria's recent decline in finance is evident here as well.

SIC2 Industrial Sectors with the Largest Employment Decline, 1996-2004

	Cumbria		England
	Change	% Change	% Change
Manufacture of transport equipment	-2,158	-43	-8
Manufacture of apparel, dyeing of fur	-1,431	-87	-70
Insurance and pension funding	-1,276	-90	-15
Tanning and manufacture of leather goods	-1,006	-81	-74
Manufacture of chemicals	-872	-34	-20
Manufacture of basic metals	-716	-52	-48
Manufacture of furniture; other manufacture	-566	-29	-12
Finance, exc' insurance & pensions	-508	-19	-3

Source: Annual Business Inquiry; NOMIS, 1996, 2004

Occupational Structure

The table below shows the number of people employed in different occupations in Cumbria in 2005, and compares this to the profile for England. Key differences between the Cumbria and England profiles are as follows:

- There is a lower proportion of higher skilled jobs in Cumbria than in England. This is especially true for the Professional and Associate Professional categories – the share of employment accounted for by these categories is 2% points and 3% points below the national average respectively.
- Similarly, there is a higher proportion of lower skilled jobs in Cumbria (elementary occupations and plant & machine operatives).

Employment by Occupational Group in Cumbria, 2005

(SOC 2000)	Cumbria		England
	2005	%	% 2005
Managers & senior officials	33,000	14	15
Professional occupations	26,000	11	13
Associate prof & technical	26,000	11	14
Administrative & secretarial	25,000	10	13
Skilled trades	32,000	13	11
Personal services	17,000	7	8
Sales & customer services	21,000	9	8
Plant & machine operatives	26,000	11	7
Elementary occupations	36,000	15	12
		100	100

Source: Labour Force Survey, Quarterly Averages; NOMIS, 1996-2005

The Standard Occupational Classifications (SOC) changed in 2001/02, so that comparisons pre and post 2001 have to be undertaken with care. In the table below, we show changes in employment by occupational category between 1996-2001 and 2002-05. Strong growth in higher level skilled occupations is a key feature of the period 2002-05.

Employment Change by Occupational Group in Cumbria, 1991-2001 & 2002-2005

Change 1996 - 2001 (SOC 1990)	Cumbria		England
	Change	% Change	% Change
Managers & administrators	1,000	3	8
Professional occupations	0	0	12
Assoc. prof & technical	-3,000	-14	22
Clerical, secretarial	-1,000	-4	5
Craft & related occupations	-1,000	-3	-2
Personal, protective	-4,000	-14	10
Sales	-1,000	-5	13
Plant & machine operators	-2,000	-8	-4
Other occupations	-5,000	-19	-3
Change 2002 - 2005 (SOC 2000)	Change	% Change	% Change
Managers & senior officials	10,000	43	10
Professional occupations	5,000	24	10
Associate prof & technical	2,000	8	3
Administrative & secretarial	2,000	9	-5
Skilled trades	1,000	3	-1
Personal services	1,000	6	8
Sales & customer services	4,000	24	3
Plant & machine operatives	3,000	13	-9
Elementary occupations	-1,000	-3	-3

Source: Labour Force Survey, Quarterly Averages; NOMIS, 1996-2005

Employment forecasts

The 2006 Working Futures report produced by the Institute of Employment Studies¹ gives some insights into the projected sector and occupational mix of the Cumbria economy to 2014. The economic model which underpins Working Futures is trend based, and so the model will miss significant regeneration or other initiatives underway or planned in specific areas. We address this in a separate section below through qualitative analysis of major projects underway or planned in the sub-region.

The Working Futures forecasts show employment growth in Cumbria of 1.7% between 2004 and 2014 (cumulative growth), which translates into 4,000 new jobs. However, this growth rate is the lowest of any of the sub-regions and therefore below that predicted for the North West region as a whole (3%).

Employment Change Forecasts by Sub-Region, 2004-2014

	Employment 2004 (000)	Employment 2014 (000)	Change (000)	Change (%)
Cheshire & Warrington	537	559	22	4.1%
Cumbria	235	239	4	1.7%
Greater Manchester	1318	1365	47	3.6%
Greater Merseyside	602	617	15	2.5%
Lancashire	666	680	14	2.1%
North West	3358	3459	101	3.0%

Source: Working Futures 2006

The table below shows forecast employment in Cumbria by sector to 2014.

Employment Change Forecasts by Industrial Sector, 2004-2014

	Employment (000)		Change		North West Change (%)
	2004	2014	(000)	(%)	
Primary sector & utilities	6	5	-1	-16.7%	-11.1%
Manufacturing	42	39	-3	-7.1%	-11.0%
Construction	14	13	-1	-7.1%	-4.4%
Distribution, transport etc	82	85	3	3.7%	3.6%
Business & other services	39	42	3	7.7%	11.4%
Non-marketed services	53	56	3	5.7%	4.4%

Source: Working Futures, 2006

- Employment declines that have been experienced in the manufacturing sector and primary & utilities sectors are forecast to continue.
- Despite the employment growth experienced in the construction sector between 1996 and 2004, the forecast is for employment to decline, and at a faster rate than regionally.
- The highest employment growth rate is predicted to be in the business and other services sector, 7.7%. However, even this is almost 4% behind the forecast growth rate for the North West as a whole.

The table below shows forecast employment in Cumbria by occupational group to 2014.

¹ Working Futures 2004-2014 Spatial Report (2006), Institute of Employment Studies

Employment Forecasts by Occupational Group, 2004-2010

	Employment (000)		% of Total Employment		% Change	North West % Change
	2004	2014	2004	2014		
Managers & senior officials	33	35	14.0%	14.7%	6.1%	8.4%
Professionals	23	27	9.9%	11.3%	17.4%	18.4%
Associate professionals & technical	29	29	12.2%	12.3%	0.0%	5.5%
Admin, clerical, secretarial	27	26	11.5%	10.8%	-3.7%	-1.8%
Skilled trades	29	27	12.3%	11.2%	-6.9%	-5.3%
Personal services	19	25	8.1%	10.3%	31.6%	19.0%
Sales & customer services	24	28	10.0%	11.7%	16.7%	14.2%
Machine & transport operatives	22	20	9.4%	8.4%	-9.1%	-5.7%
Elementary	30	22	12.6%	9.3%	-26.7%	-21.9%

Source: Working Futures, 2006

Key points to note for Cumbria are that:

- The highest skilled occupations, managers and senior officials, and professionals, are forecast to experience employment opportunities growth, although both at lower rates than regionally (6.1% and 17.4% versus 8.4% and 18.4% respectively).
- Both personal services, and sales and customer services employment is predicted to grow and at faster rates than for the North West region as a whole. The growth rate is significantly above that of the region for personal services at 31.6% compared to 19%.
- Reductions in employment are expected across all manual occupations, including skilled trades, and employment opportunities for each occupation type are expected to fall at faster rates than in the wider region.

The table below shows forecast employment in Cumbria by gender and employment status to 2014 (part time, full time, self employed).

Employment Change Forecasts by Gender, 2004-2010

	Employment (000)		Change		North West Change (%)
	2004	2014	(000)	(%)	
Male Full Time	89	91	2	2.2%	6.3%
Male Part Time	14	13	-1	-7.1%	17.5%
Female Full Time	43	39	-4	-9.3%	2.5%
Female Part Time	63	73	10	15.9%	0.9%
Self-employed	27	22	-5	-18.5%	-12.5%
Total					
Male	122	119	-3	-2.5%	4.5%
Female	113	120	7	6.2%	1.3%
Full Time	132	131	-1	-0.8%	5.0%
Part Time	77	86	9	11.7%	5.1%

Source: Working Futures, 2006

- Male employment in Cumbria is expected to fall between 2004 and 2010 by 2.5% compared with regional growth of 4.5%.
- Female employment is expected to rise by 6.2% - almost 5% points more than regionally. This is predominantly accounted for by part time employment and may be reflecting the increase in personal services and sales and customer services opportunities.
- Self employment is forecast to decline by 18.5%, 6% points higher than the regional figure.
- Overall, full time employment in the sub-region is expected to decline, which is at odds with the 5% increase projected for the region. This is likely to reflect the forecast shift in occupation structure towards customer services, sales and personal services.

3.2 Major developments not taken into account in forecasts

Key projects currently planned or underway in Cumbria which may have an impact on employment growth and skills priorities include:

- **University of Cumbria.** A transformational initiative with implications for the whole of Cumbria. The initiative will have specific benefits in terms of employment, skills development and retention/attraction of the young. It is planned that the benefits will be felt county wide, particularly with campuses/access points situated in Carlisle, Barrow, Workington, Kendal, Penrith and Ambleside. Current limited provision of Higher Education in the area hinders retaining and attracting young people to assist the economy to move to higher value-added employment.
- **The nuclear sector.** The sector remains vitally important to sustaining the economy in Cumbria. The scale of investment in Sellafield and through associated contractors is high and benefits for local businesses are also created. See case study below.
- **Carlisle Renaissance.** A project to redevelop the city centre after the floods will cost more than £180 million from 2006 -2010 and will create up to 1,600 jobs.

- **Cumbria Vision projects.** Cumbria vision is the Regeneration vehicle for the area. The plans for redevelopment are numerous and include:
 - Barrow Masterplan, expected to lever in £100 million of private sector investment and will result in the creation of a mixed used development including a major employment park focused on technology-base business; and
 - On the West Coast, the development of Derwent Forest, market towns, redevelopment of Maryport, West Lakes science and technology park, Whitehaven and Workington.

Sub regional case study: Nuclear Decommissioning

The major initiative which is expected to have an effect on learning and skills requirements in Cumbria is the decommissioning of the Magnox nuclear power stations including Sellafield. The location of the Nuclear Decommissioning Authority (NDA) in West Cumbria will have an offsetting effect to the anticipated reduction of direct and indirect employment through Sellafield. Employment levels on the site are forecast to remain steady until about 2012, and then decline rapidly to a third of previous levels (about 4,000) by 2018.

The NDA has committed £20million of funding to support three new initiatives to be based in West Cumbria - a National Nuclear Skills Academy, a Nuclear Institute and a new academic position of Chair of Epidemiology. The Nuclear Skills Academy or 'Nucleus' will be one of the first centres, provided through a partnership of Lakes College, GEN II and UCLan. Nucleus will provide vocational training including Foundation degrees and apprenticeships and will develop integrated provision across the UK. The Nuclear Institute based at the West Lakes Science and Technology Park is designed to bring world class scientific research to West Cumbria.

For nuclear decommissioning, identified skills needs include Level 2 and 3 in Nuclear Decommissioning and Foundation Degree Level 4 in Nuclear Decommissioning.

In Cumbria, learner volumes will be 6,000 annually over three years, which will include 500 at NVQ4, 4,500 at NVQ3 and 500 NVQ2. 200 apprenticeships will be completed by September 2008. The size of the workforce (client and contractor combined) is 8,000, excluding employment in SMEs. In the Nucleus Centre itself it is planned that new learner volumes will be 3,500 annually from September 2008, including 500 apprenticeships and 3,000 at NVQ3. Of these, 500 will be non SME and 3,000 will be SME - the aim is to provide vocational qualifications to the entire workforce. It is also planned that 750 people will be trained who are currently working at BAE Systems Barrow. Types of training received will range from NVQ2 to Master degrees.

4 The Supply of Skills

4.1 Introduction

This chapter looks at the supply of labour in Cumbria, both in terms of the volume of people available for work, and their skills levels. Levels of economic activity (or inactivity) are covered in detail in chapter 6.

4.2 Demographics

The resident population in Cumbria increased by 4,446 or 0.9% between 1991 and 2001. Between 2001 and 2005, the population has grown by a further 2.3%, the second fastest growth rate after Greater Manchester.

Total Population, 1991 - 2005

	1991	2001	% Change 1991 - 2001	2005	% Change 2001 - 2005
Cheshire & Warrington	832,900	864,864	+3.8%	874,600	+1.1%
Lancashire	1,383,998	1,414,727	+2.2%	1,439,200	+1.7%
Cumbria	483,163	487,609	+0.9%	498,900	+2.3%
Greater Manchester	2,499,441	2,482,328	-0.7%	2,547,600	+2.6%
Greater Merseyside	1,527,358	1,480,229	-3.1%	1,485,900	+0.4%
North West	6,726,860	6,729,764	0%	6,846,200	+1.7%
England	47,055,204	49,138,831	+4.4%	50,431,700	+2.6%

Source: ONS Census 1991, 2001, Mid Year Population Estimates 2005

The table below shows population growth in Cumbria by district between 1991 and 2005. Geographically, the largest percentage change in the last four years has been witnessed in Eden at 4.5%. It is relevant to note that Eden also had the highest growth rate between 1991 and 2001. In absolute terms, the largest growth has been in Carlisle (+2,761 people). In contrast to the sub-regional, regional and national trends, the district of Barrow-in-Furness has witnessed a decline in population between 2001 and 2005 of -2.1%.

Total Population by District, 1991 - 2005

	1991	2001	%Change 1991 - 2001	2005	% Change 2001 - 2005
Allerdale	95,702	93,492	-2.3	95,300	1.9
Barrow-in-Furness	73,125	71,980	-1.6	70,500	-2.1
Carlisle	100,562	100,739	0.2	103,500	2.7
Copeland	71,296	69,318	-2.8	70,600	1.8
Eden	45,581	49,777	9.2	52,000	4.5
South Lakeland	96,897	102,301	5.6	102,900	0.6
Cumbria	483,163	487,607	0.9	494,800	1.5
North West	6,726,860	6,729,764	0.0	6,846,200	1.7
England	47,055,204	49,138,831	4.4	50,431,700	2.6

Source: ONS Census 1991, 2001, Mid Year Population Estimates 2006

The age profile of the sub-region's working age population relative to the other North West sub-regions is shown in the table below. Of all the sub-regions, Cumbria has the highest proportions of people in the 50-59 and 60-64 age bands – the ageing population is an issue nationally, but particularly so in Cumbria.

Age Profile of Working Age Population (% of Total), 2001

	16-19	20-34	35-49	50-59	60-64	Total
Cheshire & Warrington	7.2	28.3	36.6	21.5	8.4	552,903
Cumbria	7.2	27.1	34.1	22.4	9.2	306,346
Greater Manchester	8.1	32.7	32.6	19.1	7.5	1,585,596
Greater Merseyside	8.8	30.0	33.6	19.4	8.2	930,149
Lancashire	8.2	29.8	33.1	20.7	8.2	886,481
North West	8.1	30.5	33.3	20.1	8.0	4,261,475
England	7.7	31.8	33.3	19.6	7.6	31,429,250

Source: Census 2001

Age profile by district is shown below. There is substantial variation across the districts, with the ageing population issue being most acute in South Lakeland.

Age Profile of Working Age Population (% of Total), 2001

	16-19	20-34	35-49	50-59	60-64
Allerdale	7.1	26.8	33.7	23.1	9.3
Barrow-in-Furness	7.5	28.6	33.4	21.5	9.0
Carlisle	7.6	28.9	34.3	20.7	8.5
Copeland	7.5	27.6	34.8	21.2	8.9
Eden	6.7	25.6	34.7	23.7	9.5
South Lakeland	6.9	24.9	33.8	24.4	10.1
Cumbria	7.2	27.1	34.1	22.4	9.2
North West	8.1	30.5	33.3	20.1	8.0
England	7.7	31.8	33.3	19.6	7.6

Source: Census 2001

The table below illustrates population forecasts by district for the years 2005-2020. A number of districts are forecast to experience population increases but Eden and, to a lesser extent, Carlisle stand out as being especially high at 11.5% and 6.9% respectively. The remaining districts are expected to have growth rates that are similar to the Cumbria average, whereas the only district with a forecast population decline is Barrow-in-Furness. It is forecast that Cumbria's population as a whole will increase by 2.5% by 2020.

Population Forecasts by District, 2005 - 2020

000s	2005	2010	2015	2020	%Change 2005 - 2020
Eden	52.1	54.4	56.3	58.1	11.5
Carlisle	102.8	105.3	107.6	109.9	6.9
Allerdale	94.8	95.5	96.2	97	2.3
South Lakeland	102.5	102.9	103.6	104.7	2.1
Copeland	69.4	69.4	69.4	69.5	0.1
Barrow-in-Furness	69.7	67.7	66	64.6	-7.3
Cumbria	491.3	495.2	499.1	503.8	2.5
North West	6820.1	6874.9	6942.5	7016.8	2.9

Source: ONS Population Projections

Projected changes in the age profile by district are shown in the table below. The main points to note are that:

- All districts show an ageing population by 2020, with the percentage of people aged 65+ growing markedly in all areas; and
- For the 0-14 and 15-24 age groups, there are forecast to be significant population declines in all districts but especially in Carlisle, Copeland, and South Lakeland.

Percentage Population Change by Age Group, 2005 – 2020

	0-14	15-24	25-34	35-44	45-54	55-64	65+
Allerdale	-17.5	-9.4	3.3	-25.6	-1.7	8.4	34.2
Barrow in Furness	-15.8	-7.1	15.6	-35.7	2.4	7.0	35.5
Carlisle	-18.0	-15.6	11.1	-18.8	-1.8	14.9	25.2
Copeland	-21.0	-19.7	2.0	-28.2	5.3	26.7	32.6
Eden	-17.9	-8.7	1.5	-30.9	-3.4	11.9	36.5
South Lakeland	-20.6	-16.9	-1.3	-34.0	0.3	9.4	37.4
Cumbria	-18.6	-13.5	5.7	-28.2	0.1	12.6	33.5
North West	-9.0	-12.7	5.3	-22.5	6.2	9.1	24.9

Source: ONS Population Projections

4.3 Economic Activity

The number of economically active in Cumbria has increased by 5.5% in the last ten years², and in 2005, the sub-region had an economic activity rate of 79.3%, higher than both the regional and national average rates. Within Cumbria, Eden has the highest economic activity rate at 85.7% whilst the lowest is in Barrow-in-Furness at 74.8%.

Economic Activity Rate, 2004-2005

	2004	2005	% Change
Allerdale	75.5	79.0	4.3%
Barrow-in-Furness	74.5	74.8	0.3%
Carlisle	78.5	81.0	3.4%
Copeland	76.5	76.0	-0.6%
Eden	83.1	85.7	3.2%
South Lakeland	83.5	80.0	-3.8%
Cumbria	78.6	79.3	1.0%
North West	76.2	76.6	0.7%
England	78.3	78.4	0.6%

Source: ONS; Labour Force Survey, 1995-2005 and Annual Population Survey, November 2005

The table below shows economic activity by age group and district in 2005. Overall, Cumbria is typically higher than both the regional and the national averages for those aged 16-49 and especially for those aged 16-24. For those aged 50+, economic activity rates for England as a whole are higher than they are in Cumbria.

² Source: LFS Four Quarter Averages, 1995-2005

Economic Activity Rate by Age Group, 2005

	16-19	20-24	25-34	35-49	50-retirement	Above retirement age
Allerdale	68.4	76.9	83.1	89.0	69.0	6.0
Barrow	71.4	77.1	79.8	83.6	58.2	3.7
Carlisle	75.7	83.1	89.4	85.2	71.5	10.8
Copeland	69.5	82.9	82.3	83.8	59.9	3.1
Eden	70.4	86.1	92.9	93.4	76.4	14.0
South Lakeland	57.3	91.8	89.4	87.1	69.3	13.6
Cumbria	68.9	82.4	86.0	86.6	67.7	8.9
North West	56.0	76.8	83.0	84.4	67.6	8.5
England	56.8	75.2	83.5	85.0	73.3	10.3

Source: ONS; Annual Population Survey, November 2005

The table below illustrates the economic activity rate by gender in 2005. Whilst the economic activity rate for males in Cumbria falls in between the regional and national average levels, for females, rates in Cumbria are comparatively high at 76%. Rates for males are especially low in Barrow-in-Furness (74%) whereas for females, economic activity rates are lowest in Copeland (69%).

Economic Activity Rate by Gender, 2005

	Male	Female
Allerdale	82.9	74.8
Barrow-in-Furness	74.3	75.3
Carlisle	84.4	77.4
Copeland	82.6	68.8
Eden	88.0	83.1
South Lakeland	82.1	77.7
Cumbria	82.3	76.0
North West	80.7	72.2
England	83.5	73.1

Source: ONS; Annual Population Survey, November 2005

The table below illustrates rates of economic activity by disability. The economic activity rate of people with a disability in Cumbria is above the North West average but below the England average. There is considerable variation by district.

Economic Activity Rate by Disability, 2005

	All Working Age	Disabled	DDA & Work-limiting	DDA only	Work-limiting only
England	78.4%	55.1%	38.2%	84.8%	74.9%
North West	76.6%	47.5%	31.6%	83.5%	71.6%
Allerdale	79.0%	42.1%	35.3%	73.2%	!
Barrow-in-Furness	74.8%	49.0%	23.9%	79.0%	78.3%
Carlisle	81.0%	49.0%	39.1%	100.0%	45.7%
Copeland	76.0%	40.2%	17.9%	100.0%	!
Eden	85.7%	59.9%	48.1%	80.1%	!
South Lakeland	80.0%	66.2%	60.0%	67.9%	75.3%
Cumbria	79.3%	51.4%	36.7%	81.4%	68.8%

Source: ONS; Annual Population Survey, November 2005

4.4 Qualifications

It is not just the number of people available for work which affects the supply of and demand for labour in the North West. The quality of the labour, in terms of the skills and expertise available to employers, is also crucial, and more so given the occupational profile of much of the recent employment growth.

Qualifications are often used as a proxy indicator for the skills of the workforce. The following chart shows the qualification profile of the working age population in England, the North West and the five sub regions. Whilst the qualifications profile of the regional working age population is very similar to the profile in England as a whole, there are considerable variations between the sub regions. Cumbria has a relatively low proportion of its economically active population holding degree-level qualifications at 27% - 4% points below the English average.

Qualification Profile (%) of the Economically Active Population, 2006

	Level 4	Level 3	Level 2	No Level 2
England	30.7%	19.6%	21.2%	28.5%
North West	29.2%	20.5%	21.6%	28.7%
Cheshire & Warrington	35.7%	19.1%	20.4%	24.8%
Cumbria	26.8%	21.6%	24.2%	27.4%
Lancashire	30.0%	21.3%	20.7%	28.1%
Greater Manchester	28.2%	20.8%	21.9%	29.1%
Gtr Merseyside	26.9%	19.4%	22.1%	31.6%

Source: DfES, 2006

The qualification profile of the economically inactive population is shown below. As can be seen, qualification levels are significantly lower for the economically inactive compared to the active.

Qualification Profile (%) of the Economically Inactive Population, 2006

	Level 4	Level 3	Level 2	No Level 2
England	11.8%	15.5%	23.1%	49.6%
North West	9.3%	14.4%	22.3%	54.0%
Cheshire & Warrington	16.2%	16.7%	21.0%	46.1%
Cumbria	11.2%	9.8%	26.5%	52.4%
Lancashire	9.5%	15.7%	24.2%	50.6%
Greater Manchester	8.5%	14.2%	21.6%	55.7%
Gtr Merseyside	6.9%	13.8%	21.0%	58.3%

Source: DfES, 2006 EKOS estimates derived from figures for working age population and economically active population.

Low skills have an impact on employment opportunities, for example, of working age people in Cumbria with no qualifications, only 51% are in employment. This compares to an average employment rate in Cumbria of 77%.

Employment Rate by Qualification Attainment, 2005/06

	Level 4	Level 3	Level 2	< Level 2	No Quals	Overall
England	87.1%	78.0%	75.4%	72.7%	48.8%	74.7%
North West	87.9%	78.2%	74.4%	70.2%	45.3%	72.7%
C&W	87.2%	78.4%	78.0%	72.9%	56.8%	77.4%
Cumbria	86.4%	86.5%	78.4%	70.8%	50.8%	76.9%
G. Mcr	88.2%	78.2%	74.5%	70.0%	43.5%	72.1%
Lancashire	88.3%	78.4%	74.0%	70.7%	49.3%	73.9%
Merseyside	88.2%	74.9%	71.1%	68.2%	40.0%	68.3%

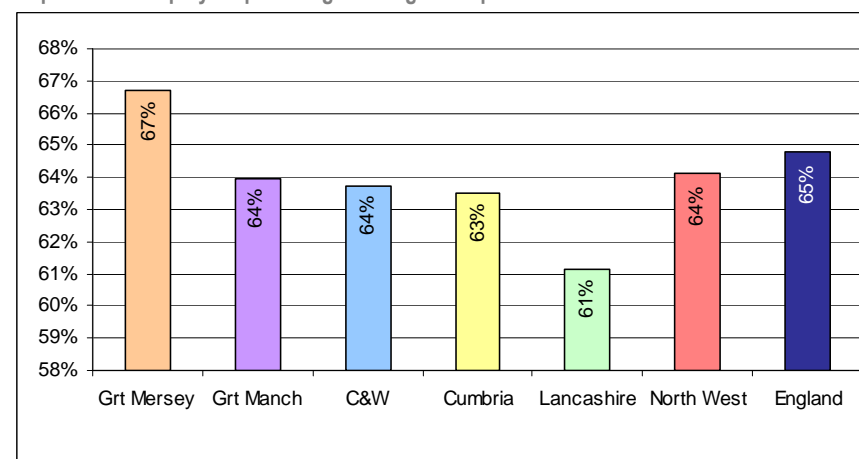
Source: Annual Population Survey

4.5 National Employer Skills Survey (NESS)

This section uses data from the National Employer Skills Survey 2005 to describe the training behaviour of employers in Cumbria, particularly with regard to the skills gaps they identify in their workforce, and skills related recruitment difficulties they face.

The National Employers Skills Survey 2005 (NESS 2005) was commissioned by the Learning and Skills Council together with the Department for Education and Skills and the Sector Skills Development Agency. Its purpose is to provide a detailed analysis of the extent and nature of skills gaps, recruitment problems and training activity.

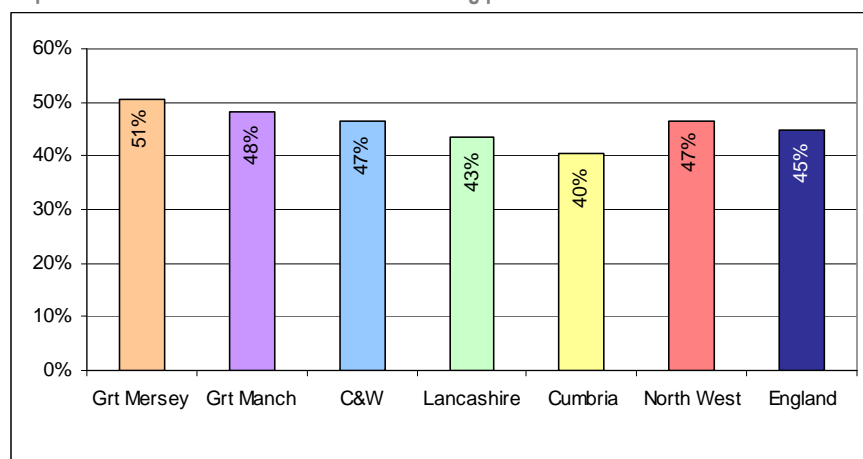
The chart below shows the proportion of employers who provided training during the previous twelve months. At 63% of employers, the Cumbria figure is slightly below the England average and relatively low compared to the other North West sub regions.

Proportion of Employers providing Training in the past 12 months

Source: NESS 2005

The figure below shows the proportion of employers with a formal training plan – this figure is 40% in Cumbria, the lowest rate of all the North West sub-regional figures and five percentage points below the national average.

Proportion of establishments with a formal training plan



Source: NESS 2005

The NESS surveys employers about vacancies that they find difficult to fill due to skills deficits in candidates – skills shortage vacancies. The table below shows the distribution of SSVs by occupation, in Cumbria and in the North West.

Distribution of Skills Shortage Vacancies by Occupation, Cumbria

	Cumbria		North West	
	Number	%	Number	%
Managers	60	4%	947	4%
Professionals	127	8%	1,611	6%
Associate professionals	166	11%	5,102	19%
Admin/clerical	53	4%	1,220	5%
Skilled trades	328	22%	6,027	23%
Personal service	120	8%	2,130	8%
Sales/customer service	170	11%	4,056	15%
Machine operatives	247	16%	2,358	9%
Elementary	227	15%	2,550	10%
Unclassified	0	0%	222	1%
Total	1,498	100%	26,223	100%

Source: NESS 2005

Cumbria has relatively high proportions of skills shortage vacancies in lower skilled occupations; elementary and machine operative categories.

The survey also asks employers about skills gaps in their existing workforce. The table below shows the incidence of employers in Cumbria citing skills gaps according to occupation.

Distribution of Skills Gaps by Occupation, Cumbria

	Cumbria		North West	
	Number	%	Number	%
Managers	1,109	8%	14,890	9%
Professionals	186	1%	6,156	4%
Associate professionals	3,187	23%	9,361	6%
Admin/clerical	892	6%	17,144	10%
Skilled trades	951	7%	16,139	10%
Personal service	532	4%	10,817	7%
Sales/customer service	1,127	8%	31,498	19%
Machine operatives	3,988	28%	24,242	15%
Elementary	2,133	15%	34,738	21%
Total	14,105	100%	164,984	100%

Source: NESS 2005

In the North West, the highest levels of skills gaps are reported in elementary and sales/customer service occupations (21% and 19% of employers respectively). The picture for Cumbria is very different, with the incidence of skills gaps being greatest in the associate professional and machine operative categories. The former is particularly notable, given that almost four times as many employers report skills gaps as regionally. This suggests a significant shortage of intermediate and higher level skills in the sub-region.

5 Provision and Participation³

5.1 Introduction

This chapter looks at participation in learning/skills development in Cumbria, and the quality of provision, as measured by success rates and inspection scores. It concentrates on learners whose main learning aim is a long course (greater than 24 weeks). The focus of this section is on post-compulsory education for young people and adults, excluding higher education which is covered in Chapter 10: Level 4+.

5.2 Young People

Post-16 participation

The proportion of young people in Cumbria who remained in full-time education or training after leaving school aged 16 is 72.3%, slightly lower than the North West average of 72.6%, and in turn, this is below the England average of 74.2%⁴. These figures exclude young people in full time employment.

Further Education (FE)

FE Participation

The table below shows how participation of young people in the FE sector in Cumbria has changed over the last four years.

FE Participation: Number of Learners (16-18 year olds)

FE 16-18	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Cumbria	5,506	5,859	5,886	6,103	597
Allerdale	854	819	825	953	99
Barrow-in-Furness	1,657	1,883	1,748	1,778	121
Carlisle	754	795	1,122	1,142	388
Copeland	850	906	833	871	21
Eden	237	284	293	260	23
South Lakeland	1,154	1,172	1,065	1,099	-55
% growth					
Cumbria		6%	0%	4%	11%
Allerdale		-4%	1%	16%	12%
Barrow-in-Furness		14%	-7%	2%	7%
Carlisle		5%	41%	2%	51%
Copeland		7%	-8%	5%	2%
Eden		20%	3%	-11%	10%
South Lakeland		2%	-9%	3%	-5%

Source: LSC

FE Success Rates

The success rate is a qualification based measure which calculates the number of qualifications achieved as a proportion of qualifications started. Success rates are generally higher for short courses (less than 24 weeks' duration) than long courses (greater than 24 weeks duration). It is long course success rates that are of greatest interest, since these relate to more substantial qualifications. Success rates for long course qualifications taken by 16-18 year olds in FE institutions in the North West are displayed below.

Young People (16-18): FE Long Course Success Rates by Level, 2004

	Below Level 2	Level 2	Level 3	Level 4+
England	64%	63%	75%	50%
North West	65%	66%	77%	58%
Cheshire & Warrington	66%	64%	81%	!
Cumbria	63%	63%	76%	!
Lancashire	64%	68%	77%	!
G. Manchester	68%	68%	79%	!
G. Merseyside	62%	61%	72%	!

Source: LSC

! = data suppressed due to small sample size

³ We have not included an analysis of Adult and Community Learning. ACL is particularly important for addressing worklessness and has an important role to play in re-engaging people into learning.

⁴ Source: Connexions

As shown, success rates for sub-Level 2 qualifications taken by 16-18 year olds in Cumbria are below the regional and national averages whereas rates for Level 2 and 3 are the same as or above the national average.

Within levels, participation numbers and success rates show significant variation according to the sector subject area of the courses. In the appendix, tables A to D compare success rates for Cumbria and England⁵. Points to note for Cumbria are that:

- Below level 2, courses in Construction account for the highest number of 16-18 year olds taking <level 2 courses in Cumbria. The success rate for this subject is 12 percentage points below the England average. Other subjects with high take-up are; Retail; Preparation for Life and Work; and Engineering.
- For Level 2, the three most significant subjects in Cumbria by participation numbers are; Retail and Commercial Enterprise; Health, Public Services and Care; and Engineering. Whilst the success rate in Cumbria for Health/Public Service related courses is the same as the equivalent national average, performance for the other two subjects are 4 and 16 percentage points above the England scores respectively. The majority of subjects in Cumbria have rates below the national average.
- The two most significant subjects in 2005/06, by participation number at Level 3, are: Health, Public Services and Care; and Arts, Media and Publishing. Success rates for these subjects are both 6 percentage points above the England averages.

Work Based Learning (WBL)

WBL Participation

The table below shows how participation of young people in the WBL sector has changed over the last four years in the Cumbria districts.

WBL Participation: Number of Learners (16-18 year olds)

WBL 16-18	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Cumbria	2,902	3,201	3,316	3,148	246
Allerdale	584	625	642	592	7
Barrow-in-Furness	641	732	829	698	57
Carlisle	542	618	634	663	121
Copeland	616	651	602	554	-62
Eden	164	192	217	228	64
South Lakeland	354	382	391	413	58
% growth					

⁵ All success rates are for long courses. Level 4 success rates for 16-18 year olds not shown because of the small numbers of learners.

Cumbria	10%	4%	-5%	8%
Allerdale	7%	3%	-8%	1%
Barrow-in-Furness	14%	13%	-16%	9%
Carlisle	14%	2%	5%	22%
Copeland	6%	-8%	-8%	-10%
Eden	17%	13%	5%	39%
South Lakeland	8%	2%	6%	16%

Source: LSC

Whilst work based learning participation by 16-18 year olds has risen at a rate of 8% for Cumbria overall, the rate of change has been significantly higher in Eden (39%). In contrast, Copeland has experienced a decline over the period of -10%.

WBL Success Rates

WBL success rates are calculated in a similar way to FE success rates. Success rates for qualifications taken by 16-18 year olds in WBL are shown below for level 2 and level 3 qualifications.

Young People (16-18): WBL Success Rates (full framework) by Course Level

	Level 2			Level 3		
	03/04	04/05	05/06	03/04	04/05	05/06
England	31%	41%	54%	36%	41%	56%
North West	30%	40%	53%	37%	42%	59%
Cheshire & Warrington	30%	40%	52%	39%	46%	56%
Cumbria	36%	47%	53%	53%	57%	65%
Lancashire	37%	46%	56%	46%	53%	64%
G. Manchester	N/A	41%	48%	33%	38%	57%
G. Merseyside	23%	37%	47%	N/A	36%	53%

Source: LSC

In Cumbria, Level 2 WBL success rates were above those for England in 2003/04 and 2004/05 but most recently, success rates for Cumbria are now below the national average rate. For Level 3 courses, Cumbria has maintained above average rates over the period and has consistently registered the highest scores compared to other North West sub-regions.

School Sixth Forms

The table below shows how participation of young people in school sixth forms in Cumbria has changed over the last three years.

Sixth Form Participation: Number of Learners (16-18 year olds)

School Sixth Form 16-18	02/3	03/4	04/5	Change 02/3-04/5
Number of learners				
Cumbria	4,137	4,165	4,271	134
Allerdale	941	975	1,000	59
Barrow-in-Furness	32	38	24	-8
Carlisle	1,013	1,041	979	-34
Copeland	610	544	693	83
Eden	609	597	575	-34
South Lakeland	932	970	1,000	68
% growth				
Cumbria		1%	3%	3%
Allerdale		4%	3%	6%
Barrow-in-Furness		19%	-37%	-25%
Carlisle		3%	-6%	-3%
Copeland		-11%	27%	14%
Eden		-2%	-4%	-6%
South Lakeland		4%	3%	7%

Source: DfES

Overall, Cumbria has experienced a 3% increase in sixth form participation between 2002/03 and 2004/05. This compares to no change regionally and growth of 6% for England. Within the sub-region, there is greater variation. For example, Barrow-in-Furness has experienced a change of -25%, whilst participation in Copeland has increased by 14% over the period.

The table below shows the education routes of young people as a proportion of all 16-18 year olds in education in 2004/05.

Education Route: as a Proportion of All Young People (16-18) in Full Time Education, 2004/05

Area	FE	Sixth Form	WBL	All in FT Education
Cumbria	44%	32%	25%	100%
Lancashire	67%	14%	20%	100%
Greater Merseyside	51%	28%	21%	100%
Greater Manchester	72%	10%	18%	100%
Cheshire and Warrington	52%	31%	16%	100%
North West	62%	19%	19%	100%
England	56%	28%	15%	100%

Source: LSC, DfES (EKOS estimates)

There is considerable variation across the sub regions. In England, 56% of 16-18 year olds are in FE institutions, 28% are in school sixth forms, and 15% are in WBL. In Cumbria, the relatively low

proportion in FE (44%) is balanced by the relatively high numbers in WBL and sixth forms (25% and 32% respectively).

5.3 Adults (19+)**FE Participation**

The table below shows how participation of adults in the FE sector has changed over the last four years.

FE Participation: Number of Learners (Adults)

FE 19+	02/3	03/4	04/5	05/6	Change 02/3-05/6
Number of learners					
Cumbria	30,677	27,415	26,144	21,028	-9,649
Allerdale	5,419	5,261	5,006	4,318	-1,101
Barrow-in-Furness	4,818	4,470	4,223	3,333	-1,485
Carlisle	5,504	5,028	5,067	4,442	-1,062
Copeland	4,200	3,796	3,692	2,771	-1,429
Eden	2,585	2,124	2,034	1,553	-1,032
South Lakeland	8,151	6,736	6,122	4,611	-3,540
% growth					
Cumbria		-11%	-5%	-20%	-31%
Allerdale		-3%	-5%	-14%	-20%
Barrow-in-Furness		-7%	-6%	-21%	-31%
Carlisle		-9%	1%	-12%	-19%
Copeland		-10%	-3%	-25%	-34%
Eden		-18%	-4%	-24%	-40%
South Lakeland		-17%	-9%	-25%	-43%

Source: LSC

In England, adult participation has fallen in each of the past three years, with a particularly significant drop between 2004/05 and 2005/06, reflecting funding pressures on the adult participation budget. Adult participation in the North West has also fallen, and generally at a faster rate. With the exception of Cheshire & Warrington, the proportionate reduction in adult learner volumes over the past three years in the North West sub-regions has exceeded the England average.

Cumbria has experienced a 31% reduction in learner numbers over the period, a higher proportionate decline than the English average but lower than the North West average. This equates to 9,650 fewer learners in the Cumbria in 2005/06 compared to 2002/03.

FE Success Rates

Success rates for long course qualifications taken by adults in FE are shown below.

Adults (19+): FE Success Rates by Course Level, 2004

	Below Level 2	Level 2	Level 3	Level 4+
England	61%	60%	57%	50%
North West	62%	61%	59%	51%
Cheshire & Warrington	69%	63%	63%	61%
Cumbria	64%	64%	65%	63%
Lancashire	56%	62%	54%	44%
G. Manchester	60%	59%	59%	51%
G. Merseyside	65%	62%	61%	53%

Source: LSC

As is the case for young people, success rates for adults in North West institutions compare favourably to the England average. This is similarly true for Cumbria at all levels.

Within levels, participation numbers and success rates show significant variation according to the sector subject area of the courses. In the appendix, tables E to H compare success rates for Cumbria and England⁶. Points to note for Cumbria are that:

- Below level 2, there are three subjects that have large learning provision numbers: Preparation for Life and Work; Languages, Literature and Culture; and ICT. In 2004, Preparation for Life and Work had a success rate that was 11 percentage points below the England average. Success rates for the other two subjects are above national levels.
- At level 2, there are five subject areas that had participation numbers greater than 300 in 2005/06, although ICT stands out with a figure of 815. Success rates for this subject in Cumbria are fifteen percentage points higher than the national equivalent.
- At level 3, by far the most significant subject by participation number is; Health, Public Services and Care (526 long course participants in 2005/06). The success rate for this course is 73% in Cumbria, fourteen percentage points above the national average.
- The three most significant subjects, by participation number, at level 4+ are; Business, Administration and Law; Health Public Services and Care; and Education and Training. Success rates for all three subjects are above their equivalent national averages.

Work Based Learning (WBL)

WBL Participation

The table below shows how participation of adults in WBL in Cumbria has changed over the last four years.

WBL Participation: Number of Learners (Adults), 2002/03 – 2005/06

WBL 19+	02/3	03/4	04/5	05/6	Change 02/3 - 05/6
Number of learners					
Cumbria	1,291	1,284	1,155	1,084	-207
North West	16,857	17,878	17,575	16,398	-459
England	100,013	111,125	106,962	101,101	1,088
% growth					
Cumbria		-1%	-10%	-6%	-16%
North West		6%	-2%	-7%	-3%
England		11%	-4%	-5%	1%

Source: LSC

Between 2002/03 and 2005/06, WBL participation has increased by 1% in England, compared to a decline of 3% in the North West. The decline in Cumbria, at 165, is by the far the highest of the five sub-regions – this percentage decline equates to 200 fewer people taking WBL courses in 2005/06 compared to 2002/03.

Participation by district is shown below. It can be seen that all districts have experienced declining numbers over the period, with the sharpest decline in Allerdale (-31%) and the smallest in Carlisle (-7%).

⁶ All success rates are for long courses.

WBL Participation: Number of Learners (Adults), 2003/04 – 2005/06

WBL 19+	03/4	04/5	05/6	Change 03/4-05/6
Number of learners				
Cumbria	1,284	1,153	1,082	-202
Allerdale	260	231	180	-81
Barrow-in-Furness	202	175	176	-27
Carlisle	306	278	284	-21
Copeland	144	136	120	-24
Eden	126	117	115	-11
South Lakeland	246	216	207	-39
% growth				
Cumbria		-10%	-6%	-16%
Allerdale		-11%	-22%	-31%
Barrow-in-Furness		-13%	0%	-13%
Carlisle		-9%	2%	-7%
Copeland		-5%	-12%	-17%
Eden		-7%	-2%	-9%
South Lakeland		-12%	-4%	-16%

Source: LSC

WBL Success Rates

WBL success rates are calculated in a similar way to FE success rates. Success rates for qualifications taken by adults in WBL are shown below.

Adults: WBL Success Rates (full framework) by Course Level

	Level 2			Level 3		
	03/04	04/05	05/06	03/04	04/05	05/06
England	29%	40%	53%	30%	35%	50%
North West	29%	38%	54%	27%	30%	47%
Cheshire & Warrington	33%	41%	47%	N/A	36%	50%
Cumbria	33%	44%	53%	36%	40%	58%
Lancashire	N/A	40%	57%	N/A	37%	48%
G. Manchester	26%	35%	51%	27%	28%	44%
G. Merseyside	29%	36%	46%	25%	27%	42%

Source: LSC

WBL success rates at Level 2 in the North West have fluctuated around the England average over the past three years and are now slightly higher than the national rate. In 2005/06, Cumbria had the same success rate as the England average although previously it had been above average. The 2005/06 Level 3 success rate for Cumbria is the highest rate in the North West region at 58%.

5.4 Participation and Success rates by Learner Characteristics

The purpose of this section is to investigate the extent to which FE and WBL participation and success rates vary by learner characteristics, including gender, ethnic group, and disability.

Chapter 5 of the Regional Strategic Analysis contains a detailed analysis of participation but there are a number of specific points to note for Cumbria:

- Nationally and regionally, males are more likely to take FE courses at both 16-18 year old and adult levels. This is true at the sub regional level too and relative to other sub regions, this imbalance is high in Lancashire for 16-18 year olds. For adults, Cumbria has the highest ratio out of all the sub regions - almost two males take a course for every one female participant.
- Similarly the female:male ratio of those in WBL is more imbalanced than it is at the regional scale with double the number of males participating in WBL compared to females. (Cumbria = 1:2, North West = 1:1.4)
- The ethnic minority population in Cumbria is too small to draw reliable conclusions about participation rates relative to regional and national average. The White ethnic group has a participation rate that is slightly below the national average.

Success Rates

For FE, we also have data available to compare success rates of learners with different characteristics. The LSC Data Team provided EKOS with breakdowns of FE long course success rates for 16-18 year olds and adults by level, according to the following characteristics:

- Gender (male and female);
- Ethnicity (white and non-white)
- Deprivation (entitled to Disadvantage Uplift⁷, not entitled)

A summary of the main points from a comparison of success rates for learners with different combinations of characteristics (by age and level) is shown below for Cumbria. Detailed data tables for Cumbria are in the appendix, table I onwards.

⁷ Disadvantage Uplift is an element of additional funding that can be claimed by institutions if a learner is resident in a post code with low incomes, or is claiming benefit.

Analysis of Success Rates (Long Courses) by Disadvantage, Ethnicity and Gender: Summary of Key Points

Age of Learner and Level of Course	Points to note (all relate to 04/5 unless stated)
16-18 Level 1	<p>Taking into account that numbers for Level 1 are small, especially for Non White Learners: In 04/5, the success rate on courses taken by White Females is 12% points higher than that for Non White Females.</p> <p>The success rate on courses taken by Males is marginally higher than for Females (by 3% points). The success rate on courses taken by Females in Cumbria is marginally lower (by 3% points) than the regional average.</p>
16-18 Level 2	<p>In 04/5, the success rate on courses taken by Non White Females is 13% points higher than for White Females.</p> <p>The success rates on courses taken by Females and by Males are marginally below regional averages for these groups (by 3% points for both gender groups).</p>
16-18 Level 3	<p>In 04/5, the success rate on courses taken by White Females is 5% points higher than for White Males.</p> <p>The success rate on courses taken by all Females is 5% points higher than for all Males. In both cases these rates are comparable to regional averages.</p>
Adult Level 1	<p>The success rate on courses taken in 04/5 by Non White Females is 16% points higher than for Non White Males.</p> <p>The success rate on courses taken by Males and Females is comparable (64% for Females and 63% for Males), and also on par with regional averages.</p>
Adult Level 2	<p>Taking into account smaller numbers for Non White Learners, in 04/5, the success rate on courses taken by White Females is 17% points higher than for Non White Females.</p> <p>The success rate on courses taken by Non White Males is also 26% points lower than for White Males.</p>
Adult Level 3	<p>The success rate on courses taken by Females is 11% points higher than for Males.</p> <p>The success rate on courses taken by Females is 6% points higher than the regional average.</p>
Adult Level 4	<p>In 04/5 the success rate on courses taken by White Males entitled to Disadvantage Uplift is 6% points below that for White Males not entitled to this allowance.</p> <p>The success rate on courses taken by Females exceeds the regional average by 12% points, as does the success rate on courses taken by Males (by 14% points).</p>

Source: EKOS analysis of LSC data. Note: all comparisons relate to 04/05 data.

5.5 Independent Quality Assessment: Inspection

The Regional Strategic Analysis contains an analysis of FE College inspection scores from the 2001/02 to 2005/06 inspection cycle. Within the 'Leadership and Management' category, colleges in

Cumbria register the weakest combined score compared to other North West sub regions (2.6 against a 2.2 NW average – a lower score denoting a better result).

The inspections also grade each curriculum area. For all colleges inspected, the table below shows the number of curriculum areas graded as 'Poor' (4) or 'Unsatisfactory' (5). Cumbria has a relatively high incidence of poor or unsatisfactory provision, with 2 of the 27 curriculum areas scored being graded 4 or 5, equivalent to 7% of provision⁸. Of note, the small number of colleges in Cumbria means that this analysis should be treated with caution.

Inspection Scores for Curriculum Areas - % Poor or Unsatisfactory, 2001/02 - 2005/06

Area	Total scores awarded	Poor / Unsatisfactory	
		Number	%
Cheshire & Warrington	56	0	0%
Cumbria	27	2	7%
Greater Manchester	120	5	4%
Greater Merseyside	87	9	10%
Lancashire	101	3	3%
North West	391	19	5%

Source: EKOS analysis of OfSTED data provided by the LSC

Work based learning providers are inspected by the Adult Learning Inspectorate. Of the WBL providers in the North West, as well as nationally, a large number required a full re-inspection after an initial poor inspection. In the past two years, the LSC has reduced the number of WBL providers with which it contracts and the quality in the sector has improved, as shown by the significant improvements in success rates.

⁸ This does not mean that 4% of learners are in poor or unsatisfactory provision though, since we do not know the number of learners in each college/curriculum area combination graded 4 or 5.

6 Employability & Worklessness

6.1 Employment, unemployment and economic inactivity

Of the working age population in the North West:

- 72.6% are in employment;
- 4.0% are unemployed; and
- 23.4% are economically inactive.

Whereas, of the working age population in Cumbria:

- 76.2% are in employment;
- 3.1% are unemployed; and
- 20.7% are economically inactive.

The table below shows the employment, unemployment and economic inactivity rates for England, the North West and each of the sub regions.

Employment Status of Working Age Population (by %), 2005

	Economically Active		Economically Inactive	Working Age Population
	Employed	Unemployed		
England	74.6%	3.9%	21.6%	100%
North West	72.6%	4.0%	23.4%	100%
Cheshire & Warrington	77.7%	2.7%	19.6%	100%
Cumbria	76.2%	3.1%	20.7%	100%
Lancashire	73.5%	3.7%	22.8%	100%
G. Manchester	72.0%	4.2%	23.7%	100%
G. Merseyside	68.4%	5.0%	26.6%	100%

Source: Annual Population Survey, December 2005

Cumbria has an employment rate of 76.2%, a rate that is above both the regional and national averages. Similarly, rates of unemployment and economic inactivity in Cumbria are lower than the regional and national averages. Converted into population numbers, the table below shows that 220,900 people are in employment, 9,000 are unemployed and 60,100 are economically inactive in Cumbria.

Employment Status of Working Age Population (by number), 2005

	Economically Active		Economically Inactive	Working Age Population
	Employed	Unemployed		
England	22,776,000	1,177,400	6,582,100	30,535,500
North West	2,975,300	164,500	959,800	4,099,600
Cheshire & Warrington	412,400	14,300	104,000	530,700
Cumbria	220,900	9,000	60,100	290,000
Lancashire	628,700	31,900	195,000	855,600
G. Manchester	1,109,500	65,000	365,600	1,540,100
G. Merseyside	603,800	44,200	235,100	883,100

Source: Annual Population Survey, December 2005

To enable effective targeting of individuals who are currently inactive, to ensure they get the support they need to enter employment, it is important to understand the key characteristics of the unemployed and inactive groups. The next sections look at the characteristics of these groups in detail.

6.2 The Unemployed

The unemployment figure for the North West is 164,500 and of this, Cumbria accounts for 9,000 people. Detailed analysis of the unemployed can be found in the regional version of the strategic analysis but for this report, the section below highlights the key points for Cumbria.

- By gender, unemployment rates are consistently higher for males than for females across regions. In England, the rate is 5.3% for males and 4.5% for females (as a % of the economically active). This compares to 5.8% and 4.5% respectively for the North West. Continuing to the sub regional scale, the unemployment rates for both males and females in Cumbria (4.2% and 3.6% respectively) are lower than the regional and national averages. The male rate is particularly low relative to other sub regions.
- Compared to the overall population, people who are disabled have a higher unemployment rate across the country. In the North West, the unemployment rate for all disabled people is 7.5%, just below the England average of 7.6%. Lower than both of these figures, the rate in Cumbria is 2.7%, the lowest of any sub region in the North West.
- Because the sample populations of minority ethnic groups in Cumbria are small, no reliable unemployment rates can be calculated.

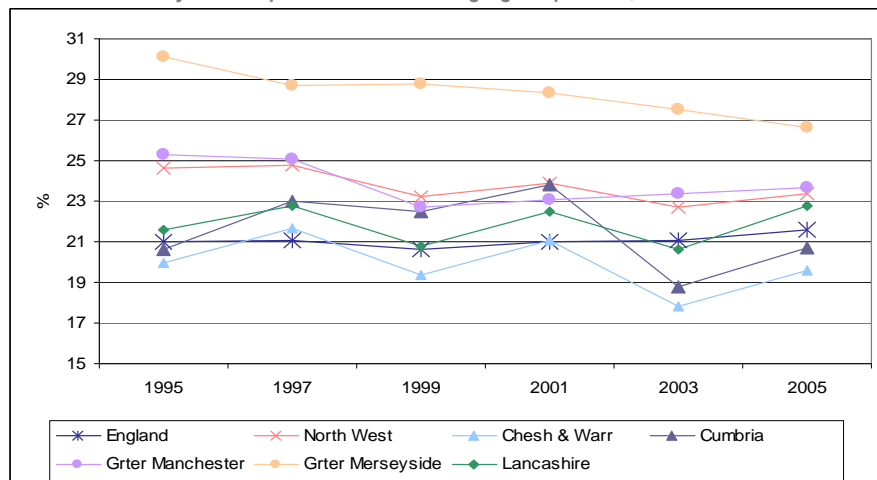
6.3 Economically Inactive

Context

Of the 1,124,300 people in the North West who are not in work, and excluding those who are classed as unemployed, 959,800 people are economically inactive. This figure equates to nearly a quarter of the working age population in the North West at 23.4%. In comparison, the economic inactivity rate for England is 21.6%, whilst the figure for Cumbria is even lower at 20.7%.

As shown in the figure below, the North West's gap with England has been a consistent feature of the past ten years. The rate of economic inactivity in Cumbria has fluctuated markedly over the past ten years although the rate of 21% is the same now as it was in 1995. Of note is the decline in the inactive rate between 2001 and 2003 and whilst this was experienced in other sub regions, it was particularly marked in Cumbria.

Economic Inactivity as a Proportion of the Working Age Population, 1995-2005



Source: ONS; LFS – Quarter Averages and Annual Population Survey, 1995-2005

As shown in the table below, the Annual Population Survey gives us an estimate of the proportion of the economically inactive who 'want a job'. In Cumbria, this figure is 23.8%, equivalent to 14,300 people.

Profile of Economically Inactive Population, 2005

% of economically inactive	DO NOT want a job	DO want a job	DO want a job (Breakdown)			
			Long-term sick	Looking after family/home	Students	Other reason
England	76.1%	23.9%	6.6%	6.8%	3.0%	4.3%
North West	80.1%	19.9%	6.6%	5.2%	2.1%	3.4%
Cheshire & Warrington	84.2%	15.8%	4.2%	4.7%	1.5%	2.2%
Cumbria	76.2%	23.8%	7.9%	6.2%	2.4%	5.0%
Lancashire	80.2%	19.8%	5.7%	5.7%	2.3%	3.3%
G. Manchester	78.8%	21.2%	7.9%	5.2%	2.0%	3.9%
G. Merseyside	81.3%	18.7%	6.3%	4.9%	2.2%	2.7%

Source: Annual Population Survey, December 2005

Across the region, there is a high level of variation in economic inactivity rates. In total, there are 42 districts in the North West and of these, no districts from Cumbria fall within the top ten highest rates. The district with the highest rate in Cumbria is Copeland at 24% although this is only slightly higher than the regional average. Meanwhile, Eden has the lowest economic inactivity rate out of the 42 (14.3%). Most other districts are below the average for England.

Economic Inactivity by gender

Nationally, the rate of economic inactivity is higher for females than for males - 26.9% versus 16.5%. In the North West, the rate of inactivity for males is notably higher than the national average (by 2.8% points), indicating that economic inactivity amongst males is a particular issue for the region. In Cumbria, economic inactivity for males falls in between national and regional averages. For females in Cumbria, the rate is much lower than the England and North West averages.

Economic Inactivity Rate (of Working Age Population) by Gender, 2005

	Male		Female		Total	
	%	Number	%	Number	%	Number
England	16.5	2,591,200	26.9	3,990,900	21.6	6,582,100
North West	19.3	406,800	27.8	553,000	23.4	959,800
Cheshire & Warrington	16.3	44,800	23.2	59,200	19.6	104,000
Cumbria	17.7	26,800	24.0	33,300	20.7	60,100
Lancashire	18.8	82,900	27.1	112,100	22.8	195,000
G. Manchester	19.3	152,700	28.5	212,900	23.7	365,600
G. Merseyside	22.3	99,600	31.1	135,500	26.6	235,100

Source: Annual Population Survey, December 2005

Economic Inactivity by disability

Across all areas, the rate of economic inactivity for people with a disability is significantly higher than the rate for the overall population. This is particularly true for the North West, which has an inactivity rate for people with a disability of 52.5%, 7.6% points above the national average. Cumbria has a rate of 48.6%, below the regional average, but above the national average.

Economic Inactivity by ethnicity

Nationally, the highest rate of inactivity exists for people in the Pakistani/Bangladeshi ethnic group, whereas the lowest rate exists for people in the White ethnic group. In Cumbria, the relatively small ethnic minority populations mean that reliable data is mostly unavailable. The only ethnic group that can be examined is the White group, and compared to other North West sub regions, the economic inactivity rate is relatively low.

Economic Inactivity Rate (of Working Age Population) by Ethnicity, 2005

	White	Indian	Pakistani/Bangladeshi	Black/Black British	Other Ethnic
England	20.0	25.3	49.4	28.5	34.9
North West	22.3	35.8	50.7	28.8	32.2
Cheshire & Warrington	19.3	!	!	!	23.9
Cumbria	20.8	!	!	!	!
Lancashire	21.1	43.1	51.9	24.5	39.0
G. Manchester	21.7	34.1	50.8	28.6	37.5
G. Merseyside	26.6	21.9	30.1	31.8	20.2

Source: Annual Population Survey, December 2005

! = Data is suppressed due to small sample size

6.4 Incapacity Benefit (IB) and Severe Disablement Allowance (SDA)**Context**

A high proportion of workless people are in receipt of Incapacity Benefit, and this is a key target group for efforts to reduce worklessness. There is a reasonable level of characteristics data on IB/SDA claimants, which is summarised in the following paragraphs. This gives some indication of the type of barriers to employment that exist for IB/SDA claimants.

IB/SDA Claimants by Number and as a Proportion of the Working Age Population by Benefit Type, 2006

	Incapacity Benefit		Severe Disablement Allowance		IB + SDA	
	%	Number	%	Number	%	Number
England	6.1	1,882,900	0.7	229,300	6.8	2,112,200
North West	8.9	372,600	0.9	37,400	9.8	410,000
Cumbria	7.1	21,200	0.8	2,300	7.9	23,500
Allerdale	6.6	3,800	1.0	600	7.7	4,400
Barrow-in-Furness	13.6	5,700	1.0	400	14.5	6,100
Carlisle	6.3	4,000	0.9	600	7.3	4,600
Copeland	9.2	4,000	0.7	300	9.9	4,300
Eden	4.8	1,500	0.3	100	5.1	1,600
South Lakeland	4.0	2,400	0.3	200	4.4	2,600

Source: ONS; DWP Benefits Data, February 2006

Note: Claimants and working age population are based on location of residence

Relative to the average for England, Cumbria has a high rate of incapacity benefit claiming, with 7.1% of the working age population in receipt of the benefit, although this is lower than the regional figure of 8.9%. Within Cumbria, there are some significant differences though. Referring to the table above, the IB rate in Barrow-in-Furness is the highest rate for all districts in the North West whilst the

figure for South Lakeland is the second lowest rate in the region. Most districts in Cumbria fall in between the national and regional rates of 6.1% and 8.9%.

The IB data allows us to look at some of the principal reasons for economic inactivity in the population and the table below shows the most common conditions of those claiming IB/SDA. By far the most common condition of claimants in England, the North West and Cumbria relates to the mental/behavioural disorder category, with 35.7% of recipients in Cumbria having a condition in this category.

IB/SDA Claimants by (6 most common) Conditions, 2006

% of all IB/SDA claimants	Mental / behavioural	Nervous system	Circulatory system	Musculo-skeletal	Abnormal clinical findings	Injury	All Other
England	39.8	6.4	5.7	18.5	11.5	5.3	12.7
North West	40.6	5.7	6.2	18.7	11.3	5.3	12.3
Cheshire & Warrington	38.3	6.3	6.9	18.9	10.8	5.7	13.2
Cumbria	35.7	6.4	6.8	20.9	11.1	6.8	12.3
Lancashire	38.6	6.0	6.4	19.4	11.8	5.4	12.3
G. Manchester	42.9	5.5	6.0	17.6	11.2	5.2	11.7
G. Merseyside	40.4	5.3	5.9	19.2	11.2	5.0	13.1

Source: ONS; DWP Benefits Data, February 2006

A very high proportion of IB/SDA claimants have been in receipt of benefit for more than two years – 78.1% of recipients in the region, compared to 76.1% nationally. In Cumbria, the figure is higher at 78.7%.

6.5 Demand for training**Potential demand for training from within the workless group**

We have undertaken analysis to get an indication of the potential demand for training by people who are unemployed or economically inactive in the North West.

We derived these estimates on the assumption that all unemployed people and approximately 20% of the economically inactive are potentially in the market for training. The economically inactive figure of 20% is based on the proportion of IB recipients who stated that they wanted to work, and does vary somewhat across sub-region (we used the sub-regional figures to derive the estimates).

We apply these proportions to the unemployed and inactive populations for the region and sub-regions, to derive estimates of the potential demand for training from workless people by level of qualification. The level breakdown is based on applying the qualification profile of the economically inactive population to our total need estimates. The qualification profile of the economically inactive is derived from a comparison of qualification attainment profiles for the working age and economically active populations.

The qualification profiles of the economically active and inactive populations in the North West (and each sub-region) are shown in the tables below; the qualification profile of the inactive population is heavily skewed toward lower levels of qualification, when compared to the profile for the economically active.

Qualification Profile (%) of the Economically Active Population, 2006

	Level 4+	Level 3	Level 2	No Level 2
England	30.7	19.6	21.2	28.5
North West	29.2	20.5	21.6	28.7
Cheshire & Warrington	35.7	19.1	20.4	24.8
Cumbria	26.8	21.6	24.2	27.4
Lancashire	30.0	21.3	20.7	28.1
G. Manchester	28.2	20.8	21.9	29.1
G. Merseyside	26.9	19.4	22.1	31.6

Source: DfES, 2006

Qualification Profile (%) of the Economically Inactive Population, 2006

Area	Level 4+	Level 3	Level 2	No Level 2
Cheshire & Warrington	16.2	16.7	21.0	46.1
Cumbria	11.2	9.8	26.5	52.4
Lancashire	9.5	15.7	24.2	50.6
Greater Manchester	8.5	14.2	21.6	55.7
Gtr Merseyside	6.9	13.8	21.0	58.3

Source: DfES, 2006

Our estimates of the potential demand for training by workless people are shown in the table below. These are by their nature of calculation only indicative, but they give some feel for the potential scale of demand. Given the high proportion of economically inactive people with a low level of educational attainment, the figures indicate that the greatest potential demand is for learning/training opportunities at or below level 2. In Cumbria, we estimate that 12,200 workless people could potentially demand support at this level.

Potential Training Demand by Workless Adults

Area	Level 4+	Level 3	Level 2	No Level 2	Total
Cheshire & Warrington	4980	5125	6453	14174	30732
Cumbria	2618	2289	6181	12216	23304
Lancashire	6697	11068	17038	35707	70510
Greater Manchester	12073	20273	30824	79337	142507
Gtr Merseyside	6058	12181	18553	51372	88164
Total	32426	50936	79048	192806	355217

Source: EKOS estimates

Not in Education, Employment or Training (NEET)

Worklessness is an issue that primarily affects the adult population. For young people, the definition of worklessness is known as NEET. The group includes 16-18 year olds who are not in education, employment or training. NEET numbers for the North West and each sub-region are shown in the table below.

Percentage of 16 – 18 year olds in NEET, June 2006 and June 2005

	Jun-05	Jun-06	Number
England	8.6%	8.6%	94,163
North West	9.9%	10.5%	19,905
Greater Merseyside	12.0%	12.2%	5,442
Greater Manchester	10.0%	11.4%	6,514
Lancashire*	8.9%	8.9%	5,287 *
Cumbria	7.7%	7.7%	1,028
Cheshire & Warrington	6.9%	6.8%	1,634

Source: Connexions

* Lancashire figure inferred from March 06 rate and 05/06 16-18 cohort size

The North West has a high proportion of 16-18 year olds classed as NEET compared to England (10.5% against 8.6%). Within the North West, Cumbria has a NEET rate of 7.7%, significantly lower than both the national and regional averages.

6.6 Supply (provision) of Training

Many people who are unemployed or economically inactive will access learning opportunities through LSC mainstream provision. Most people in the workless group would be entitled to complete fee remission, and would not therefore need to pay for learning provided in a college setting. Many people who are workless do face barriers to participating in learning, such as medical conditions, lone parenthood, or carer responsibilities.

There is provision available specifically for the workless group. The LSC provides training through the Entry to Employment Programme for young people in the NEET group (a small number of adults also participate in the programme) who require significant support to enable progression to employment or more substantial learning programmes.

JobCentrePlus funds (and contracts for) a substantial amount of learning provision under the New Deal, which is available to a range of benefit recipients, including the unemployed, lone parents, and target groups with specific characteristics – for example, unemployed disabled people. Details of the Entry to Employment and JobCentrePlus funded programmes are given below.

The ESF programme that was funded under the 2000-2006 funding round also funded provision that was primarily target at workless groups. We estimate that of £26m of funds committed in the North West, just over half the total was targeted at people outside the workforce – approximately £1.5m per annum on average (funding under the 2000-06 programme can be spent up to 2008).

Entry to Employment: Cumbria⁹

Entry to Employment is an LSC programme that focuses on the needs of relatively low skilled young people. It aims to provide the skills necessary for young people to either secure employment, or to progress to a more substantial learning programme.

Levels of participation in the Entry to Employment programme in Cumbria reflect the scheme's aim to target those aged 16–18, with almost all participants falling into this age bracket. Referring to the table below, levels of participation fell significantly between 2003 and 2006. This equates to a fall of 15.9% for the 16–18 year old age group, whilst the numbers participating in the E2E course aged 19+ have now fallen to zero.

Entry to Employment Starts, 2003 - 2006

	2003/04	2004/5	2005/6
16 - 18	834	645	701
19+	28	6	0
Total	862	651	701

Source: LSC

The volume of Entry to Employment provision is indicated by the number of people in learning by November of the respective years of their course. The table below shows a significant decline in the volume of provision in the Cumbria sub-region (44.8%). Again, the decline is absolute for those participants aged 19+, whereas the rate of decrease is 42.7% for 16-18 year olds. This compares to a decrease of 30.5% for 16–18 year olds at the regional level.

⁹ The data in this section reflects mainstream provision. Other funds, such as ESF, have been used to address this issue.

Entry to Employment Occupancy, 2003 - 2006

	2003/04	2004/5	2005/6
16-18	503	316	288
19+	19	1	0
Total	522	317	288

Source: LSC

As shown below, the average length of stay in learning in Cumbria has averaged around 22 weeks over the past three years and this is slightly higher than national and regional durations of stay. The exception to this was a peak of 28 weeks in 2004/05. Of note, the average for the latest year, 2005/06, is the lowest of all three years.

Average Length of Stay (Weeks)

	2003/04	2004/5	2005/6
16-18	20	28	18
19+	23	31	34
All leavers	20	28	18

Source: LSC

The table below shows the destination of participants on the Entry to Employment programme in Cumbria. This gives an indication of the success of the programme in the sub region. Figures suggest an upward trend in positive destinations for participants with 40% of 16–18 year olds continuing into further education, work-based learning or employment with or without training in 2005/06. However, this is still significantly lower than the regional average of 49% and national average of 46%. It is worth noting that sample sizes in Cumbria are smaller than other sub regions and may affect results. This is particularly true for the 19+ age group.

Leavers into Positive Destinations (%)

	2003/04	2004/5	2005/6
16-18	26%	27%	40%
19+	22%	13%	100%
All leavers	26%	26%	49%

Source: LSC

In 2005/06, of those going on to a positive destination, 15% went on to further education; 18% on to work based learning; 4% to employment with training and 63% into employment without training. This distribution of destinations differs markedly from regional and national trends. Firstly, the rate of participants who continue into employment without training is much higher in Cumbria (63% in the sub region compared to 38% nationally and 40% regionally). Following the same trend, considerably fewer participants continue into further education (15% in the sub region compared to 28% nationally and 25% regionally).

Destinations of Leavers with Positive Destinations (%)

	2003/4		2004/5		2005/6	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Further education	8	4	30	14	43	15
Work based learning	49	26	188	86	51	18
Employment with training	129	69	0	0	13	4
Employment without training	0	0	0	0	182	63
Total	186	100	218	100	289	100

Source: LSC

Entry to Employment: Sub-regional figures

The table below shows the sub-regional figures for E2E starts and proportion of leavers into positive destinations in 2005/06. There is substantial variation in the proportion of leavers progressing to a positive destination, with a high of 58% in Cheshire and Warrington and a low of 40% in Cumbria.

E2E Starts and Outcomes by Sub Region, 2005/06

Sub-region	E2E Starts 05/6	% positive destination
C&W	528	58%
Cumbria	701	40%
G Manchester	2,944	50%
G Merseyside	2,874	47%
Lancashire	1,778	50%
North West	8,825	49%

Source: LSC

JobCentrePlus Provision

The current programme of JobCentrePlus provision in the North West, most of which is delivered under the New Deal programme, represents a £24m investment in the period mid-2006 to mid-2008 (approx £12m per annum). The table below shows the provision that is currently contracted as part of this programme across Cumbria.

JobCentrePlus Training Provision in Cumbria

Jobcentre Plus District	Service provided	Location of provision	End date
CUMBRIA	GTW, Gateway		6/30/2008
CUMBRIA	ETF/VS		6/30/2008
CUMBRIA	FTET, IAP, FTETBS, ESOL, BET		6/30/2008
NW & YH	SELF EMPLOYMENT	NW	6/30/2008

Source: JobCentrePlus

The codes in the second column refer to the type of service provided. Brief descriptions are as follows:

GtW	Gateway to Work (2 week mandatory intensive Jobsearch programme)
Gateway	16 week voluntary Jobsearch programme
ETF	13 weeks Environmental Task Force provision - NDYP - 18-24
VS	13 weeks Voluntary Sector provision - NDYP - 18-24
FTET	Full Time Education & Training - NDYP - 18=24
IAP	Intensive Activity Programme - Mandatory for 25+ clients
BS	Basic Skills (FTETBS) ¹⁰
BET	Basic Employability Training
Fthru	Follow-Through programme for after New Deal Options

6.7 Matching Demand and Supply**Young people**

By comparing current NEET numbers (as of June 2006) and E2E starts for 2006 (16-18 year olds only), we can derive a ratio for the region and each sub region. The ratio shows E2E starts against the number of young people in the NEET group. As shown in the table below, there is considerable variation across the region in the extent to which the E2E programme is taken up against those in NEET need – the ratio varies from 1:3.1 in Cheshire and Warrington to 1:1.5 in Cumbria. In Cheshire and Warrington it is possible that some harder to reach young people are not engaged in the E2E programme – this is hinted at by the relatively high ratio and relative high rate of positive destinations.

Cumbria's low E2E ratio of 1:1.5 suggests that a high number of young people who could potentially be NEET are in fact taking part in E2E. However, as included in the previous sub-section, the positive destination percentage for these participants is much lower in Cumbria compared to other areas of the North West.

¹⁰ Skills for Life funding has now been passed to the LSC

E2E penetration into the NEET group

Sub-region	E2E Starts 05/6	NEET number	E2E : NEET Ratio	% Positive Destination
Cheshire & Warrington	528	1,634	1 : 3.1	58%
Cumbria	701	1,028	1 : 1.5	40%
G. Manchester	2,944	6,514	1 : 2.2	50%
G. Merseyside	2,874	5,442	1 : 1.9	47%
Lancashire	1,778	5,287	1 : 3.0	42%
North West	8,825	19,905	1 : 2.3	49%

Source: Connexions

Adults

We have derived some indicative estimates of the potential demand for learning opportunities from within the workless population – this indicates substantial potential demand for below level 2 learning, with an estimated 12,600 people with a need at this level in Cumbria.

Workless adults are able to access general learning opportunities in community based providers and FE colleges, and tailored programmes funded by JobCentrePlus and the European Social Fund. It is not possible to identify how many workless adults currently take up learning opportunities in the North West.

Many workless adults face barriers to employment, including health problems and child and adult care responsibilities. Worklessness is more common in older adults, and many adults in the workless group are likely to have been out of formal education for some time. Combined, these factors suggest a need for tailored packages of support to individuals, with training linked to job opportunities, and progression in learning a key objective.

7 Lower Level Skills, Including Basic Skills

7.1 Context

Below Level 2 qualifications, the focus is on providing individuals with the skills they need to participate in the labour market, including literacy and numeracy skills. The focus is as much about getting people onto the 'skills ladder' as meeting the needs of employers. However, the underpinning skills of literacy, language and numeracy are vital to ensure the region has a workforce which is able to support a move to higher productivity levels. Provision for those lower level skills, is delivered under the umbrella of the national 'Skills for Life' programme.

The North West Skills for Life Strategy (July 2006) is the region's response to developments at a national level and shows how the region intends to implement the policy. This is summarised in the Regional Strategic Analysis report.

7.2 Scale of need

The Regional Strategic Analysis report explores the scale of need for Skills for Life provision in the region. Over 1.4m adults of working age in the North West do not hold qualifications at Level 2 or above (35.1% compared to 33.5% in England) – the minimum considered necessary for productive participation in the modern labour market. In Cumbria, there are 96,000 adults below Level 2.

Across the region only 70.2% of those without a Level 2 qualification are employed, compared to 87.9% of those qualified to Level 4 – this equates to nearly 250,000 fewer people in work than would be the case if the employment rates were in line with the national average. For those with no qualifications at all, the employment rate is just 45.3%. Many people without any qualifications are also likely to have basic skills needs. Therefore, Skills for Life provision should be targeted at those who are currently unemployed, inactive, or in low-skilled employment but vulnerable to redundancy.

Basic skills gaps are causing North West employers recruitment difficulties. Based on the results of the 2005 National Employer Skills Survey, employers in the North West are more likely than employers anywhere else in the country to cite written communication, literacy, and numeracy skills as lacking amongst applicants for skills shortage vacancies. Of employers reporting skills shortage vacancies, 38% noted that written communication skills were lacking amongst applicants, 31% noted literacy skills as lacking, and 30% numeracy skills. In all cases, these were the highest responses of the nine English regions.

7.3 Targets

The region's PSA target is to support 109,670 adults to improve their literacy, language or numeracy skills between 2004-2007. The October 2006 data shows an achievement figure of 128,063 (non-discounted). This means that the region has already over achieved its Skills for Life PSA target for 2007 by 117%, with further achievements due for 2006-7.

Not all Skills for Life achievements can be counted towards the target. There is a national benchmark set which encourages providers to work towards the balance and mix of 80% of Skills for Life provision to be target or approved provision, and the remaining 20% to be non-accredited provision. Current performance in the North West and Cumbria is shown in the table below. The table shows for 16-18 year olds and adults separately, the proportion of basic skills achievements which count towards the target in 2004/05. The last two columns show how achievements split between young people and adults.

In 2004/05, in the North West, 89% of Skills For Life achievements by young people count towards the target - this is to be expected, as a large proportion of under 19 learners will be following key skills programme or re-taking GCSEs, which also contribute towards the target. In Cumbria, the proportion is higher, at 91%.

Most adults follow discrete Skills for Life programmes, which are less substantial in terms of guided learning hours. For adults in the North West, only 35% of achievements count towards the target. The Cumbria figure is higher at 38%. The challenge is to increase the number of adults on basic skills courses that count towards the target, and this challenge is likely to increase over time if school performance continues to improve, as this will have the affect that fewer 16-18 year olds require Skills for Life provision.

Skills for Life Achievements (Target / Non-Target) in 2004/05

	Age	% count towards target	% achievements
Cumbria	16-18	91%	31%
	19+	38%	69%
	All ages	55%	
North West	16-18	89%	29%
	19+	35%	71%
	All ages	51%	

Source: LSC

7.4 Demand**The Survey**

The Regional Strategic Analysis report describes the results of the 2002 Skills for Life (SfL) Survey commissioned by DfES in 2002. Section 8.4 of the Regional report sets out estimated literacy, numeracy, ESOL and ICT needs in the region and sub-regions based on the survey proportions. In this report, we show the analysis at the district level, to get a picture of the areas with the greatest basic skills needs.

Literacy

The tables below show the proportion and number of people (adults aged 16-65) in each district with literacy skills at each of the three levels. There is a significant basic skills needs across Cumbria, with 12% of people at Entry Level and 46% at Level 1. In total, 58% of 16-65 year olds in Cumbria have literacy skills which are below Level 2; this compares to 56% for England and 60% for the region. There are about 173,150 adults in Cumbria with literacy skills below Level 2, indicating a significant requirement for provision to address this need.

Adults (16-65): Distribution of Literacy Skills by Level of Need

	Entry Level	Level 1	Level 2 or higher
Allerdale	10%	48%	42%
Barrow	17%	50%	33%
Carlisle	11%	47%	42%
Copeland	21%	48%	30%
Eden	9%	46%	45%
South Lakeland	8%	43%	49%
Cumbria	12%	46%	43%
North West	13%	47%	40%
England	16%	40%	44%

Source: SfL Survey 2002/3, DfES

Number of Adults by Literacy Skill Level of Need

	Entry Level	Level 1	Below L2	L2 or higher
Allerdale	5,895	27,900	33,795	24,430
Barrow	7,590	22,480	30,070	14,720
Carlisle	6,730	29,800	36,530	26,630
Copeland	9,330	21,000	30,330	13,210
Eden	2,945	14,260	17,205	13,910
South Lakeland	4,685	26,490	31,175	30,300
Cumbria	35,450	137,700	173,150	129,200
North West	536,760	1,991,600	2,528,360	1,674,800

Source: SfL Survey 2002/3, DfES

Numeracy

The table below shows the proportion of people (adults aged 16-65) in each district with numeracy skills at each of the three levels. At the regional level, there is a significant basic skills need, with 53% of people at Entry Level and 30% at Level 1. In total, 83% of 16-65 year olds in the region have numeracy skills which are below level 2, and this compares to 75% for England. The Cumbria figure is 80%.

Adults (16-65): Distribution of Numeracy Skills by Level of Need

	Entry Level	Level 1	Level 2 or higher
Allerdale	48%	33%	19%
Barrow	61%	26%	14%
Carlisle	53%	30%	17%
Copeland	67%	21%	12%
Eden	48%	32%	21%
South Lakeland	35%	40%	25%
Cumbria	47%	33%	20%
North West	53%	30%	17%
England	47%	28%	25%

Source: Sfl Survey 2002/3, DfES

Carlisle has the greatest numeracy skills need in terms of the number of adults below Level 2, as shown below.

Number of Adults by Numeracy Skill Level of Need

	Entry Level	Level 1	Below L2	L2 or higher
Allerdale	28,210	19,220	47,430	10,790
Barrow	27,220	11,470	38,690	6,105
Carlisle	33,770	18,750	52,520	10,640
Copeland	29,070	9,225	38,295	5,250
Eden	14,880	9,850	24,730	6,390
South Lakeland	21,650	24,530	46,180	15,290
Cumbria	142,600	100,500	243,100	59,220
North West	2,229,200	1,264,300	3,493,500	710,220
England	14,499,395	8,553,945	23,053,340	7,883,225

Source: Sfl Survey 2002/3, DfES

ICT

The table below shows the results of the ICT assessment. In total, 69% of adults in the sub-region are classified as having ICT skills at Entry Level. The proportion at Entry level is well above the England average of 53%.

Number of Adults by ICT Skills Level (and as % total)

	Number		Proportion (%)	
	Entry Level	Level 1	Entry Level	Level 1
Allerdale	37,990	20,240	65%	35%
Barrow-in-Furness	31,190	13,605	70%	30%
Carlisle	38,770	24,390	61%	39%
Copeland	29,870	13,675	69%	31%
Eden	19,440	11,685	62%	38%
South Lakeland	39,830	21,640	65%	35%
Cumbria	197,090	93,320	69%	31%
North West	2,462,100	1,741,530	59%	41%
England	16,538,095	14,398,470	53%	47%

Source: Sfl Survey 2002/3, DfES

ESOL

As noted earlier, the survey provides an estimate of the number of people who may require ESOL training. The numbers for the sub-region are shown in the table below. The greatest need is in Carlisle.

The North West Skills for Life Strategy notes that there is now higher demand for ESOL in the region. This is not reflected in the 2003 Survey. This is a result of an inflow of migrants with ESOL needs. The North West has established an ESOL task group to identify the scale of demand and suggest ways to plan and address the increase in demand.

Adults in the ESOL group

	ESOL (number)	ESOL (%)
Allerdale	270	0%
Barrow-in-Furness	235	0%
Carlisle	630	1%
Copeland	215	0%
Eden	110	0%
South Lakeland	405	1%
Cumbria	1,870	1%
North West	173,915	4%
England	2,358,060	8%

Source: Sfl Survey 2002/03, DfES

7.5 Matching Supply and Demand

The table below shows the total basic skills needs in each sub-region (based on a summation of the numeracy, literacy, ESOL and ICT needs derived from the DfES Sfl survey discussed above. The provision figures relate to achievements of all basic skills qualifications.

Basic skills: need versus provision

	Need (no.)	Provision (no.)	Provision as % of need
Cheshire & Warrington	1,275,105	61,030	4.8%
Cumbria	731,140	10,359	1.4%
Greater Manchester	3,876,650	80,115	2.1%
Greater Merseyside	2,228,765	146,935	6.6%
Lancashire	2,103,875	134,143	6.4%
North West	10,215,535	432,582	4.2%

Source: Sfl Survey 2002/03 (DfES) and LSC

The table indicates that annual provision meets only a small proportion of need (4.2% in the region, and 1.4% in Cumbria). This is partly a result of the nature of the survey, which across England results in very high proportions of people identified with basic skills needs. However, it does suggest that there is a need for sustained action to tackle the basic skills requirements of the North West population.

Figures by district are shown below.

Basic skills: need versus provision (by district)

	Need (no.)	Provision (no.)	Provision as % of need
Allerdale	139,725	2,093	1.5%
Barrow	113,790	2,196	1.9%
Carlisle	152,840	1,986	1.3%
Copeland	112,385	1,708	1.5%
Eden	73,170	620	0.8%
South Lakeland	139,230	1,756	1.3%
Cumbria	731,140	10,359	1.4%
North West	10,215,535	432,582	4.2%

Source: Sfl Survey 2002/03 (DfES) and LSC

7.6 Issues and Conclusions

There is a major need identified in the region in terms of basic skills requirements and it is clearly an issue for employers. People without qualifications (a proxy for basic skills needs) are significantly more likely than those who have qualifications to be excluded from the labour market. Given the importance of addressing basic skills needs – both for employers and individuals - the issue arises of whether sufficient resources are being directed to meeting adult basic skills needs. On current volumes, only a small proportion of the region's basic skills needs are being addressed each year.

The challenges for Cumbria include how to convert need into demand – and in particular, how to make provision more accessible – and finally ensuring that providers have the capacity and capability to deliver.

8 Level 2

8.1 Context

National focus on level 2

The Regional strategic analysis explains in some detail the reasons for the national focus on Level 2. The importance placed on Level 2 attainment reflects a belief that this level is the minimum a person requires for employability. Attainment of Level 2 is also a platform for progression to developing intermediate and higher level skills. The DfES has PSA targets that relate to Level 2 attainment by young people and adults.

Level 2 attainment – young people

Population forecasts indicate that young people will become an increasingly scarce resource in future. Set against this, future forecasts of employment by occupational category indicate significant replacement demand at Level 2 in a number of occupational categories which have traditionally been major employers of young people, in particular, Sales and Customer Services, and Personal Services.

Looking at the cohort of young people in the North West who reached age 19 in 2005, 48% had attained Level 2 at age 16, rising to 68% age 19. The performance of the North West is somewhat below the England average, with comparable figures of 50% and 70%. Cumbria performs below both the regional and England averages, with Level 2 attainment rates of 53% for 16 year olds and 72% for 19 year olds. This is shown in the table below.

Level 2 attainment of young people by sub-region

Cohort: Reaching age 19 in 2005	Eng.	NW	Cum	Lanc	G. Mer	G. Man	C&W
Level 2 at 16	50%	48%	53%	48%	45%	47%	57%
Level 2 at 19	70%	68%	72%	67%	65%	67%	76%
% cohort achieving Level 2 post 16	19%	20%	19%	19%	20%	20%	19%
Level 2 at 16 including GCSE Maths and English	43%	41%	45%	42%	37%	41%	50%
Level 2 at 19 including GCSE Maths and English	45%	44%	47%	44%	39%	43%	51%
% cohort achieving Level 2 (inc Maths/English) post 16	2%	2%	2%	2%	2%	2%	2%

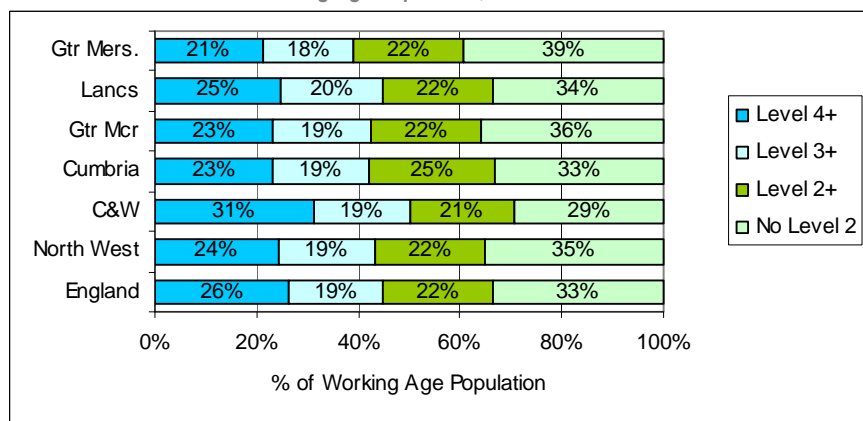
Source: LSC

Concerns that many young people lack basic numeracy and literacy skills have led to an increased focus nationally on the number of young people attaining Level 2 including good GCSE passes (A*-C) in Maths and English. Of the cohort of young people in Cumbria who reached age 19 in 2005, 45% had attained Level 2 including GCSE Maths and English at age 16. By age 19, the figure was little changed, at 47%.

Level 2 attainment – Adults

Of the working age population in Cumbria, 33% have not attained Level 2 (England = 33%, North West = 35%). This is shown in the graph below. A far higher proportion of the economically inactive lack a Level 2 (52%), compared to the economically active (27%). The corresponding regional figures are 54% and 29%.

Qualification Profile of the Working Age Population, 2005/06



Source: DfES, 2006

8.2 Targets

Reflecting the high profile given to Level 2, the North West has its own regional trajectories for Level 2 attainment at 19 and for adults. The trajectories show the number of full Level 2 achievements to be delivered in 2007/08 and include 2 components:

- FE - full Level 2 achievements¹¹
- WBL – Apprenticeship achievements at Level 2.

The target for young people appears achievable on current volumes of provision and success rates. The adult Level 2 trajectory appears to be within striking distance; to meet the FE trajectory of 18,701 achievements in 2007/08, requires an additional 950 completions on the 2004/05 total.

Taking as our base line the learner volume in 2005/06 and the 2004/05 success rate, this would require an additional 1,523 learners (on top of the 28,451 2005/06 baseline volume). The distribution of learner numbers by region would be as shown below, if we assumed an equal proportionate increase in each sub-region, adjusted for differences in success rates. In all sub-regions, FE learner volume would need to increase by 5%.

¹¹ A full level 2 qualification, is a qualification that if successfully completed, would on its own, result in the learner attaining the Level 2 threshold – that is equivalent to 5 GCSE passes at grades A*-C – independent of their prior attainment.

Estimates of additional Full L2 adult learners to meet target

Sub-region	Baseline volume	Baseline success rate %	Baseline estimated completions	07/8 completions needed	Volume to meet completions needed	Increase in volume on baseline
C&W	3,097	73%	2,261	2,382	3,263	5%
Cumbria	1,631	68%	1,106	1,165	1,718	5%
G Man.	10,358	59%	6,150	6,479	10,912	5%
G Mer.	6,698	61%	4,076	4,294	7,057	5%
Lancs	6,667	62%	4,158	4,380	7,024	5%
NW	28,451		17,751	18,701	29,974	5%

Source: EKOS estimates

If the trajectory was to be met by adjusting for need – that is, recruiting more full Level 2 adult learners in Greater Manchester and Greater Merseyside, where the proportion of adults without Level 2 is relatively high – then a greater volume increase would be needed in these areas. This is shown in the table below. The last column shows the revised volume increases needed on baseline. Under this scenario no increase in learner volume would be required in Cumbria.

Estimates of additional Full L2 adult learners to meet target (need adjusted)

Sub-region	Baseline volume	Baseline success rate %	Baseline estimated completions	07/8 completions needed	Volume to meet completions needed	Increase in volume on baseline
C&W	3,097	73%	2,261	1,996	2,734	-12%
Cumbria	1,631	68%	1,106	1,102	1,626	0%
G Man.	10,358	59%	6,150	6,618	11,146	8%
G Mer.	6,698	61%	4,076	4,796	7,880	18%
Lancs	6,667	62%	4,158	4,204	6,741	1%
NW	28,451		17,751	18,701	29,974	5%

Source: EKOS estimates

8.3 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 2 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 2 qualified people by sector are as follows:

- Retail – additional 7,547 Level 2 employees per annum;
- Health and Social Care – additional 7,151 Level 2 employees per annum;
- Financial Services – additional 5,139 Level 2 employees per annum;
- Logistics - additional 4,362 Level 2 employees per annum; and
- Education - additional 3,515 Level 2 employees per annum.

In some sectors, there are likely to be additional demands for Level 2 qualifications, as employers need to up-skill a large proportion of their existing workforce. In some sectors such as construction, new regulations mean that all employees must attain Level 2. Other sectors with a substantial potential demand for up-skilling of the existing workforce are: retail; logistics; and hospitality, leisure and tourism.

Supply

Young people

The number of young people studying for a full Level 2 qualification in the FE sector in 2005/06 by sector subject area and sub-region (residency) is shown in the table below. In Cumbria, there were 1,242 people studying towards a full Level 2, representing 6% of the regional total.

Full Level 2 learners in FE by SSA (2005/06)

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	80	25	145	109	132	492
Arts, media & publ.	197	52	647	352	254	1,502
Business, admin and law	116	86	533	196	302	1,232
Construction	170	169	685	421	286	1,731
Education and Training	2	4	0	4	0	11
Eng. & man. Tech	181	164	800	524	430	2,099
Health	314	174	1,436	549	709	3,183
History, Philosophy and Theology	1	0	18	2	10	31
ICT	128	61	561	237	235	1,223
Languages, Lit. and Culture	19	14	127	36	84	280
Leisure, travel, tourism	196	55	667	346	345	1,608
Preparation for Life and Work	221	137	999	516	413	2,286
Retail	447	272	1,488	1,017	753	3,976
Science & Maths	35	8	219	74	120	456
Social Sciences	2	3	6	4	13	29
Unknown	67	16	610	185	394	1,273
All subject areas	2,176	1,242	8,939	4,573	4,480	21,410

Source: LSC

Success rates for 16-18 year olds on full Level 2 courses in FE by sub-region are shown below. The latest data available is for 2004/05. The Cumbria success rate of 67% is above the regional and England averages.

Success rate: 16-18 year olds on full Level 2 courses

Sub-region	Success rate % (04/5)
C&W	66%
Cumbria	67%
G Man	66%
G Mer	59%
Lancs	66%
North West	64%
England	63%

Source: LSC

Note: success rates by sub-region relate to the location of the institution, not the learner

The number of young people studying for a Level 2 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Cumbria, there were 1,435 people studying towards a full Level 2, representing 8% of the regional total.

Number of Young People (16-18) in WBL, 2005/06

Sector Subject Area	C&W	Cum	G. Man	G. Mer	Lans	NW
Agriculture	73	47	94	74	108	396
Arts, Media and Publishing	0	0	15	0	3	18
Business, Admin and Law	294	217	1037	590	500	2638
Construction	393	493	1719	1076	1033	4715
Education and Training	0	1	0	0	0	1
Eng. and Man Tech.	285	239	1202	646	720	3092
Health, Public Serv. & Care	258	116	706	658	292	2030
ICT	13	11	49	55	16	144
Leisure, Travel and Tourism	17	19	83	147	47	313
Preparation for Life and Work	0	0	0	0	0	0
Retail	571	292	1519	1106	850	4337
Science & Maths	0	0	0	1	0	1
Total	1904	1435	6423	4353	3570	17685

Source: LSC

For Cumbria, the full framework success rate in WBL at Level 2 across all subject areas is currently 53%, just below the England average of 54%.

Adults

The number of adults studying for a full Level 2 qualification in the FE sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Cumbria, there were 1,638 people studying towards a full Level 2, representing 6% of the regional total.

Number of Adult Learners in FE: Full Level 2, 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	88	35	286	234	159	802
Arts, media & publ.	51	6	93	88	40	278
Business, admin and law	550	335	1,360	896	1,115	4,256
Construction	402	167	1,644	919	900	4,033
Education and Training	68	20	68	162	93	411
Eng. & man. Tech	386	232	1,173	861	613	3,265
Health	504	356	2,538	1,217	1,732	6,346
History, Philosophy and Theology	0	1	1	1	3	7
ICT	150	21	315	400	157	1,044
Languages, Literature and Culture	3	3	16	10	7	39
Leisure, travel, tourism	94	120	515	246	307	1,282
Preparation for Life and Work	61	45	254	184	169	713
Retail	728	286	1,995	1,423	1,275	5,707
Science & Maths	2	2	50	21	8	85
Social Sciences	0	0	4	3	2	10
Unknown	9	2	45	33	86	174
All subject areas	3,097	1,631	10,358	6,698	6,667	28,451

Source: LSC

Success rates for adults on full Level 2 courses in FE by sub-region are shown below. The latest data available is for 2004/05. The Cumbria success rate of 68% is well above the England and regional averages.

Success rate: Full Level 2 courses taken by Adults

Sub-region	Success rate 04/05	
	%	
C&W		73%
Cumbria		68%
G Man		59%
G Mer		61%
Lancs		62%
North West		62%
England		60%

Source: LSC

The number of adults studying for a Level 2 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub-region is shown in the table below. In Cumbria, there were 544 people studying towards a full Level 2, representing 7% of the regional total.

Number of Adults (19+) in WBL, 200506

Sector Subject Area	C&W	Cum	G. Man	G. Mer	Lancs	NW
Agriculture	29	13	56	38	46	182
Arts, Media and Publishing	0	0	3	0	1	4
Business, Admin and Law	277	134	834	622	380	2247
Construction	103	84	476	274	194	1132
Education and Training	0	0	2	3	0	5
Eng. and Man Tech.	92	50	330	123	230	826
Health, Public Serv. & Care	155	71	423	403	248	1300
ICT	49	5	51	67	22	194
Leisure, Travel and Tourism	29	12	81	50	55	227
Preparation for Life and Work	0	0	0	0	0	0
Retail	251	174	711	365	300	1800
Science & Maths	0	0	0	2	0	2
Total	985	544	2965	1949	1476	7920

Source: LSC (average in learning)

For Cumbria, the adult full framework success rate in WBL at Level 2 across all subject areas is currently 53%, equal to the England average.

9 Level 3

9.1 Context

There is a growing body of evidence (including the ongoing Leitch review) that highlights the increasing importance of Level 3 skills. For example, the interim Leitch report notes that evidence of spillover effects, where lower skilled workers become more productive as a result of working with higher skilled colleagues, is only present for Level 3 and above qualifications. Strong earnings returns to Level 3 qualifications are also seen, indicating an impact on productivity.

It is also important to note that Level 3 attainment is the platform for progression to HE and higher level skills, and the additional earnings and productivity benefits that this brings. These issues are discussed in further detail in the regional strategic analysis.

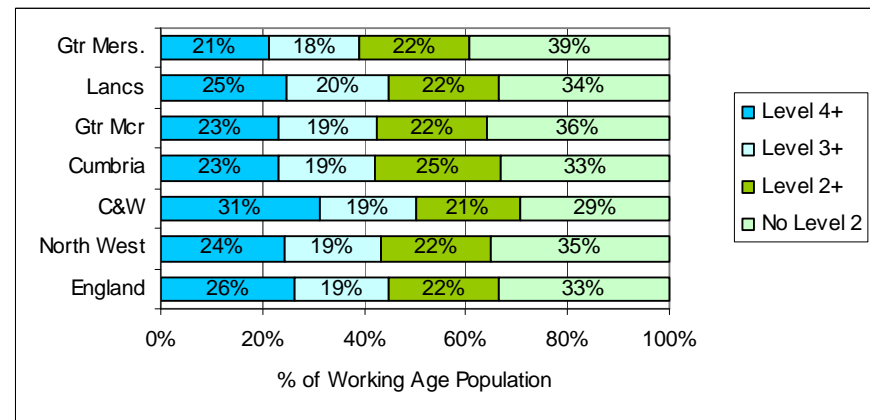
Level 3 attainment – young people

Looking at the cohort of young people in the North West who reached age 19 in 2005, 43% of this group had achieved Level 3. This compares to 46% of the national cohort. We have been unable to source Level 3 data by sub region.

Level 3 attainment – Adults

Of the working age population in Cumbria, 58% have not attained Level 3 (England = 55%, North West = 57%). This is shown in the graph below. A far higher proportion of the economically inactive in Cumbria lack a Level 3 (79%) compared to the economically active (52%). Comparable figures for England are 73% and 50%.

Qualification Profile of the Working Age Population, 2005/06



Source: DfES, 2006

9.2 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 3 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 3 qualified people by sector are as follows:

- Health & Social Care – additional 3,131 Level 3 employees per annum;
- Retail – additional 2,746 Level 3 employees per annum;
- Construction – additional 2,115 Level 3 employees per annum;
- Financial Services - additional 1,578 Level 3 employees per annum; and
- Education - additional 1,190 Level 3 employees per annum.

For Construction and Retail, these additional numbers equate to a large proportion of their existing workforce. Furthermore, in some sectors, there are likely to be additional demands for Level 3 qualifications, as employers need to up-skill a large proportion of their existing workforce.

9.3 Supply

Young people

The numbers of young people studying for a full Level 3 qualification in the FE sector in 2005/06 by sector subject area (SSA) are shown in the table below. In Cumbria, there were 1,559 people studying towards a full Level 3, representing 3% of the North West total.

Number of 16-18 year olds in FE on Full Level 3 course by SSA (North West), 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	186	28	192	135	283	823
Arts, media & publ.	1,185	217	3,427	1,609	1,959	8,398
Business, admin and law	366	86	1,452	394	943	3,241
Construction	70	38	224	109	150	592
Education and Training	3	3	1	3	3	13
Eng. & man. Tech	170	69	466	177	369	1,250
Health	652	264	2,267	943	1,658	5,784
History, Philosophy and Theology	176	38	1,008	292	563	2,077
ICT	325	119	1,215	506	696	2,862
Languages, Literature and Culture	302	79	1,340	519	805	3,045
Leisure, travel, tourism	545	158	1,198	691	1,093	3,685
Preparation for Life and Work	373	163	1,145	502	627	2,809
Retail	156	79	514	274	346	1,370
Science & Maths	698	134	3,024	1,046	1,839	6,742
Social Sciences	202	31	859	278	564	1,934
Unknown	361	51	1,984	470	1,234	4,101
All subject areas	5,769	1,559	20,315	7,948	13,133	48,724

Source: LSC

Success rates for 16-18 year olds in the North West on full Level 3 courses in FE are shown below by SSA.

FE Success Rate (%): North West Full Level 3

	Success Rate %
Agriculture, Horticulture and Animal Care	56%
Arts, Media and Publishing	66%
Business, Administration and Law	56%
Construction, Planning and the Built Environment	56%
Education and Training	30%
Engineering and Manufacturing Technologies	53%
Health, Public Services and Care	58%
Information and Communication Technology	57%
Languages, Literature and Culture	50%
Leisure, Travel and Tourism	60%
Preparation for Life and Work	42%
Retail and Commercial Enterprise	67%
Science and Mathematics	59%

Source: LSC

The number of young people studying for a Level 3 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub region is shown in the table below. In Cumbria, there were 1,269 people studying towards a full Level 3, representing 13% of the regional total.

Number of 16-18 year olds on Full Level 3 Courses in WBL by SSA (North West), 2005/06

Sector Subject Area	C&W	Cumbria	G. Man	G. Mer	Lancs	NW
Agriculture	8	18	5	8	28	67
Arts, Media and Publishing	16	10	20	7	11	64
Business, Admin and Law	69	42	224	105	210	650
Construction	167	185	696	325	539	1,913
Education and Training	-	0	0	1	0	1
Eng. and Man Tech.	605	833	1,350	809	1,189	4,786
Health, Public Serv. & Care	102	113	345	233	217	1,010
ICT	15	14	39	25	33	126
Leisure, Travel and Tourism	30	22	168	115	84	419
Preparation for Life and Work	-	0	1	2	3	6
Retail	66	22	159	162	73	482
Science & Maths	4	10	3	2	0	18
Total	1,082	1,269	3,011	1,794	2,387	9,543

Source: LSC

For Cumbria, the full framework success rate in WBL at Level 3 across all subject areas is currently 65%. The comparative figure for England is 56%.

Adults

The number of adults studying for a full Level 3 qualification in the FE sector in 2005/06 by sector subject area is shown in the table below. In Cumbria there were 1,498 people studying towards a full Level 3, representing 6% of the regional total.

Number of 19+ year olds on Full Level 3 courses in FE by SSA (North West), 2005/06

Subject area	C&W	Cumbria	G Man	G Mer	Lancs	NW
Agriculture	47	20	102	72	111	351
Arts, media & publ.	185	48	566	353	228	1,380
Business, admin and law	367	212	1,062	663	566	2,870
Construction	160	145	427	260	354	1,346
Education and Training	145	179	319	318	328	1,289
Eng. & man. Tech	118	117	322	191	193	941
Health	623	458	3,314	1,537	2,187	8,119
History, Philosophy and Theology	4	98	262	22	70	457
ICT	50	38	226	115	112	541
Languages, Literature and Culture	37	11	74	62	30	214
Leisure, travel, tourism	62	18	117	88	64	349
Preparation for Life and Work	499	36	1,405	1,051	196	3,187
Retail	206	83	633	382	365	1,670
Science & Maths	34	8	235	100	111	487
Social Sciences	6	19	63	44	97	229
Unknown	11	8	100	36	69	225
All subject areas	2,554	1,498	9,225	5,295	5,083	23,655

Source: LSC

Regional success rates for 19+ year olds on full Level 3 courses by SSA are shown below.

FE Success Rate (%): North West Full Level 3

	Success Rate %
Agriculture, Horticulture and Animal Care	35%
Arts, Media and Publishing	61%
Business, Administration and Law	61%
Construction, Planning and the Built Environment	59%
Education and Training	58%
Engineering and Manufacturing Technologies	52%
Health, Public Services and Care	58%
Information and Communication Technology	48%
Languages, Literature and Culture	51%
Leisure, Travel and Tourism	47%
Preparation for Life and Work	48%
Retail and Commercial Enterprise	66%
Science and Mathematics	66%

Source: LSC

The number of adults studying for a Level 3 apprenticeship in the WBL sector in 2005/06 by sector subject area and sub regions is shown in the table below. In Cumbria there were 473 people studying towards a full Level 3 representing 7% of the regional total.

Number of 19+ year olds on Full Level 3 Courses in WBL by SSA (North West), 2005/06

	C&W	Cumbria	G. Man	G. Mer	Lancs	NW
Agriculture	26	2	33	32	22	115
Arts, Media and Publishing	3	3	20	3	10	39
Business, Admin and Law	272	110	606	463	288	1,740
Construction	112	75	297	191	225	900
Education and Training	0	0	3	1	1	5
Eng. and Man Tech.	167	154	418	353	295	1,388
Health, Public Serv.& Care	242	46	619	462	242	1,612
ICT	42	8	89	33	36	208
Leisure, Travel and Tourism	19	8	76	70	32	205
Preparation for Life and Work	10	0	5	30	6	51
Retail	184	66	332	222	180	984
Science & Maths	2	1	3	3	0	9
Total	1,081	473	2,502	1,864	1,337	7,257

Source: LSC

For Cumbria, the success rate in WBL at Level 3 across all subject areas is currently 58%. The success rate for the North West region is 47% and the England average is 50%.

11 Higher Level Skills (Level 4+)

10.1 Context

Higher level skills at Level 4 and above are vitally important for ensuring that the North West is able to improve its regional competitiveness. The Leitch review is highlighting the importance of intermediate and higher level skills to support international competitiveness and productivity, in increasingly open global markets. Sector level evidence often points to intermediate and higher level skills needs.

In the North West, recent growth in new jobs has been concentrated in occupations requiring intermediate and higher level skills. Employment forecasts by occupational category suggest significant demand for Level 3 or higher qualifications, particularly in the Associate Professional and Professional occupational categories.

Currently, the North West has a deficit in intermediate and high level skills when compared to England. If the qualification profile of the North West working age population was in-line with the England average, the region would currently have an additional 80,000 people with higher level qualifications. In Cumbria, achieving parity with the UK at NVQ Level 4 would require an additional 9,000 people qualified at this level.

The National Employer Skills Survey 2005 indicates that recruitment difficulties in the North West are most prevalent in Skilled Trades and Associate Professional occupations, where intermediate (Level 3) and high level skills will typically be required. Sector level qualitative evidence tends to highlight skills gaps at intermediate and higher levels. This reflects the forward looking nature of these studies and the projected expansion in jobs that require higher skills levels, to support value-added corporate strategies in an increasingly competitive global market place.

There is a strong sector dimension to intermediate and higher skills needs, with significant demand from the regions high growth sectors. Specific examples taken from the RES include: Energy and Environmental Technologies - deliver the National Nuclear Skills Academy; Advanced Engineering & Materials - extend "Grow Your Future Workforce" which delivers more science and engineering skills; Digital and Creative Industries - digital content development skills to support the Media Enterprise Zone, linked to the BBC relocation; and Business and Professional Services - support the development of the regional arm of the Financial Services National Skills Academy.

10.2 Demand

In the Regional Strategic Analysis, we derive estimates of the region-wide demand for people with Level 4 qualifications by sector – both expansion and replacement demand.

In the North West as a whole, the greatest potential demands for Level 4 qualified people by sector are as follows:

- Health & Social Care – additional 7,309 Level 4 employees per annum;
- Financial Services - additional 9,011 Level 4 employees per annum; and
- Education - additional 8,652 Level 4 employees per annum.

As well as needing to recruit people with Level 4 attainment, these and other sectors will need to source training at Level 4 – often Continuous Professional Development for professional staff.

10.3 Supply

We are interested in the extent to which provision is available at Level 4 for adults.

The LSC funds a number of learners to study Level 4 learning aims within FE, but volumes are generally small. The table below shows that the number of Level 4+ courses taken by residents in the sub-region in 2005/06.

Participation in FE at Level 4 in 2005/06 (Adults and Young People, Short and Long Courses)

Level 4+	Cumbria
Agriculture, Horticulture and Animal Care	0
Arts, Media and Publishing	2
Business, Administration and Law	167
Construction, Planning and the Built Environment	34
Education and Training	55
Engineering and Manufacturing Technologies	15
Health, Public Services and Care	87
History, Philosophy and Theology	4
Information and Communication Technology	5
Languages, Literature and Culture	1
Leisure, Travel and Tourism	0
Preparation for Life and Work	1
Retail and Commercial Enterprise	4
Science and Mathematics	0
Social Sciences	2
Unknown	1
Total	377

Source: LSC

The success rate of those undertaking this Level of study through long courses (63%) is well above the national average (50%).

Many larger employers will have their own in-house training courses for Level 4 provision, focusing on higher level technical, leadership, and management skills. For smaller employers, there is a need to access relevant provision within public or private providers. The table below summarises participation (full and part time) in the region's higher education institutions.

North West: All Full Time and Part Time HE Provision by Institution, 2004/05

	First Degree		Other Undergraduate		Post graduate		All Students
	Full Time	Part time	Full Time	Part time	Full Time	Part time	
The University of Manchester	22,300	850	1,785	4,025	6,155	4,870	39,985
The Manchester Metropolitan University	20,810	1,895	1,040	2,260	2,330	3,885	32,215
The University of Central Lancashire	11,975	1,890	3,500	6,295	1,035	2,030	26,725
Liverpool John Moores University	12,795	2,405	1,635	2,265	1,325	2,530	22,955
The University of Liverpool	13,245	660	120	2,885	1,860	2,440	21,210
The University of Salford	10,000	995	2,855	1,990	1,415	2,850	20,100
The University of Lancaster	8,120	30	70	5,570	1,760	1,785	17,340
Edge Hill College of Higher Education	3,975	600	1,500	4,185	640	3,720	14,620
University of Chester	4,625	815	1,980	2,630	445	2,015	12,510
St Martin's College	3,630	645	885	3,840	725	2,625	12,355
Liverpool Hope University	4,080	905	240	585	775	1,085	7,670
The University of Bolton	2,570	1,150	765	1,480	595	915	7,475
Cumbria Institute of the Arts	945	25	25	15	0	40	1,045
Royal Northern College of Music	375	0	30	0	150	0	555

Source: North West Universities Association