

North West Strategic Analysis

Greater Merseyside Sub Regional Report

November 2007

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SECTION:1 INTRODUCTION AND CONTEXT

1.1 Background and Purpose

- 1.1.1 In 2006 the NW Statement of Skills Priorities for the period 2007/08 to 2009/10 was published by the Regional Skills Partnership (RSP). 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.
- 1.1.2 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.
- 1.1.3 This report presents an updated version of the sub-regional Strategic Analysis or evidence base for the Greater Merseyside sub-region produced in 2006. 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 the area.

1.2 Policy Background

- 1.2.1 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. This can be summarised as:
- Leitch;
 - Economic Development;
 - Worklessness
 - Economic development and skill priorities in the area.
- 1.2.2 The LSC's Statement of Priorities 2007 sets out our priorities and key actions 2008/09 to 2010/11. Our three national priorities are to:
- **Priority 1: Create Demand for Skills.** Collectively, we have to create a culture where young people, adults and employers demand skills and qualifications because they recognise the social and economic benefits that they bring.
 - **Priority 2: Transforming FE.** The last 18 months have seen some fundamental changes to the learning and skills landscape. Not only the publication of Lord Leitch's report on skills and the Government's response, but also the creation of two new departments – the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) – who share responsibility for learning and skills at all ages. One of the key developments arising from this is the intention to transfer 16–18 funding from the LSC to local authorities and the review of post-19 skills delivery. The Statement of Priorities sets out our duties up to that transfer coming into effect.
 - **Priority 3: Better Skills, Better Jobs, Better Lives.** These changes represent a significant opportunity to put skills at the top of the political agenda and to demonstrate how they contribute to wider government goals to reduce child

poverty, promote social mobility, improve innovation and business productivity, and support higher levels of sustainable employment.

- 1.2.3 The LSC has responded to this changing landscape in several ways and is set out in more detail in the Regional Strategic Analysis.

1.3 LSC Area Priorities

- 1.3.1 In addition to working towards national Learning and Skills Council (LSC) priorities, each Local LSC produces a Local Annual Plan that focuses on issues that are specific to their areas. For Greater Merseyside, the Plan for 2007/08 highlights a number of local priorities and challenges to be addressed and these are:

Demand for Skills – Employers

- We will work to ensure that the learning opportunities available for 2007/08 meet the needs of businesses and are flexible enough to enable participation from those employed by them.
- We will ensure that the implementation of Train to Gain across Greater Merseyside assists all employers in addressing issues of skills deficiencies and that we stimulate demand for learning across the employer base.
- We will ensure the integration of a sector offer as part of Train to Gain activities, ensuring that corresponding provision is available to meet the demands of the national priority sectors

Supply of Skills – Adults

- In spite of sustained employment growth, the high numbers of low qualified residents will reduce their ability to access new employment opportunities
- We will address the high levels of basic skill need of adults across Greater Merseyside as a platform to supporting progression to provision at full Level 2.
- A large proportion of adults across Greater Merseyside do not possess the qualification levels employers increasingly demand. It is estimated that 95% of all new jobs will require at least a Level 2 or above, and two thirds of these are expected to require a qualification at Level 3 or above.
- For adults, we will focus widening participation activities on the engagement of economically inactive adults, from disadvantaged groups and deprived areas, in education and training and in developing the skills necessary to access the growing employment opportunities across the area.
- We will work to ensure a mix and balance of provision in FE that focuses on first full Level 2, Skills for Life and full Level 3.

Supply of Skills - Young People

- Although improving, Greater Merseyside has a low starting point in terms of Level 2 attainment at 16, which means that we have to add significant value post-16 if we are to achieve our targets for Level 2 attainment at age

19. This requires significant targeting of young people without Level 2 qualifications.

- Although the percentage of 16-18s in learning has increased year on year, NEET levels are increasing as a result of drop out at age 17 and 18.
- Although much improved, success rates at level 3 remain significantly below the regional and national averages.
- We will work with colleges, providers and other partners to tackle under-achievement and ensure adequate progression routes are in place
- For young people, we will work with Connexions and other partners to address the high proportions of 17 and 18 year olds who are currently not in Education, Employment or Training.

SECTION:2 ECONOMIC CONTEXT

2.1 Introduction

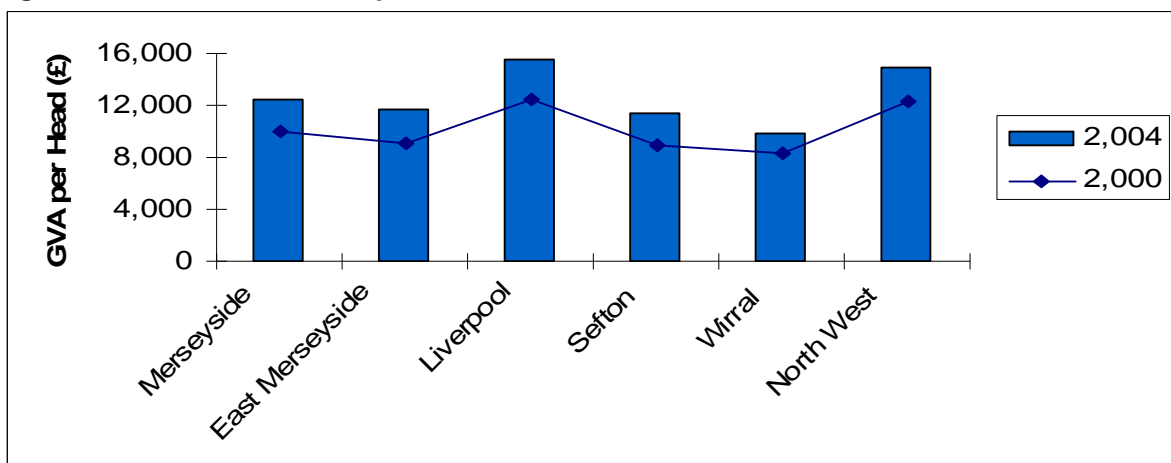
2.1.1 This section contains a brief description of the economic context in Greater Merseyside, focusing on productivity levels and enterprise as key drivers of productivity. The other key drivers of skills, economic activity and employment are covered in detail later in the report

2.2 Productivity

2.2.1 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 (14.3%) 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, £2,593 better off than they are today.

2.2.2 In comparison to the North West and England the GVA per head in Greater Merseyside significantly lower. It is below the regional level by 17% and 29% below the England average. However, the annual rate of growth has been improving and has been roughly one percentage point higher than the North West rate of growth over the four last years. The graph below shows GVA per head across the sub-region. Across the area, Liverpool has the highest GVA per head whilst East Merseyside has had the highest rate of growth in GVA over the last four years, exceeding regional and national growth rates. By comparison, the GVA rate per head and the annual rate of GVA growth in Wirral has been almost two percentage points lower than the Greater Merseyside sub-region.

Figure 1: Gross Value Added per Head 2000 and 2004



Source: NUTS3 ONS GVA

2.3 Enterprise

2.3.1 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. Compared to the previous year, Greater Merseyside as a whole had a slight increase in business start-ups, which

increased by almost 2%. However, the rate of start-ups continues to significantly lag behind the England average. The table below shows VAT registrations per 10,000 people in the North West. Of the districts, Liverpool has by far the largest start-up rate but remains well below the national rate. By comparison St Helens has the lowest start-up rate and is approximately half the start-up rate nationally.

Figure 2: Business Start Up Rate (New VAT Registrations) 2005

2005	New Starts		
	Total	Per 10,000 adult pop'	Per 10,000 working age pop'
England	155,635	39	51
North West	17,500	33	43
Greater Merseyside	2,845	25	32
Halton	250	28	35
Knowsley	215	19	24
Liverpool	985	29	36
Sefton	565	25	35
St Helens	265	19	25
Wirral	565	23	31

Source: NOMIS VAT Registrations, ONS Crown Copyright Reserved

2.4 Summary Implications for the learning Skills Sector

2.4.1 Economic performance across the sub-region remains relatively weak. The gap in the productivity rate compared with the region and nationally persists. However, the rate annual of productivity growth has been increasing of late and is higher than the regional rate. In addition, the rate of new firm formation remains low, although in absolute terms there were more start-ups compared to the previous year.

SECTION:3 THE DEMAND FOR SKILLS

3.1 Introduction

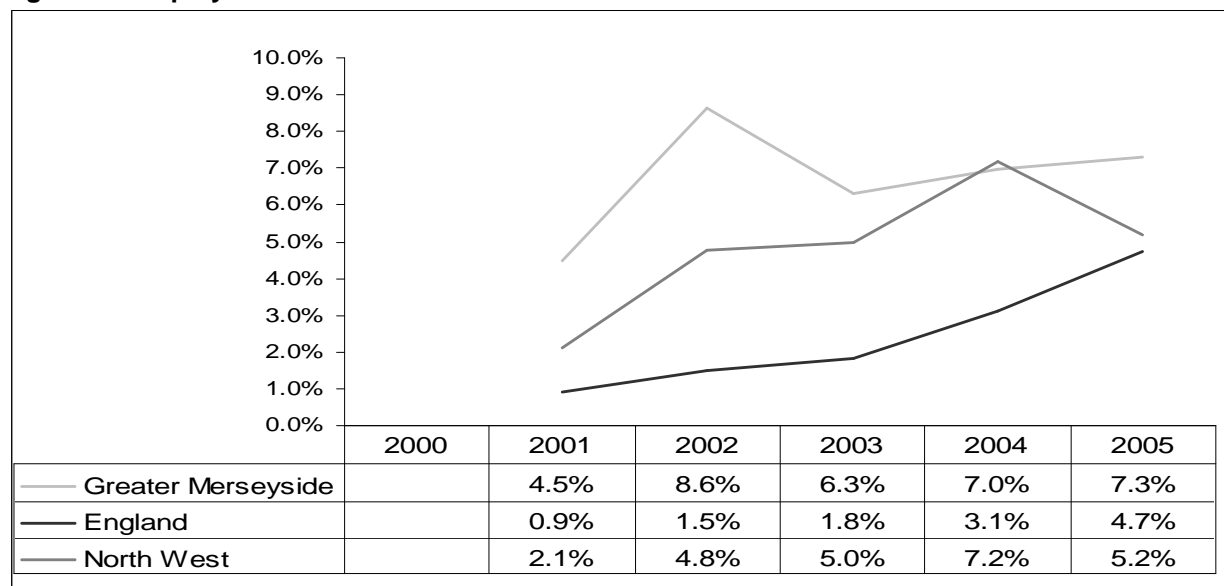
3.1.1 This chapter looks at the demand for labour in [insert area], both in terms of the volume of people needed for employment and the required occupation and skill levels. It considers:

- Historical changes in employment, and forecast changes;
- Employment levels within industrial sectors and geographies;
- The occupational structure of the workforce; and
- Economic development and skill priorities in the area.

3.2 Employment

3.2.1 The most recent figures on employment show that there are over 593,800 people employed in Greater Merseyside, an increase of 40,500 since 2000. Over the last five years employment in the sub-region has grown by on average 1.5% per annum compared to around 1% regionally and nationally.

Figure 3: Employment Growth 2000 to 2005



Source: Annual Business Inquiry, ONS Crown Copyright Reserved

3.3 Employment by Sector

3.3.1 Growth in jobs since 2000 has been most significant in service sectors, particularly Health and Social work, Education and Hotels & Restaurants. Employment in Manufacturing has continued to decline over the period, with a loss of 18,100 jobs.

Figure 4: Employment by Broad Industrial Group 2000 to 2005

	Greater Merseyside				England	
	2000	%	2005	%	2005	%
Agriculture, hunting and forestry	200	0.0%	0	0.0%	50,100	0.2%
Manufacturing	77,700	14.1%	59,600	10.1%	2,545,900	11.2%
Construction	27,100	4.9%	24,000	4.0%	1,030,000	4.5%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	101,200	18.3%	97,100	16.4%	4,041,800	17.8%
Hotels and restaurants	27,700	5.0%	36,300	6.1%	1,526,200	6.7%
Transport, storage and communication	29,600	5.4%	34,900	5.9%	1,403,000	6.2%
Financial intermediation	20,500	3.7%	22,300	3.8%	913,500	4.0%
Real estate, renting and business activities	64,000	11.6%	78,500	13.2%	3,983,600	17.6%
Public administration and defence; compulsory social security	40,500	7.3%	46,500	7.8%	1,193,000	5.3%
Education	55,800	10.1%	65,500	11.1%	2,149,400	9.5%
Health and social work	80,800	14.6%	96,400	16.3%	2,669,500	11.8%
Other community, social and personal service activities	26,800	4.9%	31,600	5.3%	1,175,200	5.2%
Column Total	551,900	100.0%	592,700	100.0%	22,681,200	100.0%

Source: Annual Business Inquiry, ONS Crown Copyright Reserved

3.3.2 The table below shows the largest growth rates of industrial sectors in Greater Merseyside between 2000 and 2005.

Figure 5: High Growth Industrial Sectors 2000 to 2005

Industry	2005 (000)	2000(000)	% change	Volume Change(000)
Manufacture of tobacco products	2	1	100.0%	1
Electricity, gas, steam and hot water supply	22	13	69.2%	9
Real estate activities	1757	1184	48.4%	573
Recycling	47	33	42.4%	14
Other business activities	6512	4833	34.7%	1679
Air transport	12	9	33.3%	3
Sewage and refuse disposal, sanitation and similar activities	129	97	33.0%	32
Activities auxiliary to financial intermediation	328	262	25.2%	66
Manufacture of radio, television and communication equipment and apparatus	35	29	20.7%	6
Water transport	35	29	20.7%	6
Education	1382	1173	17.8%	209

Source: Annual Business Inquiry, ONS Crown Copyright Reserved

3.3.3 In Greater Merseyside the sector with the largest growth is the manufacturing of tobacco products, showing growth of 100 per cent, equating to 1,000 more employees. Unlike many other sub-regions the manufacturing of radio, television and communication equipment has shown the large growth (20.7 per cent).

3.3.4 The table below shows the ten industrial sectors which have shown the largest decline between 2000 and 2005.

Figure 6: Declining Industrial Sectors 2000 to 2005

Industry	2005 (000)	2000(000)	% change	Volume Change(000)
Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction excluding surveying	0	4	-100.0%	-4
Computer and related activities	1532	3602	-57.5%	-2070
Forestry, logging and related service activities	2	4	-50.0%	-2
Manufacture of pulp, paper and paper products	63	94	-33.0%	-31
Other mining and quarry	13	18	-27.8%	-5
Manufacture of wearing apparel; dressing and dyeing of fur	41	54	-24.1%	-13
Insurance and pension funding, except compulsory social security	57	75	-24.0%	-18
Manufacture of coke, refined petroleum products and nuclear fuel	7	9	-22.2%	-2
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	11	14	-21.4%	-3
Manufacture of electrical machinery and apparatus not elsewhere classified	89	113	-21.2%	-24
Manufacture of medical, precision and optical instruments, watches and clocks	97	121	-19.8%	-24

Source: Annual Business Inquiry, ONS Crown Copyright Reserved

3.3.5 In Greater Merseyside the sector which has show the largest decline is the extraction of petroleum and natural gas, which has fallen by -100 per cent. Manufacturing has also shown a large decrease, with the manufacturing of pulp and paper falling by -33 per cent. Unlike other sub-regions mining has not fallen dramatically in Greater Merseyside, only other mining and quarrying has shown a large reduction in numbers, falling by -27.8 per cent.

3.4 Occupational Structure

3.4.1 There has been a marked change in the occupational structure of the workforce in Greater Merseyside, reflecting the changing nature of the economic base.

3.4.2 The table below shows the number of people employed in different occupations in Greater Merseyside in 2006, and compares this to the profile for England. Key differences between the Greater Merseyside and England profiles are as follows:

- There is a lower proportion of higher skilled jobs in Greater Merseyside than in England. The Manager and Senior Official category accounts for 12% of Greater Merseyside jobs, compared to 15% nationally, and the Professional category accounts for 11% of jobs, compared to 13% nationally
- Similarly, there is a higher proportion of lower skilled jobs in Greater Merseyside particularly for; personal services; sales; plant & machine operatives and Elementary occupations
- There are now fewer Skilled trades occupations when compared to the national averages.

Figure 7: Employment by Occupational Group, 2006

	Greater Merseyside		England	
	2006	%	2006	%
Managers and senior officials	75,500	12.3%	3,645,700	15.4%
Professional occupations	69,400	11.3%	3,114,300	13.1%
Associate prof & tech occupations	79,000	12.8%	3,425,400	14.4%
Administrative and secretarial occupations	84,900	13.8%	2,882,600	12.2%
Skilled trades occupations	60,600	9.9%	2,563,400	10.8%
Personal service occupations	59,100	9.6%	1,884,200	7.9%
Sales and customer service occupations	57,900	9.4%	1,807,100	7.6%
Process, plant and machine operatives	52,700	8.6%	1,702,300	7.2%
Elementary occupations	76,000	12.4%	2,692,500	11.4%
		100.0%		100.0%

Source: Annual Population Survey, ONS Crown Copyright Reserved

Figure 8: Employment Change by Occupational Group, 2004 to 2006

	Greater Merseyside		England	
	Difference	%	Difference	%
Managers and senior officials	-300	-0.4%	49,000	1.3%
Professional occupations	4,700	6.8%	155,400	5.0%
Associate prof & tech occupations	-2,400	-3.0%	145,800	4.3%
Administrative and secretarial occupations	-3,100	-3.7%	-104,600	-3.6%
Skilled trades occupations	-4,000	-6.6%	-58,300	-2.3%
Personal service occupations	3,000	5.1%	98,100	5.2%
Sales and customer service occupations	-3,100	-5.4%	-7,200	-0.4%
Process, plant and machine operatives	-3,700	-7.0%	-33,400	-2.0%
Elementary occupations	5,000	6.6%	-3,600	-0.1%

Source: Annual Population Survey, ONS Crown Copyright Reserved

3.5 Employment Forecasts

- 3.5.1 The 2006 Working Futures report produced by the Institute of Employment Studies gives some insights into the projected sector and occupational mix of the Greater Merseyside 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 Greater Merseyside.
- 3.5.2 The Working Futures forecasts show employment growth in Greater Merseyside of 2.3% between 2004 and 2014 (cumulative growth), which translates into 15,000 new jobs. This growth rate is below that predicted for the North West region of 2.9%.

Figure 9: Employment Growth Forecasts 2004 to 2014

Total employment (000s)	2004	2014	% Change
England	25,517	26,694	4.6%
North West	3,358	3,459	2.9%
Cheshire & Warrington	537	559	4.0%
Cumbria	235	239	1.7%
Lancashire	666	680	2.0%
Greater Manchester	1,318	1,365	3.4%
Greater Merseyside	602	617	2.3%

Source: Working Futures

- 3.5.3 The table below shows forecast employment in Greater Merseyside by sector to 2014. The key changes are:
- The sectors showing declines in employment in Greater Merseyside mirror those for the region, but the scale of decline is larger in the sub-region in both the primary sector and utilities employment and construction employment.
 - The greatest change from the growth experienced 1996-2004 is in the construction sector, which experienced significant growth from 1996-2004, but is forecast to suffer a contraction in employment of 7.4% to 2014. The decline in construction employment is at a higher rate than that for the region as a whole (4.4% decline).
 - The Distribution and Transport, Business and Other Services, and Non-Marketed services sectors are all forecast to grow jobs over the period, but at a lower rate than in the region. The highest growth is expected in Business and Other Services employment, at 8.3%; significantly, this is 3% points below the growth rate forecast for the North West.

Figure 10: Employment Growth Forecasts by Sector 2004 to 2014

	Numbers (000s)			%		% change
	2004	2014	2004-2014	2004	2014	2004-2014
Primary sector & utilities	2	1	0	0.3%	0.2%	-14.3%
Manufacturing	61	55	-6	10.2%	9.0%	-9.7%
Construction	27	25	-2	4.4%	4.0%	-7.6%
Distribution & transport	176	180	4	29.2%	29.1%	2.2%
Business & other services	133	144	10	22.1%	23.3%	7.8%
Non-marketed services	204	212	8	33.8%	34.4%	4.1%
All industries	602	617	14	100.0%	100.0%	2.4%

Source: Working Futures

3.5.4 The table below shows forecast employment in Greater Merseyside by occupational group to 2014. Key points to note are:

- Contractions in employment are forecast for the admin, clerical, and secretarial, and elementary occupations: the former at a rate four times greater than regionally, whilst the latter is forecast to experience a lesser decline than region-wide.
- Employment in personal services, and sales and customer services is forecast for growth, but at a rate much below that of the region as a whole: 9.3% and 2% in Greater Merseyside versus 19% and 14.2% in the North West.
- The occupation forecast to experience the highest rate of growth is professionals, where growth of 18.2% is expected over the ten year period. Despite being a high rate, it remains below the regional level.

Figure 11: Forecast Employment Change by Occupational Sector 2004 to 2014

Greater Merseyside: All industries Employment Levels (000s)	Changing Composition of Employment by Occupation			
	2004	2004 - 2014 Net Change	Replacement Demands	Total Requirement
Managers and Senior Officials	83	9	30	39
Professional Occupations	77	15	28	43
Associate Professional and Technical Occupations	89	6	30	36
Administrative, Clerical and Secretarial Occupations	79	-7	32	25
Skilled Trades Occupations	57	-2	19	17
Personal Service Occupations	54	5	22	27
Sales and Customer Service Occupations	50	1	18	19
Transport and Machine Operatives	46	1	16	17
Elementary Occupations	67	-14	24	10
Total	602	14	219	233

Source: Working Futures

3.5.5 The table below shows the forecast employment in Greater Merseyside by gender and employment status to 2014. The key changes are:

- Overall, both male employment and full time employment are expected to grow in the sub regional, at rates around double those of the North West.
- Whilst female full time employment is forecast to expand at three times the rate of the North West, female part time employment is expected to contract by almost a fifth.
- Self employment is forecast to decrease by more than 14%, a higher rate than that forecast for the North West, 12.5%.

Figure 12: Employment Structure by Gender and Status 2004 to 2014

	2004	2014	2014 Employment %	2004-2014 change
Male full-time	219	244	39.6%	10.3%
Male part-time	44	56	9.1%	22.3%
Male self-employed	43	38	6.2%	-13.1%
Male Employees	306	339	54.9%	9.7%
Female full-time	144	155	25.2%	7.1%
Female part-time	132	106	17.2%	-23.8%
Female self-employed	20	16	2.6%	-25.0%
Female Employees	296	278	45.1%	-6.6%
Total Employment	602	617	100.0%	2.3%

Source: Working Futures

3.6 Major Developments

3.6.1 Greater Merseyside has a range of economic assets and a number of regeneration projects currently being delivered or planned to be delivered in the near future.

3.6.2 Firstly, the City Centre development in Liverpool is listed as a key contributor within the Merseyside Action Plan. This development includes:

- Commercial Business District;
- Kings Dock Arena;
- Cruise Liner Facility;
- City Centre Movement and Access;
- Museum of Liverpool;
- Lime St Gateway; and
- Liverpool One.

3.6.3 With reference to the tourism offer in Merseyside a number of initiatives are pertinent:

- Liverpool, European Capital of Culture 2008: maximising the opportunity and impact of this status is seen as vital. Key projects include the Culture Company Business Plan and Implementation and legacy.
- Destination Management Plan: the aim of which is to promote Merseyside assets as a premier tourist destination through the destination management strategy and promoting Southport as a classic resort.
- Mersey Waterfront Regional Park: to deliver a range of activities and investments to transform the Mersey waterfront. Key projects include brand new Brighton, Pride in our Promenades and River of Light.

3.6.4 It is anticipated that tourism business accounts for over £1 billion of the sub regional economy at present, and is expected to grow. Coupled with the development of the initiatives listed above, there is the need for up-skilling of people working within the tourism industry as opportunities open up within retail and hospitality. Other developments include:

- Kings Dock Arena: conference and exhibition space, 18,000 square metres of office space, 9,000 square metres of new retail/leisure space, public plaza and up to 1,800 residential homes. This will mean the creation of 2,200 new jobs, 430 construction jobs and attract an additional £7 million of visitor spending each year.
- Liverpool One (opens spring 2008); is the largest retail led regeneration project in Europe, will include retail space, hotel and a cinema. By 2007 it is estimated that up to 2,000 people will be working on the site, and the development will create 4,000 jobs.
- Extension of John Lennon Airport: a master plan is in place for the expansion of the airport, which should ultimately bring more jobs in the logistics sector.
- Edge Lane Project: A project to improve the gateway into Liverpool, to include highway improvements, the construction of over 550 new housing units, provision of over 1,000,000 sq. ft. of new and refurbished commercial and retail space and community facilities. The project will create and safeguard over 1,900 jobs.
- Everton Football Club has proposed a move to Kirkby which offers the potential to attract further development and business to the area.
- St Helens LEGI: The successful round 1 LEGI bid has provided St Helens with funding to improve rates of entrepreneurship, success rates of businesses and attract investment into deprived areas. The funding received should improve employment rates within the targeted areas, providing economic benefits.
- Housing Renewal Pathfinder: The Merseyside Pathfinder receives funding with the aim of renewing the failing housing market in targeted areas. The Pathfinder involves the construction of new homes and improvement of existing homes, creating employment in the sub-region and promoting wider spread regeneration.

3.7 Summary Implications for the Learning Skills Sector.

3.7.1 Demand for labour in Greater Merseyside has been strong employment growth has grown at a faster rate than nationally but is forecast to slow to below the national rate. Future growth will be driven by major regeneration initiatives, with extensive tourism development and housing renewal requiring particular demand for up-skilling the workforce. The manufacturing sector now employs a relatively smaller proportion of workers than nationally and is set to continue to lose more jobs. Service sector growth has been driven by the expansion of the Health & Social Work and Education Hotels & Restaurants which are significant sectors.

However, despite growth in Real Estate, Renting & Business Activities, Wholesale & Retail these sectors remain significantly underrepresented.

- 3.7.2 In terms of occupations there are relatively fewer high skilled jobs in Greater Merseyside, particularly Professional and Associate Professional jobs, and relatively more low skilled jobs. Forecast for the future are that there will be a growth in higher skilled occupations of managers, senior officials and professionals and a reduction in all manual occupations. Personal service, sales and customer service occupations are expected to grow but at a slower rate than the region.

SECTION:4 THE SUPPLY OF SKILLS

4.1 Introduction

4.1.1 This chapter looks at the supply of labour in Greater Merseyside, both in terms of the volume of people available for work, and their skills levels. It considers:

- Historical changes in demographics, and forecast changes;
- Economic Activity rates according to people's characteristics;
- The qualification profile of the working age population; and
- Employer training behaviour.

4.2 Demographics – Population Growth

4.2.1 The table below shows the total population between 1996 and 2006 down to district level in Greater Merseyside. It is evident that the population in England has grown substantially by 5 per cent over the ten year period in comparison to a slight increase of 1 per cent in the North West region.

Figure 13: Total Population 1991 to 2005

	1996 Total	2006 Total	Volume Difference	Growth
England	48,519,100	50,762,900	2,243,800	5%
North West	6,809,600	6,853,200	43,600	1%
Halton	121,800	119,500	-2,300	-2%
Knowsley	152,700	151,300	-1,400	-1%
Liverpool	461,400	436,100	-25,300	-5%
Sefton	287,500	277,400	-10,100	-4%
St Helens	177,500	177,600	100	0%
Wirral	322,700	311,200	-11,500	-4%
Greater Merseyside Total	1,523,600	1,473,100	-50,500	-3%

Source: ONS Crown Copyright Reserved [from Nomis on 4 October 2007]

4.2.2 Population growth is varied at district level with no growth but an overall decline of -3 per cent. Liverpool has experienced a population fall of -5 per cent, -6 percentage points below the Regional average. The district of St Helens saw no change in population between 1996 and 2006.

4.2.3 The table below shows the age profile of the working age population in Greater Merseyside at district level in 2001, taken from the latest census data.

Figure 14: Age Profile of Working Age Population 2001

	16-19	20-24	25-34	35-49	50-retirement age
North West	363,700	423,300	815,600	1,461,100	1,041,600
Greater Merseyside	82,200	97,000	170,700	311,900	219,400
Halton	6,900	8,800	13,400	24,100	18,800
Knowsley	8,300	9,500	17,000	32,900	21,300
Liverpool	26,600	33,600	58,400	91,600	61,500
Sefton	15,800	18,700	28,000	60,100	37,900
St Helens	8,500	10,100	21,200	38,100	27,800
Wirral	16,100	16,200	32,600	65,100	52,100

Source: ONS Crown Copyright Reserved [from Nomis on 19 October 2007]

4.2.4 As can be expected there is great disparity between age groups of the population classified to working age. In greater Merseyside 35.3 per cent of the working age population are aged between 35 and 49. The working age population follows a similar trend of growth in volumes with age with a decline in numbers of those 50 and upwards.

4.2.5 The table below shows the expected population change between 2005 and 2020 across Greater Merseyside. The North West Region is expected to show growth of 4.4 per cent over the 15 year period.

Figure 15: Population Change 2005 to 2020

	2005	2010	2015	2020	% Change 2005 – 2020
Halton	118,900	119,000	119,500	120,000	0.9%
Knowsley	150,500	150,100	149,800	149,600	-0.6%
Liverpool	436,000	430,000	426,100	423,900	-2.9%
Sefton	280,200	278,500	277,400	277,100	-1.1%
St Helens	177,500	178,300	179,300	180,400	1.6%
Wirral	313,800	315,000	316,900	319,700	1.8%
Greater Merseyside	1,476,900	1,470,900	1,469,000	1,470,700	-0.4%
North West	6,842,700	6,938,800	7,043,300	7,156,200	4.4%

Source: Revised 2004-based Subnational Population Projections, ONS

4.2.6 It is evident that the population in the sub-region of Greater Merseyside is expected to fall by -0.4 per cent, -4.8 per cent less than the North West average. As shown there is great disparity of population change at district level in Greater Merseyside. The district of Wirral has the largest population growth of 1.8 per cent. There are three districts showing overall decline across the decade; the most substantial is in Liverpool with a forecasted population decline of -2.9 per cent.

4.2.7 The table below shows the population change by age group between 2005 and forecasted to 2020. The North West has seen a decrease in the proportion of 0-24 year olds and 35 to 44 year olds between 2005 and 2020

Figure 16: Population Change by Age Group 2005 and Forecast 2020

	0-14	15-24	25-34	35-44	45-54	55-64	65+
Halton	-5.6%	-20.0%	5.1%	-22.1%	-4.3%	10.6%	27.8%
Knowsley	-10.0%	-25.0%	14.7%	-33.5%	2.5%	26.2%	12.9%
Liverpool	-7.0%	-26.1%	13.9%	-19.0%	-6.8%	16.8%	6.1%
Sefton	-13.9%	-18.3%	15.8%	-40.0%	-4.1%	14.4%	16.1%
St. Helens	-10.9%	-12.7%	10.2%	-24.7%	7.5%	5.8%	21.7%
Wirral	-5.2%	-13.1%	18.3%	-26.8%	-2.4%	7.2%	18.9%
Greater Merseyside	-8.5%	-20.2%	14.0%	-26.7%	-2.3%	13.4%	15.7%
North West	-4.3%	-10.5%	13.7%	-18.5%	8.2%	11.6%	21.0%

Source: Revised 2004-based Subnational Population Projections, ONS

4.2.8 It is evident that there is expected decline in 0-24 year olds across Greater Merseyside. The 35 to 44 population age group is also forecasted to decline across Greater Merseyside by -26.7 per cent, a fall of -8.2 percentage points more than the North West. There is disparity of growth at district level between the population age groups. It is important to note that the 0-14 age group in Greater Merseyside is forecasted to decline by -4.2 percentage points more than the Regional average, with a greater population decline of 20.2 per cent in the 15 to 24 age group. The population of 65 year olds and upwards is expected to increase by an average of 15.7 per cent in Greater Merseyside, 5.3 percentage

points less than the Regional average. The Greater Merseyside average hides the disparity of the retired population age group at district level; there has been a slight growth of only 6.1 per cent in Liverpool of the population aged 65 upwards in contrast to a substantial growth of 27.8 per cent in Halton.

4.3 Economic Activity

4.3.1 The table below shows the change in the economic activity rate by district between 2005 and 2006 in Greater Merseyside.

Figure 17: Economic Activity by District, 2005 and 2006

	2005 (%)	2006 (%)	% Change
Halton	77.0	72.3	-6.5%
Knowsley	72.3	73.0	1.0%
Liverpool	67.9	69.9	2.9%
Sefton	76.5	75.1	-1.9%
St Helens	76.2	74.1	-2.8%
Wirral	76.2	73.9	-3.1%
Greater Merseyside	73.4	72.7	-1.0%
North West	76.6	76.7	0.1%
England	78.4	78.6	0.3%

Source: Annual Population Survey

4.3.2 As the table above shows that the area of Greater Merseyside has seen slight decline in the rate of economic activity, falling by -1 percentage point over the year. Although the rate has remained relatively static Greater Merseyside rate of economic activity is -5.9 percentage points below the national average and -4 percentage points below the regional average in 2006.

4.3.3 The economic activity rate varies greatly at district level in Greater Merseyside; however the economic activity at district level is lower than the national and regional average. St Helens has the highest proportion of economically active in 2006 (74.1 per cent), -4.5 percentage points below the national average. Liverpool has the lowest economic activity at 69.9 per cent in 2006, -8.7 percentage points below the national average.

4.3.4 The table below shows economic activity by age group in 2006 and compares the districts in Greater Merseyside to the regional and national average.

Figure 18: Economic Activity by Age, 2006

	16-19 (%)	20-24 (%)	25-34 (%)	35-49 (%)	50-retirement age (%)	over retirement age (%)
Halton	45.8	79.1	76.0	82.9	62.5	6.7
Knowsley	53.1	76.2	82.1	81.6	58.6	8.3
Liverpool	45.0	71.6	73.6	79.2	62.2	5.0
St Helens	40.7	80.1	82.1	83.3	63.4	8.1
Sefton	53.6	75.0	81.7	81.6	68.9	8.8
Wirral	35.3	77.0	78.4	84.2	69.3	9.1
Greater Merseyside	45.2	75.2	77.9	81.8	64.9	7.7
North West	53.2	77.8	83.2	84.3	68.6	8.9
England	54.9	76.4	83.7	85.2	73.7	11.2

Source: Annual Population Survey

- 4.3.5 The economic activity rate in the North West is similar to the national average up until the age of 50 and above. The North West has a much lower proportion of the economically active population over retirement age than the national average, a total of -2.3 percentage points less.
- 4.3.6 As the table above shows, Greater Merseyside has a high proportion of 35-49 year olds counting towards the economic activity rate, and is currently 81.8 per cent, -4.1percentage points below than the national average. Economic activity rates in Greater Merseyside are lower than the national proportion.
- 4.3.7 At district level the proportion of the economically active varies greatly by age group in comparison to the national and regional averages. In Wirral 35.3 per cent of 16-19 year olds are economically active in comparison to 53.6 per cent in Sefton.
- 4.3.8 The table below shows the rate of economic activity in Greater Merseyside by gender in 2006.

Figure 19: Economic Activity by Gender, 2006

	Male (%)	Female (%)
Halton	75.9	68.6
Knowsley	78.4	67.5
Liverpool	75.8	63.8
Sefton	79.7	70.4
St Helens	78.5	69.5
Wirral	77.5	70.2
Greater Merseyside	77.5	67.8
North West	80.6	72.5
England	83.6	73.3

Source: Annual Population Survey

- 4.3.9 As the table above shows, the North West has a slightly lower proportion of economically active males (80.6 per cent) compared to the national average, a total of -3 percentage points less. The proportion of economically active females in the North West is substantially lower than the proportion of males, and is currently -0.8 percentage points below the number of females in England.
- 4.3.10 As expected there is great disparity across Greater Merseyside of the proportion of the economically active population. Sefton has the highest proportion of economically active males (79.7 per cent) compared to 75.9 per cent in Halton. Sefton also has the highest proportion of economically active females (70.4 per cent), in contrast to Liverpool (63.8 per cent).

- 4.3.11 The table bellows illustrates the rate of economic activity by disability in 2006.

Figure 20: Economic Activity and Disabled, 2006

	working age (%)	disabled (%)	DDA & also work-limiting (%)	DDA only disabled (%)	work-limiting only disabled (%)
Halton	72.3	42.6	28.0	86.9	42.2
Knowsley	73.0	36.0	23.8	92.5	53.6
Liverpool	69.9	37.1	23.1	81.5	56.8
Sefton	75.1	44.4	29.7	81.2	61.3
St Helens	74.1	43.0	25.4	87.2	65.2
Wirral	73.9	48.2	30.0	94.3	66.7
Greater Merseyside	72.7	41.6	26.2	86.2	60.2
North West	76.7	48.1	31.3	84.0	70.7
England	78.6	55.4	38.8	83.9	74.4

Source: Annual Population Survey

4.3.12 Greater Merseyside has a low percentage of the working age population who consider themselves as having a disability, -13.8 percentage points below the national average. A total of 60.2 per cent of the disabled population in Greater Merseyside consider themselves to have work-limiting disability, this is -14.2 percentage points below the national average.

4.4 Qualifications

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

4.4.2 Qualifications are also used as a proxy indicator for the skills of the workforce. The following table shows the qualification profile of the working age population in the North West, local area and at district level. Whilst the qualification profile of the Greater Merseyside is similar to the profile in the North West there is great variation at district level.

Figure 21: Qualification Profile of the Economically Active Population, 2006

	Economically Active Population (000's)	Economically Active qualified to at least level 4		Economically Active qualified to at least level 3		Economically Active qualified to at least level 2		Economically Active adults without a level 2 qualification	
		Number (000's)	%	Number (000's)	%	Number (000's)	%	Number (000's)	%
England	23,541	7,225	31.5%	11,832	51.0%	16,827	72.1%	6,715	27.9%
North West	3,068	897	29.4%	1,525	50.4%	2,188	72.2%	880	27.8%
Greater Merseyside	627	166	26.4%	294	47.0%	435	69.4%	192	30.6%
Knowsley	63	11	17.7%	25	39.2%	39	61.5%	24	38.5%
Liverpool	186	52	27.8%	92	49.5%	131	70.1%	56	29.9%
St. Helens	77	20	26.4%	35	45.0%	52	68.0%	25	32.0%
Sefton	118	33	28.2%	57	48.2%	84	71.5%	33	28.5%
Wirral	132	39	29.4%	65	49.4%	95	72.2%	37	27.8%
Halton	51	10	20.5%	21	40.7%	34	66.7%	17	33.3%

Source: Annual Population Survey

4.4.3 As the table above shows, the area of Greater Merseyside has a lower proportion of the economically active population with a qualification in comparison to the regional average. Greater Merseyside has a greater proportion of the economically active population without a level 2, 2.8 percentage points above the North West.

4.4.4 At district level qualifications are relatively low, most noticeably in Knowsley in which 17.7 per cent of the economically active are qualified to a level 4, and 39.2 to a level 3. The district with the highest attainments is Wirral which is nearly in line with the regional average with 29.4 per cent qualified to a level 4.

4.4.5 The qualifications of the economically inactive are shown in the table below. The key point to note is the lower qualifications levels of people who are inactive. In the North West 49 per cent of the economically inactive population do not have a level 2 qualification.

Figure 22: Qualification Profile of the Economically Inactive Population, 2006

	Economically Inactive Population (000)	Economically Inactive adults without a level 2 qualification	Economically Inactive qualified to at least level 2	Economically Inactive qualified to at least level 3	Economically Inactive qualified to at least level 4
England	7,127	46.5%	53.5%	30.9%	15.4%
North West	1,037	49.0%	51.0%	28.4%	11.7%
Cheshire/Warrington	114	44.6%	55.4%	34.3%	18.1%
Cumbria	65	45.6%	54.4%	30.3%	12.2%
Greater Manchester	387	52.6%	47.4%	24.6%	10.5%
Lancashire	217	49.9%	50.1%	28.7%	11.6%
Greater Merseyside	254	56.0%	44.0%	21.9%	8.8%

Source: Annual Population Survey

4.4.6 As the table above shows Greater Merseyside has a high proportion of the economically inactive without a qualification in comparison to the National and Regional averages, -9.5 percentage points below the national average. The proportion of the economically inactive population with a level 2 is -9.5 percentage points less than the Regional average, those with a level 3 qualification is -1 percentage points below the regional average. The most noticeable disparity between Greater Merseyside and England is in level 4 qualifications. The proportion of the economically active with a level 4 qualification in Greater Merseyside is 8.8 per cent, -6.6 percentage points below the national average.

4.4.7 Low skills have an impact on the employment opportunities; this is evident in the table below which shows the qualification attainment of those employed in 2006

Figure 23: Employment Rate by Qualification Attainment, 2006

	Level 4	Level 3	Level 2	Level 1	No Qualifications
England	86.7%	76.6%	73.8%	71.5%	48.4%
North West	86.0%	78.0%	73.3%	69.9%	44.3%
Greater Merseyside	84.1%	76.3%	68.9%	64.6%	41.1%
Halton	83.5%	79.0%	70.0%	69.4%	43.4%
Knowsley	87.6%	84.1%	70.8%	68.9%	41.1%
Liverpool	81.9%	73.8%	65.4%	56.0%	35.8%
Sefton	86.6%	70.6%	70.8%	69.2%	45.2%
St Helens	86.1%	76.2%	75.4%	67.7%	43.6%
Wirral	82.9%	81.7%	67.0%	64.4%	46.2%

Source: Annual Population Survey

4.4.8 As the table shows a low proportion of the Greater Merseyside population in employment have no qualifications (41.1 per cent), -7.3 percentage points below the Regional average. The employment rate of those with qualifications is varied across all qualification levels in comparison to the Regional and National averages. The employment rate of those qualified to level 4 is -2.6 percentage points below the national average. The employment rate of those qualified to a level 2 and 1 in Greater Merseyside are below the national average by -4.9 and -6.9 percentage points respectively.

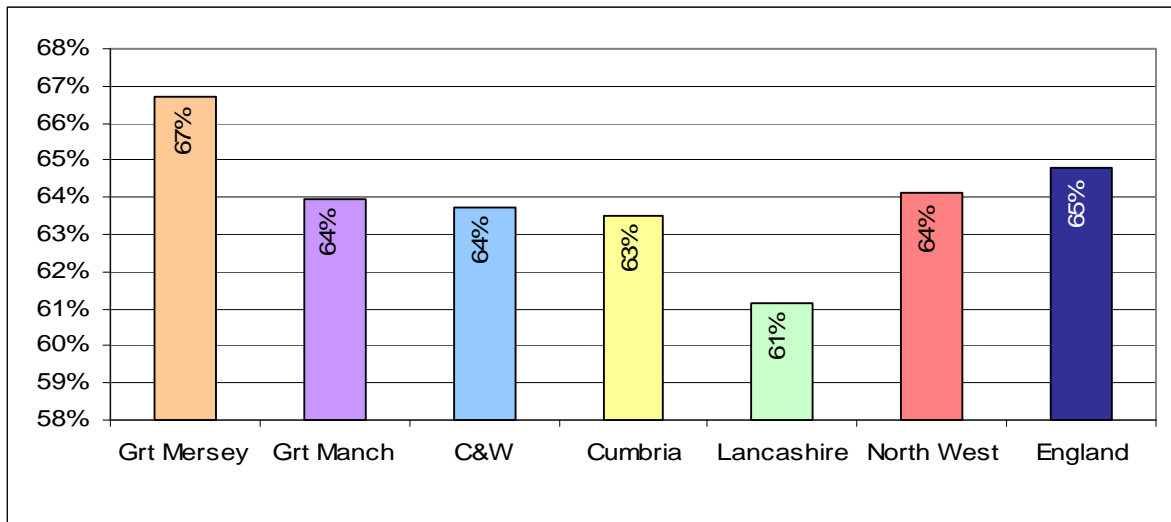
4.4.9 It is important to note that there is a positive correlation across the area and region connecting increased employment rates with higher qualification attainment. The levels of qualifications in Greater Merseyside vary at district

level. Areas including Halton, Knowsley, and Wirral have a high employment rate of the population with a level 3 qualification in comparison to the national average.

4.5 National Employer Skills Survey (NESS)

- 4.5.1 This section uses data from the National Employer Skills Survey 2005 to describe the training behaviour of employers in Greater Merseyside, particularly with regard to the skills gaps they identify in their workforce, and skills related recruitment difficulties they face.
- 4.5.2 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.
- 4.5.3 The chart below shows the proportion of employers who provided training during the previous twelve months. At 67% of employers, the Greater Merseyside figure is above both the regional and national averages.

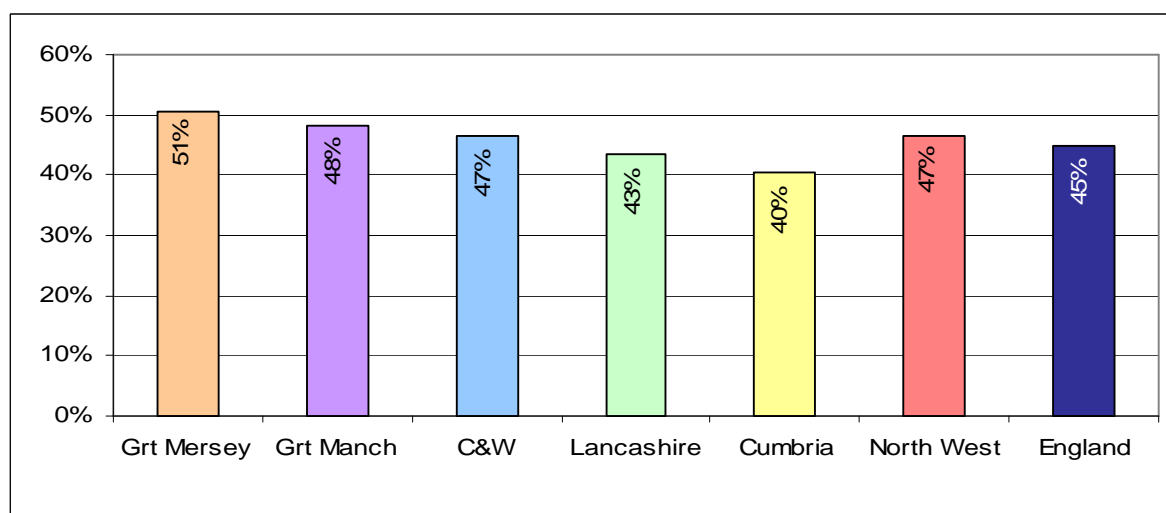
Figure 24: Proportion of Employers providing Training in the past 12 months



Source: NESS 2005

- 4.5.4 The figure below shows the proportion of employers with a formal training plan – this figure is 51% in Greater Merseyside, above the North West and England figures of 47% and 45% respectively.

Figure 25: Proportion of Establishments with a Formal Training Plan



Source: NESS 2005

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

Figure 26: Distribution of SSVs by Occupation, Greater Merseyside

	Greater Merseyside		North West	
	Number	%	Number	%
Managers	110	4%	947	4%
Professionals	296	12%	1,611	6%
Associate professionals	331	13%	5,102	19%
Admin/clerical	130	5%	1,220	5%
Skilled trades	283	11%	6,027	23%
Personal service	371	15%	2,130	8%
Sales/customer service	331	13%	4,056	15%
Machine operatives	241	10%	2,358	9%
Elementary	355	14%	2,550	10%
Unclassified	20	1%	222	1%
Total	2,470	100%	26,223	100%

Source: NESS 2005

4.5.6 In Greater Merseyside, the distribution of skills shortage vacancies (SSVs) (employers reporting vacancies that are hard to fill due to a lack of candidates with the required skills/experience /qualifications) is more balanced than it is at the regional level. The skills shortage vacancies are also split relatively equally between higher and lower skilled occupations.

4.5.7 Compared to regional figures, employers in Greater Merseyside report a higher than average level of SSVs in three of the main occupational categories – professionals, personal service, and elementary. The difference is most marked for professional occupations with double the proportion of employers reporting skills shortage vacancies compared to regional levels. In the associate professionals, skilled trades and sales/customer service occupational categories, employers report a lower than average number of skills shortage vacancies.

Figure 27: Distribution of Skills Gaps by Occupation, Greater Merseyside

	Greater Merseyside		North West	
	Number	%	Number	%
Managers	2794	8%	14890	9%
Professionals	1745	5%	6,156	4%
Associate professionals	1066	3%	9,361	6%
Admin/clerical	3062	9%	17,144	10%
Skilled trades	8343	23%	16,139	10%
Personal service	6742	19%	10,817	7%
Sales/customer service	5006	14%	31,498	19%
Machine operatives	1450	4%	24,242	15%
Elementary	5606	16%	34,738	21%
Total	35815	100%	164984	100%

Source: NESS 2005

4.5.8 The distribution of skills gaps at the regional level demonstrates a larger concentration of skills gaps (i.e. larger concentration of employers reporting staff as being not fully proficient at their job) in managerial, admin / clerical, skilled trades, sales / customer service, machine operative and elementary occupations. In the North West overall the highest levels of skills gaps are reported in elementary and sales / customer service occupations (21% and 19% of employers respectively).

4.5.9 Compared to regional levels, proportionately more employers report skills gaps in skilled trade and personal service occupations in Greater Merseyside. Conversely, fewer employers than average report skills gaps in associate professional occupations; sales/customer service occupations; machine operative occupations; and elementary occupations.

4.6 Summary

4.6.1 Change in population across the North West is extremely important when considering competition for jobs, the volume of workers available, and the proportion of those needing skills development. Greater Merseyside has seen varied population growth at district level, but overall has declined and is below the National average.

4.6.2 As in England as a whole the issue of an ageing population will impact on Greater Merseyside in future years. The population is forecasted to continue declining, with a fall of -0.4 per cent between 2005 and 2020. The reduction in the population is expected across various groups, especially younger age groups and those between 35 and 49. It is likely that an increasing number of people in this age category will remain in employment post retirement age.

4.6.3 The economic rate of activity in Greater Merseyside has shown slight decline between the years 2005-2006 (-1 per cent). The area has a lower proportion of the population who are economically active between the ages of 50 years old and retirement age in comparison to the national average.

4.6.4 Greater Merseyside shows lower qualification rates in comparison to the National average. The area has a low proportion of the economically active population qualified to Level 4 with a higher proportion without a level 2 qualification, a total of 2.8 percentage points above the regional average. However it is important to note that the attainment of qualifications vary greatly at district level. Rates of economic inactivity are higher amongst those with no qualifications, it is

important to note that in contrast to the region Greater Merseyside has a higher proportion of the working age population without a level 2 qualification.

- 4.6.5 Data from the National Employer Skills Survey suggests that Greater Merseyside employers have a strong culture of workforce development on which to build, as shown by a relatively high level of employers with formal training plans in comparison to the national average (6 percentage points greater). Although training opportunities are evidently available in Greater Merseyside there remain skills shortages, however this there is greater balance between high and low skill vacancies in contrast to other sub-regions. Although there is a balance in vacancies employers feel that skills required for those in skilled trades and professional services need to be developed further This would suggest that continued development in training is required at both a high and low skill level in order to fulfil the skills gaps.

SECTION:5 PROVISION AND PARTICIPATION

5.1 Introduction

5.1.1 This chapter looks at participation in learning and skills development in Greater Merseyside, and the quality of provision, as measured by success rates and inspection grades. It focuses 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.

5.2 Young People

5.3 Post-16 Participation

5.3.1 The proportion of young people in Greater Merseyside who remained in full time education or training after leaving school aged 16 varies greatly by Local Education Authority (LEA).

Figure 28: Post-16 Participation in Education and Training 2005

	17 year olds							
	Full-time education					WBL %	Part-time education %	Total Education and WBL %
	Maintained schools %	Independent schools %	Sixth form college %	Other FE %	Total %			
England ⁶	23	6	9	25	63	8	5	76
North West	17	4	14	26	60	11	5	76
Halton	8	0	26	25	59	10	5	74
Knowsley	14	0	9	33	56	13	5	74
Liverpool	30	2	1	23	56	12	5	73
St Helens	15	0	16	24	56	11	4	71
Wirral	32	3	9	13	58	13	5	76
Sefton	21	5	12	27	65	10	4	78

Source: DFCSF SRF 22/2007

5.3.2 Across Greater Merseyside participation in full time education post 16 is lower than the National and Regional averages with the exception of Sefton (65 per cent). This low participation in full time education is balanced by a high percentage of learners in WBL the largest being Knowsley and Wirral that are 5 percentage points above the National average.

5.4 FE Participation Rates

5.4.1 The table below shows how participation of young people in the FE sector in Greater Merseyside has changed over the last three years. For Greater Merseyside participation has increased by 5.1 per cent since 2004/05.

Figure 29: FE Participation: Number of Learners Aged 16-18

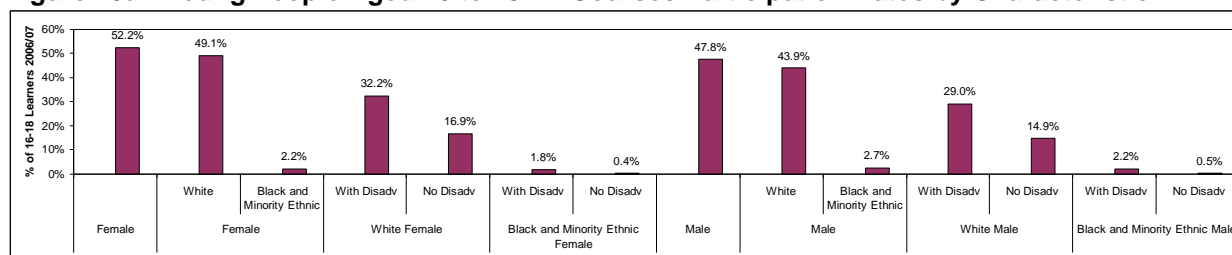
	2004/05	2005/06	2006/07
North West	111,262	115,621	119,950
Greater Merseyside	21,349	22,065	22,443
Halton	2,571	2,597	2,539
Knowsley	2,975	3,084	3,239
Liverpool	5,436	5,277	5,396
Sefton	3,992	4,540	4,750
St. Helens	2,687	2,935	2,980
Wirral	3,677	3,624	3,539

Source: North West Residency Platform

5.4.2 Participation growth in Greater Merseyside has slowed over the last three years with 4 per cent growth between 2004/05 to 2005/06 down to a 2 per cent growth between 2005/06 and 2006/07. Change in participation varies greatly at district level, with Halton and Wirral experiencing decline on last years numbers (-2.3 per cent and -2.4 per cent respectively), and Knowsley experiencing growth of 8.4 per cent.

5.4.3 The table below shows young peoples participation rates by characteristics in 2005/06. The data taken from the Residency Platform provides success rates by gender, ethnicity group (White and Black and Minority Ethnic group), and disadvantages.

Figure 25a: Young People Aged 16 to 18 FE Courses Participation Rates by Characteristic



Source: NW LSC Performance Reporting Platform

5.4.4 As shown in the table above participation rates vary greatly by characteristic in Greater Merseyside. It is important to note that there are a slightly higher proportion of females participating in FE courses in comparison to males, totalling 4.4 percentage points. For both male and female participants there are a substantially high proportion of white learners in comparison to black and minority ethnic groups; black and ethnic minority groups showing percentages of 2.7 per cent and 2.2 per cent respectively.

5.4.5 The proportion of those with a disadvantage is similar for both males and females groups, with a greater proportion of learners without a disadvantage. Only 1.8 per cent of black and minority ethnic females with a disadvantage are participating in an FE course in comparison to 2.2 per cent of males in the same group.

5.5 FE Success Rates

5.5.1 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) than long courses (greater than 24 weeks). Success rates for long course qualification taken by 16-18 year olds in FE institutions in the North West are displayed below.

Figure 30: Young People Aged 16 to 18 FE Long Courses Success Rates by Level 2005/6

	Full Level 2			Full Level 3		
	2003/04	2004/05	2005/06	2003/04	2004/05	2005/06
Cumbria	59%	62%	66%	55%	63%	68%
Lancashire	61%	66%	71%	59%	63%	66%
Greater Merseyside	54%	58%	64%	55%	57%	64%
Greater Manchester	60%	65%	69%	57%	64%	66%
Cheshire and Warrington	59%	66%	70%	63%	62%	67%
North West	59%	64%	69%	58%	62%	66%

Source: North West Reporting Platform

5.5.2 As shown, success rates in Greater Merseyside are the lowest in the North West and below the regional average in both full level 2 and full level 3. Greater Merseyside is -5 percentage points below the Regional average in full level 2, and only -2 percentage points in full level 3. Greater Merseyside has experienced steady growth over the last three years with 10 per cent in full level 2, and 9 per cent in full level 3.

5.6 Work Based Learning

5.6.1 The table below shows how participation of young people in the WBL sector has changed over the last three years in the Greater Merseyside districts.

Figure 31: WBL Starts: Number of Learners Aged 16-18

	2004/05	2005/06	2006/07
North West	20,906	17,723	18,007
Greater Merseyside	5,306	4,292	4,192
Halton	390	281	285
Knowsley	669	540	453
Liverpool	1,552	1,292	1,404
Sefton	877	743	723
St. Helens	578	421	456
Wirral	1,240	1,015	871

Source: North West Residency Platform

5.6.2 As shown, WBL Participation in the region has fallen by -13.9 per cent over three years with a growth of 1.6 per cent between 2005/06 and 2006/07. Greater Merseyside has not followed the regional trend of fluctuation but has experienced decline over the last three years, with a fall of -2.4 per cent since 2005/06. Change in the number of starts varies greatly at district level; St Helens has shown the largest increase of 8.3 per cent (35 learners) in contrast to Knowsley which has decreased by -16.2 per cent (87 learners).

5.7 Work Based Learning Success Rates

5.7.1 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 (apprenticeships) and level 3 (advanced apprenticeships) qualifications.

Figure 32: Young People Aged 16 to 18: WBL Success Rates by Level 2005/6

	Level 2			Level 3		
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
North West	51%	58%	65%	58%	68%	72%
Cheshire & Warrington	49%	56%	68%	57%	65%	73%
Cumbria	55%	56%	67%	58%	77%	73%
Greater Manchester	53%	56%	64%	58%	66%	66%
Greater Merseyside	44%	58%	63%	51%	63%	73%
Lancashire	56%	64%	71%	66%	72%	78%

Source: North West Reporting Platform

5.7.2 Greater Merseyside has experienced large growth in success rates for level 2 and level 3 qualifications over the last three years, much greater than the North West growth. In level 2 Greater Merseyside there has been a 19 per cent increase over three years, and 22 per cent increase in level 3.

5.8 School Sixth Form

5.8.1 The table below shows how participation of young people in school sixth forms in Greater Merseyside has changed between 2004/05 and 2005/06.

Figure 33: School Sixth Form Participation: Number of Learners Aged 16-18

Learners District	2004/05	2005/06
North West	34459	36197
Greater Merseyside	11665	12135
Halton	352	390
Knowsley	733	785
Liverpool	4416	4659
Sefton	1882	1930
St. Helens	862	827
Wirral	3420	3541

Source: North West Residency Platform

5.8.2 School sixth form participation in Greater Merseyside has grown by 4 per cent on the previous year, similar to growth in the region (5 per cent). There has been growth at district level with the exception of St Helens which has fallen -4.1 per cent.

Figure 34: Proportion of Young People in Education & Training by Route 2006

	SSF	FE	WBL
North West	20.1%	64.4%	15.6%
Cumbria	32.9%	47.0%	20.2%
Lancashire	14.0%	70.0%	16.0%
Greater Manchester	11.3%	73.9%	14.8%
Greater Merseyside	29.8%	54.4%	15.8%
Cheshire and Warrington	30.6%	55.5%	13.9%

Source: North West Residency Platform

5.8.3 The table above shows the route of young people as a proportion of all 16-18 year olds in education in 2005/06. Greater Merseyside participation in School Sixth forms is 9.7 percentage points above the North West, this is balanced by a low proportion in FE education (54.4 per cent). The proportion of learners in WBL (15.8 per cent) is 0.2 percentage points above the North West proportion. The proportion of learners by route varies greatly at district level.

5.9 Adults

5.10 FE Participation Rates

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

Figure 35: FE Participation: Number of Adult Learners

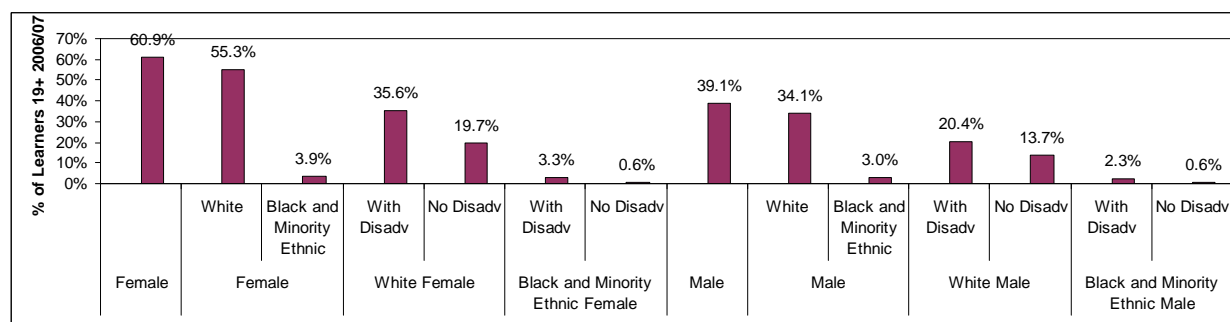
	2004/05	2005/06	2006/07
North West	396,602	332,914	238,521
Greater Merseyside	94,281	76,901	57,707
Halton	6,949	5,755	3,822
Knowsley	10,825	8,454	6,254
Liverpool	29,889	24,918	21,210
Sefton	18,743	14,656	10,144
St. Helens	10,341	8,341	5,803
Wirral	17,513	14,754	10,474

Source: North West Residency Platform

5.10.2 Adult participation in the North West has fallen at a fast rate in the last three years. Between 2005/06 and 2006/07 North West adult participation fell by -29 per cent, compared to -25 per cent in Greater Merseyside. This reduction has been experienced across the area at varied levels; participation in Liverpool has declined by -14.9 per cent compared to -33.6 per cent in Halton.

5.10.3 The table below shows adult participation rates by characteristics in 2005/06. The data taken from the Residency Platform provides success rates by gender, ethnicity group (White and Black and Minority Ethnic group), and disadvantages

Figure 31a: Adult FE Course Participation Rates by Characteristic



Source: NW LSC Performance Reporting Platform

5.10.4 As the table shows there are a substantially higher proportion of adult females participating in an FE course in comparison to males, equating to 21.8 percentage points more. The proportion of adult black and ethnic minority groups participating towards an FE qualification is higher than 16-18 year olds of the same group. There remains a substantial difference between the proportion of white learners and ethnic minority groups, a difference of 51.4 percentage points for females and 31.1 percentage points for males.

5.10.5 There appears a great difference between those with and without a disadvantage in all groups. A relatively high proportion of adult FE learners are white females with a disadvantage (35.6 per cent), 15.9 percentage points greater than those without a disadvantage. The proportion of female black and ethnic minority groups with and without a disadvantage is similar, 2.7 percentage points more adults from a black or ethnic minority group without a disadvantage than with. The difference between males from a black or ethnic minority group with and without disadvantages is less than females, at 1.7 percentage points.

5.11 FE Success Rates

5.11.1 Success rates for long courses taken by adults in FE are shown below.

Figure 36: Adult FE Long Courses Success Rates by Level 2005/6

	Full Level 2			Full Level 3		
	2003/04	2004/05	2005/06	2003/04	2004/05	2005/06
Cumbria	60%	69%	73%	54%	65%	65%
Lancashire	62%	65%	69%	50%	52%	62%
Greater Merseyside	54%	60%	63%	56%	61%	63%
Greater Manchester	52%	59%	66%	53%	59%	63%
Cheshire and Warrington	59%	68%	72%	55%	62%	63%
North West	57%	62%	67%	53%	59%	63%

Source: North West Reporting Platform

5.11.2 As is the case for young people, success rates in Greater Merseyside are below the North West average at full level 2 by -4 percentage points. At full level 3 success rates in Greater Merseyside are in line with the Regional rate of 63 per cent. As with other areas in the region Greater Merseyside has seen steady growth in success rates over the last three years; 9 percentage points in full level 2 and 7 percentage points in full level 3.

5.12 Work Based Learning

5.12.1 The table below shows how participation of adults in WBL in Lancashire has changed over the last three years.

Figure 37: WBL Starts: Number of Adult Learners

	2004/05	2005/06	2006/07
North West	13,925	12,255	13,477
Greater Merseyside	3,493	3,021	3,262
Halton	290	240	304
Knowsley	404	322	326
Liverpool	934	850	928
Sefton	637	638	672
St. Helens	343	270	295
Wirral	884	701	737

Source: North West Residency Platform

5.12.2 Between 2004/05 and 2006/07 WBL participation has decreased by -3.3 per cent in the North West. Numbers have fallen in all Sub-Regions, with Greater Merseyside experiencing a rise of 7.9 per cent between 2005/06 and 2006/07. There is growth across all the districts in Greater Merseyside between 2005/06 and 2006/07, Halton increasing by 26.6 per cent (64 learners) compared to Knowsley which has the smallest growth rate of 1.2 per cent.

5.12.3 Train to Gain was introduced in 20 LSC areas (the former Employer Training Pilots) across all 9 regions in April 2006. The remaining 27 LSC areas and the National Employer Service introduced Train to Gain in August 2007.

5.12.4 The aim of the service is to increase the responsiveness of the learning and skills sector by offering flexible mechanisms for identifying and providing training to meet business needs. This will then drive up the demand for skills training from employers and contribute additional skills for life and full level 2 qualifications towards national Public Service Agreement (PSA) targets.

5.12.5 The table below shows the Train to Gain starts in Greater Merseyside in 2006 at Period 12, with the breakdown between Skills for Life and Level 2 & 3. Level 3 trials have not been included in the total.

Figure 27a: Train to Gain Starts in 2006

	2006/07 Period 12		
	Train to Gain Level 2 & Level 3	Train to Gain SFL	Total
Halton	510	36	546
Knowsley	627	75	702
Liverpool	1,652	184	1,836
Sefton	820	65	885
St. Helens	732	57	789
Wirral	1,157	122	1,279
Greater Merseyside	5,498	539	6,037
North West	26,069	2,315	28,384

Source: North West Residency Platform

5.12.6 As the table shows Greater Merseyside Train to Gain Level 2 & 3 Starts is responsible for 21 per cent of the North West total. Greater Merseyside is responsible for 23.2 per cent of learners starting a train to gain skills for life qualification. There is great disparity in the volume of Starts across the area with Liverpool contributing 1,836 towards the North West starts, in contrast to 546 in Halton.

5.13 Work Based Learning Success Rates

5.13.1 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.

Figure 38: Adults: WBL Success Rates by Level 2004/05 to 2006/07

	Level 2			Level 3		
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
North West	54%	60%	70%	51%	58%	70%
Cheshire & Warrington	53%	58%	70%	52%	60%	69%
Cumbria	58%	62%	69%	57%	64%	70%
Greater Manchester	54%	60%	69%	53%	58%	68%
Greater Merseyside	52%	57%	68%	46%	56%	71%
Lancashire	56%	65%	73%	53%	60%	74%

Source: North West Reporting Platform

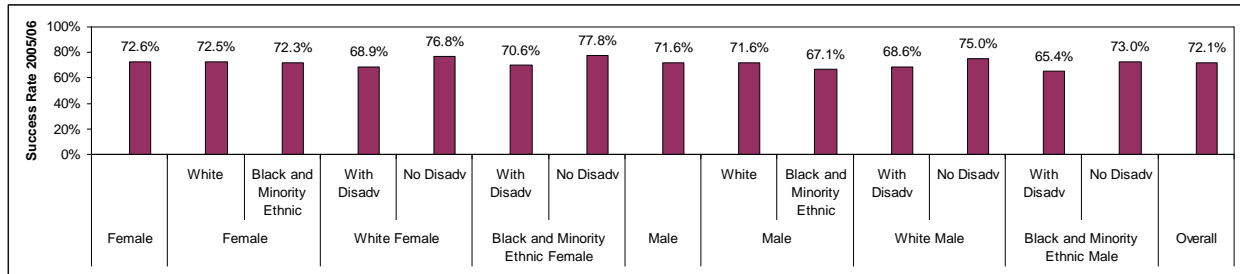
5.13.2 Growth in success rates in Greater Merseyside have grown rapidly in full level 2 and full level 3 over the last three years in line with and above the North West. Greater Merseyside success rates are -2 percentage points below the North West in 2006/07, growing by 16 percentage points over three years. Greater

Merseyside success rates in level 3 are 1 percentage point above the North West in 2006/07, growing by a substantial 25 percentage points over three years.

5.14 Learner Success Rates

5.14.1 The table below shows FE success rates of learners with different characteristics for young people.

Figure 39: FE Success Rates by Disadvantage, Ethnicity and Gender 2005/6-Young People

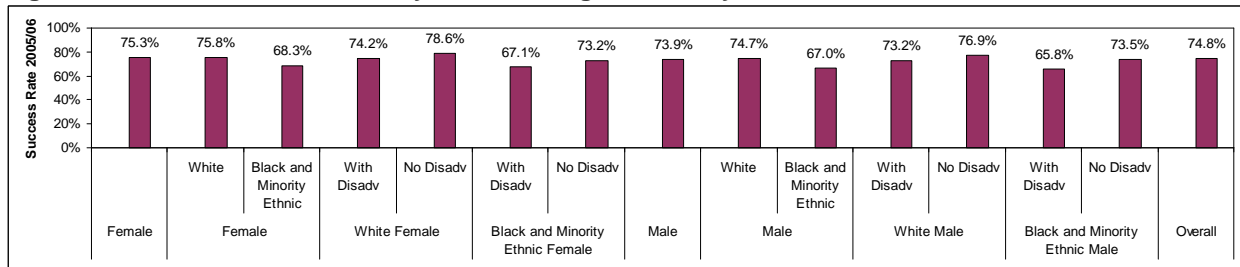


Source: North West Residency Platform

5.14.2 The key points to note from the table are female Black and minority ethnic groups with no disadvantage have the highest success rates at 77.8 per cent. The group with the lowest success rate in Greater Merseyside are Black and ethnic minority males with disadvantages. Success rates of both males and females are similar in the area (71.6 per cent and 72.6 per cent respectively).

5.14.3 The table below shows FE success rates of learners with different characteristics for adults.

Figure 40a: FE Success Rates by Disadvantage, Ethnicity and Gender 2005/6-Adults



Source: North West Residency Platform

5.14.4 There are some key points to note from the above table. Females have achieved 1.4 percentage points more in comparison to their male counterparts. As with young people, the group with the highest success rates are white females with no disadvantage and the group with the lowest are black ethnic minority males with disadvantages.

5.15 Independent Quality Assessment: Inspection

5.15.1 The Regional Strategic Analysis contains further analysis of FE College inspection scores from 2005/06 to 2006/07. Ofsted inspect colleges across the year assessing curriculum areas, quality, standards and management. The table below shows the number of Colleges in Cheshire and Warrington and the assessment results. Throughout the North West only two Colleges were deemed 'inadequate', and were also the only provision to rate as 'poor' in curriculum areas.

Figure 41: FE Inspection Grades

	Overall effectiveness	Capacity to make further improvements	Achievement and standards	Quality of provision
Oustanding	0	0	0	0
Good	1	1	1	2
Satisfactory	2	2	2	1
Poor	1	1	1	1

Source: Ofsted

5.15.2 Overall assessment of provision in Greater Merseyside is good or satisfactory, with one college rated as inadequate provision in overall effectiveness and some curriculum areas.

5.15.3 WBL providers are now inspected by Ofsted as of this year. Recently we have reduced the number of WBL providers which we contract with by removing poor quality provision; as a result the quality of the sector has improved, as highlighted in the significant improvements in success rates.

5.15.4 Due to the recent take over of Ofsted only 7 WBL providers have been assessed this year between July and November, all of which have been rated as outstanding, satisfactory or good.

5.16 Summary

5.16.1 Participation and provision in Greater Merseyside varies greatly at district level in terms of SSF, FE and WBL take up. Young Peoples FE participation rate is varied in Greater Merseyside with Knowsley experiencing growth and Halton and Wirral decreasing. Success rates are also growing steadily in both full level 2 and level 3 across in Greater Merseyside but remain below the North West average, with full level 2 -5 per cent away from the average. Adult participation rates are declining in line with the region, however this is to varying degrees depending on the district. The district of Halton has a rapid rate of decline in adult learner numbers (-33.6 per cent). Adult FE success rates are steadily growing but at a much slower rate than other sub-regions.

5.16.2 Participation of learners on FE courses in Greater Merseyside is improving greatly however it is essential that we continue to target black and ethnic minority groups into learning. Participation and success rates of learners from black and ethnic minority groups are low compared to white learners. As evidenced in the Regional Strategic Analysis participation in both FE and WBL shows that there is an imbalance in both learning routes. Concisely black and minority ethnic groups are under represented in WBL, and white ethnic groups are under represented in FE. These issues are relevant for both young people and adults. The LSC Single Equality Scheme (April 2007) states:

- “Members of black or ethnic minority groups form about one-tenth of the English population. They were under-represented in WBL, in full Level 2 and 3 programmes”

5.16.3 Greater Merseyside is one of the two areas with some provision rated as ‘inadequate’ and poor. The majority of provision has been assessed as good or satisfactory with the capacity to make improvements. FE success rates by group characteristics are reasonably high. It is essential that we work closely with the

Local Authorities to address issues of underperformance in the area in order to maintain improving success rates and world class learning provision.

5.16.4 Participation in WBL is decreasing across all ages in the North West as well as Greater Merseyside partially due to the removal of poor provision. Adult participation in WBL is falling at a much slower and steadier rate than elsewhere in the North West. Success rates have risen substantially as a result of high quality provision, with particular improvements in level 3, and are nearly in line with the regional average. Although WBL participation in Greater Merseyside is decreasing at a slower rate than the North West it needs to remain a target. The Commissioning Spending Review (CSR) has led to increasing focus away from growth in FE and School Sixth Forms and towards WBL and Leitch ambitions.

SECTION:6 EMPLOYABILITY AND WORKLESSNESS

6.1 Introduction

6.1.1 Developing the skills of the current working age population is the subject of increased focus as the competitiveness of the regional economy develops. This section will look at rates of employment, unemployment and economic inactivity in order to quantify what must be achieved in order for the North West to compete.

6.2 Employment, Unemployment and Economic Inactivity

6.2.1 The rate of economic inactivity is higher than the regional and national averages in every area of Greater Merseyside. Sefton has the lowest rate (24.9%), Liverpool has the highest (30.1%).

6.2.2 Of those who are economically active, the rate of employment is lower than the regional and national averages in every area of Greater Merseyside. Liverpool has the lowest rate of employment (63.5%), Sefton has the highest (70.6%).

Figure 42: Employment Status of Working Age Population (by %), 2006

	Economically Active		Economically Inactive
	Employed	Unemployed	
England	74.3%	5.5%	21.4%
North West	72.5%	5.4%	23.3%
Halton	68.2%	5.7%	27.7%
Knowsley	67.0%	8.2%	27.0%
Liverpool	63.5%	9.1%	30.1%
Sefton	70.6%	6.1%	24.9%
St Helens	70.3%	5.2%	25.9%
Wirral	69.9%	5.5%	26.1%

Source: Annual Population Survey

6.2.3 The highest volume of economically inactive people in Greater Merseyside are in Liverpool (81,900). The lowest volume is in Halton (19,900).

6.2.4 The highest volume of employed people is also in Liverpool (172,600). The combined information in Figure 42 and Figure 43 suggests that Liverpool city centre has a large role to play in raising the volumes of employed people in the region, considering that it has the lowest employment rate, coupled with the highest volume of those who are employed. Therefore, if the rate of employment were increased it could mean a larger volume shift than if the same percentage increase was applied to other areas.

Figure 43: Employment Status of Working Age Population (by Volume), 2006

	Economically Active		Economically Inactive
	Employed	Unemployed	
England	22,794,700	1,326,500	6,560,900
North West	2,978,000	168,900	958,400
Halton	49,100	2,900	19,900
Knowsley	59,600	5,400	24,100
Liverpool	172,600	17,200	81,900
Sefton	113,200	7,300	39,900
St Helens	74,300	4,100	27,400
Wirral	127,300	7,500	47,500

Source: Annual Population Survey

6.3 Economically Inactive

- 6.3.1 Rates of economic inactivity are higher among females in every area of Greater Merseyside, this gap is widest in Liverpool, where females have an economic inactivity rate that is 12 percentage points higher than males. The gap is smallest in Halton and Wirral where the female rate is 7.3 percentage points higher than the male rate, this is below regional and national averages.
- 6.3.2 The volume of economically inactive females is also higher than males in each local area within Greater Merseyside.
- 6.3.3 The highest rate of overall economic inactivity is in Liverpool (30.1%), which equates to 81,900 people of working age. 59 percent of these are female.

Figure 44: Economic Inactivity as a Proportion of the Working Age Population 2006

	Male		Female		Total	
	%	Number	%	Number	%	Number
England	16.4%	2,586,100	26.7%	3,974,800	21.4%	6,560,900
North West	19.4%	409,700	27.5%	548,700	23.3%	958,400
Greater Merseyside	22.5%	100,500	32.2%	140,200	27.3%	240,700
Halton	24.1%	8,800	31.4%	11,100	27.7%	19,900
Knowsley	21.6%	9,600	32.5%	14,500	27.0%	24,100
Liverpool	24.2%	33,100	36.2%	48,800	30.1%	81,900
Sefton	20.3%	16,500	29.6%	23,400	24.9%	39,900
St Helens	21.5%	11,600	30.5%	15,800	25.9%	27,400
Wirral	22.5%	20,700	29.8%	26,700	26.1%	47,500

Source: Annual Population Survey

6.4 Context

- 6.4.1 Analysis of the economically inactive working age population of Greater Merseyside shows that the rate of those who want a job is lower than the regional and national averages in most areas apart from St. Helens, where 21.4 per cent of economically inactive people want a job.
- 6.4.2 The highest rate of the economically inactive who do not want a job is in Wirral (85.4%)
- 6.4.3 In line with regional and national trends the most common reason for economic inactivity in each area of Greater Merseyside is due to long term sickness, the rate of which is highest in St. Helens (8.2%).

Figure 45: Profile of Economically Inactive Population, 2006

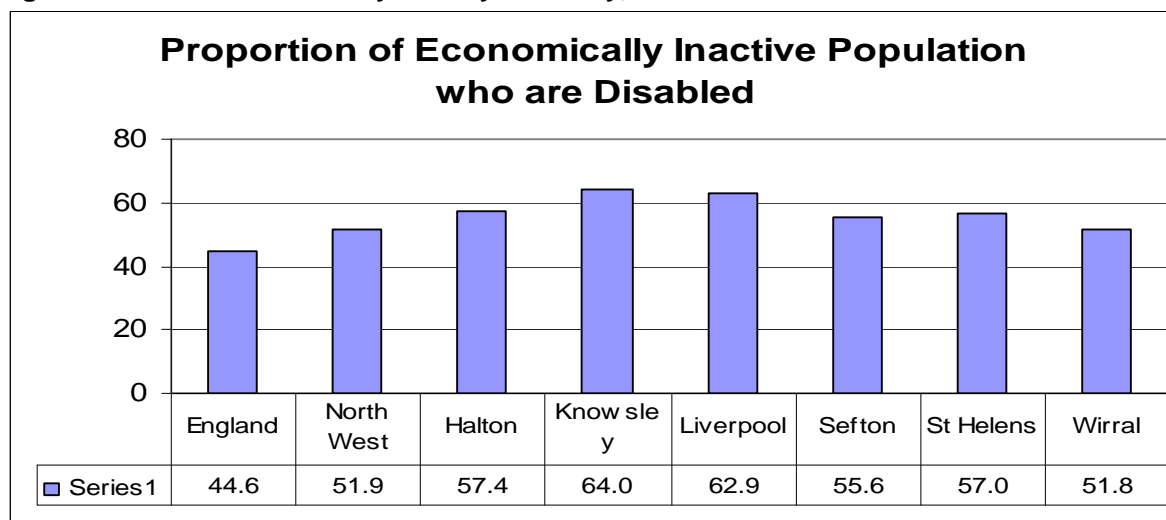
% of economically inactive			DO want a job (breakdown)			
	DO want a job	DO NOT want a job	Long-term sick	Looking after family/home	Students	Other
England	25.2%	74.8%	7.1%	6.6%	3.7%	4.6%
North West	20.1%	79.9%	6.8%	4.3%	2.8%	3.7%
Halton	17.9%	82.1%	5.4%	4.6%	1.2%	3.8%
Knowsley	18.4%	81.6%	7.8%	4.1%	3.1%	2.0%
Liverpool	19.6%	80.4%	7.4%	5.0%	3.6%	2.6%
Sefton	18.2%	81.8%	7.5%	4.7%	1.6%	2.5%
St Helens	21.4%	78.6%	8.2%	5.1%	4.5%	2.3%
Wirral	14.6%	85.4%	4.9%	2.6%	!	2.4%

Source: Annual Population Survey

6.5 Economic Inactivity by Disability

6.5.1 The proportion of economically inactive people who are disabled in Greater Merseyside is highest in Knowsley (64%), this is above regional and national averages. The rate is higher than the national average in every area within Greater Merseyside.

Figure 46: Economic Inactivity Rate by Disability, 2006



Source: Annual Population Survey

6.6 Economic Inactivity by Ethnicity

6.6.1 Analysis of economic inactivity by ethnicity in Greater Merseyside is problematic due to the low volumes of ethnic minorities outside the city area of Liverpool. Where data is available it shows that a high proportion of the Pakistani / Bangladeshi population of Liverpool are economically inactive, 67.7 per cent compared to a regional rate of 47.9 per cent. And that the rate of economic inactivity among those who are Black or Black British (23.9%) is lower than the regional average of 32.6 per cent. The rate of economic inactivity for the Indian ethnic group in Liverpool is also lower than regional and national rates.

6.6.2 The rate of economic inactivity for the White ethnic group is higher than regional and national rates in every area within Greater Merseyside.

Figure 47: Economic Inactivity Rate by Ethnicity, 2006

	% of whites of working age who are economically inactive	% of mixed ethnic group of working age who are economically inactive	% of Indians of working age who are economically inactive	% of Pakistanis/Bangladeshis of working age who are economically inactive	% of Black or Black British of working age who are economically inactive	% of other ethnic group of working age who are economically inactive
England	19.9	26.4	24.4	47.4	27.3	34.5
North West	22.3	29.9	25.9	47.9	32.6	35.5
Halton	27.9	!	!	!	!	!
Knowsley	27.3	!	!	!	!	!
Liverpool	29.7	47.0	17.3	67.7	23.9	32.1
Sefton	25.1	!	!	!	!	!
St Helens	25.8	!	!	!	!	56.7
Wirral	26.0	!	!	!	!	!

Source: Annual Population Survey

6.7 Incapacity Benefit

- 6.7.1 The highest rate of benefit claims in Greater Merseyside are for IB/SDA benefits, where the rate of claimants is above the regional average in every area of Greater Merseyside.
- 6.7.2 The highest volume of IB/SDA claims are in Liverpool (38,210) which accounts for 14.1 per cent of the working age population. A high proportion of the working age population in Liverpool and Knowsley claim Income support (13.1% & 13.6% respectively). These two areas also have a higher rate of working age people claiming DLA than other areas.

Figure 48: Proportion of Working Age Population Claiming DWP Benefits by Type

	Incapacity Benefit & Severe Disablement Allowance		Jobseekers Allowance		Disability Living Allowance		Income Support	
	Number	%	Number	%	Number	%	Number	%
England	2662210	8.7%	936300	3.1%	1670020	5.4%	2134170	7.0%
North West	408220	9.9%	9800	2.9%	251620	6.1%	306790	7.5%
Greater Merseyside	107660	12.2%	37890	4.3%	70610	8.0%	90890	10.3%
Halton	8630	12.0%	2560	3.6%	5740	8.0%	6500	9.0%
Knowsley	12840	14.4%	4190	4.7%	8560	9.6%	12070	13.6%
Liverpool	38210	14.1%	15520	5.7%	24320	9.0%	35590	13.1%
Sefton	16010	10.0%	5260	3.3%	11040	6.9%	12010	7.5%
St. Helens	12480	11.8%	3370	3.2%	7460	7.1%	8690	8.2%
Wirral	19490	10.7%	6990	3.8%	13490	7.4%	16030	8.8%

Source: Nomis ONS 2006

Figure 49: IB/SDA Claimant Conditions

IB/SDA claimants by (10 most common) Conditions February 2007

Main Disabling Condition	Merseyside	North West	Great Britain
Depressive Episode	20.1%	19.6%	18.7%
Other anxiety Disorders	5.9%	5.2%	4.3%
Other Neurotic Disorders	3.8%	3.7%	2.8%
Epilepsy	2.4%	2.2%	2.0%
Other Arthritis	3.0%	2.5%	2.3%
Other Arthrosis	3.6%	2.9%	2.4%
Dorsalgia	7.1%	7.5%	8.2%
Pain, not elsewhere classified	2.4%	2.6%	3.0%
Unknown and unspecified causes of Morbidity	6.7%	6.0%	6.2%
Above total	55.0%	52.4%	50.0%
All other	45.0%	47.6%	50.0%

Source: DWP Information Directorate 100% WPLS

6.7.3 Following the regional and national trend, the highest proportion of IB/SDA claims are due to a depressive episode (20.1%). The second highest rate of claims are due to Dorsalgia (Pain in the Upper Back)

6.8 Demand for Training

6.8.1 In most cases, the economically active population has a higher rate of skills attainment than the economically inactive. In Greater Merseyside the rate of economically active working age adults without a level 2 is 30.6 per cent, above both the regional and national rate. Within Greater Merseyside the rate is highest in Knowsley, where 38.5 per cent of the economically active do not have a level 2 qualification. Although currently active, this group (192,000 people in Greater Merseyside) are more likely to face problems in attaining sustainable employment.

Figure 50: Qualification Profile of the Economically Active Population, 2006

	Economically Active Population (000's)	Economically Active qualified to at least level 4		Economically Active qualified to at least level 3		Economically Active qualified to at least level 2		Economically Active adults without a level 2 qualification	
		Number (000's)	%	Number (000's)	%	Number (000's)	%	Number (000's)	%
England	23,541	7,225	31.5%	11,832	51.0%	16,827	72.1%	6,715	27.9%
North West	3,068	897	29.4%	1,525	50.4%	2,188	72.2%	880	27.8%
Greater Merseyside	627	166	26.4%	294	47.0%	435	69.4%	192	30.6%
Knowsley	63	11	17.7%	25	39.2%	39	61.5%	24	38.5%
Liverpool	186	52	27.8%	92	49.5%	131	70.1%	56	29.9%
St. Helens	77	20	26.4%	35	45.0%	52	68.0%	25	32.0%
Sefton	118	33	28.2%	57	48.2%	84	71.5%	33	28.5%
Wirral	132	39	29.4%	65	49.4%	95	72.2%	37	27.8%
Halton	51	10	20.5%	21	40.7%	34	66.7%	17	33.3%

Source: Annual Population Survey

6.8.2 The rate of economically inactive working age people in Greater Merseyside without a level 2 qualification is above the national average, currently 9.5 percentage points greater. However there is great disparity at district level, Knowsley has the highest rate (67.4 per cent), 20.9 percentage points above the national average. The district with the lowest rate of the working age population without a level 2 qualification is Sefton (47.2 per cent), which is 0.7 percentage points above the national average.

Figure 51: Qualification Profile of the Economically Inactive Population, 2006

	All Economically Inactive active	Economically Inactive adults qualified to at least level 4		Economically Inactive adults qualified to at least level 3		Economically Inactive adults qualified to at least level 2		Economically Inactive adults without a level 2 qualification	
		Number	%	Number	%	Number	%	Number	%
England	7,126,790	1,094,717	15.4%	2,200,430	30.9%	3,810,305	53.5%	3,316,485	46.5%
North West	1,036,510	121,514	11.7%	294,126	28.4%	528,399	51.0%	508,111	49.0%
Greater Merseyside	253,912	22,319	8.8%	55,682	21.9%	111,841	44.0%	142,071	56.0%
Knowsley	25,866	900	3.5%	3,361	13.0%	8,443	32.6%	17,423	67.4%
Liverpool	85,442	6,726	7.9%	17,923	21.0%	33,759	39.5%	51,683	60.5%
St. Helens	28,728	2,672	9.3%	6,741	23.5%	12,159	42.3%	16,569	57.7%
Sefton	42,818	4,134	9.7%	12,343	28.8%	22,623	52.8%	20,195	47.2%
Wirral	50,043	6,210	12.4%	11,250	22.5%	25,928	51.8%	24,115	48.2%
Halton	21,015	1,677	8.0%	4,065	19.3%	8,928	42.5%	12,087	57.5%

Source: Annual Population Survey

6.8.3 It is important to note that the economically inactive population have a far greater proportion of the population without a level 2 qualification than the

economically active. This suggests that increasing the number of the working age population who are qualified to a level 2 could potentially increase the volume of the economically active population.

6.9 Not in Education, Employment or Training

6.9.1 The rate of young people not in education, training or employment (NEET) in Greater Merseyside is above the regional and national average, and is the highest rate of all LSC areas in the North West. The proportion of NEET in Greater Merseyside has reduced by 0.5 percentage points which is a slightly higher rate of reduction than the regional average.

Figure 52: Percentage of 16-18 Year Olds in NEET

	2006 Jan-March Average	2007 Jan-March Average	Change 2006- 2007
England	8.6%	8.0%	-0.6%
North West	9.8%	9.5%	-0.3%
Cumbria	7.5%	6.8%	-0.7%
Lancashire	9.9%	8.3%	-1.6%
Greater Merseyside	11.7%	11.2%	-0.5%
Greater Manchester	9.9%	10.6%	0.7%
Cheshire and Warrington	6.9%	6.3%	-0.6%

Source: DCFS

6.9.2

6.10 Entry to Employment

6.10.1 Positive progression from E2E provision in 2006/07 is above the regional and national averages in every area of Greater Merseyside apart from Liverpool, where the current rate (43%) has fallen by 10 percentage points from 2005/06.

6.10.2 The volume of starts under E2E has steadily reduced year by year from 2004/05 to 2006/07. The highest volume of starts in 2006/07 were in Liverpool, which suggests, when cross referenced to the NEET statistics that this provision is being correctly targeted.

Figure 53: Entry to Employment Starts and Progression

	2004/05			2005/06			2006/07		
	Starts	Positive Leavers	Positive outcome %	Starts	Positive Leavers	Positive outcome %	Starts	Positive Leavers	Positive outcome %
North West	9,539	4,493	47.3%	9,255	5,196	52%	4,643	2,187	50%
Greater Merseyside	3,265	1,497	45.4%	2,959	1,648	51%	1,472	643	52%
Halton	237	119	46.3%	203	119	52%	148	57	61%
Knowsley	364	166	46.0%	346	225	52%	175	86	56%
Liverpool	1,245	565	45.6%	1,009	598	53%	445	177	43%
Sefton	428	202	49.6%	312	216	58%	217	81	57%
St. Helens	204	127	59.6%	260	103	53%	117	73	58%
Wirral	787	318	38.7%	829	387	43%	370	169	54%

Source: NW LSC Performance Reporting Platform

6.10.3 Of the 643 positive progressions from E2E in Greater Merseyside the proportion entering FE is slightly higher (35%) than both WBL (34%) and Employment (30%).

6.10.4 The proportion of young people leaving E2E in 2006/07 and entering WBL is higher than the regional rate, within Greater Merseyside the highest rate is in Wirral 41%

Figure 54: Entry to Employment Progression Route

	2006-2007					
	Into WBL	WBL %	Into FE	FE %	Into Employ	Employed %
North West	484	22%	811	37%	892	41%
Greater Merseyside	221	34%	226	35%	196	30%
Halton	10	18%	21	37%	26	46%
Knowsley	32	37%	29	34%	25	29%
Liverpool	65	37%	69	39%	43	24%
Sefton	17	21%	40	49%	24	30%
St. Helens	28	38%	15	21%	30	41%
Wirral	69	41%	52	31%	48	28%

Source: NW LSC Performance Reporting Platform

6.11 Matching Demand and Supply

Figure 55: Skills for Life Achievements Contributing to Target

Local LSC	2004/05			2005/06			2004/05 to Change in learners who contribute to target
	Number of learners contributing to target	Number not contributing to target	Learners contributing to target	Number of learners contributing to target	Number not contributing to target	Learners contributing to target	
Cheshire and Warrington	5,833	4,422	57%	5,892	4,541	56%	-0.4%
Cumbria	2,672	3,507	43%	3,390	2,910	54%	10.6%
Greater Manchester	21,571	30,029	42%	24,255	27,873	47%	4.7%
Greater Merseyside	12,035	17,837	40%	11,060	17,810	38%	-2.0%
Lancashire	8,395	13,590	38%	9,720	11,846	45%	6.9%
North West	50,506	69,385	42%	54,317	64,980	46%	3.4%
National	334,518	516,970	39%	367,635	494,808	43%	3.3%

Source: NW LSC Performance Reporting Platform

6.12 Summary

6.12.1 Greater Merseyside has high rates of economic inactivity and unemployment, which has a negative impact on both the local and regional economy. Further analysis shows that the rate of economic inactivity is higher for females than males, this disparity is particularly evident in Liverpool, where the female inactivity rate is 36.2 per cent. This suggests a requirement for greater targeting of groups within the workless.

6.12.2 Of the economically inactive group, Greater Merseyside has a relatively higher proportion who have stated that they do not want a job, further collaborative work is required to make employment a more attractive offer than claiming benefits where appropriate.

6.12.3 Greater Merseyside has had a consistently high rate of NEET when compared to the regional and national figures. This is a key issue for Greater Merseyside as a high NEET rate has implications for the resources that have to be used in tackling the problem, as well as the attainment of qualifications of young people in the area (eg: % who attain Level 2 / 3 at 19), further from that it can have implications on progression, both into further and higher education as well as into

sustainable employment. A NEET Rate of 11.2 per cent in Greater Merseyside equates to just under 5,000 young people, around a quarter of the regional total.

6.12.4 The rate of progression into Work-based Learning from Entry to Employment is relatively high when compared to other local areas, as WBL participation of young people becomes prioritised for the LSC this is a good 'head-start' for Greater Merseyside that should be built upon, with particular emphasis on redressing the balance of participation in WBL from Black and minority ethnic groups.

SECTION:7 LOWER LEVEL AND BASIC SKILLS

7.1 Introduction

7.1.1 The following section analyses skills for life needs in Greater Merseyside, looking at literacy, numeracy, English for speakers of other languages (ESOL) and information and communications technology subject areas to assess the supply to the labour market, and where there may be gaps.

7.2 Context

7.2.1 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.

7.2.2 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.

7.3 Scale of Need

7.3.1 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 Greater Merseyside, there are 346,000 adults below Level 2.

7.3.2 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.

7.3.3 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.

7.4 Targets

7.4.1 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 (nondiscounted). 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.

- 7.4.2 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.
- 7.4.3 Current performance in the North West and Greater Merseyside 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.
- 7.4.4 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 Greater Merseyside, the proportion is somewhat lower, at 83%.
- 7.4.5 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 Greater Merseyside figure is higher at 37%. The challenge is to increase the number of adults on Skills for Life 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.

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

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

	Age	% Count Towards Target	% Achievements
Greater Merseyside	16-18	83%	26%
	Adults	37%	74%
	All Ages	49%	
North West	16-18	89%	29%
	Adults	35%	71%
	All Ages	51%	

Source: NW LSC Performance Reporting Platform

7.5 Demand

7.5.1 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.

7.6 Literacy

7.6.1 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 Greater Merseyside, with 15% of people at Entry Level and 48% at Level 1. In total, 63% of 16-65 year olds in Greater Merseyside have literacy skills which are below Level 2; this compares to 56% for England and 60% for the region. There are about 581,000 adults in Greater Merseyside with literacy skills below Level 2, indicating a significant requirement for provision to address this need.

7.6.2 Within the sub-region, Knowsley has the highest proportion of people with below Level 2 skills in literacy. The highest number of people below Level 2 is in Liverpool.

Figure 56: Adults (16-65): Distribution of Literacy Skills by Level of Need

Literacy	Entry Level	Level 1	Level 2
Halton LEA	19%	45%	39%
Knowsley LEA	16%	51%	34%
Liverpool LEA	15%	48%	37%
Sefton LEA	11%	48%	41%
St Helens LEA	13%	49%	38%
Wirral LEA	12%	48%	41%
Greater Merseyside	15%	48%	37%
North West	13%	47%	40%
England	16%	40%	44%

Source: Skills for Life Survey 2002/03, DfES

Figure 57: Number of Adults (16-65) by Literacy Skill Level of Need

Literacy	Entry Level	Level 1	Level 2
Halton LEA	14,490	34,330	29,770
Knowsley LEA	15,020	47,880	31,470
Liverpool LEA	41,580	132,000	101,000
Sefton LEA	18,650	82,780	70,430
St Helens LEA	15,070	54,690	43,210
Wirral LEA	22,010	91,850	77,720
Greater Merseyside	139,800	440,800	336,500
North West	536,760	1,991,600	1,674,800
England	5,021,930	12,232,620	13,682,015

Source: Skills for Life Survey 2002/03, DfES

7.7 Numeracy

7.7.1 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 have numeracy skills which are below level 2, and this compares to 75% for England.

7.7.2 There is some variation across the sub-regions; Greater Merseyside has the highest proportion of adults with less than Level 2 numeracy skills, at 87%, and Cheshire and Warrington has the lowest, at 79%. All sub-regions have a higher proportion of adults with numeracy skills below Level 2 than the England average.

7.7.3 Within the sub region, there are very high proportions of people with below Level 2 numeracy skills in Knowsley, Halton, Liverpool, and St Helens.

Figure 58: Adults (16-65): Distribution of Numeracy Skills by Level of Need

Numeracy	Entry Level	Level 1	Level 2
Halton LEA	67%	24%	13%
Knowsley LEA	69%	25%	11%
Liverpool LEA	60%	30%	12%
Sefton LEA	51%	32%	19%
St Helens LEA	56%	29%	16%
Wirral LEA	50%	33%	19%
Greater Merseyside	15%	48%	37%
North West	53%	30%	17%
England	47%	28%	25%

Source: Skills for Life Survey 2002/03, DfES

7.7.4 There is a substantial need for basic skills training in numeracy across the North West. The table below shows the number of adults with numeracy skills at the different levels. There are about 3.5 million adults in the region with numeracy below Level 2, indicating a significant requirement for provision to address this need. Of these, Greater Merseyside accounts for just over 800,300 adults in need below Level 2. Liverpool has a particularly high number of adults below Level 2.

Figure 59: Number of Adults (16-65) by Numeracy Skill Level of Need

Numeracy	Entry Level	Level 1	Level 2
Halton LEA	51,270	18,670	10,280
Knowsley LEA	64,310	22,860	10,250
Liverpool LEA	163,500	81,340	32,860
Sefton LEA	87,620	54,370	31,650
St Helens LEA	63,260	32,730	17,540
Wirral LEA	95,130	62,280	35,720
Greater Merseyside	139,800	440,800	336,500
North West	2,229,200	1,264,300	710,220
England	14,499,395	8,553,945	7,883,225

Source: Skills for Life Survey 2002/03, DfES

7.8 ICT

- 7.8.1 The table below shows the results of the ICT assessment. In total, 66% of adults in the sub-region are classified as having ICT skills at Entry Level; this equates to 606,300 adults with a basic skills need in ICT. The proportion at Entry level is well above the England average of 53%. There are 2.5 million people in the region with ICT skills below Level 1.
- 7.8.2 Again there is some variation by District: Knowsley has the highest proportion of adults at Entry Level (72%), and Wirral the lowest (60%).

Figure 60: Adults (16-65): Distribution of ICT Skills by Level of Need

	Number		Proportion (%)	
	Entry Level	Level 1	Entry Level	Level 1
Halton LEA	54,380	21,900	71%	29%
Knowsley LEA	67,020	26,295	72%	28%
Liverpool LEA	169,800	104,320	62%	38%
Sefton LEA	77,450	34,895	69%	31%
St Helens LEA	114,500	56,405	67%	33%
Wirral LEA	114,500	75,715	60%	40%
Greater Merseyside	606,300	310,885	66%	34%
North West	2,462,100	1,741,530	59%	41%
England	16,538,095	14,398,470	53%	47%

Source: Skills for Life Survey 2002/03, DfES

7.9 ESOL

- 7.9.1 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 Liverpool.
- 7.9.2 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.

Figure 61: Adults in the ESOL Group

	ESOL(number)	ESOL (%)
Halton LEA	470	1%
Knowsley LEA	630	1%
Liverpool LEA	8,870	3%
Sefton LEA	715	1%
St Helens LEA	1,980	1%
Wirral LEA	1,960	1%
Greater Merseyside	14,625	2%
North West	173,915	4%
England	2,358,060	8%

Source: Skills for Life Survey 2002/03, DfES

- 7.9.3 Figure 62 shows the volume of Skills for Life learners by local authority within Greater Merseyside (2005/06). The highest volume of learners are in Liverpool, this is appropriate due to the much larger volumes of need in Liverpool for both literacy and numeracy.

Figure 62: Skills for Life Learners (2005/06)

Number of Learners	
Local Authority	Total
Halton Total	3,683
Knowsley Total	5,998
Liverpool Total	17,645
Sefton Total	9,442
St. Helens Total	3,711
Greater Merseyside	40,479

Source: NW LSC Residency Based Performance Reporting Platform

7.10 Summary

7.10.1 Attainment of Skills for Life: Numeracy is a major issue for Greater Merseyside, for example, in Liverpool, 37 per cent of the working age population have attained a level 2 qualification in literacy, however, only 12 per cent have attained the same level in numeracy. This has far reaching implications for progression of people to intermediate and higher level qualifications, particularly if provision in Greater Merseyside is to match the forecast industry need of managers, professionals and senior officials in such sectors as chemicals, engineering, manufacturing and construction.

7.10.2 Although Leitch ambitions concentrate on entry 3 for numeracy and level 1 literacy, the LSC would expect providers to offer the whole Skills for Life framework from entry level 1 and 2 provision, this will be supported by the development of the Foundation Learning Tier.

SECTION:8 LEVEL 2

8.1 Introduction

8.1.1 This chapter looks at participation and success rates in full level 2 learning and skills development in Greater Merseyside. Full level 2 qualifications are essential in increasing employment opportunities and the up-skilling of the workforce. In recent years there has been a clear focus on the inclusion of English and Maths achievements as part of the full level 2 qualification

8.2 Context

8.2.1 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. Both DCSF and DIUS have PSA targets that relate to level 2 attainment by young people and adults.

8.3 Level 2 Attainment – Young People

8.3.1 The table below shows the proportion of learners who achieved a level 2 by age 16 and 19, and also the rate of additionality. Looking at the cohort of young people in the North West with a level 2 by age 19 is slightly below the National average of 71.4 per cent. The volume of 19 year olds with level 2 varies greatly at district level.

Figure 63: Level 2 Attainment of Young People

	19 in 06 cohort		
	% L2 by 16	% L2 by 19	Additionality
National	52.2%	71.4%	19.2%
North West	50.1%	70.2%	20.1%
Knowsley	33.3%	53.1%	19.8%
Liverpool	40.8%	59.8%	19.0%
St. Helens	45.2%	64.5%	19.3%
Sefton	54.9%	72.6%	17.6%
Wirral	55.3%	69.2%	13.9%
Halton	43.6%	62.1%	18.5%

Source: North West Reporting Platform

- 8.3.2 As the table shows level 2 attainment by age 16 is below the National average in most of Greater Merseyside with the exception of Sefton and Wirral. Attainment in Knowsley is extremely low at aged 16 (33.3 per cent) and is -18.9 percentage points below the National average. Attainment by aged 19 shows improvements across the district, but many are still below the National average of 71.4 per cent including Knowsley with 53.1 per cent. Sefton is the only district with strong level 2 attainment at age 19, with 72.6 per cent (1.2 percentage points above England), and has relatively strong levels of additionality (17.6 per cent).
- 8.3.3 It has become evident over previous years that many lack basic numeracy and literacy skills leading to a national focus on young people attaining level 2 including Maths and English.

8.4 Level 2 Attainment – Adults

- 8.4.1 Of the working age population 32.7 per cent of the population in England do not have a level 2 qualification, equating to 10,031 people.

Figure 64: Adults of Working Age Qualified to Level 2

	Working age Population (000s)	Working age qualified to a least a level 2		Working age without a level 2 qualification	
		Number (000s)	Percentage (%)	Number (000s)	Percentage (%)
England	30,668	20,637	67.3%	10,031	32.7%
North West	4,104	2,716	66.2%	1,388	33.8%
Merseyside/Halton	881	547	62.1%	334	37.9%
Halton LP	72	43	59.6%	29	40.4%
Knowsley LP	89	47	53.1%	42	46.9%
Liverpool LP	272	164	60.5%	107	39.5%
St Helens LP	106	65	61.1%	41	38.9%
Sefton LP	160	107	66.5%	54	33.5%
Wirral LP	182	121	66.6%	61	33.4%

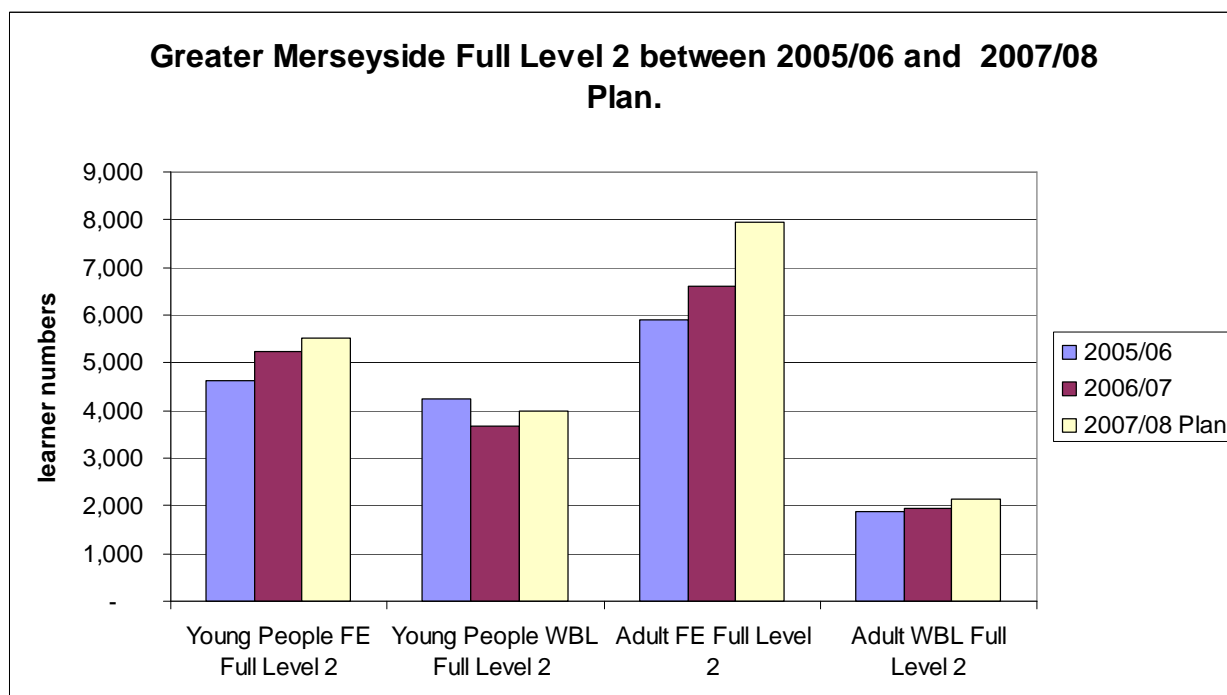
Source: Annual Population Survey

- 8.4.2 Of the working age population in Greater Merseyside 37.9 per cent do not have a qualification, 5.2 per cent higher than the National average. In comparison to the national average -5.2 percentage points less of the working age population in Greater Merseyside are qualified to at least level 2. As with other sub-regions there is great disparity between qualification volumes at district level. In Wirral 66.6 per cent of the working age have a level 2 qualification in contrast to 53.1 per cent in Knowsley.

8.5 Plans

- 8.5.1 Currently the LSC does not have plan information from School Sixth Forms, but will begin to collect this information in the next year. Therefore only WBL and FE plans have been considered in this section.
- 8.5.2 The North West has regional plans for Level 2 attainment at 19 and for adults. The plans show the number of full level 2 achievements to be delivered in 2008/09 and include WBL apprenticeship and FE full level 2 achievements.

Figure 63a65: Full Level 2 Plan 2007/08



Source: NW Performance Reporting Platform, PaMS

8.5.3 The 2007/08 plans for young people in FE full level 2 are 5 per cent higher than that what the area achieved in 2006/07, equating to an additional 283 learners on the 2006/07 total. The 2007/08 plan numbers of young people attaining WBL apprenticeships (level 2) 4,000 and therefore 9 per cent growth is required on top of the 2006/07 baseline figure.

8.5.4 The 2007/08 plans for adults in FE Full level 2 are 20 per cent higher than what was achieved in 2006/07, equating to an additional 1,336 learners on top of the 2006/07 baseline of 6,610. The 2007/08 plan numbers of adults attaining a WBL apprenticeship (level 2) qualification is 2,153. In 2006/07 Greater Merseyside achieved a total of 1,940 completions, and therefore 11 per cent growth is required to meet the trajectory.

8.6 Supply

8.7 Young People

8.7.1 The table below shows the number of young people who are studying for a FE full level 2 qualification between 2004/05 and 2006/07. In Greater Merseyside there are 5,113 learners studying towards a full level 2, representing 21.6 per cent of the North West total.

Figure 66: Number of Young People in FE: Full Level 2 Participation

	2004/05	2005/06	2006/07
North West	20,477	21,278	23,600
Greater Merseyside	4,245	4,570	5,113
Halton	404	381	484
Knowsley	713	695	758
Liverpool	1,245	1,274	1,398
Sefton	659	925	1,050
St. Helens	542	591	654
Wirral	681	703	769

Source: North West Residency platform

8.7.2 Participation rates in the North West have increased at a steady rate since 2004/05, a total of 15.2 per cent. This increase is evident in Greater Merseyside with overall growth of 20.4 per cent over three years and 11.8 per cent since 2005/06. This growth pattern disperses at district level with participation levels fluctuating in Knowsley and Halton, and steady growth elsewhere. Participation volumes in Sefton increased rapidly by 40.3 per cent between 2004/05 and 2005/06 (equating to 266 learners).

8.7.3 Success rates for 16-18 year olds on FE full level 2 courses are shown below with the latest available data. The Greater Merseyside success rate (65 per cent) is -4.9 percentage points below the regional average in 2005/06.

Figure 67: Young People in FE: Full Level 2 Success Rates

	2003/04	2004/05	2005/06
North West	60.9%	65.3%	69.9%
Greater Merseyside	57.1%	60.1%	65.0%
Halton	55.3%	59.5%	58.1%
Knowsley	53.0%	58.9%	60.8%
Liverpool	55.8%	62.1%	63.4%
Sefton	64.4%	66.0%	69.6%
St. Helens	53.6%	55.2%	65.7%
Wirral	50.7%	56.0%	65.1%

Source: North West Reporting Platform

8.7.4 As the table shows Greater Merseyside success rates have been consistently below the North West rate. Across the area the highest success rates are Sefton with 69.6 per cent, a total of -0.3 per cent below the regional average in 2005/06. The district with the lowest success rate is Halton with 58.1 per cent (-11.8 percentage points below the North West). The rate of growth is varied across the area with Wirral growing substantially by 14.4 per cent over the three years.

8.7.5 The numbers of 16-18 year olds starting WBL Apprenticeships (level 2) are shown on the table below. Greater Merseyside makes up 24.9 per cent of the North West total learner volumes.

Figure 68: Number of Young People in WBL: Full Level 2 Starts

	2004/05	2005/06	2006/07
North West	15380	13295	13506
Greater Merseyside	4,089	3,352	3,370
Halton	309	207	217
Knowsley	503	415	353
Liverpool	1,217	1,025	1,165
Sefton	636	576	593
St. Helens	463	319	348
Wirral	961	810	694

Source: North West Residency Platform

8.7.6 Young peoples start rate in WBL apprenticeships fell across the region by -13.6 per cent between 2004/05 and 2005/06 and increased by 1.5 per cent from 2005/06 and 2006/07. Greater Merseyside followed the regional trend of a fall in

numbers followed by growth and saw a slight increase of 0.5 per cent between 2005/06 and 2006/07. At district level learner volumes have changed at varying rates, Liverpool has the largest growth rate of 13.6 per cent, with other districts increasing slightly with the exception of Halton and Wirral which fell by -15 per cent and -14.5 per cent respectively.

8.7.7 The table below shows the success rates of young people participating in WBL apprenticeships (level 2) in the North West.

Figure: Young People in WBL: Full Level 2 Success Rates

	2004/05	2005/06	2006/07
North West	51%	58%	65%
Cheshire & Warrington	49%	56%	68%
Cumbria	55%	56%	67%
Greater Manchester	53%	56%	64%
Greater Merseyside	44%	58%	63%
Lancashire	56%	64%	71%

Source: North West Reporting Platform

8.7.8 Success rates in the North West have increased by 14 percentage points over the last three years and stand at 65 per cent. Greater Merseyside have the lowest success rates in the region (63 per cent) and are currently -2 percentage points below the North West. Although one of the poorest performing sub-regions the area has seen one of the largest improvements of 19 percentage points since 2004/05.

8.8 Adults

8.8.1 The number of adults studying for a full level 2 qualification in the FE sector between 2004/05 and 2006/07 are shown below. In Greater Merseyside there were 7,355 adults studying towards an FE full level 2, representing 24.9 per cent of the regional total.

Figure 69: Number of Adults in FE: Full Level 2 Participation

	2004/05	2005/06	2006/07
North West	26,861	28,671	29,497
Greater Merseyside	6,417	6,740	7,355
Halton	581	519	526
Knowsley	796	915	1,040
Liverpool	1,901	2,010	2,290
Sefton	823	931	1,184
St. Helens	803	825	982
Wirral	1,511	1,534	1,333

Source: North West Residency Platform

8.8.2 The North West has experienced a steady increase in learner volumes since 2004/05. The sub-area of Greater Merseyside has experienced steady year on year growth with a total increase of 14.6 per cent over the three year period. With the exception of Wirral which has seen learner volumes fall by -13.2 per cent since last year, adult level 2 FE participation has grown at district level.

8.8.3 The table below shows FE full level 2 success rates for adult learners by partnership team level.

Figure 70: Adults in FE: Full Level 2 Success Rates

	2003/04	2004/05	2005/06
North West	57.8%	64.1%	68.9%
Greater Merseyside	57.5%	62.3%	63.7%
Halton	59.1%	55.7%	47.5%
Knowsley	42.7%	52.7%	59.8%
Liverpool	68.1%	70.5%	62.9%
Sefton	61.6%	63.7%	63.2%
St. Helens	56.2%	62.4%	67.6%
Wirral	53.8%	57.6%	70.6%

Source: North West Reporting Platform

8.8.4 As the table shows success rates in the region have grown at a steady rate currently standing at 68.9 per cent. Greater Merseyside success rates have increased at a slower pace than the region, slowing noticeably in the last year with growth of only 1.4 percentage points. There is great variation at district level with many areas showing a decline in success rates, for example Halton falling by -8.2 percentage points to 47.5 per cent in 2005/06. Some districts have seen substantial improvements such as a growth of 13 percentage points in Wirral to 70.6 per cent which is currently greater than the regional average.

8.8.5 The table below shows the number of adults starting WBL (level 2) apprenticeships at district level over the last three years

Figure 71: Number of Adults in WBL: Full Level 2 Starts

	2004/05	2005/06	2006/07
North West	8,084	7,037	7,534
Greater Merseyside	2,060	1,717	1,886
Halton	171	144	183
Knowsley	247	187	177
Liverpool	556	475	563
Sefton	385	379	420
St. Helens	196	154	152
Wirral	504	378	391

Source: North West Residency Platform

8.8.6 As shown in the table participation rates in the region have fallen over the three year period with an increase of 7 per cent between 2005/06 and 2006/07. The number of starts in Greater Merseyside has followed the regional trend of a fall between 2004/05 and 2005/06 then an increase in 2005/06 and 2006/07. Learner starts have been varied at district level; Halton has seen the largest growth of 27 per cent since 2005/06. The majority of districts have seen strong

growth with the exception of Knowsley and St Helens, which fell by -5.4 per cent and -1.3 per cent respectively.

8.8.7 The table below shows success rates of adults participating in WBL apprenticeships (full level 2) between 2004/05 and 2006/07 at sub-regional level.

Figure: Adults in WBL: Full Level 2 Success Rates

	2004/05	2005/06	2006/07
North West	54%	60%	70%
Cheshire & Warrington	53%	58%	70%
Cumbria	58%	62%	69%
Greater Manchester	54%	60%	69%
Greater Merseyside	52%	57%	68%
Lancashire	56%	65%	73%

Source: North West Reporting Platform

8.8.8 As the table shows the Regions success rates in adult WBL apprenticeships have increased at a steady rate since 2004/05. Greater Merseyside success rates have improved by 16 percentage points over the three year period and are currently -2 percentage points below the regional average.

8.9 Summary

8.9.1 Participation and performance in Greater Merseyside is reasonably good with great variation at district level. Level 2 attainment at age 16 is low in comparison to the National and Regional averages with the exception of Sefton and Wirral, both of which have high attainment levels. The attainment of level 2 at age 19 in Greater Merseyside is lower than the regional and national average. The proportion of working age population qualified to a level 2 is slightly below the national average, and there is great disparity at district level.

8.9.2 As a result of lower than average level 2 attainment providers will need to continue to work closely with Connexions to ensure that transition from school to post-16 learning is improved. It is important that there is continued developing and maintenance of the comprehensive online prospectuses in every area, Advice and Guidance and implementation of the September Guarantee for all 16 years old and extending this to 17 year olds.

8.9.3 The number of young people studying towards an FE Full level 2 qualification in Greater Merseyside is increasing at a steady rate. The growth at district level is varied with learner numbers in Sefton increasing at a substantial rate. Success rates in FE Full level 2 are lower than the Regional average, with great disparity at district level, for example Wirral has grown by 14.4 per cent over a three year period. The number of 16-18 year olds starting a WBL apprenticeship (level 2) in Greater Merseyside experienced a slight fall between 2004/05 and 2005/06 with growth in the following year in line with the North West.

8.9.4 The decline in young people taking up Apprenticeships (level 2) needs to be countered if we are to achieve the ambitions of Leitch and new targets. This may include the raising of knowledge and awareness amongst young people, their families/carers and teachers through campaigns and targeted work amongst those who have traditionally not participated in Apprenticeships. It is also

important that we continue to attract new employers to participate in WBL programmes in order for a steady route through learning and into work.

- 8.9.5 The number of adult learners participating in Full level 2 FE courses has increased at a steady rate with a fall in Wirral. Full level 2 FE Success rates have risen at a slower pace when compared to the North West, but are continuing to grow. Greater Merseyside performance in WBL level 2 courses has shown steady growth since 2005/06 which varies greatly at district level.
- 8.9.6 Due to growing plans we need to continue to target priority groups and especially those without a first full level 2. In addition it is important that we encourage engagement and participation by supporting colleges and providers to work with the voluntary and community sector to create progression pathways for people without a Level 2.
- 8.9.7 As evidenced in the North West Regional Strategic analysis we need to encourage colleges and providers to assist workless individuals in accessing employment opportunities (especially those from BME groups, people claiming working age benefits such as Incapacity Benefit and those aged 50+) allowing and encouraging individuals who gain employment are able to complete their qualification via Train to Gain at level 2.

SECTION:9 LEVEL 3

9.1 Introduction

9.1.1 This chapter looks at participation and success rates in full level 3 learning and skills development in Cheshire and Warrington. Full level 3 qualifications are essential in increasing employment opportunities and the up-skilling of the workforce

9.2 Context

9.2.1 There is a growing body of evidence (including the Leitch review) that highlights the increasing importance of level 3. 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.

9.2.2 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.

9.3 Level 3 Attainment – Young People

9.3.1 The table below shows the proportion of 19 year olds who have attained a level 3 between 2003/04 and 2005/06.

Figure 72: Level 3 Attainment of Young People

	Aged 19 at the end of 2003/04	Aged 19 at the end of 2004/05	Aged 19 at the end of 2005/06
Knowsley	20.1%	21.6%	25.4%
Liverpool	29.5%	33.1%	32.7%
St Helens	36.9%	38.6%	39.2%
Sefton	42.5%	46.8%	45.1%
Wirral	41.0%	42.6%	44.4%
Halton	27.9%	35.1%	34.5%
North West	38.6%	42.3%	43.1%
National	42.1%	45.6%	46.8%

Source: North West Reporting Platform

9.3.2 As shown in the table above the attainment of level 3 in the North West is lower than the National figure by -3.7 percentage points at the end of 2005/06. Attainment in Greater Merseyside is varied with some areas including Sefton, Liverpool, and Halton showing slight reductions in the proportion of 19 year olds who have obtained a level 3 qualification. Attainment in the district of Knowsley has improved substantially on last years figures, by 3.8 percentage points but remains far from the national average (by -21.4 percentage points). All of the districts in Greater Merseyside have a lower attainment proportion by age 19 than the national average.

9.4 Level 3 Attainment – Adults

9.4.1 The table below shows the number and percentage of the working age population who are qualified to Level 3 across Greater Merseyside.

Figure 73: Adults of Working Age Qualified to Level 3

	Working age population	Working Age Population Qualified to at least a level 3		Working Age Population Without a level 3 Qualification	
	Number (000s)	Number (000s)	Percentage (%)	Number (000s)	Percentage (%)
Knowsley	89	28	31.6%	61	68.4%
Liverpool	272	110	40.5%	162	59.5%
St. Helens	106	41	39.2%	64	60.8%
Sefton	160	69	43.0%	91	57.0%
Wirral	182	77	42.0%	106	58.0%
Halton	72	25	34.4%	47	65.6%
Merseyside/Halton	881	350	39.7%	531	60.3%
North West	4,104	1,819	44.3%	2,285	55.7%
England	30,668	14,032	45.8%	16,636	54.2%

Source: Annual Population Survey

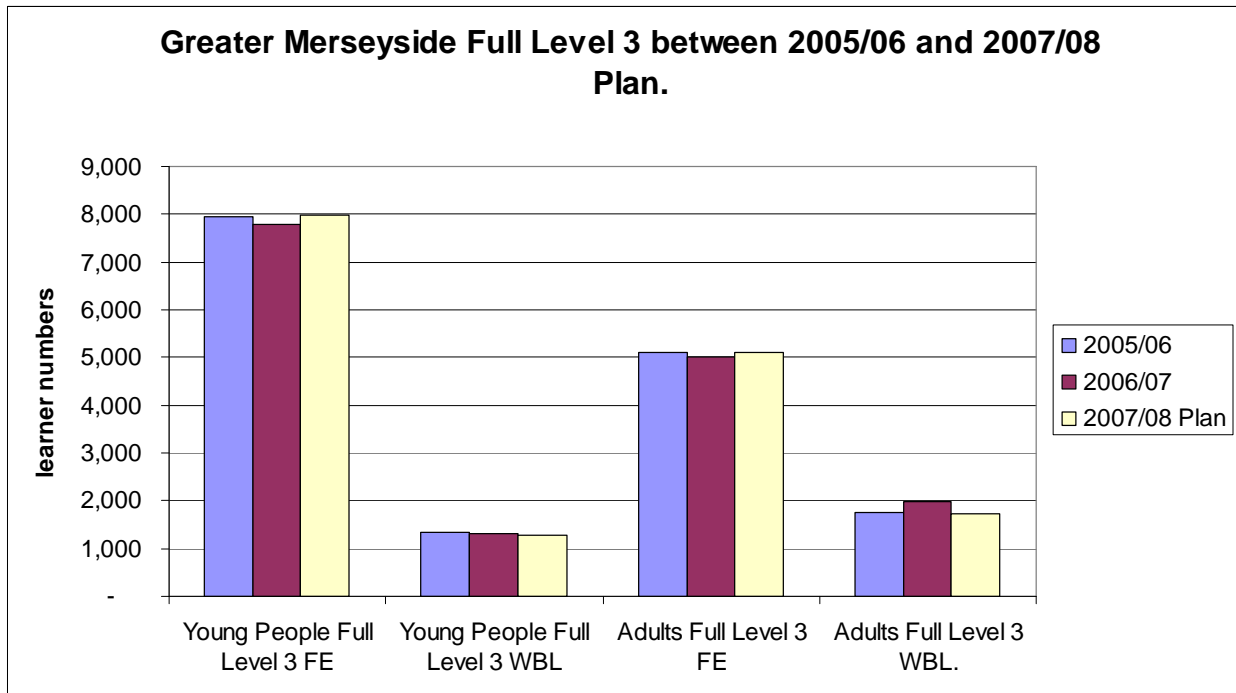
9.4.2 As the table above shows the proportion of the working age population in Greater Merseyside who are not qualified to Level 3 is above both the regional and national averages. In Greater Merseyside the proportion of the working age population qualified to at least a level 3 is -6.1 percentage points below the national average.

9.4.3 There is great disparity across the districts; Knowsley has the largest proportion of the population without a level 3 qualification (68.4 per cent), and is currently 14.2 percentage points above the national average. Sefton has the lowest rate without a level 3 qualification, at 57 per cent, 2.8 percentage points above the national average. This variation also applies to the proportion of the working age with a level 3 qualification in Greater Merseyside.

9.5 Plans

9.5.1 The North West has regional plans for Level 3 participation for young people and adults. The plans show the number of full level 3 qualifications and include WBL Advanced Apprenticeships and FE full level 3.

Figure 71a 74: Full Level 3 plan 2007/08



Source: NW LSC Performance Reporting Platform, PaMS

9.5.2 The 2007/08 plan for young people in FE full level 3 is 3 per cent higher than the area achieved in 2006/07, equating to an additional 218 learners on the 2006/07 total, and with the current growth look to be within reach. The 2007/08 plan numbers of young people attaining WBL Advanced Apprenticeships (level 3) in Greater Merseyside is 1,270, a total of -3 per cent lower than the 2006/07 baseline figure of 1,307.

9.5.3 The 2007/08 plan for adults in FE Full level 3 is 2 per cent higher than the area achieved in 2006/07, equating to an additional 107 learners on top of the 2006/07 baseline of 5,001. The 2007/08 plan numbers for adults attaining a WBL Advanced Apprenticeship (level 3) qualification is 1,709. In 2006/07 Greater Merseyside achieved a total of 1,967 completions, and therefore a -13 per cent reduction is required to meet the plan number.

9.6 Supply

9.7 Young People

9.7.1 The number of young people studying towards a full level 3 FE qualification across Greater Merseyside is shown below. In 2006/07 Greater Merseyside have 7,840 learners, representing 15.3 per cent of the North West total.

Figure 75: Number of Young People in FE: Full Level 3 Participation

	2004/05	2005/06	2006/07
North West	47,753	48,337	51,206
Greater Merseyside	7,655	7,991	7,840
Halton	1,319	1,348	1,153
Knowsley	1,118	1,119	1,108
Liverpool	1,032	1,063	1,203
Sefton	1,680	1,951	1,956
St. Helens	1,297	1,315	1,296
Wirral	1,205	1,189	1,124

Source: North West Residency Platform

9.7.2 Full level 3 participation in the North West has increased at a steady rate over the past three years, growing by 7.2 per cent, compared to a slight growth of only 2.4 per cent in Greater Merseyside. At district level the overall trend is slight decline, with the exception of Liverpool which has grown by 13.1 per cent since 2006/07, equating to 140 learners.

9.7.3 The table below shows the success rates of young people in FE full level 3 between 2003/04 and 2005/06.

Figure 76: Young People in FE: Full Level 3 Success Rates

	2003/04	2004/05	2005/06
North West	58.0%	62.2%	66.0%
Greater Merseyside	55.4%	57.1%	64.6%
Halton	54.8%	58.7%	64.2%
Knowsley	33.3%	53.5%	66.5%
Liverpool	49.7%	62.7%	62.7%
Sefton	68.4%	64.1%	70.5%
St. Helens	51.9%	49.2%	65.0%
Wirral	56.6%	48.8%	52.0%

Source: North West Reporting Platform

9.7.4 The North West region has seen increasing success rates of 8 percentage points between 2003/04 and 2005/06, compared to a faster growth of 9.2 percentage points in Greater Merseyside. The success rates in Greater Merseyside in 2005/06 (64.6 per cent) are -1.4 per cent below the national rate. The growth rate at district level is varied with St Helens increasing substantially by 15.8 percentage points since 2004/05 in comparison to Liverpool which has remained static.

9.7.5 The table below shows the number of young people starting a WBL Advanced Apprenticeship qualification between 2004/05 and 2006/07.

Figure 77: Number of Young People in WBL: Full Level 3 Starts

	2004/05	2005/06	2006/07
North West	4,820	4,307	4,475
Greater Merseyside	995	919	819
Halton	73	73	66
Knowsley	123	116	99
Liverpool	264	257	239
Sefton	218	166	130
St. Helens	104	102	108
Wirral	213	205	177

Source: North West Residency Platform

9.7.6 As the table above shows there has been a fall of -7.2 per cent of learners in the Region between 2004/05 and 2006/07, however between 2005/06 and 2006/07 learner starts increased by 3.9 per cent. In Greater Merseyside learner numbers have fallen at a steady rate over the three year period, decreasing by -7.7 per cent between 2004/05 and -10.9 per cent the following year (100 learners).

9.7.7 At district level St Helens is the only area to show a rise in starts between 2005/06 and 2006/07 (by 4 learners), and a fall of -21.7 per cent in Sefton.

9.7.8 The table below shows the success rates of young people studying WBL Advanced Apprenticeships (level 3) between 2004/05 and 2006/07.

Figure 78: Young People in WBL: Full Level 3 Success Rates

	2004/05	2005/06	2006/07
North West	58%	68%	72%
Cheshire & Warrington	57%	65%	73%
Cumbria	58%	77%	73%
Greater Manchester	58%	66%	66%
Greater Merseyside	51%	63%	73%
Lancashire	66%	72%	78%

Source: North West Reporting Platform

9.7.9 As shown in the table above WBL success rates in the Region have increased by 14 percentage points over the three year period compared to 22 percentage points in Greater Merseyside. The area is currently 1 percentage point above the regional average and is in line with Cumbria and Cheshire and Warrington success rates.

9.8 Adults

9.8.1 The number of adults studying for a full level 3 qualification in the FE sector is shown in the table below from 2004/05 to 2006/07.

Figure 79: Number of Adults in FE: Full Level 3 Participation

	2004/05	2005/06	2006/07
North West	24,604	23,838	22,768
Greater Merseyside	5,247	5,233	5,039
Halton	383	395	339
Knowsley	673	695	653
Liverpool	1,619	1,580	1,601
Sefton	739	761	811
St. Helens	620	563	570
Wirral	1,212	1,237	1,065

Source: North West Residency Platform

9.8.2 The North West adult level 3 participation rates have seen a steady decline of - 7.5 per cent between 2004/05 and 2006/07. Participation in the area of Greater Merseyside has fallen by -4 per cent over three years, a slower rate of decline than the regional average. At district level change in participation numbers is varied with Sefton volumes increasing by 6.5 per cent and Halton decreasing by - 14.2 per cent.

9.8.3 Success rates in adult FE Full level 3 are shown on the following table.

Figure 80: Adults in FE: Full Level 3 Success Rates

	2003/04	2004/05	2005/06
North West	53.8%	59.0%	62.6%
Greater Merseyside	57.8%	62.6%	62.5%
Halton	49.7%	54.7%	55.6%
Knowsley	51.6%	63.0%	65.4%
Liverpool	57.0%	66.2%	65.5%
Sefton	63.8%	64.0%	57.3%
St. Helens	54.1%	58.9%	54.2%
Wirral	66.9%	61.5%	70.6%

Source: North West Reporting Platform

9.8.4 The North West has seen an 8.8 percentage point increase in success rates over three years and is currently 62.6 per cent nearly in line with Greater Merseyside. Performance is varied at district level in Greater Merseyside; Wirral has shown a substantial growth of 9.1 per cent between 2004/05 and 2005/06 compared to a reduction of -6.7 percentage points in Sefton.

9.8.5 The table below shows the number of adults starting a WBL Advanced Apprenticeship (level 3) course between 2004/05 and 2006/07.

Figure 81: Number of Adults in WBL: Full Level 3 Starts

	2004/05	2005/06	2006/07
North West	4,880	4,877	5,628
Greater Merseyside	1,223	1,234	1,311
Halton	100	94	116
Knowsley	129	128	142
Liverpool	318	352	351
Sefton	214	242	241
St. Helens	132	115	138
Wirral	330	303	323

Source: North West Residency Platform

9.8.6 The number of starts in the North West has increased by 15.3 per cent since last year with a slight reduction the previous year. Greater Merseyside has experienced a steady increase in learner numbers, with growth of 6.2 per cent since 2005/06. Growth is evident at district level with the exceptions of Liverpool and Sefton which have both fallen by one learner.

9.8.7 The table below shows adult success rates in the North West for those studying WBL Advanced Apprenticeships (full level 3).

Figure 82: Adults in WBL: Full Level 3 Success Rates

	2004/05	2005/06	2006/07
North West	51%	58%	70%
Cheshire & Warrington	52%	60%	69%
Cumbria	57%	64%	70%
Greater Manchester	53%	58%	68%
Greater Merseyside	46%	56%	71%
Lancashire	53%	60%	74%

Source: North West Reporting Platform

9.8.8 Performance in the North West region has increased at a growing rate over the last three years, growing by 19 percentage points in total. Growth in Greater Merseyside has been large with an overall increase of 25 percentage points in three years, and is 1 percentage point above the North West success rate in 2006/07.

9.9 Summary

9.9.1 Performance in Level 3 across Greater Merseyside is varied; however attainment of a level 3 qualification by age 19 is lower in the area in comparison to the North West. The proportion of the working age population with a level 3 qualification is in line with the national average. The plan for level 3 courses in 2007/08 is relatively low with a slight reduction expected in WBL.

9.9.2 The volume of 16-18 year olds participating in FE courses has fallen slightly since 2005/06 with general decline across the area at district level with the exception of Liverpool which increased. Although participation is falling in Greater Merseyside the success rates have increased at a faster rate than the North West. The number of young people starting an Advanced Apprenticeship (level 3) has fallen at a steady rate over three years which is in contrast to the Regional trend which has shown an increase in starts since 2005/06. Although the FE full level 3 participation rates in Greater Merseyside have increased over the last three years, there remains disparity across various learner characteristics. It is important that we continue to target those from black and ethnic minority groups as well as those with a disadvantage or disability.

9.9.3 The number of adult learners participating in FE Full level 3 courses has fallen at a slower rate than the North West average, which has experienced a substantial decline. Adult success rates have grown at a steady rate and are in line with the North West average. Adult participation on Advanced Apprenticeship WBL courses has grown at a steady rate over the last three years in Greater Merseyside; however the success rates have grown at a substantial rate with large growth of 25 per cent in the last three years. In order to develop further growth in Advanced Apprenticeships (level 3) we will need to continue working closely with employers to encourage them to invest in training. Employers need to recognise the value in upskilling of their workforce and the role it will play in improving productivity and competitiveness.

9.9.4 As adult learning evolves to focus on the goals of employability and progression there is a need for the [learning and skills](#) sector to target those groups at most disadvantage in the labour market; workless individuals, residents of deprived areas, offenders etc.

SECTION:10 HIGHER LEVEL SKILLS (LEVEL 4+)

10.1 Introduction

- 10.1.1 The following Chapter analyses level 4 skills in Greater Merseyside, looking at both demand and current supply.
- 10.1.2 Higher level skills at Level 4 and above are vitally important for ensuring that the North West is able to improve its regional competitiveness: Recent growth in new jobs has been concentrated in occupations requiring intermediate and higher level skills.
- 10.1.3 Employment forecasts by occupational category suggest significant demand for Level 4+ qualifications, particularly in the Associate Professional and Professional occupational categories. There is projected expansion in jobs that require higher skills levels, to support value-added corporate strategies in an increasingly competitive global market place.

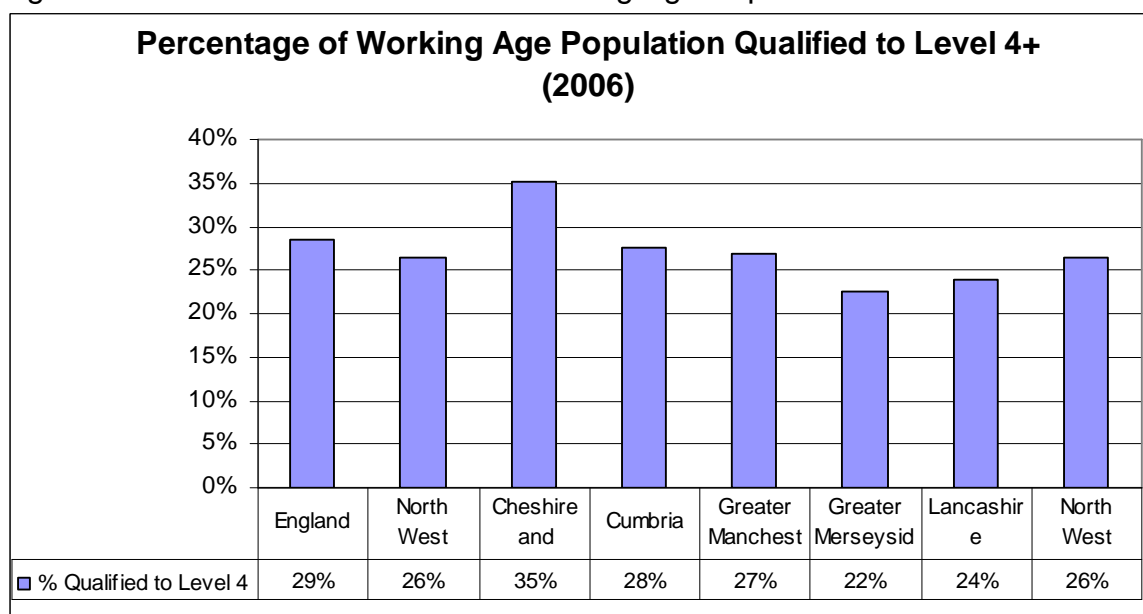
10.2 Context

- 10.2.1 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.
- 10.2.2 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.
- 10.2.3 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.
- 10.2.4 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.
- 10.2.5 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.

10.3 Demand

Level 4 Attainment

Figure 80: Level 4 Attainment of the Working Age Population 2006



Source: Annual Population Survey 2006

10.3.1 Just over 22 per cent of the working age population of Greater Merseyside have a level 4 qualification, this has increased by one percentage point from 2005 but is still the lowest rate in the region and is below the national average rate.

10.4 Supply

10.4.1 Participation in FE at Level 4 in Greater Merseyside has had a slight reduction between 2005/06 and 2006/07, falling by 5 per cent compared to a 7.5 fall for the North West.

10.4.2 Within Greater Merseyside most areas have remained quite static between 2005/06 and 2006/07, St Helens is the only local area to have a significant reduction in learner volumes with a 16 per cent reduction (-70 learners)

Figure 83: Participation in FE at Level 4 (Short & Long Courses)

	2004/05	2005/06	2006/07
North West	10,455	10,229	9,460
Greater Merseyside	2,059	2,251	2,138
Halton	200	219	196
Knowsley	198	220	196
Liverpool	606	640	636
Sefton	326	361	375
St. Helens	389	431	361
Wirral	340	380	374

Source: NW LSC Performance Reporting Platform

10.4.3 FE Level 4 Success Rates by Sector Subject Area for Long Courses are shown in Figure 84, the overall success rate for level 4 long courses is 54 per cent, although this has decreased by 2 percentage points from 2004/05.

10.4.4 Success rates for FE Level 4 have fallen from 2004/05 in most sector subject areas (where both year's data is available). Business Administration and Law is the exception to this, along with Health, Public Services and Care.

Figure 84: FE Success Rates at Level 4+ Long Courses

	2003/04	2004/05	2005/06
Agriculture, Horticulture and Animal Care	!	!	71%
Arts, Media and Publishing	!	71%	62%
Business, Administration and Law	61%	53%	54%
Construction, Planning and the Built Environment	!	!	!
Education and Training	40%	63%	53%
Engineering and Manufacturing Technologies	!	!	!
Health, Public Services and Care	39%	41%	51%
Information and Communication Technology	!	!	100%
Languages, Literature and Culture	0%	0%	!
Leisure, Travel and Tourism	0%	75%	46%
Retail and Commercial Enterprise	!	!	!
Science and Mathematics	!	!	!
Total	50%	56%	54%

Source: NW LSC Performance Reporting Platform

10.4.5 Within Greater Merseyside there are a number of higher education opportunities available with the capacity to make significant contributions to attainment of higher level skills in the North West, including Edge Hill University, The University of Liverpool and Liverpool John Moores University. Currently only Liverpool Hope University delivers FE provision 50 students.

10.4.6 There are 68,700 people studying in the 4 higher education institutes in Greater Merseyside. Depending on issues of Graduate retention in the area this high volume of students could add significantly to the higher level skills available to employers in the region.

Figure 85: Full & Part Time HE Provision by Institution

	All Students	Total FE Students		Post Graduate		Undergraduates	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
The University of Bolton	8,540	85	435	760	935	3,680	2,645
University of Chester	14,120	0	0	515	2,325	7,095	4,180
Cumbria Institute of the Arts	1,810	360	410	0	40	960	35
Edge Hill University(#13)	15,645	0	0	630	4,155	5,940	4,920
Liverpool Hope University	8,205	5	45	700	1,290	4,465	1,700
Liverpool John Moores University	24,085	0	0	1,435	2,745	15,100	4,805
The University of Liverpool	20,765	0	0	1,675	2,025	13,705	3,365
The Manchester Metropolitan University	32,795	180	55	2,320	3,675	22,990	3,575
The University of Manchester	40,420	0	0	6,230	4,840	24,590	4,755
Royal Northern College of Music	650	0	0	210	0	440	0
The University of Salford	20,185	0	0	1,465	2,570	12,915	3,235
St Martin's College	12,640	0	0	845	2,425	4,580	4,790
The University of Central Lancashire	28,850	0	0	1,090	3,085	16,115	8,560
The University of Lancaster	17,415	0	0	1,725	1,885	8,195	5,615

Source: NW Universities Association

10.5 Summary

10.5.1 Greater Merseyside has the lowest rate of working age population qualified to level 4 in the region (22%). This area also has 68,700 people studying at Higher Education institutions, this would suggest that most of those attending HE courses are not from the Greater Merseyside area. Therefore there is a need to encourage progression into higher education in Merseyside, which in turn should

have a positive effect on sustainable employment in the Greater Merseyside area.

10.5.2 FE Success rates at level 4 in Greater Merseyside are relatively low, when compared to other areas, at 54 per cent the rate is 9 percentage points lower than the regional average.