Pion

Economics

LSET
Lancashire Skills Strategy

Evidence & Action Plan

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Report

November 2006

Pion Economics
Ref pe598/LSETPrep.doc

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1 Executive Summary

1.1 Introduction

This report presents the Lancashire Skills and Employment Taskgroup (LSET) Lancashire Skills Strategy designed to provide a clear and agreed agenda for action and investment in learning and skills over the period 2006-2009, complement production of the Lancashire Economic Strategy (LES) and outline the learning and skill contribution/evidence base to support delivery of the Central Lancashire CRDP.

1.2 Skills & Skills Trends in Lancashire

The report reviews evidence as to the pattern and nature of the demand for skills by employers within the sub-region, examines future potential skills needs within the sub-region in the context of anticipated growth as well as the proposed transformation projects envisaged by the Lancashire Economic Strategy (LES) and considers patterns of skills development across the spectrum of supply-side influences - school, FE. HE and WBL activities.

1.2.1 *Demand for Skills in The Sub-Region*

Evidence for the sub-region suggests that employment expansion has occurred in sectors that require higher rather than lower skills, and in occupations that are more focussed on higher rather than lower skills. Added to evidence of the general upgrading of skills within occupational groupings, all of the information available indicates that employers in the sub-region are likely to have been making more extensive demands of their workforce.

1.2.2 *Future Sub-Region Skill Needs*

Although baseline projections suggest that somewhere in the region of 24,000 new jobs will emerge in the sub-region over the period to 2015, this will represent just a fraction of the overall l labour market requirement once allowance is made for replacement demand.

- a ‘floor’ estimate of the associated skills needs – assuming that no skills deepening takes place – suggests that some 32% of the combined jobs in the labour market will require a level 4+ or equivalent qualification, some 12% and 23% will require levels 3 and 2 respectively while 33% will require low/no skills;
- a ceiling estimate – assuming that skills deepening takes place at a rate comparable with recent historical trends – increases the share of level 4 qualifications to 37% and that of level 3 to 16%, leaves level 2 proportions remaining broadly stable and a reduces the share of low/no qualifications by 10% points;
- introducing the primary LES Transformation Projects extends the volume of expansion demand, with many additional low/no skills opportunities, but the overall combined profile detailed immediately above remains similar.

1.2.3 *Supply of Sub-Region Skills*

Significant volumes of resource are allocated to provision of education and training within the sub-region in a context where skills profiles are somewhat out of kilter with patterns evident in other parts of country and where progression rates are limited:

- one of the more salient features of the analysis is the identification of significant lagging performance even at very early stages in the education system. There appear to exist some fundamental achievement issues at KS2 alongside extensive tailing off in performance at KS3 and GCSE for pupils in lower achieving areas;
- significant numbers of qualifications are being pursued within the FE structure though only 25% or so are at level 3 with minimum activity at level 4. HE participation is changing with greater emphasis on part-time study and declining male participation;
- WBL provides an additional valuable support infrastructure, focussed on defined needs but is prone to considerable churn and private sector training levels appear to be among the lowest in the North West.

These observations indicate that supply-side institutions face a range of issues in 'stepping up' to the challenge posed by anticipated development in the sub-region and that the private sector has some way to travel to match attitudes elsewhere and recognise the role of skills development in enhancing broader performance.

1.3 Skills Shortages & Gaps

The most recent authoritative evidence suggests that around 40% of vacancies in the sub-region are hard-to-fill vacancies though only 13% are viewed as being related to fundamental skill shortages.

- the two primary explanations for recruitment difficulties appear to be low numbers of applicants with the required skills and insufficient numbers interested in jobs available;
- the largest deficits in terms of skills offered by applicants is reported as being technical, practical or job specific skills, customer handing skills, oral communication skills (52%) and problem solving skills (50%).

The primary impact of hard-to-fill vacancies is identified as being an increased workload for other workers. Other impacts include delaying development of new product/services, losing business to competitors and increasing operating costs.

Some 17% of sub-region employers identify skill gaps - gaps within the existing employee base - compared to England, Lancashire deficits are less pronounced in the higher order occupations (professional, associate professional) and more pronounced in admin/clerical, skilled-trades, machine operatives and elementary staff.

- the impact of internal skill gaps is defined to be 'major' by 14% of sub-region employers (compared to 13% for the North West and 12% for England) and minor for 58% (compared to 64% for the North West and 62% for England).
- when asked about responses taken to overcome gaps 61% of the Lancashire base report increasing training for the existing workforce – similar to that for the North West but higher than the 55% reported across England – and 22% report increasing

or expanding trainee programmes (compared to 24% and 25% for the North West and England respectively).

1.4 Capacity Analysis & Implications

1.4.1 *Macro Capacity: Volume*

The report makes a number of reinforcing observations about macro capacity or labour market volume to accommodate development, namely:

- while capacity may technically exist to accommodate future demand side requirements, it is are also sufficiently tight to suggest that in-flows of employees from outwith the sub-region or from in-migration may be necessary to sustain the ambitions of the LES;
- increasing local labour market participation (activity) may be required if opportunities are to be secured by local residents as opposed to in commuters or migrants and as a mechanism for addressing underlying capacity constraints.

1.4.2 *Micro Capacity: Skills Balance*

Consideration of resident skill profiles suggests that it is tilted against emerging skills requirements – insufficient higher level and an excess of unskilled workers. Setting the demand and supply side together suggests that:

- Level 4+ skills are likely to be in a notable ‘deficit’ position with the levels of demand consistent with envisaged development exceeding current supply-side capacity;
- Level 3 skills are likely to be in surplus;
- Level 2 skills are likely to be in a moderate ‘deficit’ position with some degree of excess demand;
- Below level 2 skills are likely to be in a significant ‘surplus’ position as the development path of the sub-regional economy provides fewer and fewer opportunities for the low and no skilled.

1.4.3 *Implications*

The implications of analysis in the report are:

- sustaining and enhancing the competitiveness of the sub-regional economy requires that:
    - the local business base:
        - has the foresight to maintain/extend investment in training to support improvements in competitive performance;
        - is ‘adaptive’ and recognises that transition towards a more skilled workforce is not only consistent with improved business performance; but is likely to be necessary just to maintain market position;

- o the resident population:
    - ▪ understands the trends towards rising demand for higher skills and declining demand for low/no skilled workers;
    - ▪ is prepared to pursue progression of existing skills to advance career opportunities and rewards;
- o labour market institutions:
    - ▪ provide appropriate levels of guidance and support to businesses seeking to invest in their workforce;
    - ▪ provide appropriate levels of guidance and support to individuals seeking to invest in skills development:
        - establish flexible routes for individuals that provide effective and efficient progression to achievement regardless of starting point;
        - establish flexible routes that provide effective and efficient progression to higher level achievement and ensure sufficient variety and volume of higher level training opportunities;
    - ▪ operate to ensure that information 'asymmetries' do not hinder appropriate and informed decision-making/investment decisions by businesses and individuals;
    - ▪ coordinate to overcome what may have become 'ingrained' problems of low aspirations and expectation in parts of the sub-region;
    - ▪ overcome the inevitable difficulties of multi-agency roles and responsibilities to bring continuity and coherence to inter-agency operations and advice and guidance networks.

1.4.4 ***Skills Strategy Challenge***

The key challenge for the Skills Strategy in Lancashire is to identify actions to deliver the skills-base consistent with the achievement of LES ambitions, the anticipated adjustment towards a higher-value added knowledge economy while at the same time sustaining support and progression for skill development below level 3.

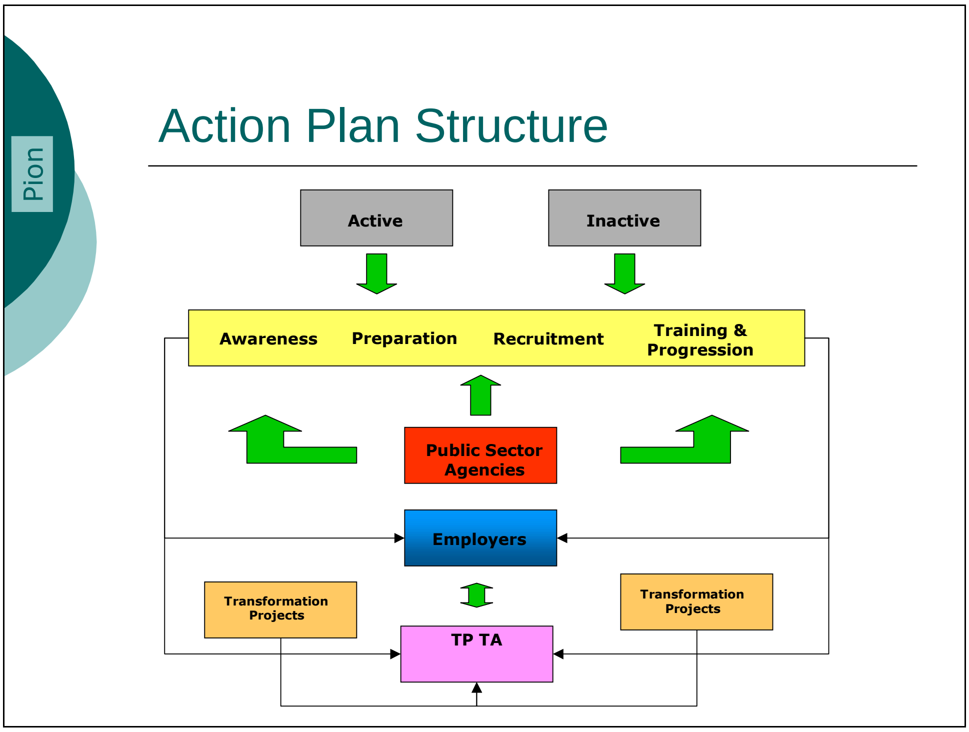
1.5 Action Plan

The Action Plan is based on four key elements designed to accommodate a range of potential actions and interventions namely:

- Awareness:
    - o to ensure that decisions of individuals/businesses are made in the context of appropriate information and intelligence about the future prospects of the Lancashire economy and are supported by an advice and guidance network that is both adequately informed and contemporaneous;

- Preparation:
    - to structure advice and guidance networks for individuals and businesses that are tuned to the needs and opportunities of the sub-regional economy
- Recruitment:
    - to develop and extend recruitment mechanisms that enhance the matching of local employer needs base to locally available labour;
- Training & Progression:
    - to address the skills deficit of the sub-region by raising the volume, progression and level of training undertaken and ensuring that a structure is established through which a competent, high quality and coordinated approach to training support is delivered.

The following provides a representation of the Action Plan structure, detailing each of the above elements along with proposals for a series of time-limited Training Alliances (TAs) to sustain transformational projects.



The following tables detail the proposed set of actions within each of the four elements guiding the structure. Each table outlines the challenges at which the actions are directed along with a summary of envisaged actions.

Awareness	
Challenges	• establish an agreed basis for generation of robust and contemporaneous information on LM status in the sub-region • institute effective dissemination mechanisms across each of the key cohort groups in the Plan • structure an advice and guidance network tailored to the needs of cohort groups providing appropriate career signposting
Lancashire LMI Group & Preparation of LMI Report	• to sustain an LMI group tasked to provide a reporting capability, fit for purpose, on LM Status in the sub-region, define content suited to the needs of dissemination process outlined below and sustain feedback into LES monitoring and evaluation structures. Significant opportunities exist to build upon the recent launch of the Lancashire Labour Market Resource Pack
Employer Skills Agenda Focus	• development and enhancement of existing structures designed to profile the role and value of skills on employer agendas through liaison with existing employer-led organisations across Lancashire and to integrate activities such with TTG and BL best practice.
Employer Skills Roadshows	• roadshows, organised along sector lines with assistance and participation of employer organisations to which companies of all sizes will be invited to hear presentations on skill penetration trends within the sector.
Dissemination Strategy	• ensuring efficient and effective dissemination of LM intelligence demonstrating the changing nature of the workplace environment and opportunities available at all skills levels within Lancashire, building upon the Lancashire Resource Pack structures where appropriate
Cohort Advisor Forum	• development of a structured advisor/mentor framework designed to provide coherence and consistency to career prospects within the Lancashire economy
Training Advisors and Mentors	• development of a training programme for careers advisors and mentors, provision of materials/resource packs to support the above and to assist future reference and maintenance of cohort advisor network through electronic communication with information and material updates as appropriate.
Curriculum Development for key/TP sectors	• establishing contact and develop relations with LEA curriculum development pilot study teams and FE/HE to investigate potential for collaboration with key/TP employers and examining opportunities for key local businesses to facilitate the WBL and vocational element of future curriculum design.

Preparation	
Challenges	• understanding of the trends, future prospects and skillsets likely to be required by local businesses within the sub-region economy; • opportunities for ‘experiencing’ and ‘tasting’ work placement within the local employer base are available, actively pursued and passed on as appropriate within cohort groups; • appropriate job readiness structures are in place to assist the preparation of those disengaged from the labour market; and • specific preparatory structures are in place to address the needs of transformational project employers.
Guidance Periods	• seeking the agreement of schools/colleges and HE institutions to formalise one guidance period devoted to LM opportunities in Lancashire and supported by appropriate materials.
Career Assessment Tools	• extending such tools to reflect the pattern of employment in such careers within the sub-region and nationally over recent years; changes in the profile of skills in such careers, potential progression routes from school through to college/HE associated with such careers and the nature and type of organisations within the Lancashire employer base that are likely to need such careers. Clear links exist with development of the Lancashire LM Resource pack.
Work Placement/Mentoring	• development of a Lancashire-wide work placement agency along with empowerment of those undertaking shadowing roles as communicators/champions back in the school environment, development of employer and pupil ‘pools” prepared to visit/return to former schools to give guidance about the world of work.
Career Orientation	• job-readiness advisors to attend the careers orientation courses
Employer/Job Readiness Interaction	• achieve higher than average progression rates by linking preparatory work to a visible and attainable set of opportunities associated with development and provide a branded ‘merit’ award upon completion to guarantee (with agreement of employer/operator) pre-recruitment consideration

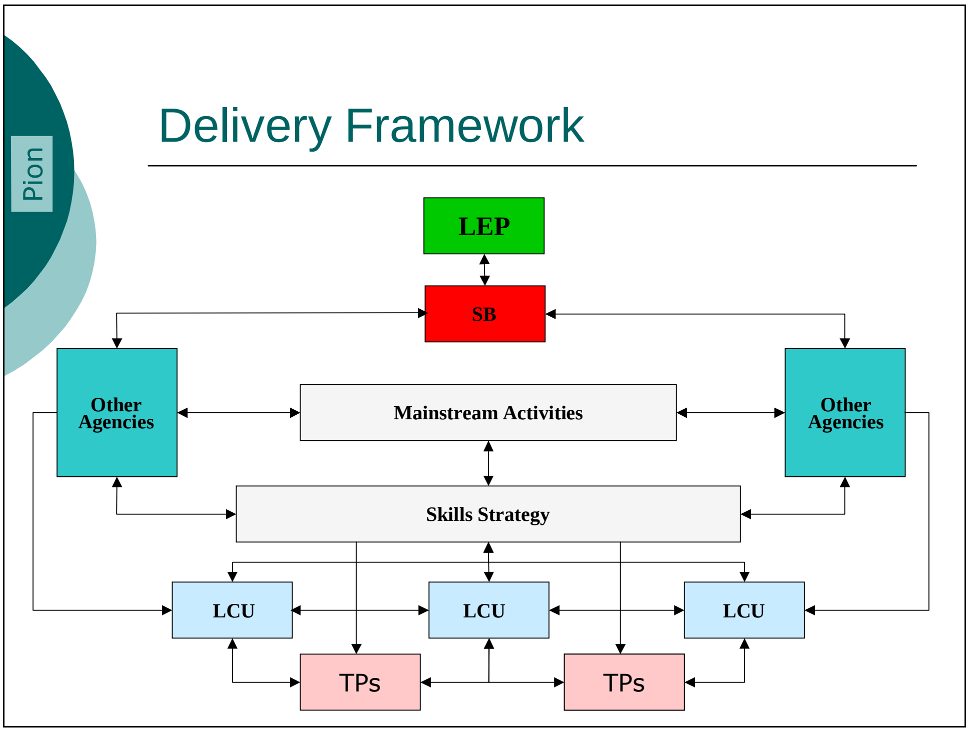
Recruitment	
Challenges	• enhance job-seeker and employer coordination in the recruitment process; • expand graduate retention levels with the sub-region employer base; • extend recruitment assistance in community settings for the disengaged; • facilitate customised recruitment processes for large scale/TP investments.
Employer Assistance and Recruitment Network (EARN)	• to build on experience both locally and elsewhere to develop a comprehensive network for the sub-region that brings together 'registered' employers with recruitment needs and appropriate candidates at all levels and provides comprehensive sub-region wide coverage of colleges & universities as well as job support and placement agencies
JWT Employer Awards	• expansion of support for existing schemes designed to identify and validate employers committed to JWT with such employers afforded priority recruitment assistance through all of the actions contained in the Plan
Recruitment Roadshows	• a series of organised and coordinated events across the sub-region under a single 'umbrella' on behalf of Lancashire employers. - the events might be general or themed along sectoral lines/interests.
Graduate Links & Retention	• build upon the results of current graduate retention projects projects by extending and improving upon the experience gained as well as developing 'upstream' links between undergraduates and the local employer base
Community Recruitment	• engaging and involving community groups in the recruitment process, community job-readiness training and placement programmes and career information 'surgeries' in community settings
Coordinated Recruitment Strategy/Plans	• customised recruitment, media exposure: and agreement from employers with regard to a 'target' local community take-up of opportunities.

Awareness	
Challenges	• encourage increased participation and progression in education and training across the sub-region • expand the volume of JRT undertaken by sub-region companies • expand graduate retention levels within the sub-region employer base; • encourage focus of training provision towards future needs of the sub-region economy; and • develop customised training strategies for key and/or large-scale TP investments.
Embedding LEAD Groups	• it is envisaged that something akin to the LEAD groups are sustained throughout the timeline of the Plan
Curriculum Development Forum	• establishment of a forum representation from the 16-19 cohort advisor forum and employers to review existing arrangements and to provide recommendations for enhancing links.
Addressing JWOT Volumes	• working with Connexions to evaluate their JWOT Pilot and integrating the programme within the wider strategy if results are positive.
Community Assisted Targeting	• provision of signposting support and assistance for community organisations that seek to develop capacity to reach out and to provide guidance on opportunities for re-entry into the mainstream.
Integration & Marketing of Core Schemes	• Enhanced publicity and marketing od core schemes
Expansion & Marketing of Feeder Routes	• publicising progression routes available for pursuit of a range of career structures, strengthening/promoting of ‘feeder’ links within the school/college/HE network within the sub-region; and drawing attention to and promoting the opportunities afforded via Foundation Degree options.
First Level Groups	• introduction of a ‘First Level Group’ tasked – on a one-off basis - to identify and advance the broadening of opportunities for achievement of level 2, 3 and 4 qualifications for those unable to pursue conventional study routes or those with limited formal qualifications as well as facilitate progression between levels
CoVE Development	• build upon the Cove network to extend the volume of level 3 qualifications delivered and encourage progression with routings to foundation degree and other appropriate higher level structures
College Collaboration & Focus	• assigning ‘lead’ colleges, based on recognition of existing CoVE specialisms, to act as coordinators for strategic initiatives designed to support key industries across the sub-region and liase with the Training Alliances • institution of a Skills Strategy Group comprised of college principals tasked to review the nature and volume of overall

	provision relative to perceived strategy needs along with spatial balance within the sub-region, consider options for 'risk pooling' of new initiatives and drive the role and significance of the sector contribution to the LES
Rapid Reaction Service	• establishment of a rapid reaction service tasked to respond to defined employer training needs by assembling a team capable of dealing with employer requests and providing an appropriate costing within a defined time-period and signposting employers to providers in the event that local capability does not exist.
HE Provision in East Lancashire	• sustaining support for addition of level 4 institutions in East Lancashire
Encouraging HE Participation	• supporting increased and *widened* participation by further developing locally available IAG services developed in conjunction with the roll-out of 'integrated IAG' as envisaged through Youth matters
TTG Coordination	• ensuring that the TTG service is aware of the skills strategy, that discussions are explored into protocols which serve to 'integrate' TTG into complementary activities within the skills strategy without compromising impartiality of the service and consideration is given to building on the roll-out of TTG to heighten awareness of skills issues and broadening opportunities for skills development among the local employer base;
'Risk-Share' Feasibility Study	• testing the feasibility of introducing an employer/employee level 4 'pooling' scheme that allows both parties to share costs and risks of support.
TP Training Alliances	• establishment of Training Alliances (TAs) designed to provide supply-side drive to match employer ambitions by bringing local training organisations together to coordinate the training 'offer'; setting out strengths and capacity, working with employers to refine needs and delivering training (as appropriate) to employer standards and requirements

The basis of the proposed delivery infrastructure is that:

- a Strategy Body (SB) – evolved from the current LSET and reporting to the LEP - is introduced to oversee delivery of the Lancashire Skills Strategy with composition to consist of representation from key bodies/agencies that operate to deliver skills policy or policies complementary to skills development in the sub-regional along with employers and the CoC;
- relevant agencies will, in conjunction with the SB and within the parameters of their operating remit, seek to adapt plans, programmes and activities to maximise contribution to skills strategy objectives and ensure coordination and coherence with LP and LSP activities;
- implementation of the strategy will be coordinated within the sub-region by a series of Local Coordinating Units (LCU) in the form of existing groups of agencies and providers (where they exist) working to pursue the actions contained within the Action Plan.



2 Introduction

2.1 Aims & Objectives

The Lancashire Skills and Employment Taskgroup (LSET) was formed in 2003 and represents the strategic forum for development of skills focussed policy within Lancashire. With representation from a number of key partners[1], LSET is striving to construct a coherent and agreed collective framework of priorities and related actions to support the complex mix of ambitions that now form the economic development 'canvas' of Lancashire.

While LSET have already agreed a set of priorities for skills development linked to major economic developments, the additional task of attempting to merge support for Northern Way agenda priorities with sub-regional delivery of the revised RES and more localised (East and West Lancashire) strategies - all within the context of agencies attempting to balance national and local delivery imperatives - provides something of a challenge.

As the *de facto* skills and employment group of the Lancashire Economic Partnership, LSET commissioned consultancy support from Pion Economics to develop a skills strategy that seeks to enhance the contribution of learning and skills development to economic growth in the sub-region.

The resulting strategy is designed to provide a clear and agreed agenda for action and investment in learning and skills over the period 2006-2009, complement production of the Lancashire Economic Strategy (LES) and outline the learning and skill contribution/evidence base to support delivery of the Central Lancashire CRDP.

2.2 Definitions

Throughout the report, reference is made to a series of technical definitions with regard to industry sectors, occupational groupings and qualifications. For the most part these definitions accord with recognised statistical standards:

- Industry sectors:
    - Industry sector definitions are based on the Standard Industrial Classification (SIC) framework used and revised by the Office of National Statistics (ONS). This is a hierarchical structure with a number of broad sectors containing a variety of sub and sub-sub sectors. Different elements of the report analysis use differing combinations of sub-sectors but they all rest within the SIC framework.
- Occupations:
    - Occupations are defined on the basis of the Standard Occupational Classification (SOC) of individuals and takes into account the skill level and content of jobs. SOC is a hierarchical structure - SOC(2000) contains 9 'major', 25 'sub-major' and 81 'minor' groupings.

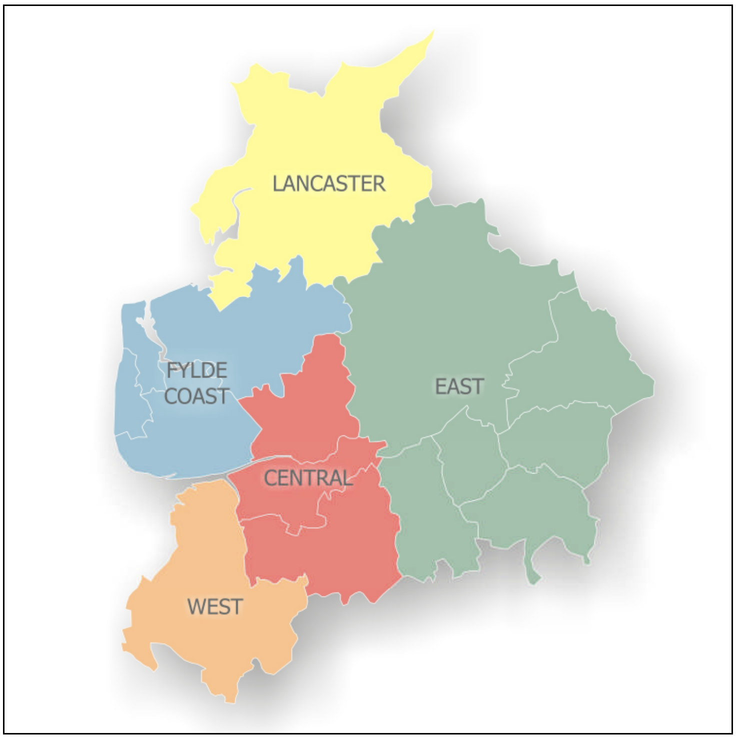
[1] Lancashire LSC, Business Link Lancashire, Connexions, JCP+, Children's Trusts, HE, NWDA and LEP.

- Qualifications:
    - In common with existing practice, qualifications are primarily reported in terms of 5 level NVQ 'equivalents'.

2.3 The Lancashire Sub-Region

The recently completed Lancashire Economic Strategy, Commissioned by the Lancashire Economic Partnership (LEP), provides a detailed assessment of the sub-region that is the focus of this study. It shows there are five relatively self-contained sub-areas in the sub-region – Lancaster, Fylde Coast, Central, East and West – displaying quite distinct economic structures and opportunities.

- Lancaster – contributes £1.7bn to the economy of Lancashire, employing 61,000 people – posting GVA growth between 1990 and 2005 of 40% and employment growth of 10% - far in excess of national and regional averages providing blend of service and utility provision which are either growing or in characteristically 'favoured markets';



- Fylde Coast – contributes £3.9bn to the economy of Lancashire, employing 140,000 people – a decline in both employment and GVA between 1990 and 2005 masking a structure which for all of its frailties, displays a very strong base of potential growth going forward, based on aerospace, nuclear fuel manufacturing and the growth of the airport, alongside which is the important role of Blackpool and St. Annes for coastal tourism;
- Central – contributes £5bn to the economy of Lancashire, employing 193,000 people – employment growth of 17% and GVA growth of 27% between 1990

and 2005, again performance in excess of the national and regional averages, and providing the most growth-oriented structure in Lancashire;

- East – contributes £6.1bn to the economy of Lancashire, employing 228,000 people – showing reduction in the rate of growth, in both employment (in particular) and GVA between 1990 and 2005, although East Lancashire still makes the largest contribution to the sub-regional economy. This reflects the composition and heavy concentration on manufacturing, including ‘advanced manufacturing’, as set against the more employment growth orientated ‘economies’ elsewhere in Lancashire;
- West – contributes £1.2bn to the economy of Lancashire, employing 43,600 people – a picture of relative stability but where the underlying economic structure shares many of the characteristics of East Lancashire, together with a weakening agriculture sector, and a limited predisposition towards those particular sectors which are growth oriented.

2.4 Report Structure

The remainder of the report is structured around 5 main sections:

- Section 3: Lancashire Skills Review:
  - reviews evidence as to the pattern and nature of the demand for skills by employers within the sub-region;
  - examines future potential skills needs within the sub-region in the context of anticipated growth as well as the proposed transformation projects envisaged by the Lancashire Economic Strategy (LES); and
  - considers patterns of skills development across the spectrum of supply-side influences school, FE. HE and WBL activities;
- Section 4: Skills Balance and Capacity
  - examines evidence about the pattern and nature of skill shortages identified by businesses in the sub-region and examines the capacity of the sub-region to meet the future needs of business as identified in section 4; and
- Section 5: Skills Strategy Action Plan
  - focuses on developing a structure and accompanying actions designed to enhance support for skills development within the sub-region consistent with meeting the needs of the LES and CRDP processes.

A large amount of evidence is referenced throughout the report. Detailed reference sources are contained in annexes at the rear of the report.

3 Lancashire Skills Review

3.1 Introduction

This section of the report provides an analysis of skills within Lancashire. It reviews evidence as to the pattern and nature of the demand for skills by employers within the sub-region. Examines future potential skills needs within the sub-region in the context of anticipated growth as well as the proposed transformation projects envisaged by the Lancashire Economic Strategy (LES) and considers patterns of skills development across the spectrum of supply-side influences - school, FE. HE and WBL activities.

3.2 The Demand for Skills in The Sub-Region

Assessing the demand for skills is not generally straightforward. In the absence of primary research, the nature and pattern of demand generally has to be 'inferred' from a number of different data sources. In this section we review a number of such sources to profile evidence on the changing nature of the demand for skills within the sub-region.

3.2.1 *Industry Sector and Skill Trends*

The evolving structure of the sub-region economy is a prime determinant of the range of skills that employers require to function and compete in the marketplace. The pattern of sub-region employment change reported by Cambridge Econometrics over the last decade (Annex A: Table A1) shows that while some expansion has occurred in manufacturing, there has been a continued wider process of loss of manufacturing employment offset by service sector expansion.

Much of this growth has occurred in health and social work, education, professional services, computing services, other business services and retailing. Other areas of notable growth include construction, transport, distribution and hotels and catering. Sectors of greatest loss are defined as textiles, wood and paper, mechanical engineering, agriculture and motor vehicles.

The changing pattern of sector employment has an important bearing on the demand for skills for the simple reason that different sectors require differing aptitudes, training and tasks of their employees. It is evident from consideration of skills profiles across industry sectors that very different skills profiles exist in different sectors of the economy (Annex A: Table A2). <u>Continuing shift away from manufacturing towards services implies a significant realignment of the workforce skillbase</u>.

Evidence from expanding sectors is that level 4 skills tend to be more in demand, and opportunities for those with low/no qualifications less available - this commentary is based on consideration of 'volume' changes alone. Evidence of upskilling (see below) will tend to compound these observations.

3.2.2 *Occupational Change*

As sectors increase in prominence, or decline, they also undergo complex internal restructuring in terms of staff roles and responsibilities and such developments bring with them changes in the range and nature of skills required by employees. The drift of employment towards services has also been reflected in strong growth in corporate managers, caring and personal services, teaching and research and scientific and technical professionals (Annex A – Figure A1). Likewise, decline has been concentrated in elementary clerical and services, elementary trades, and process plant and machine operatives.

As with industry sectors, the changing pattern of occupational employment has been associated with changes in skill demands (Annex A – Table A3). Occupations that are expanding tend to have a much higher proportion of their workforce qualified to level 4 contrasting with skilled trades where skills are most concentrated at level 3 and elementary occupations where skills tend to lie at the lower end of the spectrum.

Once more, the general and continuing shift towards services implies a realignment of the workforce skillbase though such commentary is again based on consideration of 'volume' changes alone. Evidence of upskilling (see immediately below) will compound many of the observations.

3.2.3 *Skill Content*

To this point, discussion about the demand for skills has been based on consideration of 'volume' changes, putting to one side the issue of skill content and the extent to which changes in the latter support/offset the patterns evident in the sector and occupation data. While sub-region information is limited, intelligence from Skills in England reports (Annex A – Figure A2) shows that movement in most occupations is upwards in nature with relatively stronger upskilling pressure on middle and lower order occupations. There is little reason to think that Lancashire is likely to have been significantly different.

3.2.4 *Overview*

Evidence for the sub-region suggests that employment expansion has occurred in sectors that require higher rather than lower skills, and in occupations that are more focussed on higher rather than lower skills. Added to evidence of the general upgrading of skills within occupational groupings, all of the information available indicates that employers in the sub-region are likely to have been making more extensive demands of their workforce.

3.3 Future Skill Needs

In this section we turn to the analysis of skill requirements in Lancashire over the period to 2015. Assessing future skills needs is a difficult task - within any one sector/sub-sector, developments in technology, product design, quality standards and a host of other operational factors that contribute to competitive standing will also contribute to future needs though the scale of the contribution will partly reflect the desire and extent to which employers choose to maintain the competitiveness of their workforce[2].

Nevertheless, it is important to attempt to gauge the parameters of future requirements to provide some perspective against which to contrast developments in the training and education market. The analysis is based on evidence regarding the distribution of

[2] The ability of employers to recognise the emerging nature of workforce skill needs is another key element in this overall process.

qualification levels across industries and occupations, projections of the changing qualification content of occupations and variations in the extent of skill penetration.

3.3.1 *Sector Employment Projections*

Between 2006 and 2015, Cambridge Econometrics forecast that net employment in the sub-region will rise by 24,000. It is expected that manufacturing will continue to decline, offset via growth in services (Annex B – Table B1 and Figure B1). Business and public services are projected to dominate the increase, followed by distribution and hotels and catering with the bulk of job losses occurring in manufacturing.

3.3.2 *Occupational Employment Projections*

Projections for occupational employment over the period to 2015 (Annex B – Figure B2) indicate large losses within skilled metal and electrical, process plant and machine operatives, elementary trades and plant machinery operatives - together these account for 62% of all projected losses and elementary clerical and secretarial/clerical occupations losses add another 27%. The largest gains are forecast to lie in corporate managers, caring personal service and teaching and research occupations.

3.3.3 *Replacement Demand*

The employment forecasts are essentially projections of what is known as expansion demand – the net change for any single industry sector or occupation. This approach does not accommodate what is known as replacement demand – demand that arises because the labour market is in a constant state of change with movements between occupations, quits, withdrawals and retirements all influencing the pattern of demand alongside new employer opportunities[3].

Over the period to 2015, replacement requirements are estimated to be equivalent to 28% of total 2006 employment in the sub-region (Annex B –Table B2) and is such that that there exists a positive demand for employment in virtually all sectors of the sub-regional economy, including those expected to experience decline in total numbers.

3.3.4 *Baseline Skill Need Projections*

The expansion and replacement demand profiles outlined can be used as the basis for examining potential future sector skill needs. Our approach involves two stages - with and without skills penetration. This process effectively provides an upper and lower boundary to projections.

Expansion Demand

Analysis suggests that, as far as <u>new</u> additional jobs are (Annex B –Table B3) 40% are at the highest level, requiring some form of higher education qualification[4]. A further 13% are projected to require intermediate skills at NVQ3 and 22% also to require NVQ2. It is estimated that 25% of the expected new jobs in the area will require low/no skills. Of

[3] Introducing replacement demand into projections can alter the profile of expected requirements significantly and even turn what would otherwise be a loss into a gain.

[4] These percentages are expressed in terms of the gross job changes underlying the net figures presented.

job losses, 10% are forecast at the highest level, a further 6% are projected to impact at the intermediate skill (NVQ3), 21% at NVQ2 and 62% at skill levels below level 2.

Replacement Demand

All sectors are expected to show positive replacement demand over the period 2006 to 2015 (Annex B –Table B4) though the distribution of skills associated with replacement demand is somewhat different from that with expansion demand. Level 4 qualifications are associated with 30% of replacement jobs, with 11% of replacement jobs likely to require NVQ3, or equivalent, a further 23% at NVQ2 level and there is a notable replacement effect at the lowest skill level.

Combined Demand

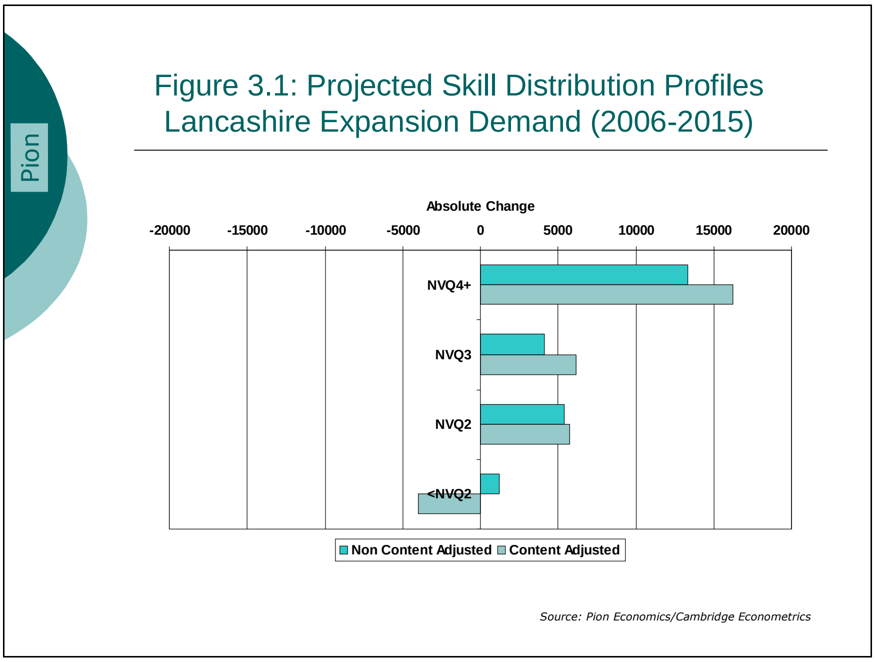
Bring both expansion and replacement demand together (Annex B –Table B5), it is projected that some 219,00 job vacancies will emerge over the period to 2015 to satisfy both replacement and new demands. Around 32% these jobs are likely to be at NVQ level 4, some 12% and 23% of such jobs are projected to be at levels 3 and 2 respectively while 33% are projected to require low/no skills.

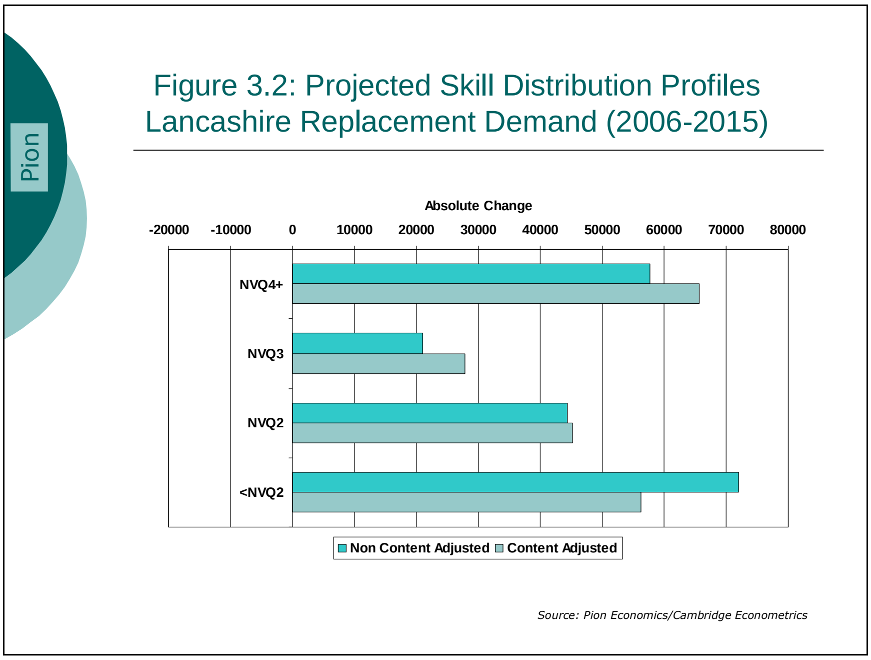
3.3.5 ***Content Adjusted Skill Need Projections***

The projections contained in preceding section do not allow for any increase in the skill content of employees over the projection period. In practice, it is clear that content is likely to increase over the forecast horizon though assessing the magnitude of 'skills deepening' is far from straightforward. To allow for this potential, we provide a series of 'content adjusted' projections using the information contained in Skills in England reports[5].

The overall impact of the process is to increase the share of level 4 qualifications from some 32% under the baseline to 37%. Increases also occur at levels 3 (12% to 16%) with level 2 proportions remaining broadly stable and a fall in low/no qualifications of some 10% points (Annex B –Table B6). The figures below illustrate the underlying pattern of adjustment for each skill level in terms of expansion and replacement demand. As expected, the combined profile is dominated by the replacement demand component.

[5] It is important to recognise that this implies the pattern of change in content will proceed in a linear manner over the forecast horizon and that sub-regional changes will mirror national patterns. None of these is likely to be entirely accurate and care must therefore be taken.





3.3.6 *CRDP Investment And Skill Need Projections*

The profiles discussed to this point relate to the 'baseline' projections in the Cambridge Econometrics work that underpins the LES. In this section, the profiles are extended to accommodate the primary investment or transformational projects (TPs) that are contained in the Central Lancashire CRDP. These are defined to consist of the Blackpool Masterplan, Tithebarn, Elevate, Skelmersdale Town Centre Community Regeneration, AIC and Advanced Manufacturing with close to 15,000 additional jobs envisaged.

The primary impact of including the transformation projects is to extend both expansion and replacement demand, though the latter is less evident due to the lead-in time required in TP investment. In fact, such is the nature of the TPs that the most visible areas of expansion are at level 4+ and below level 2.

Around 31% of non-content adjusted jobs are projected to be at NVQ level 4 (compared to 32% in the absence of the TPs), some 12% and 23% of such jobs are projected to be at levels 3 and 2 respectively (no change) while 34% are projected to require low/no skills – a marginal increase (Annex B –Table B7). The impact of adjusting for content is much as in the absence of the TPs - the share of level 4 qualifications increases from some 31% under the baseline to 36%. Increases also occur at levels 3 (12% to 16%) with level 2 proportions increasing by 1% point and a fall in low/no qualifications of some 10% points.

3.3.7 *Overview*

Although baseline projections suggest that somewhere in the region of 24,000 new jobs will emerge in the sub-region over the period to 2015, this will represent just a fraction of the overall l labour market requirement once allowance is made for replacement demand.

A ‘floor’ estimate of the associated skills needs – assuming that no skills deepening takes place – suggests that some 32% of the combined jobs in the labour market will require a level 4+ or equivalent qualification, some 12% and 23% will require levels 3 and 2 respectively while 33% will require low/no skills.

A ceiling estimate – assuming that skills deepening takes place at a rate comparable with recent historical trends – increases the share of level 4 qualifications to 37% and that of level 3 to 16%, leaves level 2 proportions remaining broadly stable and a reduces the share of low/no qualifications by 10% points.

Introducing the primary LES Transformation projects extends the volume of expansion demand, with many additional low/no skills opportunities, but the overall combined profile detailed immediately above remains similar.

3.4 Supply of Skills

Previous sections of the report have focussed on demand-side characteristics of the labour market in Lancashire. In this section we turn attention to the supply-side. In the first instance we review the pattern of workforce qualifications. This is followed by a discussion of skills progression rates and an assessment of supply side performance and activity.

3.4.1 *Workforce Qualifications*

Data suggests that around 24% of the Lancashire working age population are qualified to NVQ level 4+, with some 22% qualified to level 3 and at least 17% qualified to level 2[6]. Another 22% have a form of qualification below level 2 with some 15% having no formal qualification (Annex C – Figure C1). The Lancashire profile is broadly comparable with that of the North West as a whole – only in the case of no qualifications is it noticeably different with a smaller cohort of such individuals than in the region.

[6] Sourced from the Annual Population Survey (APS).

The picture is somewhat different, however, in terms of comparison with growth areas of the UK (Annex C – Figure C2). When set against the South East, the sub-region displays extensive variation at both ends of the skills spectrum – 5% to 6% (absolute) more of the South East working age population is qualified to level 4+ while 4% to 5% (absolute) less have no qualifications.

3.4.2 *Skills Progression*

Evidence shows that some 16% to 17% of sub-region residents are pursuing a qualification though this masks significant variation across age-bands (Annex C – Figure C3). Pursuit 'rates' are highest at the lower end of the age spectrum but fall away dramatically after 21 years – rates fall from around 20% in the 22-25 band to 10% or less for bands above 30 years. Other characteristics evident are that studying towards a qualification is:

- 40% higher (relative) if an individual in employed within the public sector – the private sector rate is some 13% compared to 18% in the public sector;
- higher for females than males in most age-bands;
- significantly higher among part-time than full-time workers – 28% compared to 10%;
- highest among those with existing intermediate level qualifications (24% for those with NVQ3 and 27% for those with NVQ2) and lowest for those with no qualification (10%).

Consideration of the analysis suggests that progression within the adult population of working age maybe a primary barrier to raising the skills profile of the sub-region in general and particularly so at the higher skills levels - pursuit of level 4+ qualifications after the age of 25 falls to less than 5% across most age cohorts (Annex C – Figure C7).

3.4.3 *School-Based Education and Learning Attainment*

Key Stages 2 & 3

Key Stage 2 and 3 performance in English, Maths and Science provides an early snapshot of skills formation[7].

- KS2 performance within Lancashire is little different from that for either the North West of the South East though it is possible, even at this early stage, to discern differential gender profiles within English – female performance is some 10% (absolute) higher than that for males in each area. (Annex C – Table C1).
- KS3 performance in the sub-region remains broadly equivalent to that in the North West but is already behind that in the South East by some 3% to 4% points. In addition, gender profiles appear to be wider than for KS2 though this is a phenomenon that applies to all areas

[7] DfES has recently started to release information on performance at Lower Super Output Area (LSOA) level[7] on the basis of residence as opposed to the location of the school attended. This data provides a rich source of potential intelligence for the sub-region.

There would appear to be some warning signs, within this simple comparison, that 'performance drift' within the sub-region is visible at a relatively early stage in the schooling process.

The DfES data do, however, allow investigation of performance at a much finer level of detail - it is possible to consider performance across the top10% and bottom 10% deciles of LSOAs[8] [9] (Annex C – Table C2):

- the best performing 10% of areas tend to have an average achievement level of close to 100% - there is some evidence of a small tail off between KS2 and KS3 for this group but it is marginal .
- in contrast, the poorest performing areas have an achievement level that is more or less half that of the top 10% with very evident tailing away between KS2 and KS3.

These findings should provide food for thought in the context of policy development directed at early years learning.

GCSE

The proportion of pupils achieving 5 or more A-C passes has risen from around 46% in 1998 to some 56% in 2005. Comparison with overall England figures does, on the other hand, suggest that the improvement has lagged marginally behind (Annex C – Figure C8) Review of LSOA data – subject to the same caveats as in the previous section – also presents some important findings (Annex C – Table C4):

- performance levels at both ends of the performance spectrum are lower than for KS2 and KS3, but the relative differences are significantly greater. Whereas KS2 and KS3 top 10% performance is roughly double that of the bottom 10%, in the case of GCSEs the ratio is closer to 4 - with the male difference approaching a ratio of 7;
- analysis of the urban-rural profile again highlights better rural than urban performance with the achievement of 5+ passes running at about one third higher than in urban areas.

Care must be taken in the interpretation of this data but, at face value, it would appear to be suggesting that in the poorest performing LSOA areas, only 1 in 7 to 8 male pupils and 1 in 4 female pupils are achieving 5 or more A-C GCSE passes.

A-Level

As with GCSE, indications are that post compulsory performance has improved, although somewhat slowly in recent years. Average A-level points per entry increased by 4% between the 2002 and 2005, marginally slower than the 5% displayed across England as a whole (Annex C – Figure C9).

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[8] Deciles refer to 10% groupss' of LSOAs and are useful to compare values at upper and lower ends of a distribution.

[9] Care is also required in analysis and interpretation – some LSOAs have reporting restrictions so that the data technically refers to the performance of pupils in the top/bottom 10% LSOA deciles for which data is reported. In addition, we are constructing independent deciles for KS2 and KS3 and the LSOAs within the deciles are not necessarily the same – of the roughly 100 LSOAs in the bottom 10% of the KS2 and KS3 deciles, our analysis shows that there is commonality for 47.

3.4.4 *Further Education*

LSC Lancashire data shows that FE numbers for 2004/05 totalled some 117,090, continuing a downward trend from around 125,000 in 2001/02. The data shows (Annex C – Table C5):

- close to 80% of the learner base is aged 19+;
- females are marginally more represented than males;
- part-time study dominates study mode, accounting for 78% of all activity;
- qualifications being pursued are broadly spread across levels 1 to 3, with just 2% at level 4+.

In terms of the overall study profiles, and outside preparation for life and work, both male and female qualification pursuits have peaks of concentration in health, public services and care and ICT (Annex C – Table C6). Males are represented more extensively in construction, engineering and leisure, travel and tourism while females are more represented in health and retail and commercial enterprise.

Relatively little activity is pursued at level 4 or above, with the exception of education and learning, though continuing integration across the FE/HE divide is likely to alter profiles at the margin (Annex C – Table C9). The highest concentration of overall activity is at level 1 (33%) followed by level 2 (29%) and level 3 (26%):

- programme areas with more than 30% of activity at level 1 include:
    - engineering and manufacturing technologies, health public services and care, ICT, languages literature and culture, leisure, travel and tourism, preparation for life and work and retail and commercial enterprise;
- programme areas with more than 30% of activity at level 2 include:
    - business, administration and law, construction, planning and the built environment, education and training, retail and commercial enterprise, and science and mathematics;
- programme areas with more than 30% of activity at level 3 include:
    - arts, media and publishing, business, administration and law, education and training, history, philosophy and theology, languages literature and culture, leisure, travel and tourism, science and mathematics and social sciences;

3.4.5 *Higher Education*

Information on HE activity has been provided by LSC Lancashire through internal analysis of Higher Education Statistics Agency (HESA) data. The profile provided shows that a total of 53,325 sub-region residents were pursuing qualifications at HE institutions in 2003/04. Scrutiny of the data shows that (Annex C – Table C10:)

- just over 50% of the learner base is aged 25+;
- females are significantly more represented than males; and
- part-time study is as prevalent as full-time study;

Comparison of age distribution with that of the North West shows that participation is in line with the wider region with perhaps marginally greater concentration in the 25-29 age band (Annex C – Figure C10). Analysis of gender profiles over recent years tends to suggest that female concentration has been rising at the expense of males – females constitute 61% of the sub-region HE base in 2003/04 compared to 58% in 2000/01 with male concentration moving in the opposite direction (Annex C – Figure C11).

Patterns of participation may also be set to alter as fee structures raise the study costs of students. An early sign of such considerations may be visible in the changing pattern of study mode over recent years. From a position of lagging behind full-time study by 10% points (absolute) in 2000/01, part-time study within the sub-region had reached virtual parity by 2003/04 (Annex C – Figure C12)

Around 50% of Lancashire students in HE are pursing a first degree qualification. Another 31% are pursuing another undergraduate qualification with 17% undertaking postgraduate study (Annex C – Figure C13).

Little detailed information is available with regard to HE leaver destinations. While HESA does attempt to capture such information, data reflects response patterns from surveys and may thereby contain self-selection bias. Numbers of responses for sub-regions can also be small.

3.4.6 *Work Based Learning*

Data on Work Based Learning (WBL) over the 2004-2005 period has been made available by Lancashire Learning and Skills Council (LSC). Data sharing protocols require that the information forwarded exclude any cell values that are less than five in number and hence totals referenced should be viewed as approximate rather than actual.

Somewhere in the region of 12,600 learners were engaged in WBL activities during 2004-2005 (Annex C – Table C11). Fours areas dominate the profile - engineering and manufacturing technologies accounts for 21%, retail and commercial enterprise and business administration and law both follow with 20% and construction, planning and the built environment adds another 16%.

A variety of other patterns are evident from the data provided:

- the profile of learners is broadly balanced across the 16/19 and 19+ age-groups;
- males constitute 60% and females 40% of the overall total with similar proportions evident across both age-bands;
- engineering and construction support is much more heavily focussed in the 16-18 band than 19+ (and on males);
- retail and commercial enterprise as well as business administration and law support is most focussed in the female 16-18 band but has relatively high representation for both males and females in the 19+ band;

While numbers of learners provides an indication of WBL support, it is important to recognise the dynamic nature of the WBL sector (Annex C – Table C12, Figures C14 and C15)

- there exists considerable ‘churn’ with total numbers in learning accompanied by significant starters (~ 6,400) and significant leavers (~4,500);

- starter/learner ratios vary between 36% (leisure, travel and tourism) and 53% (health, public services and care);
- leaver/learner ratios vary between 18% (agriculture, horticulture & animal care) and 46% (leisure, travel and tourism);

It is also necessary to note that care is required in interpreting leaver patterns – many leavers leave WBL support to access employment. That said, analysis shows that there exists some variation is the proportion of leavers leaving for employment opportunities across programme areas (Annex C – Figure C16):

- around two-thirds (68%) of 2004/05 leavers from the construction and engineering programme areas left to gain employment;
- agriculture and retail/enterprise areas also had employment related leaver rates of over 60%;
- business and health had rates of 59% and 57% respectively;
- only leisure, travel & tourism and ICT had rates les than 30%.

3.4.7 *The Private Sector*

In concentrating on public sector provision, it is easy to overlook the contribution made by the private sector to training development. Employer contributions play a significant part in funding the bulk of training contracted by public sector agencies. Employers also pay for FE and HE provision but such investment is likely to be much smaller than the internal training provided by employers for their own staff.

One of the major sources of such information in recent years has been the National Employer Skills Survey (NESS). In the case of Lancashire, data is available covering a sample of 1,845 establishments containing 37,000 employees. Additional evidence is available from analysis of the 2004 APS database.

NESS: Training

The NESS survey shows that 61% of sub-region employers report providing training for their workforce (Annex C – Figure C17) compared to 64% for the North West and 65% for England and is the lowest figure for any sub-region in the North West. NESS reports that 66% of employees in England received some form of training. The figure of the North West is lower at 52% with that for Lancashire at 46% - again the lowest of any sub-region in the North West (Annex C – Figure C18).

In contrast, analysis shows that Lancashire employers make far more use of local colleges for training than other parts of the sub-region, the North West or England (Annex C – Figure C19) - 35% of sub-region employers reported using colleges in the previous 12 months compared to 31% for the North West and 28% for England as a whole. Of those not using colleges, 37% cited reasons relating to the non-relevance of courses with 27% preferring to train in-house.

Use of training providers in the sub-region is broadly in line with that elsewhere (Annex C – Figure C20). Some 54% of employers report using a (non-college) training provider in the 12 months prior to the survey compared to 55% in the North West and 53% in England. It is notable that levels of ‘other’ provider use are around 50% (relative) higher than those for colleges.

APS: Training

The 2004 APS survey suggests that some 30% of the employed workforce in the sub-region received job related training and/or education (JRT) in the 13 weeks prior to the survey. When set against existing qualification, a number of observations are evident (Annex C – Figure C21):

- training provision shows a direct relationship with level of existing qualification – individuals already in possession of a level 4+ qualification receive the highest level of training while those with none qualifications receive the least;
- while the intensity of level 4+ training is broadly comparable with other areas, that for level 3 and 2 is lower than other areas – tending to reinforce some of the messages from the NESS survey above.

Other characteristics of private sector training provision can also be accessed through the APS dataset (Annex C – Figures C22 to C24):

- there exists very substantial variation in training intensity across company size (the latter defined by individuals) – intensity declines from the moderate level displayed by firms with 1-10 employees to a very low level in the 11-19 and 20-24 bands before generally rising;
- intensity in Lancashire is generally lower than that in other parts of the country except for very large organisations where support is strong;
- intensity, by existing qualification level, is higher in the public sector for all levels but level 2;
- there are very distinct patterns to the location of training – higher qualified staff receive more off the job training and vice versa.

3.4.8 ***Overview***

Significant volumes of resource are allocated to provision of education and training within the sub-region. This section examines a range of data on the performance of differing cohorts in the context of an environment where skills profiles are somewhat out of kilter with patterns evident in other parts of country and where progression rates are somewhat limited.

One of the more salient features of the analysis is the identification of significant lagging performance even at very early stages in the education system. There appear to exist some fundamental achievement issues at KS2 alongside extensive tailing off in performance at KS3 and GCSE for pupils in lower achieving areas.

Significant numbers of qualifications are being pursued within the FE structure though only 25% or so are at level 3 with minimum activity at level 4. HE participation is changing with greater emphasis on part-time study and declining male participation. WBL provides an additional valuable support infrastructure, focussed on defined needs but is prone to considerable churn and private sector training levels appear to be among the lowest in the North West.

These observations indicate that supply-side institutions face a range of issues in ‘stepping up’ to the challenge posed by anticipated development in the sub-region and that the private sector has some way to travel to match attitudes elsewhere and recognise the role of skills development in enhancing broader performance.

4 Skills Balance and Capacity

4.1 Introduction

Section 3 provides evidence of both demand and supply-side aspects of skills in the Lancashire labour market. In this section we bring together both the demand and supply-side reviewing evidence on the nature and scale of skill shortages and examining the status of supply-side provision relative to projected needs.

4.2 Skills Shortages In the Sub-Region

Significant progress has been made in defining and measuring skill shortages. The distinction between vacancies that are hard-to-fill and those that are hard-to-fill due to recruitment difficulties related to particular skill requirements has enabled a much more focussed discussion of skill shortages as has the effort to recognise internal skill gaps. The 2005 National Employer Skills Survey (NESS) provides a relatively robust profile of the extent to which employers identify skill shortages in the workplace across the sub-region.

4.2.1 *NESS: Recruitment of Young People*

NESS asks employers whether they have recruited 16/17 year olds directly from school, or under 24 year olds directly from university. It also asks whether those recruited are regarded as being ‘very well’ or ‘well’ prepared.

In terms of recruitment, Lancashire employers appear very active in taking 16 years olds directly from school with a figure of 42% compared to 36% for the North West and 31% in England as a whole. Variation in recruitment of 17 years olds is much less extensive – the Lancashire figure is 51% compared to 51% in the North West and 47% in England. Finally, recruitment directly from university is lower in Lancashire (33%) than both comparator areas – North West (36%) and England (40%).

This profile presents an interesting perspective on recruitment patterns within the sub-region with high relative recruitment at 16 years, comparable recruitment at 17 years and lower relative recruitment of university trained individuals. It would be convenient to make a literal interpretation and connect such variation to the differential performance of the sub-regional economy but care must be taken as some part of the variation may reflect differences in ‘availability’ of the relevant cohorts in the areas, reflecting different patterns of participation in education and training.

When asked about the preparation levels of those recruited, the proportion of those defined as very well prepared is lower in Lancashire – for each cohort- than in the North West and England. The differences are somewhat moderate but are nonetheless evident. In addition, the levels of those defined to be very well prepared is worth noting – just 1 in 8 of 16/17 years olds and 1 in 4 of those recruited direct from university.

The sub-region performs much better in terms of the proportion of recruits defined as well prepared. Here Lancashire proportions are as good as, if not better, than comparator areas with 1 in 2 recruits defined as being well prepared.

4.2.2 *NESS: Hard-To-Fill and Skills Shortage Vacancies*

At the time of the NESS survey, vacancy levels in the sub-region were broadly comparable with those in both the North West and England – 3%. Employers were asked to define the proportions of such vacancies that were hard-to-fill and that were related to perceived skill shortages (Annex D – Table D1).

Lancashire employers felt that 41% of the vacancies they were experiencing could be classified as hard-to-fill vacancies – broadly comparable with the North West figure but somewhat higher than the 35% in England. In contrast only 13% of the vacancies were viewed as being related to fundamental skill shortages.

As for the reasons for hard-to-fill vacancies (Annex D – Table D2), the two primary explanations with which employers agreed related to low numbers of applicants with the required skills (28%) and insufficient numbers of people interested in the job available (20%).

The largest deficits in terms of skills offered by applicants is reported as being technical, practical or job specific skills (54%), customer handing skills (49%), oral communication skills (52%) and problem solving skills (50%). Literacy and numeracy skills are an issue for 35% and 32% of employers respectively but it is notable that IT skills are much less of an issue than that might have been the case some years ago – less than 20% of employers identify a deficit in these areas (Annex D – Table D3).

The primary impact of hard-to-fill vacancies is (Annex D – Table D4) identified as being an increased workload for other workers – 87% of employers see this as an outcome. Other impacts that feature as prominent include delaying development of new product/services (45%), losing business to competitors (43%) and increasing operating costs (50%).

It is worth noting that, in relative terms, while the proportion of employers citing increased workloads is similar to the North West and England, the proportions for other reasons is marginally greater than for the North West and notably greater than for England.

4.2.3 *NESS: Skill Gaps*

NESS seeks to examine skills gaps within the employer base alongside deficits that relate to the process of recruitment. When asked about the extent of such gaps, 17% of sub-region employers surveyed identified internal skill deficits – more or less in line with the North West and England (Annex D – Table D5).

There is some minor variation in the profile of deficits across occupation groups, however. Compared to England, Lancashire deficits are less pronounced in the higher order occupations (professional, associate professional) and more pronounced in admin/clerical, skilled-trades, machine operatives and elementary staff.

The impact of internal skill gaps (Annex D – Table D6) is also defined to be ‘major’ by 14% of sub-region employers (compared to 13% for the North West and 12% for England) and minor for 58% (compared to 64% for the North West and 62% for England).

When asked about responses taken to overcome gaps (Annex D – Table D7), 61% of the Lancashire base report increasing training for the existing workforce – similar to that for the North West but higher than the 55% reported across England – and 22% report increasing or expanding trainee programmes (compared to 24% and 25% for the North West and England respectively).

4.3 Capacity Analysis

Development of the sub-region presents both opportunities and challenges for the labour market. In this sub-section we examine the nature of these opportunities from both a macro and micro perspective, taking into account much of the evidence of earlier sections of the report.

- macro analysis is primarily concerned with the issue of 'volume' - namely examining the ability of the labour market to provide capacity sufficient to sustain the envisaged development path and examining the underlying potential pattern of supply-side adjustments. In so doing, consideration is given to the basic parameters of local labour market activity such as participation, employment, and unemployment;
- micro analysis is directed at the issue of complementarity – the extent to which the 'qualitative' requirements of the jobs encouraged by development are consistent with the skills of, and therefore likely to be amenable to, those seeking employment within the sub-region.

4.3.1 *Macro Capacity: Activity, Employment and Unemployment*

Baseline: Activity Rates

Activity rates provide the basis of participation in terms of the raw numbers of working age persons that are available for employment at any given point in time. Rates vary for a variety of reasons across time and over the business cycle but tend to be higher in growing areas due to the availability of employment opportunities and wage competition for employment between employers.

Activity rates at the Lancashire level (78%) are comparable with those for the NW and are only marginally lower than those for the UK – they are however lower than the fastest growing southern regions by some 4% to 5%. There also exists significant variation in activity patterns across the sub-region – rates vary between 73% and 85% with 50% of areas both above and below the sub-region average.

Baseline: Employment Rate Profiles

Within the context of activity, employment rates define the extent to which those looking for work succeed in securing employment and differences with activity levels provide an indicator of available capacity in the labour market.

Employment rates at the Lancashire level (74%) are again comparable with those for the NW and only marginally lower than those for the UK – but they remain lower than the fastest growing southern regions by some 4% to 5%. As with activity, there exists significant variation across the sub-region – rates vary between 68% and 83% with the profile split more or less equally above and below the sub-region average;

Baseline: Unemployment Profiles

Claimant rate unemployment for Lancashire as at May 2006 stood at 2.3% with variation across the sub-region from 0.7% to 3.6%. However, measurement of the stock of local unemployed and the rate of local unemployment via claimant data remains an area of contention.

Baseline Capacity Scenario: Unemployment Level/Rate Adjustment

Comparison of 2004 ONS data for Lancashire claimants (1.9%) with 2004 APS survey data (4.8%) suggests that claimant rates significantly understate the total available labour stock in the sub-region. Current available (indigenous) labour capacity is around 38,000 persons (May 2006 claimants uplifted to LFS ILO level) in the sub-region implying an ILO unemployment rate of some 4.4% relative to the claimant rate of 2.3%.

The Cambridge Econometrics forecasting model for Lancashire projects an increase in working age population of some 9,500 to 2015, raising capacity to 47,500. The model also assumes an increase in unemployment through to 2015 which, when set alongside projections of increase for the envisaged workforce base equates to an available capacity of 48,000;

Assuming that net commuting patterns remain relatively stable – and setting to one side inward migration - this increase in capacity must be set against the increase in employment demand of some 39,000 jobs envisaged through natural change (24,000) and major transformational projects (15,000).

Overall, in volume terms, while the numbers suggest that capacity may exist to accommodate future demand side requirements, they are also sufficiently tight – a buffer of some 9,000 persons only - to suggest that in-flows of employees from outwith the sub-region or from in-migration may be necessary to sustain the ambitions of the LES.

Baseline Capacity Scenario: Employment Rate Adjustment

Consideration of employment rates would also tend to suggest that there may exist a capacity constraint at the macro level through the development period.

Setting new envisaged demand alongside the 2004 APS Lancashire profile, the rate of employment required to accommodate projected expansion is 79.1%. This is higher than the employment rate in all but 3 of the 14 districts in the sub-region and would bring employment rates up to current activity rates levels.

It is not likely that the employment rate will come to match/exceed current activity rates with the implication that increasing local labour market participation (activity) may be required if opportunities are to be secured by local residents as opposed to in commuters or migrants and as a mechanism for addressing underlying capacity constraints.

Baseline Capacity Scenario: Activity Rate Adjustment

While activity Rates are moderate compared to higher growth areas of the country, they are broadly in line with the North West as a whole and suggesting that raising rates may be more difficult than might be anticipated.

Given current information, each 1% variation in activity rates increases/reduces available labour supply by close to some 6,500 persons in the sub-region. Were one to maintain the current activity/employment rate differential, then the expansion in activity required to accommodate the proposed expansion locally would be equivalent to an (absolute) increase of some 5%, raising activity rates to 83.2%.

Such rates are high relative to many other parts of the UK and just two of the local authority areas in the sub-region currently operate at this level. The analysis suggests that it is unlikely that most of the opportunities from the LES can be secured by local residents given recent labour market patterns and indicates that in-commuting and migration are likely to feature to some degree in accommodating volume demand requirements.

4.3.2 *Micro Capacity: The Skills Balance*

The above analysis primarily concentrates on issues relating to the volume of supply-side capacity relative to expected demand but another important supply-side dimension also exists, namely complementarity - the extent to which the 'quality' of the available labour stock matches the likely profile of employer demand in terms of skill needs.

Employer Demand: Skills Profiles

Employer Demand for Skills can be assessed through detailed analysis of trends in occupational structures across industry sectors and trends in skill patterns within such occupations allied to the baseline Cambridge Econometrics forecast that underlies the LES and the major actions defined in the Action Plan;

In terms of the 'expansion demand' defined by Cambridge Econometrics (+24,000), if Lancashire businesses are to remain as competitive as they currently are:

- a significant proportion of opportunities in growth sectors are likely to require level 4+ skills:
    - business services and public sector organisations are likely to generate a substantial proportion of such demand;
    - even sectors that are projected to show some degree of retrenchment (eg some areas of manufacturing) are still likely to extend recruitment at level 4+;
    - demand for level 3 and level 2 skills will together account for close to the total demand for level 4+ skills;
    - demand for low/now skills (<level 2) is likely to decline over the timeframe of analysis.
- Adding the transformational projects (+15,000) alters this profile to some degree since much of the growth is set to take place in sectors that, while displaying increasing skill requirements, are less extensively 'geared' towards higher level needs:
    - despite this, level 4+ opportunities still dominate the distribution of likely projected skill requirements;
    - demand for level 2 skills is likely to prove more extensive than that for level 3 due to the dominance of retail and leisure in the action plan projects;
    - demand for low/now skills (< level 2) is now likely to display very marginal positive growth but is still likely to represent little in the way of notable volume.

Should businesses in growth sectors seek to enhance their competitive position through the development period, analysis suggests that more extensive focus on promotion of skills towards the upper end of the skills spectrum will be required.

Baseline Capacity: Skills Profiles

Indication of broad skills profiles within the sub-region is available from the APS. This shows that the proportion of residents with:

- level 4+skills tends to lag behind the UK by some 2% to 3% (absolute terms) and growing areas of the South by some 6% to 7%. This places the commentary with regard to employer demand and enhancing competitiveness in sharp relief.
- level 3, level 2 and below level 2 skills is broadly comparable with both UK and growth area profiles;
- no skills is marginally higher than that for the UK but substantially higher (circa 5% absolute) than that for growth areas within the UK.

The overall profile of resident skills is tilted against emerging skills requirements – insufficient higher level and an excess of unskilled workers. It is possible, however, to consider skills profiles further with the APS enabling contrasts to be made across differing forms of economic activity:

- the employed: the skills profile of this group appears much as described above – less extensive higher level skills and more extensive unskilled than high growth areas of the south;
- the ILO unemployed: the profile here is a little more complex – Lancashire has a smaller proportion of its base qualified to level 4+ than growth areas but this is offset by higher level 2 and lower proportions;
- the inactive/workless: the proportion of this group changes indirectly with skill level - high skill-lower inactivity & vice versa;

Setting the demand and supply side together suggests that (Figures 4.1 and 4.2):

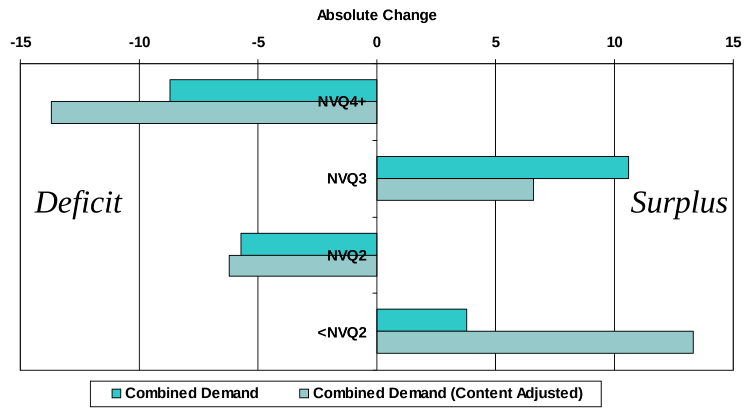
- Level 4+ skills are likely to be in a notable 'deficit' position with the levels of demand consistent with envisaged development exceeding current supply-side capacity;
- Level 3 skills are likely to be in surplus;
- Level 2 skills are likely to be in a moderate 'deficit' position with some degree of excess demand;
- Below level 2 skills are likely to be in a significant 'surplus' position as the development path of the sub-regional economy provides fewer and fewer opportunities for the low and no skilled.

The implications of this analysis are clear:

- Sustaining and enhancing the competitiveness of the sub-regional economy requires that:
    - o the local business base:
        - ▪ has the foresight to maintain/extend investment in training to support improvements in competitive performance;

Figure 4.1: Lancashire Skill Distribution Differentials: Current Status Vs Anticipated Need in 2015

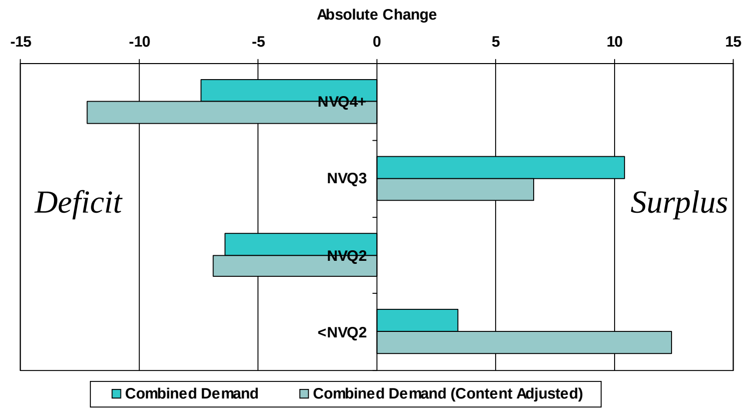
(Excluding Key CRDP Transformation)



Source: Pion Economics/APS(2004)

Figure 4.2: Lancashire Skill Distribution Differentials: Current Status Vs Anticipated Need in 2015

(Including Key CRDP Transformation)



Source: Pion Economics/APS(2004)

        - is ‘adaptive’ and recognises that transition towards a more skilled workforce is not only consistent with improved business performance; but is likely to be necessary just to maintain market position;
    - the resident population:
        - understands the trends towards rising demand for higher skills and declining demand for low/no skilled workers;
        - is prepared to pursue progression of existing skills to advance career opportunities and rewards;
    - labour market institutions:
        - provide appropriate levels of guidance and support to businesses seeking to invest in their workforce;
        - provide appropriate levels of guidance and support to individuals seeking to invest in skills development:
            - establish flexible routes for individuals that provide effective and efficient progression to achievement regardless of starting point;
            - establish flexible routes that provide effective and efficient progression to higher level achievement and ensure sufficient variety and volume of higher level training opportunities;
        - operate to ensure that information ‘asymmetries’ do not hinder appropriate and informed decision-making/investment decisions by businesses and individuals;
        - coordinate to overcome what may have become ‘ingrained’ problems of low aspirations and expectation in parts of the sub-region;
        - overcome the inevitable difficulties of multi-agency roles and responsibilities to bring continuity and coherence to inter-agency operations and advice and guidance networks.

4.3.3 *Skills Strategy Challenge*

The key challenge for the Skills Strategy in Lancashire is to identify actions to deliver the skills-base consistent with the achievement of LES ambitions, the anticipated adjustment towards a higher-value added knowledge economy while at the same time sustaining support and progression for skill development below level 3. The following section of the report outlines the range of proposals identified to address these issues.

5 Action Plan

5.1 Introduction

This section of the report details the proposed Action Plan, taking into account the material already included in earlier sections as well as consultations held with partner agencies/bodies through the course of the study exercise. Early commentary outlines the background to the Plan and the context of development while later commentary outlines Action Elements, proposed actions and key partners.

The Plan is set at a strategic level, assuming operational details to be determined by partners in the context of implementation. Potential key partners are identified for each of the set of mechanisms proposed on the assumption that it will be responsibility of one partner to act as lead and to organise and overview progression of the actions.

The Plan is wholly consistent with, and has been designed to fully support, the ambitions of the Lancashire Economic Strategy (LES), the 2006-09 Sub-Regional Action plan and the Central Lancashire City Region Development Plan (CLCRDP).

5.2 Underpinning The Plan

The Plan that is the focus of this section has evolved through a variety of mechanisms including a review of evidence, previous study team experience, steering group discussion and guidance and consultation. A number of considerations have emerged from this process that have been important in setting the context for the Plan.

In the first instance, there is recognition of the fact that skills strategies are difficult to implement as they seek to influence independent decisions made by large numbers of individuals and businesses, decisions that may entail consequences stretching for a considerable time-span.

Secondly, such is the scale of the 'skills canvas' that efforts to design public sector intervention and support are often characterised by multiple spheres of interest, agencies and differing agendas that together complicate development of a coherent framework of information. guidance and assistance for individuals and businesses.

Together, these weaknesses have contributed to a situation that exhibits a number of structural deficiencies:

- decisions of individuals/businesses are likely to be made in the absence of appropriate information and intelligence and in the context of an advice and guidance network that may be neither adequately informed nor contemporaneous;
- some aspects of support and assistance have become 'locked into' delivery of national agendas with limited consideration of potential ''bending' to address more localised needs;
- other aspects have been constrained by (to some extent involuntary) 'spatial myopia' limiting capacity to build synergies of the scale and scope sufficient to sustain effective interventions benefiting both individuals and beneficiaries across the sub-region;

- as far as individuals are concerned, the world of learning and the world of work have become segmented, weakening perceptions of links between attainment and future opportunity and doing little to address issues of waning aspiration and motivation.

5.3 Delivery Challenges

The Action Plan has been developed giving due recognition to a series of delivery challenges that are evident from discussions and consultations:

- Lack of a common labour market 'perspective':
    - despite the range of organisations connected to the skills agenda, there is concern about the extent (or otherwise) to which investment and intervention decisions are being made without reference to a commonly held and thereby 'consistent' perspective of local labour market trends and future skill needs;
- Information and dissemination deficiencies are widespread:
    - there exists no effective 'interface' through which to disseminate information and intelligence about future labour market trends and needs either across or within assistance and guidance networks;
- Integration of support and intervention frameworks is weak:
    - concern exists that design of support and intervention structures is dictated by internal organisation/agency requirements with limited consideration of 'fit' with broader support mechanisms;
- Risk and investment;
    - pressure on the funding and unit resource of many labour market intermediaries encourages risk aversion and constrains discussion of new/innovative mechanisms for cooperation and development;
- Interfacing employers and labour market intermediaries:
    - engaging employers remains one of the more difficult barriers in the skills development process. Despite this, the Plan seeks to ensure that structures are established to ensure an efficient training/employment interface between employers and local labour market intermediaries;
- Interfacing employers/labour market intermediaries and client groups:
    - alongside the above, the Plan is intended to ensure that structures are established to ensure an effective interface between employers/local labour market intermediaries and relevant 'interest groups' – 14-19, and 19-21 cohorts, adults, the inactive and employers

- Coordination of supply-side mechanisms:
    - the Plan is intended to bring together supply-side agencies to encourage agreement of a considered and coordinated set of interventions designed to support economic development.
- Addressing Transformational Projects (TPs):
    - the Plan is designed to fully support LES and CLCRDP priorities as defined through the nominated transformational projects and pays specific attention to tailoring proposed support towards TPs.

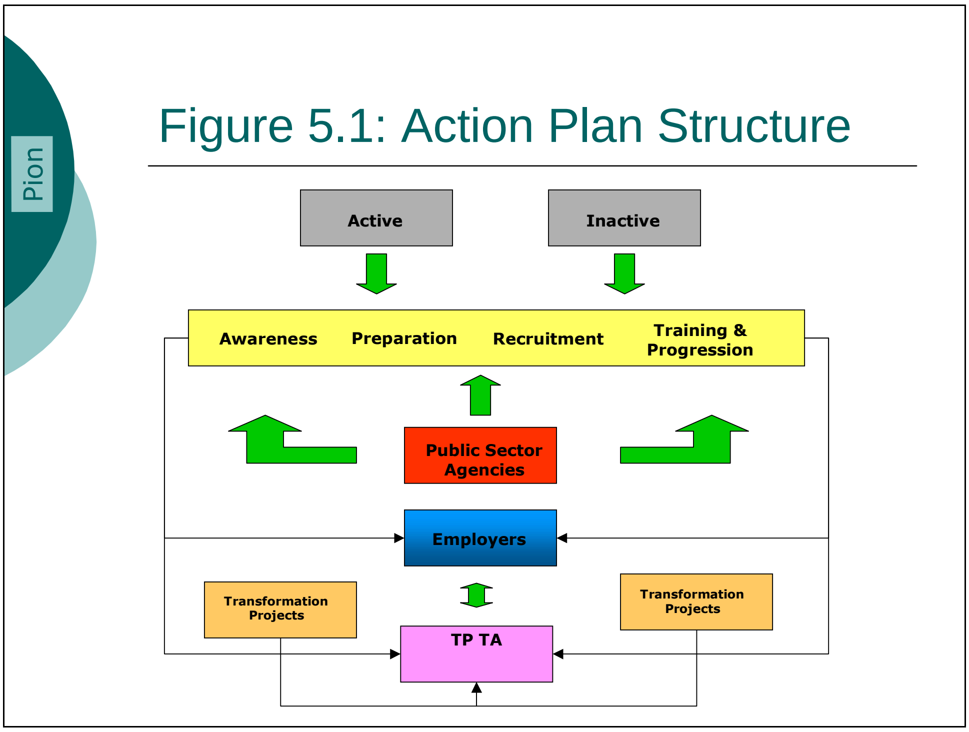
5.4 Basis of The Plan

The Action Plan is based on four key elements designed to accommodate a range of potential actions and interventions namely:

- Awareness:
    - to ensure that decisions of individuals/businesses are made in the context of appropriate information and intelligence about the future prospects of the Lancashire economy and are supported by an advice and guidance network that is both adequately informed and contemporaneous;
- Preparation:
    - to structure advice and guidance networks for individuals and businesses that are tuned to the needs and opportunities of the sub-regional economy;
- Recruitment:
    - to develop and extend recruitment mechanisms that enhance the matching of local employer needs base to locally available labour;
- Training & Progression:
    - to address the skills deficit of the sub-region by raising the volume, progression and level of training undertaken and ensuring that a structure is established through which a competent, high quality and coordinated approach to training support is delivered.

Actions developed within each element are structured to reflect ‘cohorts of interest’ defined in terms of age and activity status. It is also intended that public sector agencies adopt a twin-track approach with specific support designed to assist implementation of LES and CRCDP transformational projects and more generic support to assist skills advancement and progression that will be ‘taken-up’ by employers through the everyday interaction of recruitment in the labour market.

The following provides a representation of the proposed Plan, detailing each of the above elements along with proposals for a series of time-limited Training Alliances (TAs) to sustain transformational projects.



5.5 Action Plan Element 1: Awareness

5.5.1 *The Issue*

All individuals and businesses make decisions in the context of uncertainty, though most mitigate associated risk by reference to experience and advisors. While decisions in connection with the labour market are no different, a skills strategy can assist the process by ensuring that:

- decisions are made in the context of appropriate information and intelligence about the future prospects of the sub-region economy;
- decision-making is supported by an advice and guidance network that is both adequately informed and contemporaneous;

It is clear that a primary aim of the Action Plan should be to promote better understanding through improved information flows and heightened awareness of local economy prospects. The Plan envisages that awareness should be addressed through two strands of action that focus on:

- collation of Labour Market Information (LMI) and dissemination; and
- development of materials for, and training of, career advisors/mentors.

5.5.2 *The Challenge*

The challenge to be addressed by the Plan in this area is to develop a series of actions that:

- establish an agreed basis for generation of robust and contemporaneous information on LM status in the sub-region;
- institute effective dissemination mechanisms across each of the key cohort groups in the Plan; and
- structure an advice and guidance network tailored to the needs of cohort groups providing appropriate career signposting.

5.5.3 *Mechanisms*

A number of mechanisms have been identified through which to face the challenges defined above. These include:

- formation of a group to coordinate provision of LMI for the sub-region;
- development of an Employer Agenda Team;
- implementation of an LMI dissemination strategy;
- establishment of cohort advisor forums;
- development of information & guidance materials; and
- training of career advisors/mentors.

Mechanism A1: Lancashire LMI Group

The foundation for all skills strategy work lies in the generation of robust evidence about recent trends in the labour market and a 'perspective' on future prospects. This requires the formation and support of a group tasked to:

- provide a reporting capability, fit for purpose, on LM Status in Lancashire sub-region to include:
    - a rolling forecast of employment prospects by sector & occupation with focus on general trends & TP sectors;
    - destinations of Leavers – School, FE & HE;
    - Annual Population Survey (APS) analysis of LM status and skills levels;
    - APS analysis of activity status and skills levels;
    - APS analysis of JRT in local companies;
    - employer focus group interaction and perspectives;
    - signposting for further information & guidance.
- delivery of a status report in hard copy & electronic formats;
- define content suited to cohort group presentation;
- define content suited to web-based presentation of report;
- maintain & update web-site/portal with additional signposting as appropriate for other aspects of skills strategy components;
- delivery of press 'friendly' summary for circulation by local media;

- feedback into LES monitoring and evaluation structures;

There exists significant opportunities for this group to build upon the structures that lie behind the recent launch of the Lancashire Labour Market Resource Pack.

Mechanism A2: Employer Skills Agenda Focus

Employer attitudes and participation are crucial to all aspects of the skills strategy. It is important to recognise, however, that skills represent just one dimension of the operational agenda for business and that employers have differing perspectives on their role and contribution. Consequently, activities to encourage development of workforce skills must be sympathetic to, and complementary with, the broader range of commercial concerns that task business on an everyday basis.

Mechanism A2 envisages the extension of support towards liaison with existing employer-led organisations across Lancashire with a view to placing/raising skills on employer agendas. There are clear parallels with elements of the TTG service and integration of such activities would be mutually reinforcing. Likewise, aspects of the proposal also reflect previous BL activities and every effort should be made to incorporate best practice lessons.

Mechanism A3: Employer Skills Roadshow

Raising awareness of labour market trends and skills penetration across industry sectors is as important for employers as for individuals. Mechanism A3 is intended to institute a series of roadshows, organised along sector lines with assistance and participation of the employer bodies to which companies of all sizes will be invited to hear presentations on skill penetration trends within the sector. Set to function as a network event, the shows will also provide an opportunity to signpost opportunities available through Train to Gain (TTG), other assistance structures and to raise the profile of the skills strategy.

Mechanism A4: Dissemination Strategy

Mechanism A4 envisages that resource is addressed to ensuring efficient and effective dissemination of LM intelligence demonstrating the changing nature of the workplace environment and opportunities available at all skills levels within Lancashire. It is envisaged that the strategy include:

- 14-16 cohort (building upon the Lancashire Resource Pack structures where appropriate)
  - dissemination of annual LM report across all schools in sub-region;
  - dissemination of annual LM report to all LEAs in sub-region;
  - dissemination of annual LM report to all nominated careers advisors;
  - all students to be provided with summary version of report;
  - distribution of summary to parents attending parent evenings.
- 16-19 cohort:
  - dissemination of annual LM report across all colleges in sub-region;
  - dissemination of annual LM report to all nominated careers advisors in colleges, all JCP local offices, Connexions.

  - all college students to be sent electronic summary version of report via-e-mail.
- 19-21 cohort:
  - dissemination of annual LM report across all HE Depts in sub-region;
  - dissemination of annual LM report to all nominated careers advisors in HE institutions;all FE/HE students to be sent electronic summary version of report via-e-mail.
- Adult cohort:
  - dissemination of annual LM report across to all public resource institutions in sub-region;
  - development of 'registration' facility to access reports/updates;
  - provision of summary reports for circulation by community organisations;
- Inactive cohort
  - dissemination of 'inactive-relevant' summary of annual report for circulation to JCP inactive client groups;
- Employer Cohort:work with employer groups to circulate electronic copy of report to member organisations/clients;
  - production of annual (comparative) JRT bulletin sourced by APS for circulation to employer group member organisations/clients;
  - annual launch of Report/Bulletin at Business Seminar;
- Transformation Project Links:
  - focus on key TP sectors as part of report/summary preparation & circulation;
  - employer seminars for TP sector firms/organisations
- Media & Web Exposure
  - targeting local newspapers, radio, TV, job fairs with information about the LM study and implications for Lancashire:

Mechanism A5: Cohort Advisor Forums

Collation of LM intelligence as proposed in Mechanism A1 is the first, but perhaps not the most important, step in terms of the awareness element. Mechanism A4 addresses issues of dissemination but Mechanism A5 focuses specifically on development of a structured advisor/mentor framework designed to provide coherence and consistency to career prospects within the Lancashire economy. The Plan envisages

- formation of advisor forums for each cohort tasked to
  - prepare cohort 'prospects' report for circulation to all individuals with career guidance responsibilities for cohort;

    - advise on potential curriculum development (where relevant) in the light of cohort review;
    - advise on and develop guidance materials in the light of cohort review; and
    - prepare & deliver annual roadshow/seminars to be attended by cohort advisors;
- employers:
    - introduce HR forum from local employer base with annual seminar on local skills status/issues to be attended by cohort advisor chairs;
- Transformation Project Links:
    - all forums to include consideration of TP sectors in deliberations and preparation of guidance materials;

Mechanism A6: Training of Advisors & Mentors

Capacity to improve information flows and to aid understanding requires a coordinated programme of training for career advisors/mentors and other signposting agencies to ensure appropriate and accurate guidance can be dispensed to relevant client groups. This mechanism envisages:

- development of a training programme for careers advisors and mentors:
    - advisor forum seminars for Connexions staff, teachers, mentors, college/HE staff , JCP staff, youth workers, training providers
- provision of materials/resource packs to support the above and to assist future reference;
- maintenance of cohort advisor network through electronic communication with information and material updates as appropriate.

Mechanism A7: Curriculum Development for Key/TP Sectors

It is anticipated that a range of sectors are likely to be primary drivers of future growth within the sub-region economy. There is potential for aspects of the school curriculum and FE/HE course content to be developed through engagement with local businesses operating in such sectors. Mechanism A7 seeks to build upon this potential through:

- establishing contact and develop relations with LEA curriculum development pilot study teams and FE/HE to investigate potential for collaboration;
- examining opportunities for key local businesses to facilitate the WBL and vocational element of future curriculum design.

Awareness Action Profile

	Action	Key Partners
A1	Formation of Lancashire LMI Group & Preparation of LMI Report	LEP,LSC
A2	Employer Skills Agenda Focus	TTG, BL, CoC, LSC, Employer Organisations
A3	Employer Skills Roadshow	Employer Organisations, CoC, BL, LSC, SSCs
A4	Dissemination Strategy	LEA, Connexions, FE, HE, JCP, CoC, Employer Organisations, LSC
A5	Cohort Advisor Forum	LEA, Connexions, FE, HE, Employer Organisations, LSC
A6	Training Advisors and Mentors	LEA, Connexions, FE, HE
A7	Curriculum Development	Employers,, LEA, Connexions, FE, HE

5.6 Action Plan Element 2: Preparation

5.6.1 *The Issue*

The first Plan Element concentrates on activities and actions that promote awareness of future opportunities and structure a guidance framework to provide an appropriate interface. The second Element moves to actions that focus on helping individuals and businesses prepare for decisions regarding future career/staffing commitments.

5.6.2 *The Challenge*

The challenge to be addressed by the Plan in this area is to develop a series of actions that ensure:

- understanding of the trends, future prospects and skillsets likely to be required by local businesses within the sub-region economy;
- opportunities for ‘experiencing’ and ‘tasting’ work placement within the local employer base are available, actively pursued and passed on as appropriate within cohort groups;
- appropriate job readiness structures are in place to assist the preparation of those disengaged from the labour market; and
- specific preparatory structures are in place to address the needs of transformational project employers.

5.6.3 *Mechanisms*

The mechanisms identified through which to face the challenges defined above include:

- insertion of a formal guidance ‘period’ into all programmes supported by use of guidance materials;
- expanding work placement/taster/mentor programmes and employer interaction;
- requiring job-readiness counsellors to attend careers orientation courses;
- ensuring major employer involvement in the design and implementation of preparatory programmes as they commit to the local economy.
- customising and branding job-preparation programmes;

Mechanism B1: Guidance Periods

Despite the extent of contact between cohort groups and education/training institutions, limited time is devoted to formal discussion of the nature of the local employer base, prospects for the local economy and implications for skills. Mechanism B1 is intended to address this weakness by seeking the agreement of schools/colleges and HE institutions to formalise one guidance period devoted to such discussion, supported by materials designed under Mechanism A5.

Mechanism B2: Career Assessment Tools

Career assessment tools are slowly coming to the fore as a basis for guiding young persons towards potential career structures. Mechanism B2 proposes that consideration is given to extending such tools in a number of ways, namely referencing:

- the pattern of employment in such careers within the sub-region and nationally over recent years;
- referencing changes in the profile of skills in such careers within the sub-region and nationally over recent years;
- potential progression routes from school through to college/HE associated with such careers;
- the nature and type of organisations within the Lancashire employer base that are likely to need such careers.

There exist clear links between this proposal and the development of the Lancashire LM Resource pack

Mechanism B3: Work Placement/mentoring and employer interaction

The 'reality' of work is difficult to replicate. Work placement, taster programmes, mentor schemes, with active employer interaction, provide an invaluable preparatory resource. Mechanism B2 is intended to develop a series of complementary structures – building to some extent on EBP experience - designed to expand the range and volume of such opportunities across cohort groups. The Plan envisages:

- development of a Lancashire-wide work placement agency instantly recognisable to the local employer base as an access point for placement activity across all cohort groups;
- encouraging empowerment of those undertaking shadowing roles as communicators/champions back in the school environment;
- development of an 'employer pool', a group of employers prepared to source visits to schools to discuss career paths and opportunities; and
- development of a 'pupil pool', a group of previous pupils prepared to return to former schools to give guidance about personal experience in the world of work.

Mechanism B4: Career Orientation

In the same way that career advisors/mentors and other signposting agencies will be supported to understand the future direction of the Lancashire economy, a coordinated programme of career orientation training for job-readiness advisors will be required to ensure appropriate and accurate guidance can be dispensed to disengaged client groups. Mechanism B3 envisages that job-readiness advisors will:

- attend the careers orientation courses developed under Mechanism A5
- form part of the network, and be supported via the materials developed under, Mechanism A6.

Preparation Action Profile

	Action	Key Partners
B1	Guidance Periods	LEA, FE, HE
B2	Career Assessment Tools	Connexions, LEA, FE, Employer Organisations
B3	Work Placement/Mentoring	LSC, LEA, FE.HE, Employer Organisations, CoC, LA
B4	Career Orientation	JCP, FE, HE, Training Providers
B5	Employer/Job Readiness Interaction	Employers, FE, HE, Training Providers, LA

Mechanism B5: Employer Job Readiness Programmes

It is imperative that the employers connected to any major investment (TP related or otherwise) are engaged with job readiness programmes from an early stage. Such employers are likely to have some views on content and process and such programmes are more likely to be more effective if participants are aware of employer involvement, making that the opportunities available 'tangible'. Mechanism B5 envisages that employers will need to be engaged both prior to operation and post commencement:

- prior to operation - to 'assure' participants that:
    - 'it will happen';
    - opportunities will be available at an appropriate entry point; and
    - success will guarantee recruitment consideration.
- post commencement - to show future participants that:
    - it has happened'
    - opportunities are available at an appropriate entry point.

Major scheme developments also provide an opportunity to consider focussed, customised and branded job-readiness programmes designed in conjunction with employers. The intention behind such programmes will be to:

- achieve higher than average progression rates by linking preparatory work to a visible and attainable set of opportunities associated with development;
- ensure that life skills, literacy, numeracy and language materials used in programme reflect employer needs and standards; and
- provide a branded 'merit' award upon completion to guarantee (with agreement of operator) pre-recruitment consideration

5.7 Action Plan Element 3: Recruitment

5.7.1 *The Issue*

Every 'matching' of an employee to an employer brings with it some consideration of skills. In developing actions to assist recruitment, the Plan seeks to improve local employer access to the highest quality applicants, raising the overall skill base of the employed workforce across the sub-region.

5.7.2 *The Challenge*

The challenge to be addressed by the Plan in this area is to develop a series of actions that:

- enhance job-seeker and employer coordination in the recruitment process;
- expand graduate retention levels with the sub-region employer base;
- extend recruitment assistance in community settings for the disengaged;

- facilitate customised recruitment processes for large scale/TP investments.

5.7.3 ***Mechanisms***

Mechanisms identified through which to face the challenges defined above include:

- development of a sub-region Employer Assistance and Recruitment Network (EARN);
- badging of employers committed to training with enhanced recruitment support made available;
- introduction of coordinated/themed 'on-campus' recruitment roadshows for sub-region employer base;
- development of 'upstream' undergraduate links with employer base alongside expansion of graduate retention projects;
- development of community recruitment assistance programme; and
- development of coordinated recruitment strategies/plans for large scale/TP investments.

Mechanism C1: Employer Assistance and Recruitment Network (EARN)

Substantial investment, by bodies such as JCP, has been made in the development of electronic recruitment assistance. However, the general tendency is that few such structures cover the full range of cohort groups and/or operate in both directions – employers seeking staff and individuals seeking employers. Mechanism C1 seeks to build on experience both locally and elsewhere to develop a comprehensive network for the sub-region that:

- brings together 'registered' employers with recruitment needs and appropriate candidates at all levels;
- provides comprehensive sub-region wide coverage of colleges & universities as well as job support and placement agencies.

Mechanism C2: Promotion of JWT Employer Awards

All local labour markets contain employers that actively encourage and support staff development alongside those that show little such inclination. It is in the interest of both the sub-region and individuals that the former group are afforded enhanced recruitment assistance. Mechanism C2 proposes expansion of support for existing schemes designed to identify and validate employers committed to JWT with such employers afforded priority recruitment assistance through all of the actions contained in the Plan.

Mechanism C3: Recruitment Roadshows for Lancashire Employer Base

Roadshows and job-fairs are recognised as a means of linking college and undergraduate students with potential employers. Mechanism C3 envisages that a series of such events are organised and coordinated across the sub-region under a single 'umbrella' on behalf of Lancashire employers. The events might be general or themed along sectoral lines/interests.

Mechanism C4: Graduate Links and Retention

Enhancing graduate retention is crucial to the vision and expectations outline in the LES. A range of such projects are currently underway within the sub-region designed to improve retention rates. Mechanism C4 is intended to build upon the results of these projects by extending and improving upon the experience gained as well as developing ‘upstream’ links between undergraduates and the local employer base.

Mechanism C5: Community Recruitment

While the Plan is directed to supporting the ambitions of the LES, it recognises that attention must be paid to ensuring that inactive and disengaged cohorts are aware of, and can compete for, opportunities that match their capabilities either with or without job-readiness support. Mechanism C5 seeks to address the fact that for some elements of the cohort, opportunities for recruitment may be bypassed unless the process can be extended out into the community. The Plan envisages that the mechanism will include:

- engaging and involving community groups in the recruitment process;
- community job-readiness training and placement programmes; and
- career information ‘surgeries’ in community settings

Mechanism C6: Coordinated Recruitment Strategies/Plans

The focus on key sectors, linked to transformational projects, and the prospects of some large scale investments suggests that attention should be paid to the potential for development of coordinated recruitment strategies designed and agreed with employers. Typical contents of such strategy might include:

- customised recruitment:
    - pre-opening community training and placement programmes;
    - linking recruitment to community organisations;
    - job fairs; and
    - career information ‘surgeries’ in community settings.
- media exposure:
    - radio, local TV, print, internet, neighbourhood newsletters;
- agreement from employers with regard to a ‘target’ local community take-up of opportunities.

Recruitment Action Profile

	Action	Key Partners
C1	Employer Assistance and Recruitment Network (EARN)	JCP, Employers, FE, HE
C2	JWT Employer Awards	Employer Organisations, CoC, LSC
C3	Recruitment Roadshows	Employer Organisations, CoC, LEA, FE, HE
C4	Graduate Links & Retention	Employer Organisations, CoC, HE, LSC
C5	Community Recruitment	Community Organisations, JCP, LA
C6	Coordinated Recruitment Strategy/Plans	CoC, FE, HE, JCP, Voluntary Groups, LA

5.8 Action Plan Element 4: Training & Progression

5.8.1 *The Issue*

Analysis in previous sections of the report has show that not only is the profile of resident skills 'tilted' against emerging skills requirements within the sub-region - with insufficient higher level and an excess of unskilled workers - but there is very little evidence of progression up the skills chain to level 4 through either standard or business routes.

5.8.2 *The Challenge*

The challenge to be addressed by the Plan in this area is to develop a series of actions that:

- encourage increased participation in education and training across the sub-region;
- encourage and facilitate progression of individuals;
- encourage and facilitate progression of individuals towards achievement of level 4+ qualifications;
- expand the volume of JRT undertaken by sub-region companies;
- raise the 'level' of JRT training support pursued by sub-region companies;
- expand graduate retention levels within the sub-region employer base;
- encourage focus of training provision towards future needs of the sub-region economy; and
- develop customised training strategies for key and/or large-scale TP investments.

5.8.3 *Mechanisms*

Mechanisms identified through which to face the challenges defined above include:

Mechanism D1: Embedding Learning Entitlement Action and Delivery (LEAD) Groups

A number of LEAD groups have been established across the sub-region to promote accessible and flexible learning opportunities for young people. The groups are, as yet, at an early stage of development with some degree of funding uncertainty attached, but Mechanism D1 envisages that something akin to the groups are sustained throughout the timeline of the Plan.

Mechanism D2: Curriculum Development Forum

Curriculum development is identified as an important aspect of the preparatory process within the cohort advisor structures outlined in Mechanism A5. Mechanism D2 focuses more specifically on provision of support for activities that link education and employment. It envisages that a forum is established with representation from the 16-19 cohort advisor forum and employers to review existing arrangements and to provide recommendations for enhancing links.

Mechanism D3: Addressing JWOT Volumes

As outlined in Mechanism C2, it is in the interest of both the sub-region and individuals that the volume of employers offering no training be reduced, especially in the context of young people. Mechanism D3 envisages working with Connexions to evaluate their JWOT Pilot and integrating the programme within the wider strategy if results are positive.

Mechanism D4: Community Assisted Targeting

Some segments of the resident population exhibit low stay-on or participation in education & training. Mechanism D4 seeks to deal with this issue by providing signposting support and assistance for community organisations that seek to develop capacity to reach out and to provide guidance on opportunities for re-entry into the mainstream.

Mechanism D5: Integration and Marketing of 'Core' Schemes

There exists a range of schemes - eg WBL, Skills for Life – for which funding is available to support training. Such schemes can often be set to one side due to their mainstream and centralised nature. Mechanism D5 envisages that these schemes should be viewed as an integral part of the Training element and that every effort should be afforded to integrate them with other mechanisms proposed.

Mechanism D6: Expansion and Marketing of 'Feeder' Routes

Knowledge of the progression routes available from school through to higher-level qualifications can be weak and can act as a barrier to exploration of options among individuals. Mechanism D6 is intended address this deficiency in a number of ways:

- publicising the progression routes available for pursuit of a range of career structures (consistent with proposals in Mechanism B2);
- strengthening/promoting of 'feeder' links within the school/college/HE network within the sub-region; and
- drawing attention to and promoting the opportunities afforded via Foundation Degree options.

Mechanism D7: Introduction of a 'First Level' Group

The evidence of limited skills progression across the sub-region calls for a fundamental rethink of structures suited to raising progression opportunities. Mechanism D7 call for the introduction of a 'First Level Group' tasked – on a one-off basis - to identify and advance the broadening of opportunities for achievement of level 2, 3 and 4 qualifications for those unable to pursue conventional study routes or those with limited formal qualifications as well as facilitate progression between levels. It is anticipated that the groups will establish close liaison with the TTG programme.

Mechanism D8: CoVE Development

The sub-region contains a relatively large CoVE network with coverage of many of the sectors identified of future importance to the LES. Although upgrading of the general CoVE structure is to take place, their role in encouraging collaboration among providers, promoting excellence in vocational specialisms and increasing employer/provider engagement means that the network provides a vehicle through which to focus efforts to expand volume and progression in sectors of importance to the LES. Mechanism D8 seeks to build upon the Cove network to:

- extend the volume of level 3 qualifications delivered;
- encourage progression with routings to foundation degree and other appropriate higher level structures;
- ensure coverage is consistent with the key sectors identified in the LES.

Mechanism D9: College Collaboration and Focus

There are inevitable tensions between the commercial imperatives of training intermediaries and 1) provision of smaller volume, higher unit cost support that is often associated with higher value added activity 2) risks associated with directing support towards the perceived needs of the local economy. Nowhere is this more evident than in the 16-19 sector where focus on servicing localised demand, and operating in relative isolation, constrains overall capacity to innovate and ability to 'pool' development risk. Mechanism D9 seeks to address this deficiency by proposing increased collaboration between colleges within the sub-region. Options here include:

- assigning 'lead' colleges, based on recognition of existing CoVE specialisms[10] , to:
    - act as coordinators for strategic initiatives designed to support key industries across the sub-region and liase with the Training Alliances (Mechanism D13);
    - service a planning group that has representation from all colleges in the sub-region sustaining provision in the relevant specialism;
    - take responsibility for liaison, and act as the face of the sector, with external bodies.
- institution of a Skills Strategy Group comprised of college principals tasked to:
    - review the nature and volume of overall provision relative to perceived strategy needs along with spatial balance within the sub-region;
    - consider options for 'risk pooling' of new initiatives;
    - drive the role and significance of the sector contribution to the LES process.

Recent development of the Lancashire Colleges Consortium may provide a early starting point for some of the elements.

Mechanism D10: Rapid Reaction Service

One of the common issues raised by business in the inability of institutions to respond rapidly to a predefined need – even in instances where full costs will be sourced. Mechanism D10 envisages establishment of a rapid reaction service, based in an

[10] This applies also to organisations such as Training 2000 ltd which has CoVE designation for Engineering Manufacture and Maintenance and Automotive Heavy Vehicle Maintenance and Repair.

employer training hub, that will be tasked to respond to defined employer training needs by:

- assembling a team capable of dealing with employer requests and providing an appropriate costing within a defined time-period;
- signposting employers to providers in the event that local capability does not exist.

It is envisaged that this service will operate across the FE/HE sector as a whole so that while response team members are most likely to be located as close to the employer as possible, the capacity of the FE/HE sectors as whole are harnessed, minimising difficulties due to prior/other commitments.

It is also intended that Hub activity will investigate opportunities to build momentum in the case of addressing training needs with insufficient initial volume to cover resource costing by working with similar activity employers to enhance volume.

Mechanism D11: HE Provision in East Lancashire

Discussions are currently underway with regard to the provision of HE support in East Lancashire. Addition of level 4 institutions, encouraging access to higher level skills and establishing links with local companies is fully consistent with the objectives of the skills strategy and the LES. Mechanism D11 includes support for progression of discussions with HEFCE.

Mechanism D12: Encouraging HE Participation

Mechanism C4 focuses on graduate retention in the light of challenges facing the sub-region. At the same time, new arrangements for HE student finance - applying for a place and then securing funding is – is severely complicating the decision-making process. There is some evidence of deterrent effects and constraints on choice ('debt aversion' winning out over the concept of the 'graduate premium'). Mechanism D12 envisages that LAs, working in partnerships with schools and colleges, continue with efforts to support increased and *widened* participation by further developing locally available IAG services. Such services should be developed in conjunction with the roll-out of 'integrated IAG' as envisaged through Youth matters.

Mechanism D13: Coordination with and Building on TTG Opportunities

Introduction of the Train to Gain (TTG) service opens a new chapter in terms of interfacing with the employer base. While the brokerage service is independent, it will be important to ensure that the service is viewed as complementary to the ambitions and objectives of the skills strategy and that areas of mutual benefit are explored. Mechanism D12 envisages that action will be undertaken locally to ensure that:

- the brokerage service is aware of, and understands, the work undertaken within the skills strategy to upgrade local skills;
- discussions are explored into protocols which serve to 'integrate' TTG into complementary activities within the skills strategy without compromising impartiality of the service;

Training & Progression Action Profile

	Action	Key Partners
D1	Embedding LEAD Groups	LSC, LEA, LEP,
D2	Curriculum Development Forum	LEA, Employers, Cohort Advisors
D3	Addressing JWOT Volumes	Connexions, LSC
D4	Community Assisted Targeting	Community Organisations, LA/LEA, FE
D5	Integration & Marketing of Core Schemes	LSC, BL
D6	Expansion & Marketing of Feeder Routes	LEA, FE, HE, Connexions, LSC
D7	First Level Groups	FE, HE, Community Organisations, LSC
D8	CoVE Development	FE, LSC
D9	College Collaboration & Focus	FE, LSC, LEP
D10	Rapid Reaction Service	FE, HE
D11	HE Provision in East Lancashire	HE, LSC
D12	Encouraging HE Participation	LA, FE, HE
D13	TTG Coordination	BL, LSC
D14	‘Risk-Share’ Feasibility Study	LSC, LEP
D15	TP Training Alliances	FE, HE, Training Providers, JCP

- consideration is given to building on the roll-out of TTG to heighten awareness of skills issues and broadening opportunities for skills development among the local employer base;

Mechanism D14: Level 4 'Risk-Share' Feasibility Study

There are many barriers to employer supported training. At the forefront of these is the balance between funding and risk - employers fear poaching and wasted funding, individuals want employers to pay as the firm benefits. While TTG offers opportunities to overcome elements of this conundrum at level 2 and possibly level 3, level 4 support will be limited – yet level 4 training is relatively expensive. Mechanism D13 seeks to address this issue by testing the feasibility of introducing an employer/employee 'pooling' scheme that allows both parties to share costs and risks of level 4 support.

Mechanism D14: Establishing key TP Training Alliances

A variety of organisations and bodies are available to assist employers address their requirements and deliver training. There is merit in attempting to coordinate such bodies for reasons of expediency and efficiency and to provide employers with a convenient and simple interface. Mechanism D14 envisages the establishment of Training Alliances (TAs) designed to provide supply-side drive to match employer ambitions and that this be tasked to:

- bring local training organisations together to coordinate the training 'offer';
- set out strengths and capacity
- work with employers to refine needs; and
- deliver training (as appropriate) to employer standards and requirements

5.9 Delivery and Implementation Arrangements

The strategy, as outlined, represents the framework within which partners will seek to support development of the sub-region skillbase and thereby support the ambition of the LES and CRDP to address relative economic underperformance compared to other parts of the UK. This sub-section focuses on envisaged arrangements for delivery and implementation of the Action Plan.

5.9.1 *Delivery Context*

The skills strategy is set in a policy arena characterised by a range of agencies and policies with differing remits, aims, spatial focus and funding structures. Overlaying a new strategy onto an already complex policy environment requires that careful consideration is given to the delivery framework. In particular, it is imperative that the delivery framework achieve a series of key delivery objectives, namely:

- operating to add value through improved cooperation, coordination and integration of existing agencies and partnerships/programmes;
- merging new structures with existing activities to promote coherence and synergy;
- avoiding duplication and replication;

- observing the principle of flexibility;
- showing and retaining commitment to the existing obligations and commitments of partner agencies; and
- introducing a new 'dynamic' into the organisation and delivery of skills development within the sub-region.

Alongside these objectives, it is evident that an ever-evolving policy landscape requires that any delivery structure must:

- review the relevance, enhance actions and/or modify the ambitions and direction of the original strategy in the light of changing circumstances;
- ensure appropriate and efficient communication of strategy direction and performance both vertically and horizontally at all levels;
- engage and inform existing and 'new' funding partners with regard to strategy progress and performance;
- assess and seek to improve the efficiency and effectiveness of delivery arrangements; and
- monitor progress of the Action Plan against targets.

Finally, delivery structures must, at an everyday level:

- allow effective operating relationships between agencies operating at spatial different levels - with particular reference and fit to Regional Skills Partnership and SSC objectives;
- engage with existing policy infrastructure, administration and partnership arrangements; and
- deliver effective management and accountability.

5.9.2 *Organisation and Delivery Arrangements*

Complex policy arenas - multiple agencies, remits and funding - invariably constrain integration and increase risk of degree of network fragmentation. On the other hand, integration and coordination lies at the heart of the skills strategy and it is clear that <u>little progress is likely to be made in the absence of:</u>

- some form of coordinating structure with responsibility for oversight and implementation of the Action Plan; and
- a delivery framework that is sympathetic to the variation in skills status and development capacity across the sub-region;

In the light of such considerations, the basis of the proposed delivery infrastructure is that:

- a Strategy Body (SB) – evolved from the current LSET and reporting to the LEP - is introduced to oversee delivery of the Lancashire Skills Strategy;
    - composition of the SB will consist of representation from key bodies/agencies that operate to deliver skills policy or policies

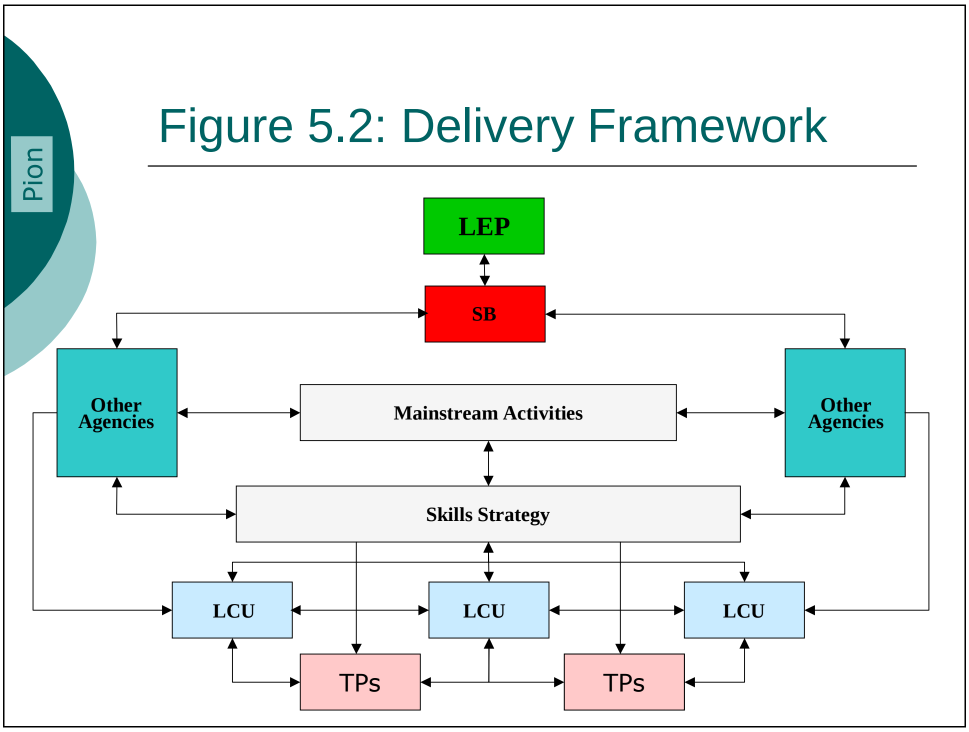
complementary to skills development in the sub-regional along with employer representation and CoC;

- relevant agencies will, in conjunction with the SB and within the parameters of their operating remit, seek to adapt plans, programmes and activities to maximise contribution to skills strategy objectives;
- ensures coordination and coherence with LP and LSP activities;
- implementation of the strategy will be coordinated within the sub-region by a series of Local Coordinating Units (LCU) in the form of existing groups of agencies and providers (where they exist) working to pursue the actions contained within the Action Plan.

It is envisaged that:

- the SB should:
    - meet a minimum of three times per annum;
    - have neither executive powers nor a resource allocation role unless accorded such capacity in specific circumstances by LEP;
    - oversee progression and delivery of the Plan;
    - act as an advisory body to LEP in:
        - matters of Plan delivery that may consequently impact on resource allocation decisions taken by the LEP/Funding agencies;
        - reviewing the relevance, enhancing actions and/or modifying the ambitions and direction of the original strategy in the light of changing circumstances; and
        - responding to wider proposed activities/policies that may influence skills development prospects within the sub-region;
    - aim to become the primary mechanism for promoting future coordination and integration of skills development activities;
- LCU's should
    - pursue 'on-the-ground' integration of activities consistent with and complementary to the skills strategy;
    - provide local leadership as well as a tangible, localised forum for discussion of strategy delivery issues by partners and agencies;
    - ensure that community and local business representatives have, and are aware of, mechanisms for advocacy and participation;
    - facilitate a process of coordination and planning that is suited to the differing circumstances of sub-areas;
    - provide reports of local progress to the SB in line with a schedule determined by the SB;

- be serviced and lead by organisations that are both active in strategy delivery and are represented across the geography of the sub-region.



5.10 Overview

The Plan developed in his section sits upon a range of materials reviewed and gathered with regard to recent patterns and future trends in the Lancashire labour market and from discussions with local bodies and intermediaries as to scope for assistance through current and future planning.

The genesis of the Plan lies in recognising the challenges implicit in bringing together supply-side capability and demand side requirements in the context of an evolving economic and policy environment. It is based on four key elements that lie behind effective intervention - awareness, preparation, recruitment and training & career progression. Each of these elements prompts a series of proposed mechanisms for intervention designed to combat challenges and which are manifested in accompanying actions.

Annex A

Table A.1: Lancashire Industry Employment Change - 000s (1996-2006)							
Sector	**1996 Employment(000s)**	**20066 Employment(000s)**	**1996-2006 (000s)**	**Sector**	**1996 Employment(000s)**	**20066 Employment(000s)**	**1996-2006 (000s)**
Health & Social Work	69.1	82.8	13.7	Water Transport	0.1	0.1	-0.1
Construction	33.5	45.9	12.4	Air Transport	0.2	0.1	-0.1
Education	49.9	60.1	10.2	Metal Goods	10.2	10.0	-0.2
Prof. Services	24.9	34.8	9.9	Other Mining	0.4	0.2	-0.2
Computing Services	4.0	11.1	7.0	Pharmaceuticals	1.3	1.0	-0.3
Other Bus. Services	22.7	28.8	6.0	Manuf. Fuels	2.1	1.8	-0.4
Retailing	61.7	67.0	5.3	Elec. Eng. & Instrum.	7.2	6.8	-0.4
Oth. Transp. Equip.	12.7	17.6	4.9	Water Supply	0.8	0.2	-0.7
Misc. Services	35.2	38.8	3.6	Chemicals nes	6.5	5.8	-0.7
Land Transport etc	20.6	23.4	2.8	Gas Supply	0.9	0.1	-0.8
Distribution	42.3	44.7	2.4	Electronics	2.8	1.9	-1.0
Hotels & Catering	43.8	46.1	2.3	Banking & Finance	11.2	10.3	-1.0
Manuf. nes	8.1	9.5	1.5	Non-Met. Min. Prods.	3.4	2.3	-1.1
Printing & Publishing	6.1	7.3	1.2	Insurance	3.3	1.9	-1.4
Electricity	0.7	1.4	0.7	Rubber & Plastics	9.9	7.4	-2.5
Public Admin. & Def.	39.9	40.5	0.6	Motor Vehicles	7.9	5.3	-2.6
Oil & Gas etc	0.0	0.5	0.5	Agriculture etc	11.6	8.2	-3.3
Communications	9.8	10.1	0.3	Mech. Engineering	10.8	6.9	-3.9
Food Drink & Tob.	12.5	12.8	0.3	Wood & Paper	11.4	6.5	-4.9
Coal	0.0	0.0	-0.0	Text. Cloth. & Leath	18.6	10.5	-8.1
Basic Metals	1.2	1.1	-0.1	Total	619.1	671.2	52.0

Source: Cambridge Econometrics

Table A.2: Lancashire Industry Sector Skill Profiles 2004 (%) ** - excluded due to very small sample size						
North West	**4+**	**3**	**2**	**1**	**0**	**Total**
Agriculture etc	**	**	**	**	**	**
Mining/Quarrying	**	**	**	**	**	**
Manufacturing	30.0	17.8	12.8	23.8	15.6	100
Utilities	**	**	**	**	**	**
Construction	20.0	32.4	11.6	20.5	15.5	100
Wholesale/Retail Dist	12.2	17.5	25.3	26.0	19.1	100
Hotels & Catering	9.5	16.6	31.7	27.0	15.1	100
Transport/Communications	14.8	18.7	13.2	35.7	17.6	100
Financial Intermediation	27.0	33.3	19.8	16.1	3.8	100
Business Services	45.1	15.9	15.3	15.8	7.8	100
Public Administration	34.6	18.6	27.7	13.9	5.1	100
Education	59.7	12.1	7.9	14.9	5.4	100
Health/Social Work	42.2	11.4	13.9	24.6	7.9	100
Other Services	27.0	16.1	19.4	23.0	14.5	100
Total	25.4	16.6	17.8	22.7	17.5	100

*** - excluded due to very small sample size* *Source: Pion Economics(APS Based)*

Table A.3: Lancashire Major Occupational Skill Profiles (%)						
North West	**4+**	**3**	**2**	**1**	**0**	**Total**
Managers	41.1	18.5	16.1	18.0	6.3	100
Professional	86.3	7.0	2.5	4.0	0.2	100
Associate Professional & Technical	51.6	15.8	14.6	12.3	5.7	100
Administrative, Clerical, Secretarial	15.9	18.6	27.7	30.0	7.9	100
Skilled Trades	13.1	34.1	18.1	21.4	13.3	100
Personal Service	20.1	20.5	20.8	28.5	10.0	100
Sales & Customer Service	6.7	19.0	31.9	23.3	19.1	100
Process, Plant, Machine Operatives	6.1	12.0	9.5	41.6	30.9	100
Elementary	7.2	13.6	21.2	29.6	28.3	100
Total	25.4	16.6	17.8	22.7	17.5	100

Source: Pion Economics (APS Based) (2004)

Table A.4: Lancashire SIC/SOC Profiles (%)										
	Managers	**Professionals**	**Associate Prof**	**Admin &Clerical**	**Skilled Trades**	**Personal Service**	**Sales**	**Process Operatives**	**Elementary**	**Total**
Agriculture etc	**	**	**	**	**	**	**	**	**	**
Mining & Quarrying	**	**	**	**	**	**	**	**	**	**
Manufacturing	18.5	9.4	9.1	7.5	21.0	0.2	1.9	22.5	9.8	100
Utilities	**	**	**	**	**	**	**	**	**	**
Construction	11.8	8.8	1.5	10.3	52.8	0.0	0.7	8.4	5.7	100
Wholesale, Retail	24.1	1.0	3.8	7.0	10.5	0.0	38.8	5.3	9.6	100
Hotels & Restaurant	26.5	0.0	0.4	4.4	17.0	2.9	3.9	0.5	44.3	100
Transport, storage	14.0	1.5	3.3	9.5	4.9	6.2	4.8	35.3	20.6	100
Finance	26.1	1.1	18.4	38.5	0.0	0.0	13.4	0.0	2.6	100
Business Services	19.4	22.3	16.9	16.1	2.9	2.1	4.6	1.9	13.8	100
Public Admin	9.2	5.0	34.9	44.2	1.0	2.1	0.6	0.5	2.5	100
Education	2.3	49.0	6.3	9.1	0.8	22.5	0.0	0.8	9.1	100
Health/Social Work	4.8	10.7	25.2	11.2	2.5	40.1	0.0	0.4	5.1	100
Other Services	15.7	7.4	19.2	14.7	2.6	15.1	3.9	5.2	16.2	100
Total	15.1	10.8	12.6	13.5	11.9	8.9	8.1	7.9	11.4	100

*** - excluded due to very small sample size* *Source: Pion Economics (APS 2004)*

Figure A.1: Change in North West Employment by Occupation 1996-2006

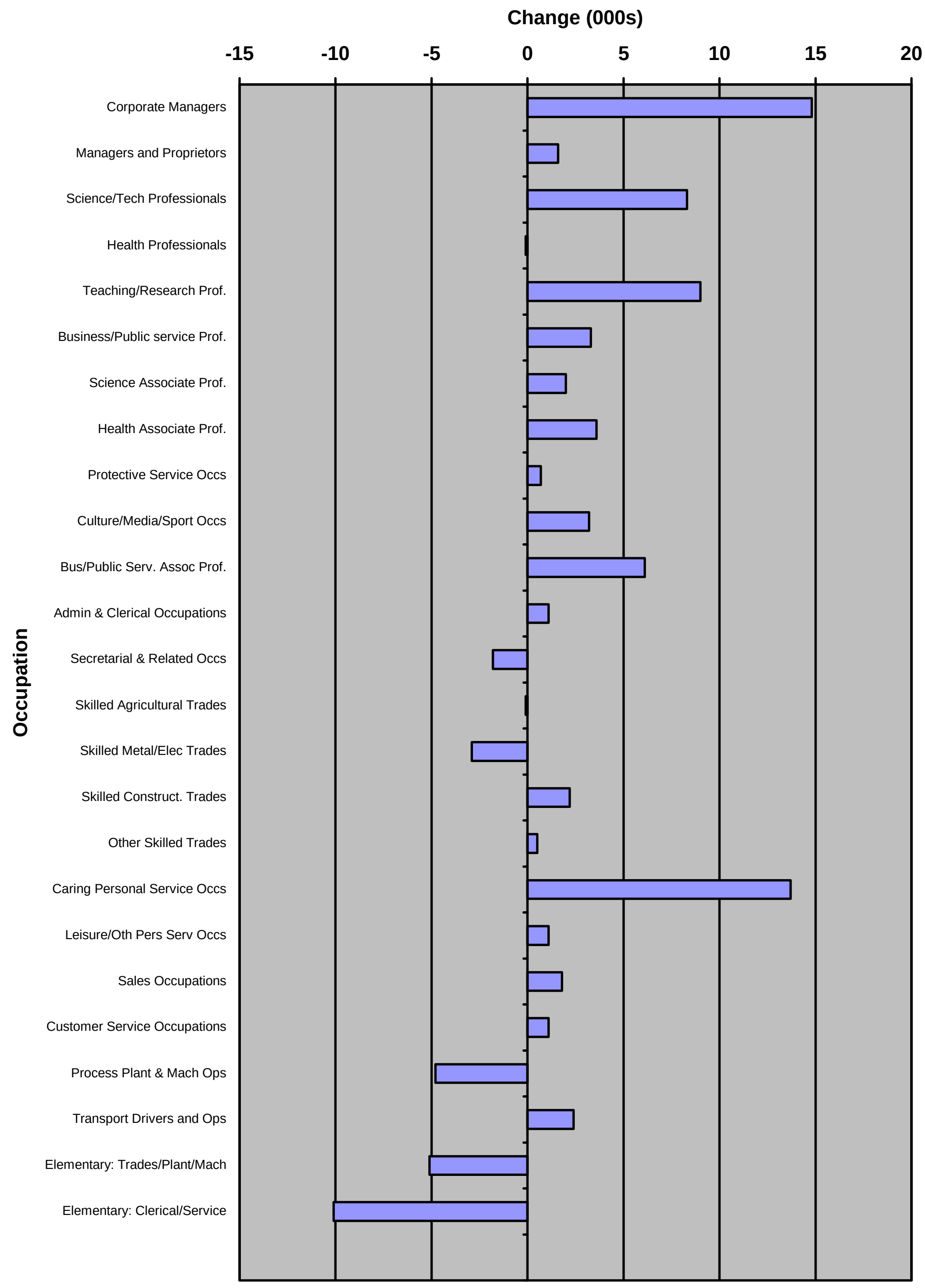


Figure A.2: Skill Trends by Occupation (England 1994-2004)

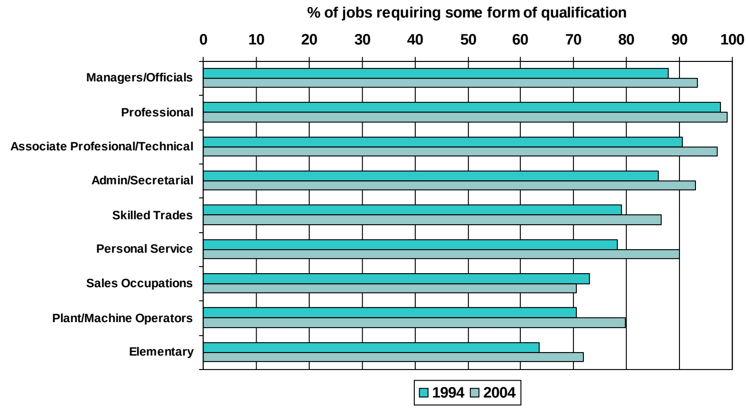
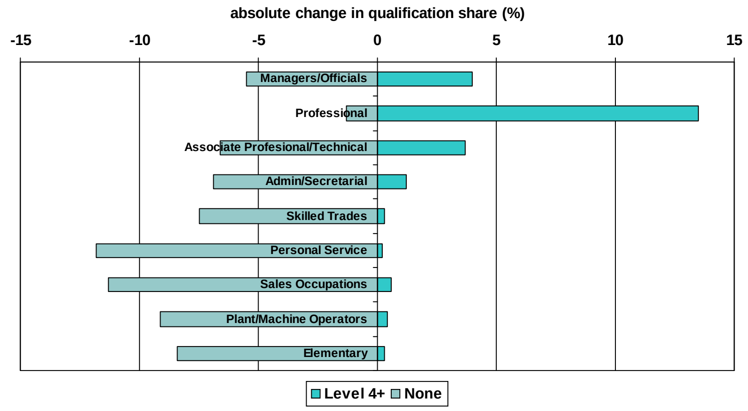


Figure A.3: Skill Trends by Occupation (England 1994-2004)



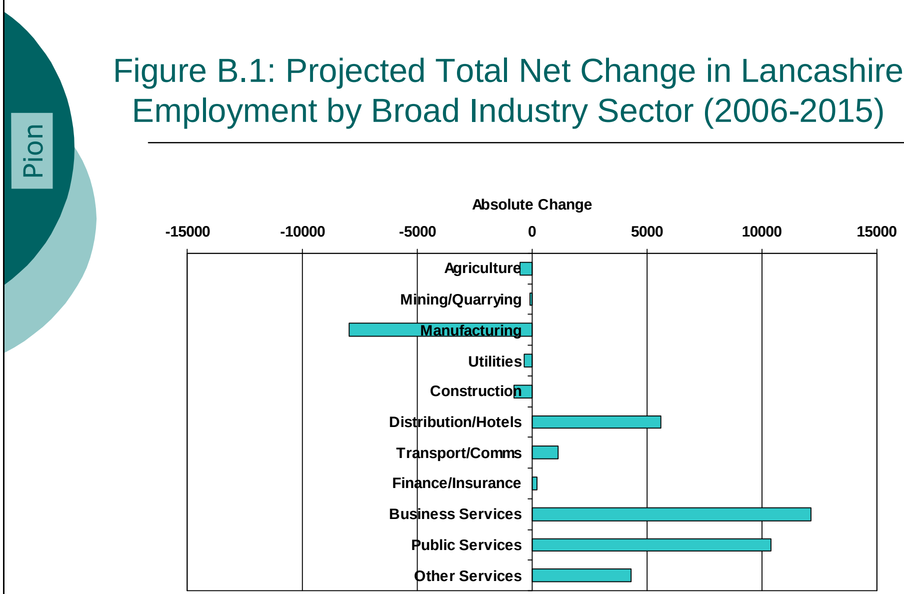
Annex B

Table B1: Projected Lancashire Industry Employment Change (2006-15)

Sector	2006 Employment(000s)	% Share	2006-2015 (000s)	Sector	2006 Employment(000s)	% Share	2006-2015 (000s)
Health & Social Work	82.8	12.3	7.8	Oil & Gas etc	0.5	0.1	-0.0
Computing Services	11.1	1.6	5.4	Water Supply	0.2	0.0	-0.1
Misc. Services	38.8	5.8	4.3	Pharmaceuticals	1.0	0.1	-0.1
Other Bus. Services	28.8	4.3	4.2	Land Transport etc	23.4	3.5	-0.1
Retailing	67.0	10.0	2.8	Basic Metals	1.1	0.2	-0.1
Prof. Services	34.8	5.2	2.5	Mech. Engineering	6.9	1.0	-0.1
Hotels & Catering	46.1	6.9	2.0	Electronics	1.9	0.3	-0.2
Education	60.1	9.0	1.9	Elec. Eng. & Instrum.	6.8	1.0	-0.2
Oth. Transp. Equip.	17.6	2.6	1.3	Electricity	1.4	0.2	-0.3
Communications	10.1	1.5	1.2	Metal Goods	10.0	1.5	-0.3
Distribution	44.7	6.7	0.8	Printing & Publishing	7.3	1.1	-0.4
Public Admin. & Def.	40.5	6.0	0.8	Non-Met. Min. Prods.	2.3	0.3	-0.4
Insurance	1.9	0.3	0.2	Motor Vehicles	5.3	0.8	-0.4
Manuf. nes	9.5	1.4	0.1	Agriculture etc	8.2	1.2	-0.5
Manuf. Fuels	1.8	0.3	0.0	Food Drink & Tob.	12.8	1.9	-0.7
Air Transport	0.1	0.0	0.0	Construction	45.9	6.8	-0.8
Water Transport	0.1	0.0	0.0	Chemicals nes	5.8	0.9	-1.3
Coal	0.0	0.0	-0.0	Rubber & Plastics	7.4	1.1	-1.4
Banking & Finance	10.3	1.5	-0.0	Text. Cloth. & Leath	10.5	1.6	-2.0
Other Mining	0.2	0.0	-0.0	Wood & Paper	6.5	1.0	-2.0
Gas Supply	0.1	0.0	-0.0	Total	671.2	100.0	24.1

Source: Cambridge Econometrics

Figure B.1: Projected Total Net Change in Lancashire Employment by Broad Industry Sector (2006-2015)



Source: Cambridge Econometrics

Figure B.2: Projected Change in Lancashire Employment by Occupation 2006-2015

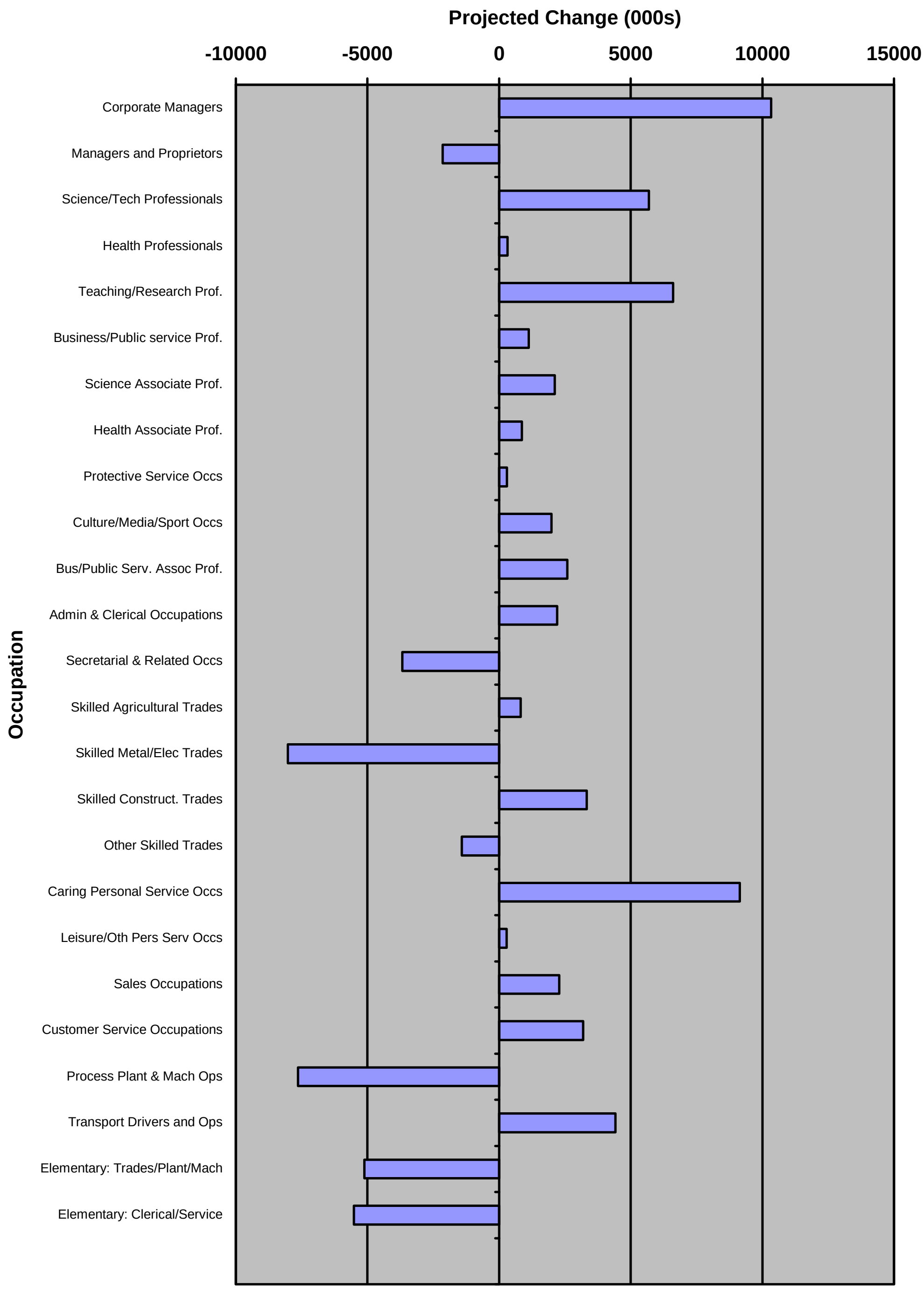


Table B.2: Expansion and Replacement Demand Projections 2006-2015 (000s)			
	Total Expansion	**Total Replacement**	**Total Change**
Agriculture etc	-0.5	2.6	2.1
Coal	0.0	0.0	0.0
Oil & Gas etc	-0.0	0.1	0.1
Other Mining	-0.0	0.0	0.0
Food Drink & Tob.	-0.7	3.4	2.8
Text. Cloth. & Leath	-2.0	2.8	0.9
Wood & Paper	-2.0	1.8	-0.2
Printing & Publishing	-0.4	2.0	1.6
Manuf. Fuels	0.0	0.5	0.5
Pharmaceuticals	-0.1	0.3	0.2
Chemicals nes	-1.3	1.6	0.3
Rubber & Plastics	-1.4	2.0	0.7
Non-Met. Min. Prods.	-0.4	0.6	0.2
Basic Metals	-0.1	0.3	0.2
Metal Goods	-0.3	2.7	2.4
Mech. Engineering	-0.1	1.9	1.7
Electronics	-0.2	0.5	0.3
Elec. Eng. & Instrum.	-0.2	1.8	1.7
Motor Vehicles	-0.4	1.4	1.0
Oth. Transp. Equip.	1.3	4.8	6.1
Manuf. nes	0.1	2.6	2.7
Electricity	-0.3	0.4	0.2
Gas Supply	-0.0	0.0	0.0
Water Supply	-0.1	0.0	-0.0
Construction	-0.8	14.3	13.5
Distribution	0.8	13.2	14.0
Retailing	2.8	19.7	22.5
Hotels & Catering	2.0	10.7	12.7
Land Transport etc	-0.1	6.4	6.4
Water Transport	0.0	0.0	0.0
Air Transport	0.0	0.0	0.0
Communications	1.2	2.8	4.0
Banking & Finance	-0.0	3.2	3.2
Insurance	0.2	0.6	0.8
Computing Services	5.4	3.4	8.8
Prof. Services	2.5	10.6	13.1
Other Bus. Services	4.2	8.7	12.9
Public Admin. & Def.	0.8	12.4	13.2
Education	1.9	20.4	22.3
Health & Social Work	7.8	23.1	30.9
Misc. Services	4.3	11.1	15.4
Total	24.1	195.0	219.1

TableB.3: Projected Skill Composition of Expansion Demand 2006-15 (000s)					
Sector	**NVQ4+**	**NVQ3**	**NVQ2**	**<NVQ2**	**Total**
Agriculture etc	-0.0	-0.0	-0.1	-0.3	-0.5
Coal	0.0	0.0	0.0	0.0	0.0
Oil & Gas etc	-0.1	-0.0	-0.0	0.0	-0.0
Other Mining	-0.0	-0.0	-0.0	0.0	-0.0
Food Drink & Tob.	0.1	-0.0	-0.1	-0.6	-0.7
Text. Cloth. & Leath	-0.3	-0.2	-0.4	-1.1	-2.0
Wood & Paper	-0.3	-0.2	-0.4	-1.0	-2.0
Printing & Publishing	0.1	-0.0	-0.1	-0.3	-0.4
Manuf. Fuels	0.0	0.0	0.0	-0.0	0.0
Pharmaceuticals	0.0	-0.0	-0.0	-0.1	-0.1
Chemicals nes	-0.2	-0.1	-0.3	-0.7	-1.3
Rubber & Plastics	-0.2	-0.1	-0.3	-0.8	-1.4
Non-Met. Min. Prods.	-0.1	-0.0	-0.1	-0.2	-0.4
Basic Metals	0.0	-0.0	-0.0	-0.1	-0.1
Metal Goods	0.1	0.0	-0.1	-0.4	-0.3
Mech. Engineering	0.1	0.0	-0.0	-0.2	-0.1
Electronics	0.0	-0.0	-0.0	-0.1	-0.2
Elec. Eng. & Instrum.	0.1	0.0	-0.0	-0.2	-0.2
Motor Vehicles	0.0	-0.0	-0.1	-0.3	-0.4
Oth. Transp. Equip.	0.7	0.2	0.3	0.1	1.3
Manuf. nes	0.2	0.1	0.0	-0.2	0.1
Electricity	-0.1	-0.0	-0.1	-0.1	-0.3
Gas Supply	-0.0	-0.0	-0.0	-0.0	-0.0
Water Supply	-0.0	-0.0	-0.0	-0.0	-0.1
Construction	-0.1	-0.0	-0.3	-0.4	-0.8
Distribution	0.4	0.2	0.3	-0.1	0.8
Retailing	0.9	0.4	0.8	0.7	2.8
Hotels & Catering	0.4	0.2	0.5	0.9	2.0
Land Transport etc	0.1	0.1	-0.1	-0.2	-0.1
Water Transport	0.0	0.0	0.0	-0.0	0.0
Air Transport	0.0	0.0	0.0	0.0	0.0
Communications	0.3	0.2	0.2	0.4	1.2
Banking & Finance	-0.0	-0.0	-0.0	0.1	-0.0
Insurance	0.1	0.0	0.1	0.1	0.2
Computing Services	2.0	0.7	1.2	1.5	5.4
Prof. Services	1.5	0.4	0.5	0.2	2.5
Other Bus. Services	1.9	0.6	0.9	0.8	4.2
Public Admin. & Def.	0.5	0.1	0.2	0.0	0.8
Education	2.1	0.0	-0.0	-0.2	1.9
Health & Social Work	1.8	1.1	2.0	2.9	7.8
Misc. Services	1.2	0.6	1.0	1.5	4.3
Total	13.3	4.1	5.4	1.2	24.1

Source: Pion Economics/Cambridge Econometrics

TableB4: Projected Skill Composition of Replacement Demand 2006-15 (000s)					
Sector	**NVQ4+**	**NVQ3**	**NVQ2**	**<NVQ2**	**Total**
Agriculture etc	0.2	0.2	0.6	1.6	2.6
Coal	0.0	0.0	0.0	0.0	0.0
Oil & Gas etc	0.0	0.0	0.0	0.1	0.1
Other Mining	0.0	0.0	0.0	0.0	0.0
Food Drink & Tob.	0.9	0.4	0.8	1.4	3.4
Text. Cloth. & Leath	0.8	0.3	0.6	1.1	2.8
Wood & Paper	0.5	0.2	0.4	0.7	1.8
Printing & Publishing	0.5	0.2	0.4	0.8	2.0
Manuf. Fuels	0.1	0.1	0.1	0.2	0.5
Pharmaceuticals	0.1	0.0	0.1	0.1	0.3
Chemicals nes	0.4	0.2	0.4	0.6	1.6
Rubber & Plastics	0.5	0.2	0.4	0.8	2.0
Non-Met. Min. Prods.	0.2	0.1	0.1	0.2	0.6
Basic Metals	0.1	0.0	0.1	0.1	0.3
Metal Goods	0.7	0.3	0.6	1.1	2.7
Mech. Engineering	0.5	0.2	0.4	0.7	1.9
Electronics	0.1	0.1	0.1	0.2	0.5
Elec. Eng. & Instrum.	0.5	0.2	0.4	0.7	1.8
Motor Vehicles	0.4	0.2	0.3	0.6	1.4
Oth. Transp. Equip.	1.3	0.5	1.0	1.9	4.8
Manuf. nes	0.7	0.3	0.6	1.0	2.6
Electricity	0.2	0.1	0.1	0.1	0.4
Gas Supply	0.0	0.0	0.0	0.0	0.0
Water Supply	0.0	0.0	0.0	0.0	0.0
Construction	2.9	1.4	2.8	7.1	14.3
Distribution	2.8	1.5	3.4	5.4	13.2
Retailing	4.0	2.3	5.2	8.2	19.7
Hotels & Catering	1.3	1.0	2.5	5.9	10.7
Land Transport etc	1.5	0.9	1.4	2.6	6.4
Water Transport	0.0	0.0	0.0	0.0	0.0
Air Transport	0.0	0.0	0.0	0.0	0.0
Communications	0.7	0.4	0.6	1.1	2.8
Banking & Finance	0.9	0.4	0.9	0.9	3.2
Insurance	0.2	0.1	0.2	0.2	0.6
Computing Services	1.3	0.4	0.8	0.9	3.4
Prof. Services	4.0	1.3	2.4	2.9	10.6
Other Bus. Services	3.3	1.0	2.0	2.4	8.7
Public Admin. & Def.	3.5	1.5	3.9	3.5	12.4
Education	13.2	1.2	2.3	3.7	20.4
Health & Social Work	6.7	2.6	5.5	8.2	23.1
Misc. Services	2.4	1.3	2.7	4.6	11.1
Total	57.7	21.0	44.3	72.0	195.0

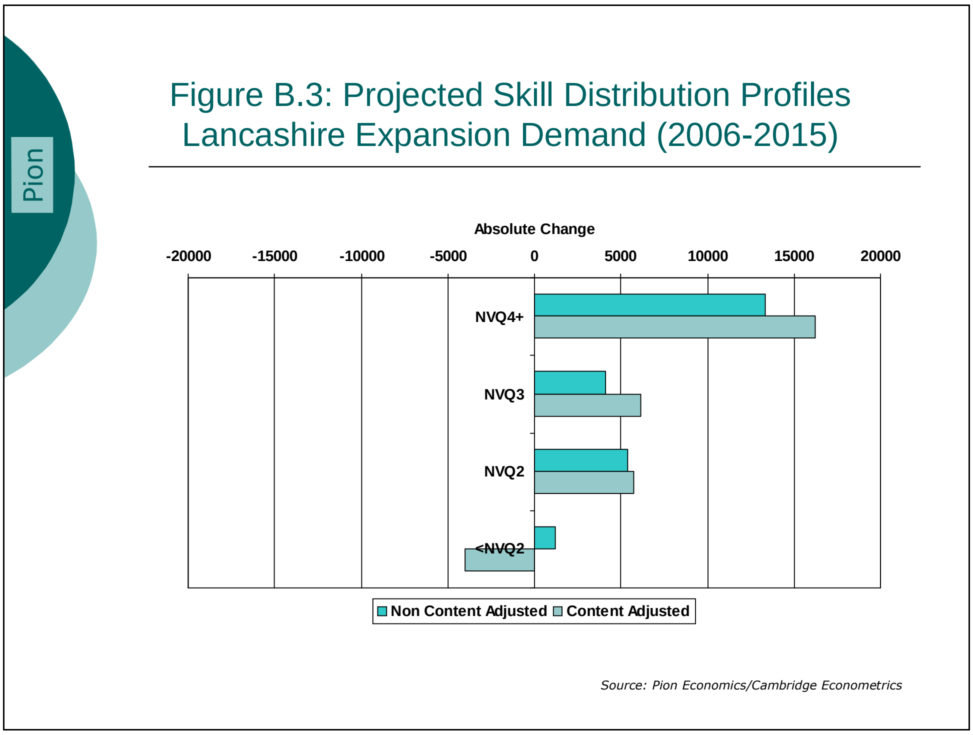
Source: Pion Economics/Cambridge Econometrics

Table B.5: Combined Skill Demand Projections 2006-15 (000s)					
	NVQ4+	**NVQ3**	**NVQ2**	**<NVQ2**	**Total**
Agriculture etc	0.2	0.2	0.5	1.2	2.1
Coal	0.0	0.0	0.0	0.0	0.0
Oil & Gas etc	-0.0	-0.0	0.0	0.1	0.1
Other Mining	-0.0	-0.0	0.0	0.0	0.0
Food Drink & Tob.	1.0	0.4	0.6	0.7	2.8
Text. Cloth. & Leath	0.5	0.1	0.2	0.0	0.9
Wood & Paper	0.1	0.0	-0.0	-0.3	-0.2
Printing & Publishing	0.6	0.2	0.4	0.4	1.6
Manuf. Fuels	0.2	0.1	0.1	0.2	0.5
Pharmaceuticals	0.1	0.0	0.0	0.1	0.2
Chemicals nes	0.2	0.1	0.1	-0.1	0.3
Rubber & Plastics	0.4	0.1	0.1	0.0	0.7
Non-Met. Min. Prods.	0.1	0.0	0.0	0.0	0.2
Basic Metals	0.1	0.0	0.0	0.1	0.2
Metal Goods	0.9	0.3	0.5	0.7	2.4
Mech. Engineering	0.6	0.2	0.4	0.5	1.7
Electronics	0.1	0.0	0.1	0.1	0.3
Elec. Eng. & Instrum.	0.6	0.2	0.4	0.5	1.7
Motor Vehicles	0.4	0.1	0.2	0.2	1.0
Oth. Transp. Equip.	2.0	0.7	1.3	2.0	6.1
Manuf. nes	0.9	0.3	0.6	0.8	2.7
Electricity	0.1	0.0	0.0	0.0	0.2
Gas Supply	0.0	0.0	0.0	0.0	0.0
Water Supply	0.0	-0.0	-0.0	-0.0	-0.0
Construction	2.9	1.4	2.5	6.7	13.5
Distribution	3.2	1.7	3.7	5.4	14.0
Retailing	4.9	2.8	6.0	8.8	22.5
Hotels & Catering	1.7	1.2	3.1	6.8	12.7
Land Transport etc	1.7	0.9	1.4	2.4	6.4
Water Transport	0.0	0.0	0.0	0.0	0.0
Air Transport	0.0	0.0	0.0	0.0	0.0
Communications	1.0	0.6	0.9	1.5	4.0
Banking & Finance	0.9	0.4	0.9	1.0	3.2
Insurance	0.2	0.1	0.2	0.3	0.8
Computing Services	3.3	1.1	2.0	2.5	8.8
Prof. Services	5.5	1.6	2.9	3.1	13.1
Other Bus. Services	5.2	1.6	2.8	3.2	12.9
Public Admin. & Def.	4.0	1.6	4.0	3.6	13.2
Education	15.3	1.2	2.3	3.5	22.3
Health & Social Work	8.6	3.7	7.6	11.0	30.9
Misc. Services	3.6	1.9	3.7	6.1	15.4
Total	71.1	25.1	49.7	73.2	219.1

Source: Pion Economics/Cambridge Econometrics

Table B.6: Content Adjusted Combined Demand 2006-15 (000s)					
	NVQ4+	**NVQ3**	**NVQ2**	**<NVQ2**	**Total**
Agriculture etc	0.2	0.3	0.5	1.1	2.1
Coal	0.0	0.0	0.0	0.0	0.0
Oil & Gas etc	-0.0	0.0	0.0	0.1	0.1
Other Mining	-0.0	0.0	0.0	0.0	0.0
Food Drink & Tob.	1.2	0.5	0.6	0.5	2.8
Text. Cloth. & Leath	0.6	0.2	0.2	-0.2	0.9
Wood & Paper	0.2	0.1	-0.0	-0.4	-0.2
Printing & Publishing	0.7	0.3	0.4	0.3	1.6
Manuf. Fuels	0.2	0.1	0.1	0.1	0.5
Pharmaceuticals	0.1	0.0	0.0	0.0	0.2
Chemicals nes	0.3	0.1	0.1	-0.2	0.3
Rubber & Plastics	0.4	0.2	0.2	-0.1	0.7
Non-Met. Min. Prods.	0.1	0.1	0.0	-0.0	0.2
Basic Metals	0.1	0.0	0.0	0.0	0.2
Metal Goods	1.0	0.4	0.5	0.5	2.4
Mech. Engineering	0.7	0.3	0.4	0.3	1.7
Electronics	0.2	0.1	0.1	0.0	0.3
Elec. Eng. & Instrum.	0.7	0.3	0.4	0.3	1.7
Motor Vehicles	0.5	0.2	0.2	0.1	1.0
Oth. Transp. Equip.	2.3	0.9	1.3	1.5	6.1
Manuf. nes	1.1	0.4	0.6	0.6	2.7
Electricity	0.1	0.0	0.0	-0.0	0.2
Gas Supply	0.0	0.0	0.0	-0.0	0.0
Water Supply	0.0	0.0	-0.0	-0.0	-0.0
Construction	3.1	2.2	2.5	5.7	13.5
Distribution	4.0	2.3	3.9	3.8	14.0
Retailing	6.0	3.7	6.5	6.3	22.5
Hotels & Catering	2.2	1.7	3.1	5.7	12.7
Land Transport etc	1.9	1.2	1.5	1.7	6.4
Water Transport	0.0	0.0	0.0	0.0	0.0
Air Transport	0.0	0.0	0.0	0.0	0.0
Communications	1.1	0.7	0.9	1.2	4.0
Banking & Finance	1.1	0.5	0.9	0.7	3.2
Insurance	0.3	0.1	0.2	0.2	0.8
Computing Services	3.7	1.3	1.9	1.8	8.8
Prof. Services	6.2	2.0	2.8	2.1	13.1
Other Bus. Services	6.0	1.9	2.7	2.3	12.9
Public Admin. & Def.	4.8	2.1	4.0	2.3	13.2
Education	16.3	1.8	2.2	2.0	22.3
Health & Social Work	10.1	5.2	8.1	7.4	30.9
Misc. Services	4.3	2.5	3.9	4.6	15.4
Total	81.9	34.0	50.9	52.3	219.1

Source: Pion Economics/Cambridge Econometrics


Pion
Figure B.3: Projected Skill Distribution Profiles
Lancashire Expansion Demand (2006-2015)
Absolute Change
-20000
-15000
-10000
-5000
0
5000
10000
15000
20000
NVQ4+
NVQ3
NVQ2
<NVQ2
Non Content Adjusted
Content Adjusted
Source: Pion Economics/Cambridge Econometrics

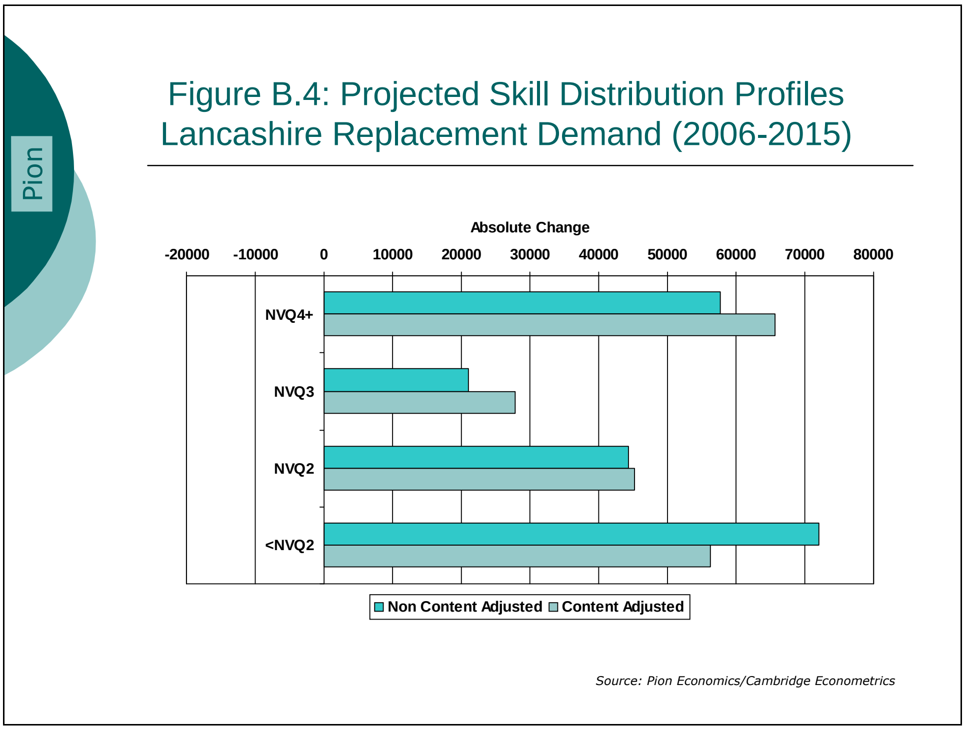

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Figure B.4: Projected Skill Distribution Profiles
Lancashire Replacement Demand (2006-2015)
Absolute Change
-20000
-10000
0
10000
20000
30000
40000
50000
60000
70000
80000
NVQ4+
NVQ3
NVQ2
<NVQ2
Non Content Adjusted
Content Adjusted
Source: Pion Economics/Cambridge Econometrics

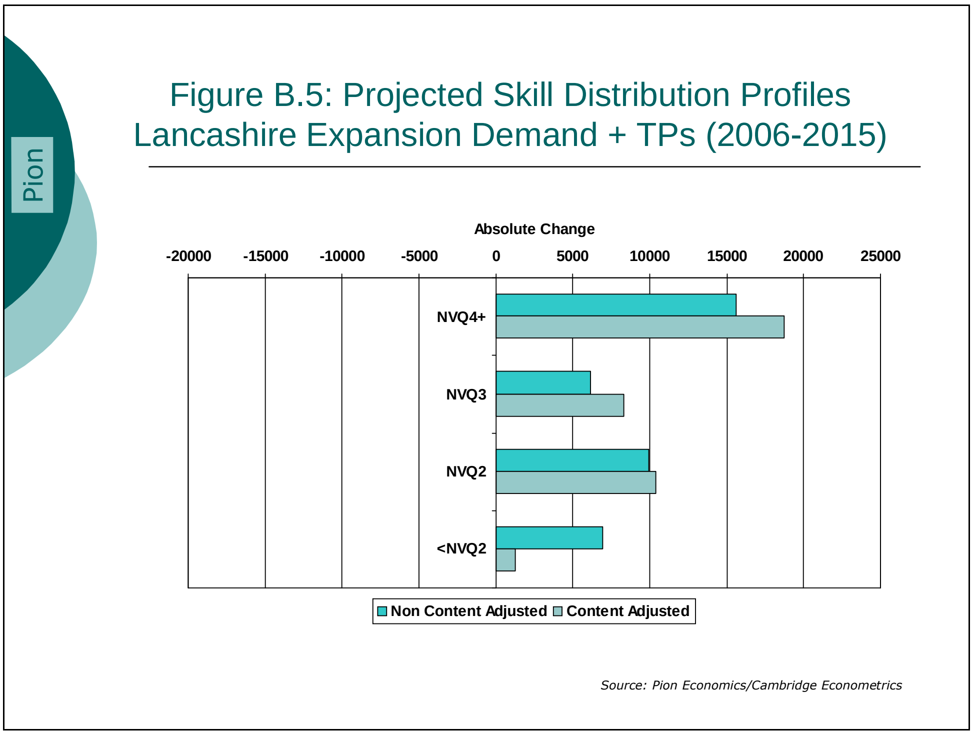
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Figure B.5: Projected Skill Distribution Profiles
Lancashire Expansion Demand + TPs (2006-2015)
Absolute Change
-20000 -15000 -10000 -5000 0 5000 10000 15000 20000 25000
NVQ4+
NVQ3
NVQ2
<NVQ2
Non Content Adjusted
Content Adjusted
Source: Pion Economics/Cambridge Econometrics

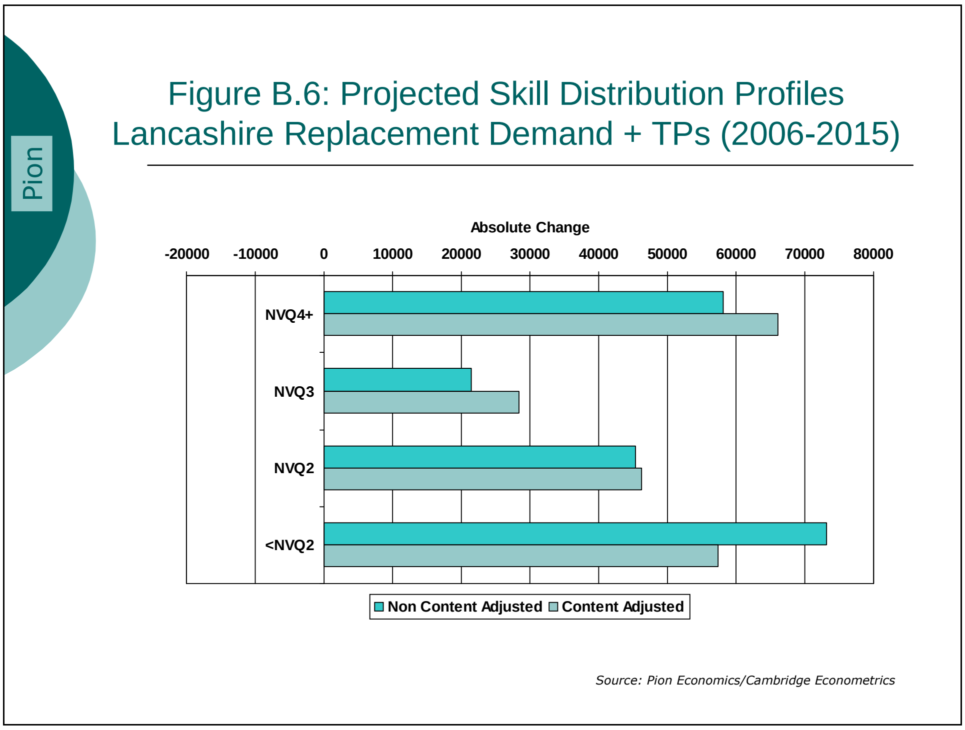
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Figure B.6: Projected Skill Distribution Profiles
Lancashire Replacement Demand + TPs (2006-2015)
Absolute Change
-20000 -10000 0 10000 20000 30000 40000 50000 60000 70000 80000
NVQ4+
NVQ3
NVQ2
<NVQ2
Non Content Adjusted
Content Adjusted
Source: Pion Economics/Cambridge Econometrics

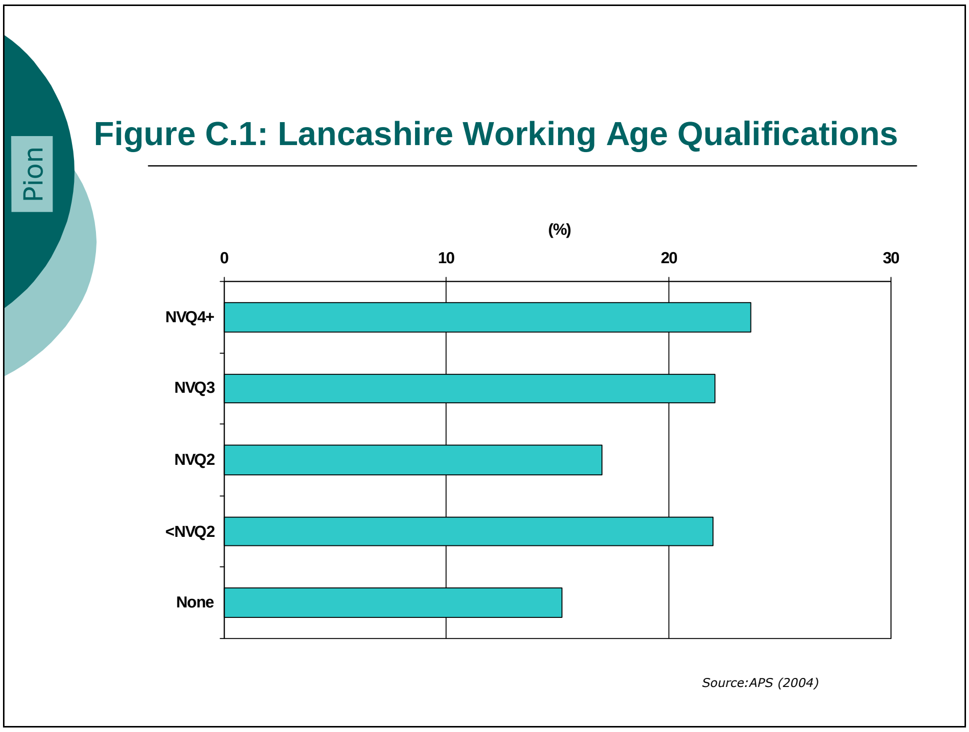
Table B.7: Combined CRDP Skill Demand Projections 2006-15 (000s)					
	NVQ4+	NVQ3	NVQ2	<NVQ2	Total
Agriculture etc	0.2	0.2	0.5	1.2	2.1
Coal	0.0	0.0	0.0	0.0	0.0
Oil & Gas etc	-0.0	-0.0	0.0	0.1	0.1
Other Mining	-0.0	-0.0	0.0	0.0	0.0
Food Drink & Tob.	1.0	0.4	0.6	0.8	2.8
Text. Cloth. & Leath	0.5	0.1	0.2	0.0	0.9
Wood & Paper	0.1	0.0	-0.0	-0.3	-0.2
Printing & Publishing	0.6	0.2	0.4	0.5	1.7
Manuf. Fuels	0.2	0.1	0.1	0.2	0.6
Pharmaceuticals	0.1	0.0	0.1	0.1	0.2
Chemicals nes	0.2	0.1	0.1	-0.1	0.3
Rubber & Plastics	0.4	0.1	0.2	0.0	0.7
Non-Met. Min. Prods.	0.1	0.0	0.1	0.0	0.2
Basic Metals	0.1	0.0	0.1	0.1	0.3
Metal Goods	0.9	0.3	0.6	0.7	2.5
Mech. Engineering	0.6	0.2	0.4	0.5	1.8
Electronics	0.1	0.1	0.1	0.1	0.4
Elec. Eng. & Instrum.	0.6	0.2	0.4	0.5	1.7
Motor Vehicles	0.4	0.1	0.2	0.3	1.0
Oth. Transp. Equip.	2.6	0.9	1.8	2.9	8.2
Manuf. nes	0.9	0.3	0.6	0.8	2.7
Electricity	0.1	0.0	0.0	0.0	0.2
Gas Supply	0.0	0.0	0.0	0.0	0.0
Water Supply	0.0	-0.0	-0.0	-0.0	-0.0
Construction	2.9	1.4	2.5	6.8	13.6
Distribution	3.3	1.8	3.7	5.5	14.3
Retailing	5.4	3.1	6.8	10.0	25.4
Hotels & Catering	1.7	1.3	3.2	7.1	13.2
Land Transport etc	1.7	1.0	1.4	2.4	6.5
Water Transport	0.0	0.0	0.0	0.1	0.1
Air Transport	0.0	0.0	0.0	0.1	0.1
Communications	1.0	0.6	0.9	1.6	4.1
Banking & Finance	0.9	0.4	0.9	1.0	3.3
Insurance	0.3	0.1	0.3	0.3	0.9
Computing Services	3.4	1.1	2.0	2.5	9.0
Prof. Services	5.6	1.7	2.9	3.2	13.4
Other Bus. Services	5.4	1.6	2.9	3.4	13.3
Public Admin. & Def.	4.0	1.6	4.1	3.6	13.3
Education	15.3	1.2	2.3	3.5	22.3
Health & Social Work	8.6	3.7	7.6	11.1	30.9
Misc. Services	4.3	3.4	7.4	9.5	24.7
Total	73.7	27.6	55.3	80.1	236.7

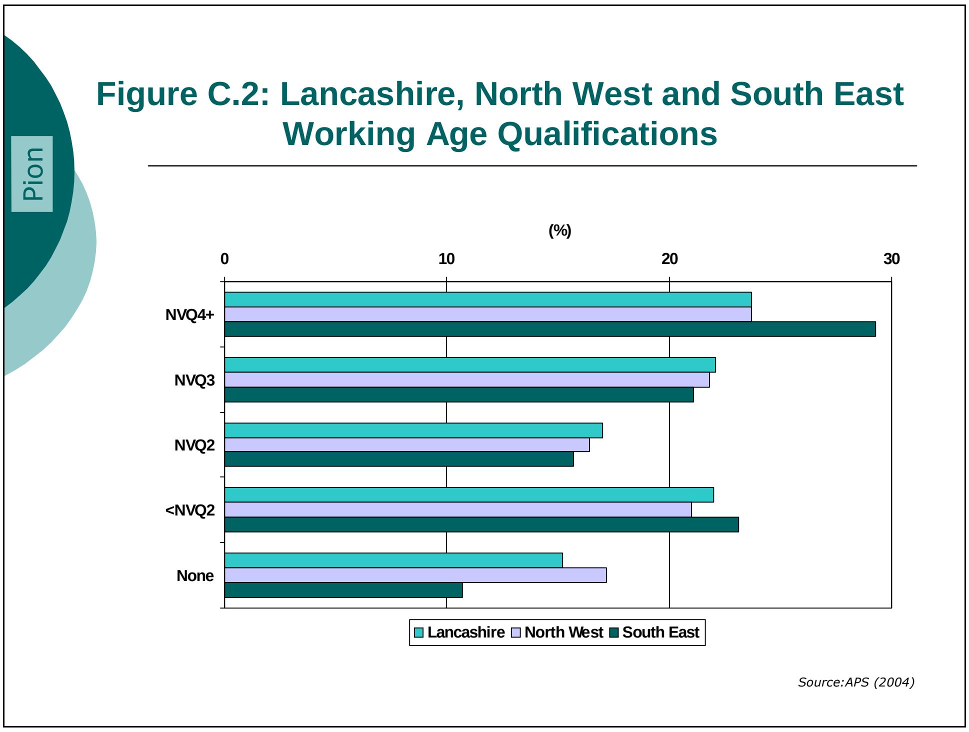
Source: Pion Economics/Cambridge Econometrics

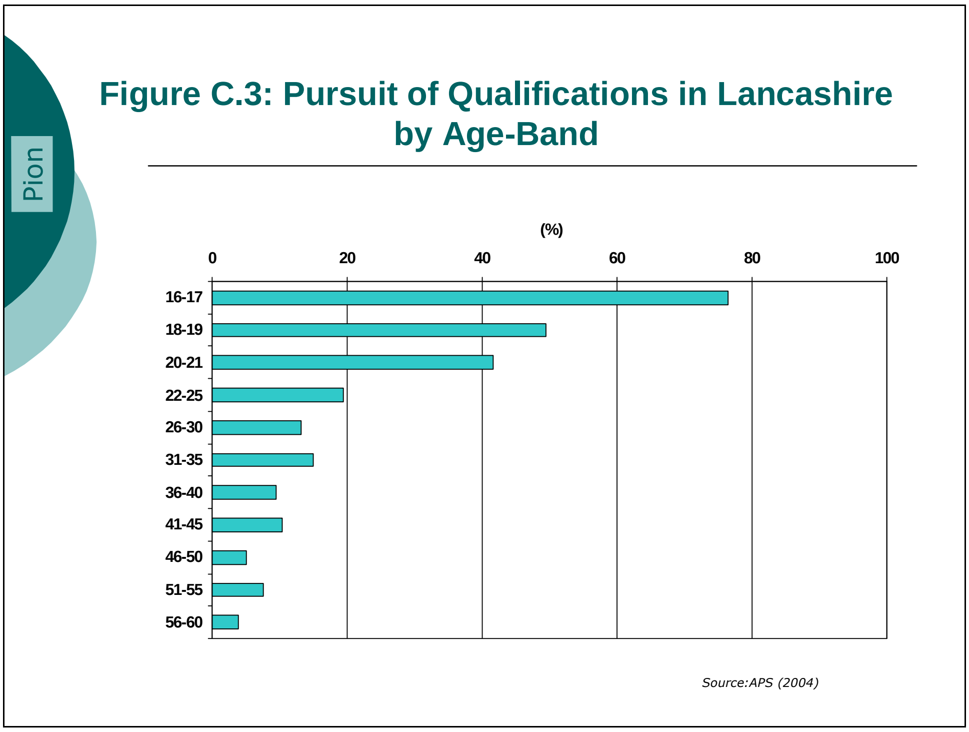
Table B.8: Content Adjusted Combined CRDP Demand 2006-15 (000s)					
	NVQ4+	NVQ3	NVQ2	<NVQ2	Total
Agriculture etc	0.2	0.3	0.5	1.1	2.1
Coal	0.0	0.0	0.0	0.0	0.0
Oil & Gas etc	-0.0	0.0	0.0	0.1	0.1
Other Mining	-0.0	0.0	0.0	0.0	0.0
Food Drink & Tob.	1.2	0.5	0.6	0.5	2.8
Text. Cloth. & Leath	0.6	0.2	0.2	-0.2	0.9
Wood & Paper	0.2	0.1	-0.0	-0.4	-0.2
Printing & Publishing	0.7	0.3	0.4	0.3	1.7
Manuf. Fuels	0.2	0.1	0.1	0.1	0.6
Pharmaceuticals	0.1	0.0	0.1	0.0	0.2
Chemicals nes	0.3	0.1	0.1	-0.2	0.3
Rubber & Plastics	0.5	0.2	0.2	-0.1	0.7
Non-Met. Min. Prods.	0.1	0.1	0.1	-0.0	0.2
Basic Metals	0.1	0.0	0.1	0.0	0.3
Metal Goods	1.0	0.4	0.6	0.5	2.5
Mech. Engineering	0.7	0.3	0.4	0.4	1.8
Electronics	0.2	0.1	0.1	0.1	0.4
Elec. Eng. & Instrum.	0.7	0.3	0.4	0.3	1.7
Motor Vehicles	0.5	0.2	0.2	0.1	1.0
Oth. Transp. Equip.	2.9	1.2	1.8	2.3	8.2
Manuf. nes	1.1	0.4	0.6	0.6	2.7
Electricity	0.1	0.0	0.0	-0.0	0.2
Gas Supply	0.0	0.0	0.0	-0.0	0.0
Water Supply	0.0	0.0	-0.0	-0.0	-0.0
Construction	3.2	2.2	2.5	5.7	13.6
Distribution	4.0	2.4	4.0	3.9	14.3
Retailing	6.7	4.2	7.3	7.3	25.4
Hotels & Catering	2.3	1.7	3.2	6.0	13.2
Land Transport etc	2.0	1.2	1.6	1.8	6.5
Water Transport	0.0	0.0	0.0	0.0	0.1
Air Transport	0.0	0.0	0.0	0.0	0.1
Communications	1.2	0.7	1.0	1.3	4.1
Banking & Finance	1.2	0.5	0.9	0.7	3.3
Insurance	0.3	0.1	0.3	0.2	0.9
Computing Services	3.8	1.3	2.0	1.9	9.0
Prof. Services	6.4	2.0	2.8	2.2	13.4
Other Bus. Services	6.1	2.0	2.8	2.4	13.3
Public Admin. & Def.	4.8	2.1	4.0	2.3	13.3
Education	16.3	1.8	2.2	2.0	22.3
Health & Social Work	10.1	5.2	8.1	7.4	30.9
Misc. Services	5.1	4.1	7.6	7.9	24.7
Total	84.9	36.7	56.6	58.6	236.7

Source: Pion Economics/Cambridge Econometrics

Annex C


Pion
Figure C.1: Lancashire Working Age Qualifications
(%)
0
10
20
30
NVQ4+
NVQ3
NVQ2
<NVQ2
None
Source:APS (2004)


Pion
Figure C.2: Lancashire, North West and South East Working Age Qualifications
(%)
0
10
20
30
NVQ4+
NVQ3
NVQ2
<NVQ2
None
Lancashire
North West
South East
Source:APS (2004)


Pion
Figure C.3: Pursuit of Qualifications in Lancashire by Age-Band
(%)
0
20
40
60
80
100
16-17
18-19
20-21
22-25
26-30
31-35
36-40
41-45
46-50
51-55
56-60
Source:APS (2004)

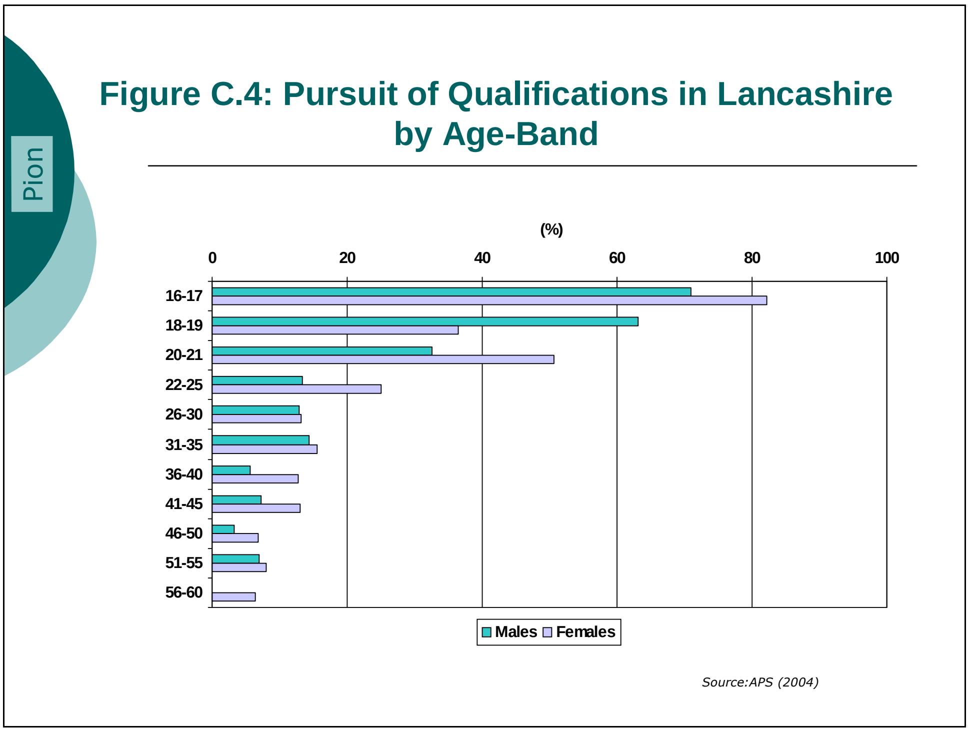
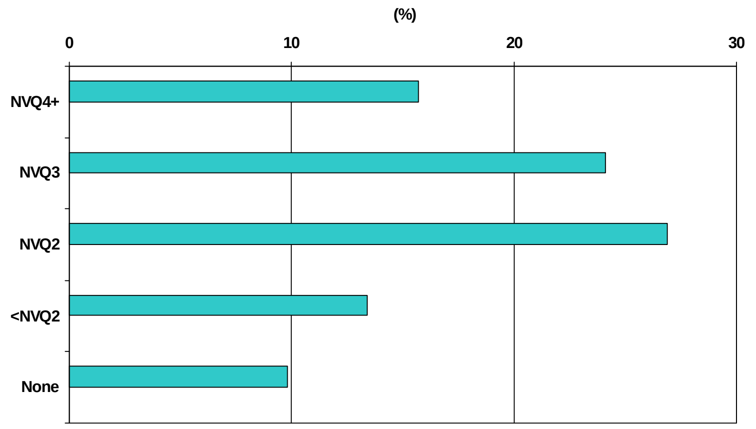
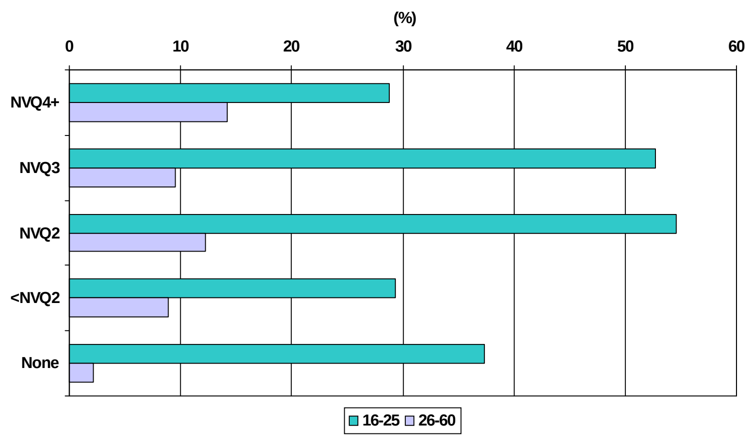

Pion
Figure C.4: Pursuit of Qualifications in Lancashire by Age-Band
(%)
0
20
40
60
80
100
16-17
18-19
20-21
22-25
26-30
31-35
36-40
41-45
46-50
51-55
56-60
Males
Females
Source:APS (2004)

Figure C.5: Pursuit of Qualifications in Lancashire by Highest Existing Qualification



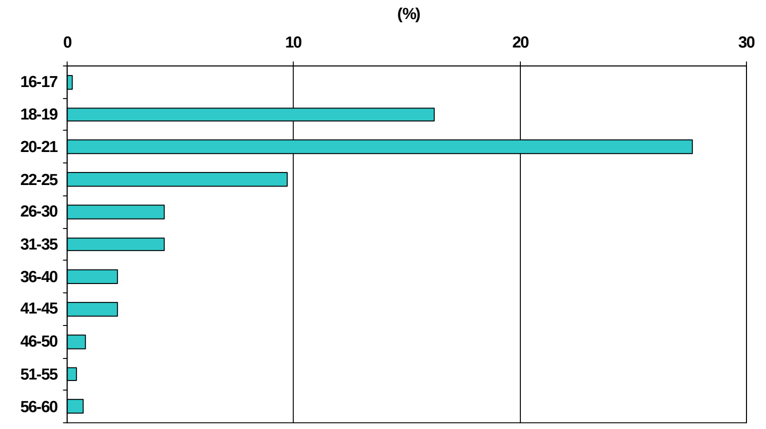
Source:APS (2004)

Figure C.6: Pursuit of Qualifications in Lancashire by Highest Existing Qualification & Age



Source:APS (2004)

Figure C.7: Pursuit of Level 4+ Qualifications in Lancashire by Age-Band



Source:APS (2004)

Table C.1: LAD KS2 and KS3 Performance – % Pupils achieving Level 5+ (2003/04)											
	KS2 All				**KS2 Male**				**KS2 Female**		
	English	Maths	Science		English	Maths	Science		English	Maths	Science
Lancs	77.9	75.8	86.1		72.8	76.0	85.8		83.0	75.6	86.3
NW	78.1	75.4	86.1		73.0	75.2	85.9		83.4	75.5	86.3
SE	78.3	74.0	86.5		72.9	74.5	86.3		83.8	73.5	86.5
	KS3 All				**KS3 Male**				**KS3 Female**		
	English	Maths	Science		English	Maths	Science		English	Maths	Science
Lancs	70.7	74.4	66.4		64.6	74.0	65.3		76.9	75.1	67.3
NW	69.8	72.4	64.7		63.5	71.3	63.6		76.1	73.5	65.7
SE	74.4	75.6	69.5		68.1	74.9	68.2		80.8	76.5	70.8

Source: DfES Neighbourhood Statistics

Table C.2: Lancashire KS2 and KS3 Performance – % Pupils achieving Level 5+ (2003/04)											
	KS2 All				**KS2 Male**				**KS2 Female**		
	English	Maths	Science		English	Maths	Science		English	Maths	Science
Top 10%	99.4	99.4	100.0		99.2	100.0	100.0		100.0	99.3	100.0
Bottom 10%	56.0	54.0	67.6		52.0	54.1	66.8		61.2	51.6	64.0
	KS3 All				**KS3 Male**				**KS3 Female**		
	English	Maths	Science		English	Maths	Science		English	Maths	Science
Top 10%	97.7	97.5	96.7		98.0	99.3	98.9		100.0	99.5	98.6
Bottom 10%	45.2	49.5	38.7		42.0	49.6	37.2		53.9	51.9	39.8

Source: DfES Neighbourhood Statistics

Figure C.8: GCSE 5+ A-C Achievement Rates 1998-2005

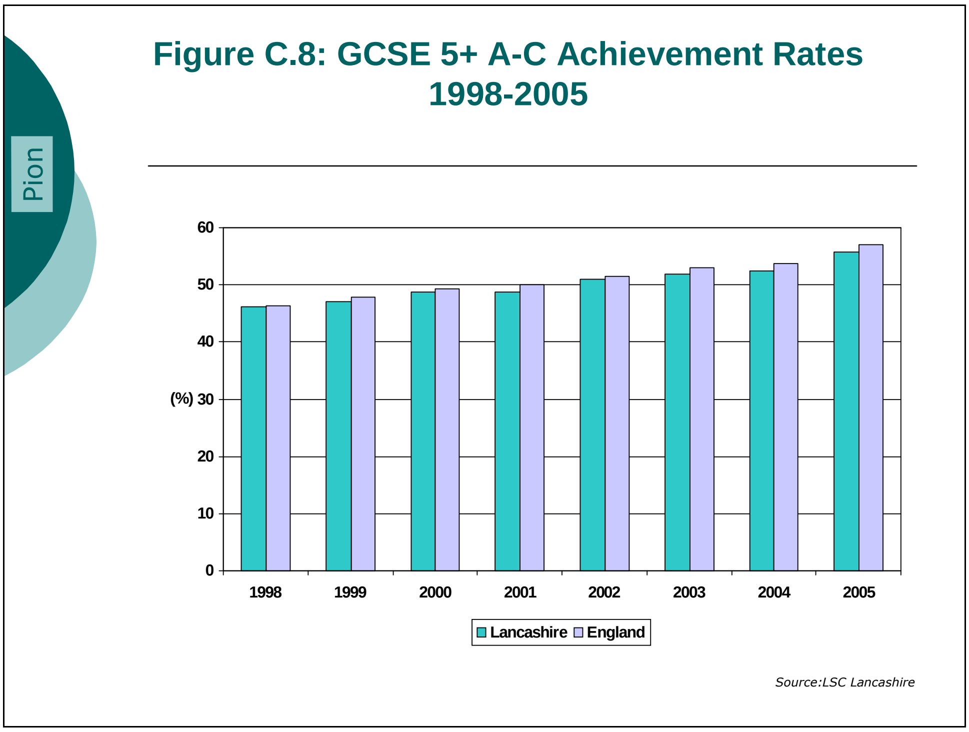
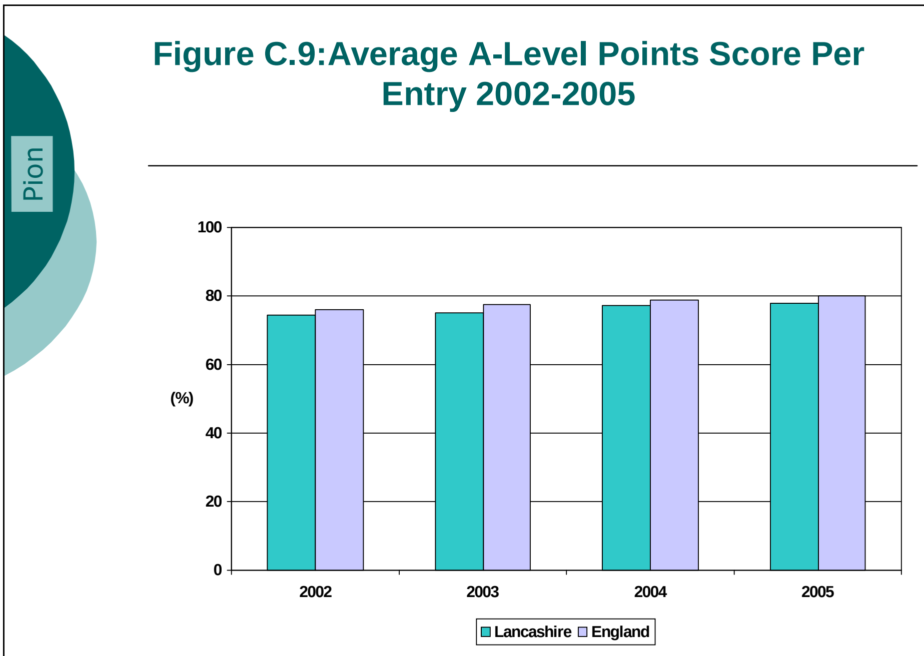


Table C.4: LAD & LSOA GCSE 5+(A-C) Performance – % Pupils (2003/04)			
LAD	**All**	**Males**	**Females**
Lancs	51.5	46.7	56.5
NW	50.7	45.9	55.5
SE	55.2	50.3	60.3
LSOA	**All**	**Males**	**Females**
Lancs Top 10%	80.4	82.7	94.8
Lancs Bottom 10%	25.4	13.2	25.9
	Urban	**Less Sparse Towns**	**Less Sparse Villages**
Lancs	48.5	62.1	64.0

Source: Pion Economics/ DfES Neighbourhood Statistics

Figure C.9: Average A-Level Points Score Per Entry 2002-2005



Source:LSC Lancashire

Table C.5: Lancashire FE Learner Profile 2004/05		
	Numbers	**%**
Total	117,090	100%
Age		
16-18	24,750	21%
19+	92,340	79%
Gender		
Female	64,986	56%
Male	52,104	44%
Status		
Full-Time	26,031	22%
Part-Time	91,059	78%
Qualification Level		
Level 1&Entry	38,166	33%
Level 2	35,567	30%
Level 3	30,894	26%
Level 4+	2,221	2%
Other	10,242	9%

Table C.6: Distribution of Lancashire FE Qualification Aims (%) by Gender 2004/05			
Sector Subject Area	**Female**	**Male**	**Total**
Agriculture, Horticulture and Animal Care	1.2	2.2	1.6
Arts, Media and Publishing	6.4	4.7	5.7
Business, Administration and Law	5.7	4.4	5.1
Construction, Planning and the Built Environment	0.1	6.9	3.0
Education and Training	1.7	0.7	1.3
Engineering and Manufacturing Technologies	0.7	4.6	2.4
Health, Public Services and Care	19.2	14.9	17.4
History, Philosophy and Theology	4.1	3.1	3.6
Information and Communication Technology	10.3	10.4	10.3
Languages, Literature and Culture	5.9	3.9	5.1
Leisure, Travel and Tourism	3.1	6.5	4.5
Preparation for Life and Work	25.4	26.3	25.8
Retail and Commercial Enterprise	5.6	2.8	4.4
Science and Mathematics	5.4	5.3	5.3
Social Sciences	2.2	1.5	1.9
Unknown	3.0	1.9	2.5
Grand Total (%)	100	100	100
Grand Total (Number)	133960	99363	233323

Source: LSC Lancashire

Table C.7: Distribution of Lancashire FE Qualification Aims (%) by Age Band 2004/05						
Sector Subject Area	**16-18**	**19-20**	**21-24**	**25-59**	**60+**	**Total**
Agriculture, Horticulture and Animal Care	40.6	8.6	8.0	38.6	4.2	100
Arts, Media and Publishing	65.8	5.4	3.4	18.8	6.6	100
Business, Administration and Law	43.4	5.2	8.3	42.1	0.9	100
Construction, Planning and the Built Environment	16.8	4.4	9.5	67.4	1.9	100
Education and Training	1.0	2.0	6.4	89.5	1.2	100
Engineering and Manufacturing Technologies	36.6	5.5	7.5	47.8	2.6	100
Health, Public Services and Care	18.2	5.0	9.3	65.6	1.9	100
History, Philosophy and Theology	74.2	3.3	4.3	17.0	1.1	100
Information and Communication Technology	17.4	2.6	5.4	59.9	14.7	100
Languages, Literature and Culture	47.9	2.5	3.8	39.7	6.1	100
Leisure, Travel and Tourism	50.4	6.8	9.2	31.5	2.1	100
Preparation for Life and Work	50.1	4.9	7.0	35.5	2.4	100
Retail and Commercial Enterprise	30.4	6.7	10.1	50.8	2.1	100
Science and Mathematics	76.9	3.5	4.3	14.4	0.9	100
Social Sciences	65.8	3.9	5.2	22.4	2.7	100
Unknown	2.4	2.9	6.8	59.1	28.7	100
Grand Total	40.1	4.6	7.0	43.9	4.5	100

Source: LSC Lancashire

Table C.8: Distribution of Lancashire Qualification Aims by Sub Programme Area						
	Females		Males		Total	
Agriculture, Horticulture and Animal Care	% Area	% Total	% Area	% Total	% Area	% Total
Agriculture	5.0	0.1	25.8	0.6	16.8	0.3
Agriculture, Horticulture and Animal Care	12.8	0.2	8.8	0.2	10.5	0.2
Animal Care & Vet Science	63.9	0.8	7.2	0.2	31.6	0.5
Environmental Conservation	2.7	0.0	9.6	0.2	6.7	0.1
Horticulture and Forestry	15.6	0.2	48.6	1.0	34.4	0.6
Total	100		100		100	
Arts, Media and Publishing						
Arts, Media and Publishing	8.2	0.5	4.2	0.2	6.8	0.4
Creative Art & Design	50.3	3.2	44.9	2.1	48.4	2.7
Media & Communication	15.7	1.0	22.5	1.1	18.1	1.0
Performing Arts	25.6	1.6	28.2	1.3	26.5	1.5
Publishing & Information Services	0.3	0.0	0.3	0.0	0.3	0.0
Total	100		100		100	
Business, Administration and Law						
Accounting & Finance	19.0	1.1	16.0	0.7	17.9	0.9
Admininstration	17.3	1.0	6.9	0.3	13.6	0.7
Business Management	30.3	1.7	53.5	2.3	38.7	2.0
Business, Administration and Law	16.8	1.0	7.2	0.3	13.3	0.7
Law & Legal Services	13.4	0.8	15.0	0.7	14.0	0.7
Marketing & Sales	3.2	0.2	1.3	0.1	2.5	0.1
Total	100		100		100	
Construction, Planning and Built Environment						
Architecture	2.4	0.0	2.4	0.2	2.4	0.1
Building & Construction	82.3	0.1	93.8	6.4	93.5	2.8
Construction, Planning and the Built Environment	15.2	0.0	3.8	0.3	4.1	0.1
Total	100		100		100	
Education and Training						
Direct Learning Support	51.9	0.9	21.1	0.1	44.7	0.6
Teaching & Lecturing	48.1	0.8	78.9	0.6	55.3	0.7
Total	100		100		100	
Engineering and Manufacturing Technologies						
Engineering	4.3	0.0	32.9	1.5	28.3	0.7
Engineering and Manufacturing Technologies	0.6	0.0	0.2	0.0	0.2	0.0
Manufacturing Technologies	78.0	0.5	27.4	1.3	35.5	0.8
Transport Operations & Maintenance	17.1	0.1	39.5	1.8	35.9	0.8
Total	100		100		100	
Health, Public Services and Care						
Child Development & Well Being	11.2	2.1	1.4	0.2	7.6	1.3
Health & Social Care	74.1	14.3	71.3	10.6	73.1	12.7
Health, Public Services and Care	4.6	0.9	3.6	0.5	4.2	0.7
Nursing & Allied Vocations	6.5	1.3	1.4	0.2	4.6	0.8
Public Services	3.6	0.7	22.3	3.3	10.4	1.8
Total	100		100		100	

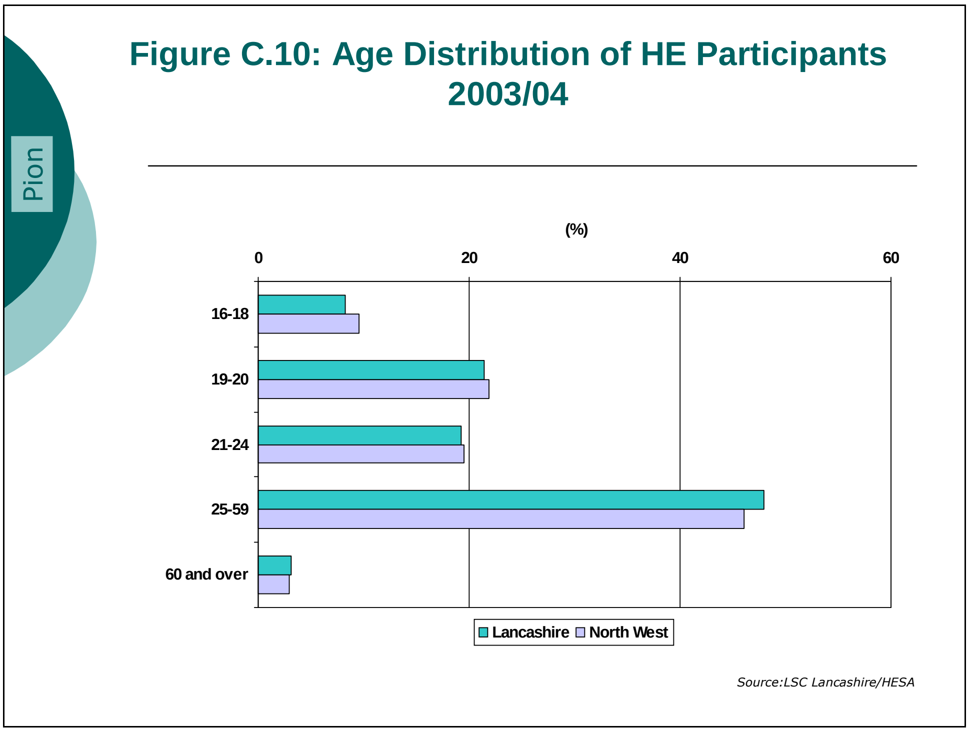
Table C.8: Distribution of Lancashire Qualification Aims by Sub Programme Area (Cont)						
	Females		Males		Total	
	% Area	% Total	% Area	% Total	% Area	% Total
History, Philosophy and Theology						
History	57.6	2.3	54.7	1.7	56.5	2.1
Philosophy	4.8	0.2	6.8	0.2	5.5	0.2
Theology & Religious Studies	37.6	1.5	38.4	1.2	37.9	1.4
Total	100		100		100	
Information and Communication Technology						
ICT for Users	66.1	6.8	50.2	5.2	59.3	6.1
ICT Practitioners	16.9	1.7	34.4	3.6	24.4	2.5
Information and Communication Technology	17.1	1.8	15.4	1.6	16.3	1.7
Total	100		100		100	
Languages, Literature and Culture						
Languages, Literature and Culture	6.6	0.4	8.4	0.3	7.2	0.4
Languages, Literature and Culture of British Isles	41.6	2.5	43.0	1.7	42.1	2.1
Other Languages, Literature and Culture	51.7	3.1	48.6	1.9	50.7	2.6
Total	100		100		100	
Leisure, Travel and Tourism						
Leisure, Travel and Tourism	9.9	0.3	4.4	0.3	6.5	0.3
Leisure, Travel and Tourism	32.5	1.0	8.2	0.5	17.7	0.8
Sport, Leisure & Recreation	57.6	1.8	87.5	5.7	75.8	3.4
Total	100		100		100	
Preparation for Life and Work						
Foundations for Learning & Life	64.6	16.4	64.8	17.0	64.7	16.7
Preparation for Life and Work	32.9	8.4	30.6	8.0	31.9	8.2
Preparation for Work	2.5	0.6	4.6	1.2	3.4	0.9
Total	100		100		100	
Retail and Commercial Enterprise						
Hospitality & Catering	26.0	1.5	57.4	1.6	34.5	1.5
Retail and Commercial Enterprise	16.8	0.9	19.4	0.5	17.5	0.8
Retailing & Wholesaling	0.6	0.0	1.2	0.0	0.8	0.0
Service Enterprises	56.6	3.2	18.7	0.5	46.3	2.1
Warehousing & Distribution	0.1	0.0	3.2	0.1	0.9	0.0
Total	100		100		100	
Science and Mathematics						
Mathematics & Statistics	27.1	1.5	35.7	1.9	30.7	1.6
Science	66.3	3.6	58.6	3.1	63.0	3.4
Science and Mathematics	6.6	0.4	5.7	0.3	6.3	0.3
Total	100		100		100	
Social Sciences						
Economics	3.3	0.1	16.2	0.2	7.6	0.1
Geography	10.1	0.2	23.5	0.4	14.6	0.3
Politics	3.3	0.1	9.7	0.1	5.5	0.1
Social Sciences	10.0	0.2	6.6	0.1	8.9	0.2
Sociology & Social Policy	73.3	1.6	43.9	0.7	63.5	1.2
Total	100		100		100	
Unknown		3.0		1.9		2.5
Total	100	100	100	100	100	100

Table C.9: Lancashire FE Notional NVQ Levels by Programme Area (%)						
Sector Subject Area	**1**	**2**	**3**	**4+**	**Other**	**Total**
Agriculture, Horticulture and Animal Care	24.8	50.7	23.1	1.3	0.2	100
Arts, Media and Publishing	17.7	21.9	60.0	0.3	0.1	100
Business, Administration and Law	11.7	32.4	48.0	7.3	0.6	100
Construction, Planning and the Built Environment	17.9	60.5	20.2	0.9	0.4	100
Education and Training	0.0	31.5	47.8	20.5	0.2	100
Engineering and Manufacturing Technologies	44.4	28.7	26.3	0.0	0.5	100
Health, Public Services and Care	37.7	29.4	18.1	1.3	13.4	100
History, Philosophy and Theology	5.3	13.8	49.6	0.0	31.3	100
Information and Communication Technology	58.9	27.2	12.6	0.0	1.4	100
Languages, Literature and Culture	36.6	26.5	34.9	0.0	1.9	100
Leisure, Travel and Tourism	34.8	29.3	34.0	0.0	1.9	100
Preparation for Life and Work	42.0	26.8	9.9	0.0	21.4	100
Retail and Commercial Enterprise	37.4	42.0	20.2	0.2	0.2	100
Science and Mathematics	4.0	31.3	64.7	0.0	0.0	100
Social Sciences	9.9	18.2	69.8	1.3	0.8	100
Unknown	0.0	0.0	0.0	0.0	100.0	100
Total	32.7	28.5	25.9	1.0	11.9	100

Source: LSC Lancashire

Table C.10: Lancashire HE Learner Profile 2003/04		
	Numbers	**%**
Total	53,325	100%
Age		
16-18	4,301	8%
19-20	11,200	21%
21-24	10,053	19%
25+	26,771	51%
Gender		
Female	31,738	61%
Male	20,587	39%
Status		
Full-Time	24,851	48%
Part-Time	24,176	46%
Other	3,298	6%

Source: LSC Lancashire


Pion
Figure C.10: Age Distribution of HE Participants 2003/04
(%)
0
20
40
60
16-18
19-20
21-24
25-59
60 and over
Lancashire
North West
Source:LSC Lancashire/HESA

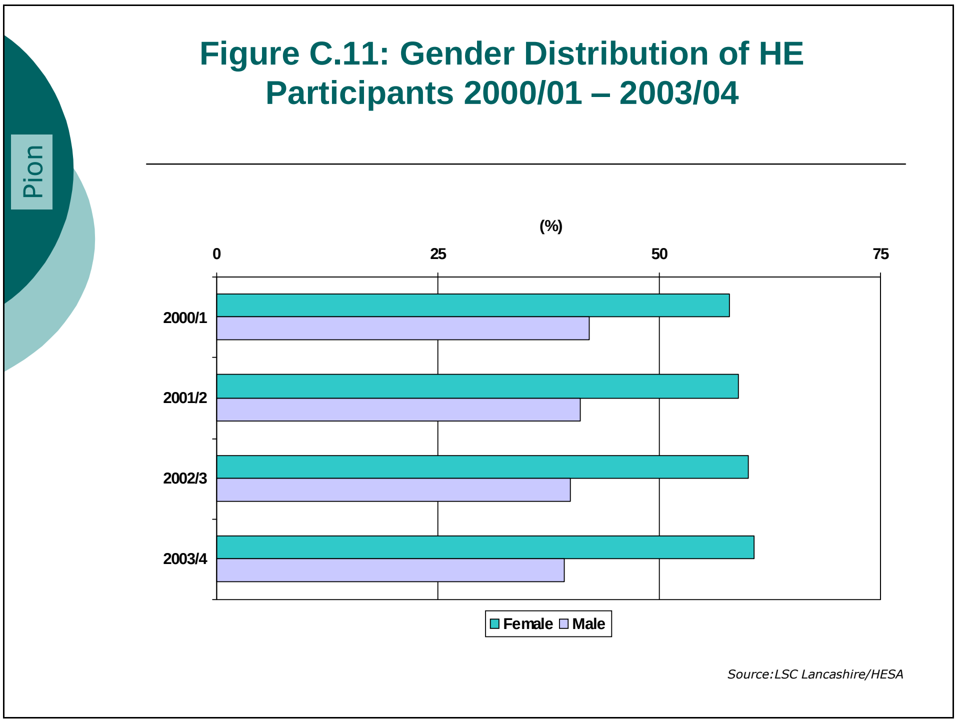
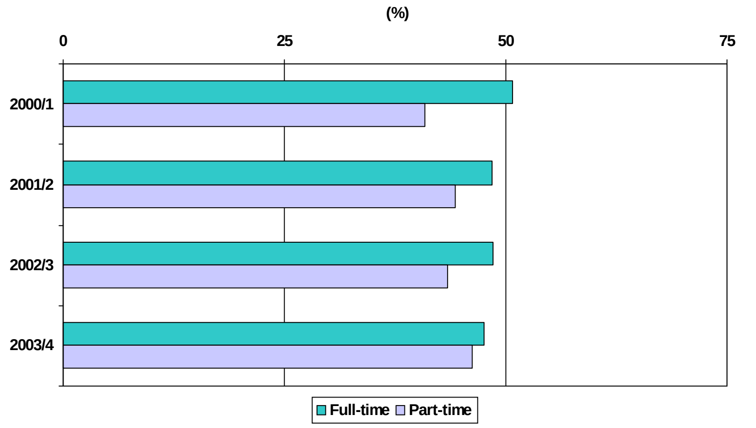
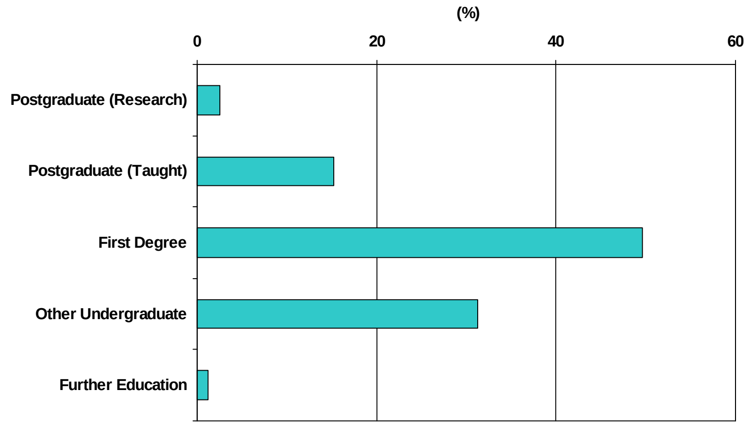

Pion
Figure C.11: Gender Distribution of HE Participants 2000/01 – 2003/04
(%)
0
25
50
75
2000/1
2001/2
2002/3
2003/4
Female
Male
Source:LSC Lancashire/HESA

Figure C.12: Mode of HE Study 2000/01 – 2003/04



Source:LSC Lancashire/HESA

Figure C.13: Level of HE Study 2003/04



Source:LSC Lancashire/HESA

Table C.11: Lancashire LSC WBL Learners by Programme Area: 2004-05					
	16-18 Years		19+ Years		
Programme Area	**Females**	**Males**	**Females**	**Males**	**Total**
Agriculture, Horticulture & Animal Care	58	136	86	143	423
Business, Administration & Law	860	318	529	754	2461
Construction, Planning & Built Environment	8	1394	230	403	2035
Engineering & Manufacturing Technology	48	1602	368	675	2693
Health, Public Services & Care	724	20	255	395	1394
Information & Communication Technology	0	48	18	35	101
Leisure, Travel & Tourism	220	68	171	205	664
Preparation for Life & Work	0	0	8	0	8
Retail & Commercial Enterprise	943	355	481	769	2548
Unknown	69	69	64	77	279
Total	2930	4010	2210	3456	12606

Source: LSC Lancashire

Table C.12: Lancashire LSC WBL Learners by Programme Area: 2004-05				
Programme Area	**Starters**	**Learners**	**Leavers**	**Employed Leavers**
Agriculture, Horticulture & Animal Care	186	423	76	50
Business, Administration & Law	1132	2461	1030	611
Construction, Planning & Built Environment	870	2035	629	428
Engineering & Manufacturing Technology	1034	2693	752	508
Health, Public Services & Care	743	1394	565	319
Information & Communication Technology	47	101	43	12
Leisure, Travel & Tourism	238	664	307	90
Preparation for Life & Work	8	8	0	0
Retail & Commercial Enterprise	1215	2548	1024	617
Unknown	158	279	74	38
Total	5631	12606	4500	2673

Source: LSC Lancashire

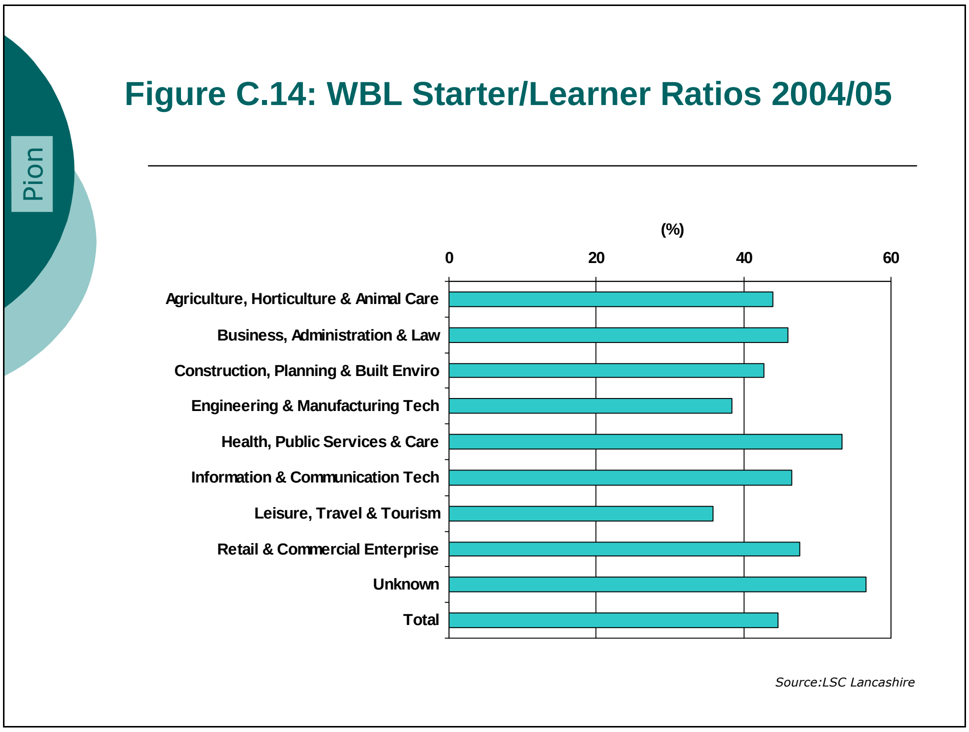

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Figure C.14: WBL Starter/Learner Ratios 2004/05
(%)
0
20
40
60
Agriculture, Horticulture & Animal Care
Business, Administration & Law
Construction, Planning & Built Enviro
Engineering & Manufacturing Tech
Health, Public Services & Care
Information & Communication Tech
Leisure, Travel & Tourism
Retail & Commercial Enterprise
Unknown
Total
Source:LSC Lancashire

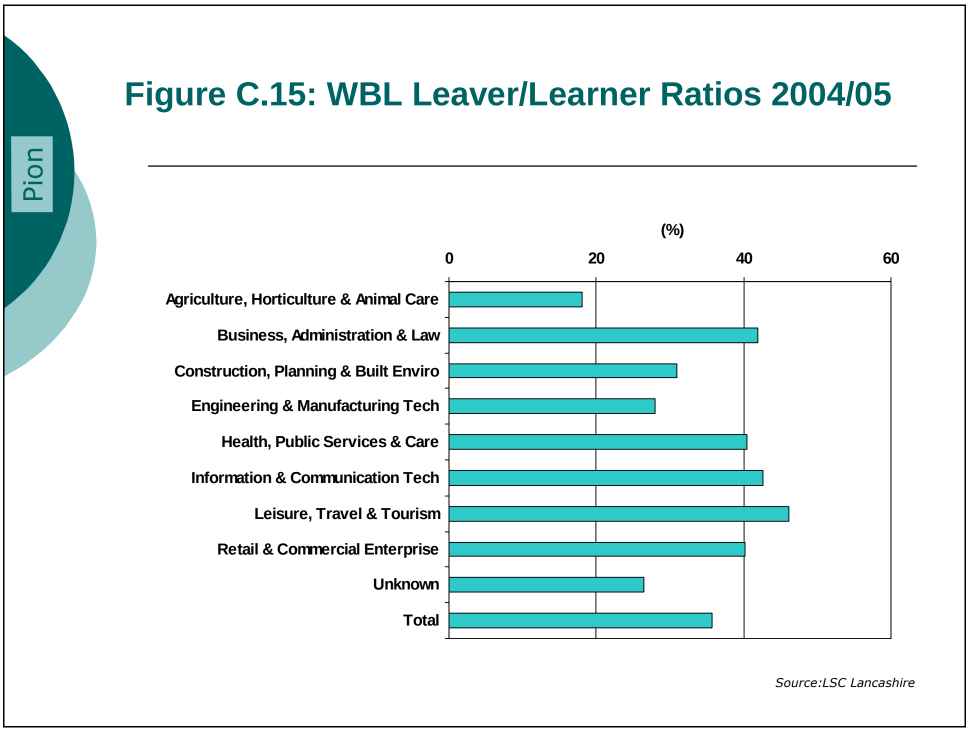
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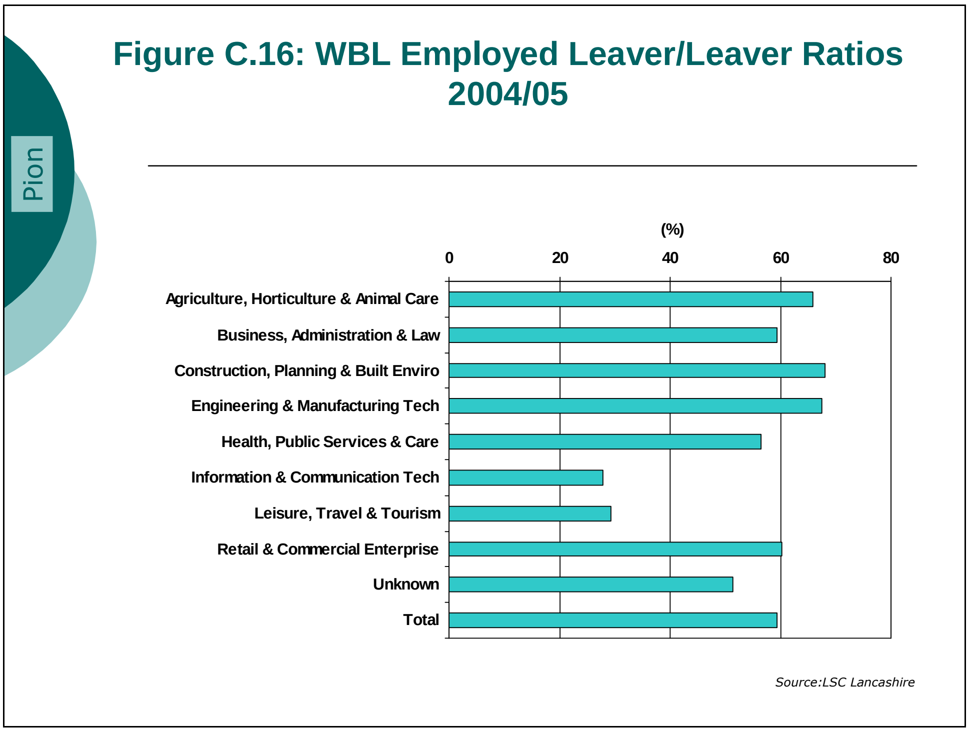
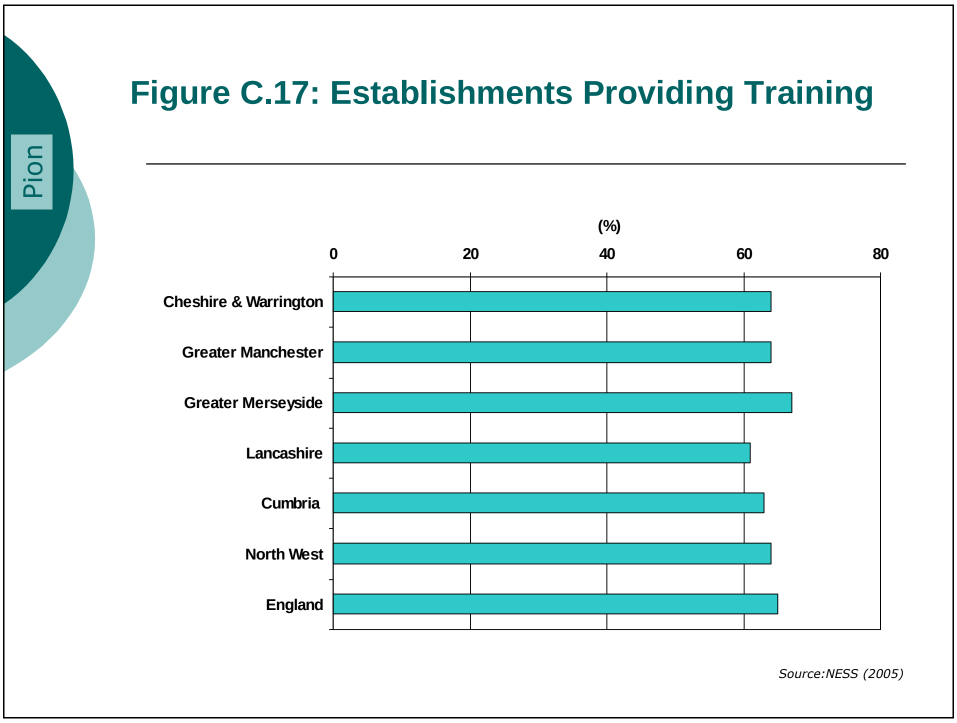
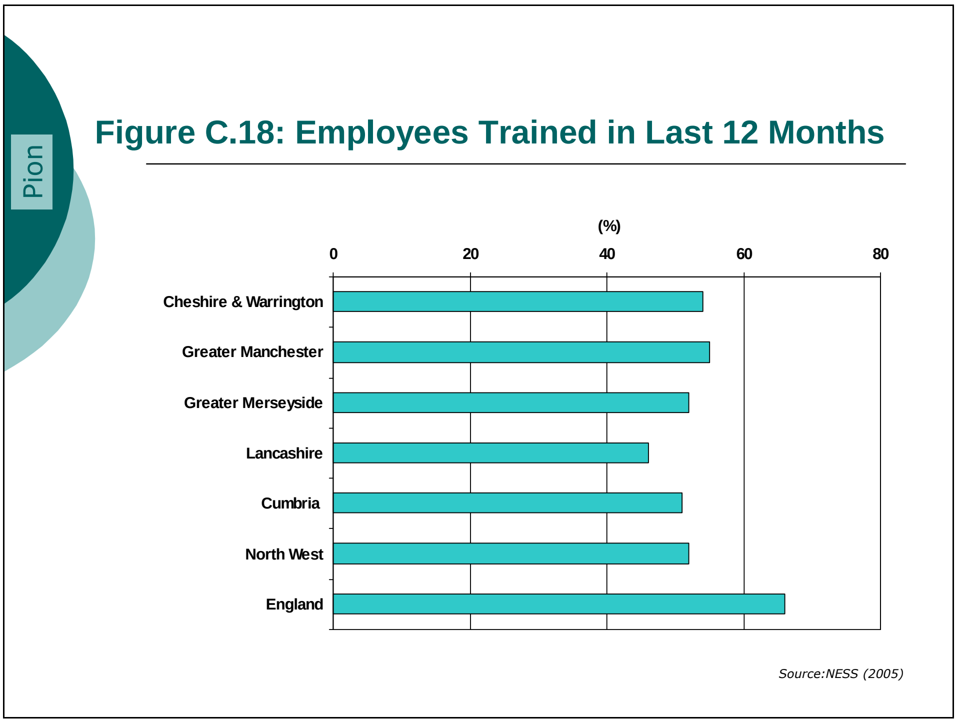
Figure C.15: WBL Leaver/Learner Ratios 2004/05
(%)
0
20
40
60
Agriculture, Horticulture & Animal Care
Business, Administration & Law
Construction, Planning & Built Enviro
Engineering & Manufacturing Tech
Health, Public Services & Care
Information & Communication Tech
Leisure, Travel & Tourism
Retail & Commercial Enterprise
Unknown
Total
Source:LSC Lancashire


Pion
Figure C.16: WBL Employed Leaver/Leaver Ratios 2004/05
(%)
0
20
40
60
80
Agriculture, Horticulture & Animal Care
Business, Administration & Law
Construction, Planning & Built Enviro
Engineering & Manufacturing Tech
Health, Public Services & Care
Information & Communication Tech
Leisure, Travel & Tourism
Retail & Commercial Enterprise
Unknown
Total
Source:LSC Lancashire


Pion
Figure C.17: Establishments Providing Training
(%)
0
20
40
60
80
Cheshire & Warrington
Greater Manchester
Greater Merseyside
Lancashire
Cumbria
North West
England
Source:NESS (2005)


Pion
Figure C.18: Employees Trained in Last 12 Months
(%)
0
20
40
60
80
Cheshire & Warrington
Greater Manchester
Greater Merseyside
Lancashire
Cumbria
North West
England
Source:NESS (2005)

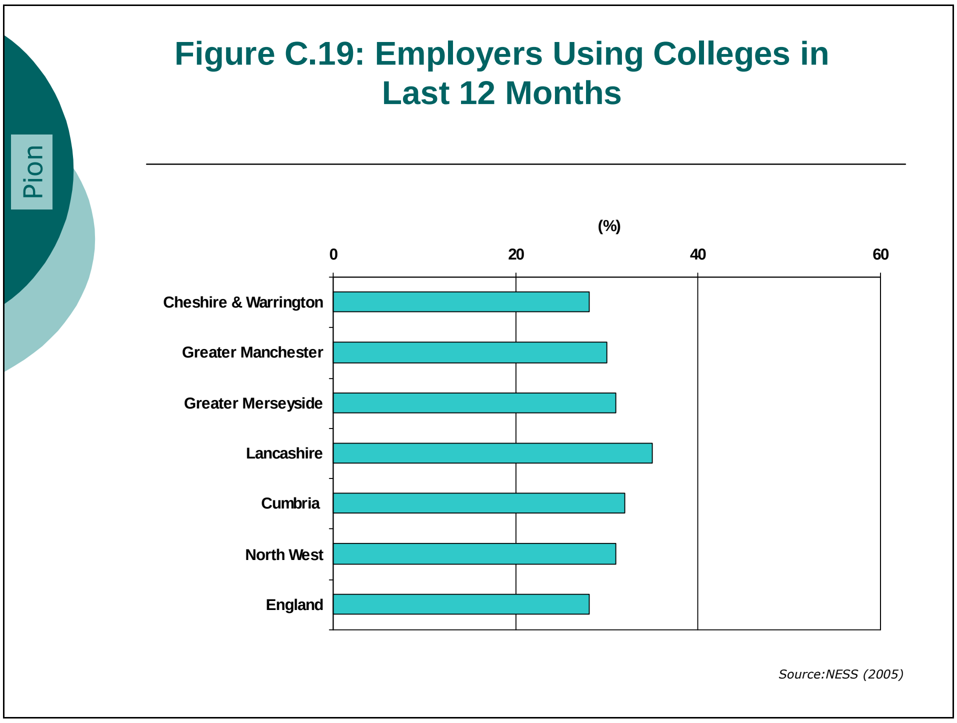
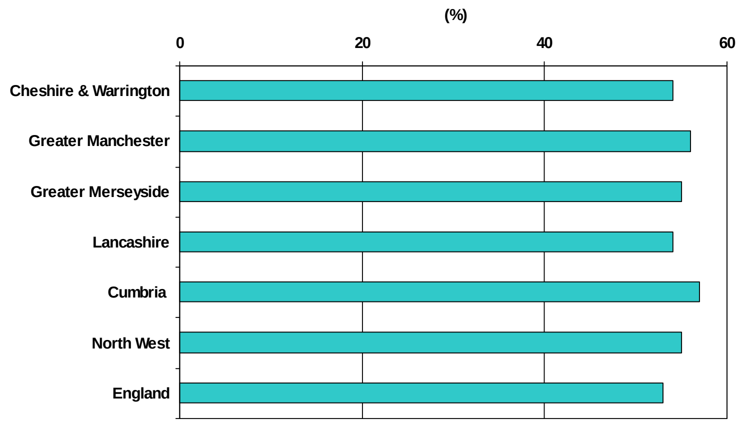
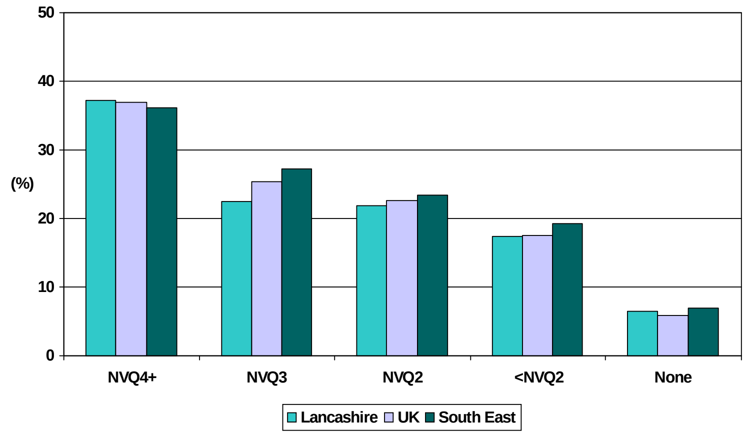

Pion
Figure C.19: Employers Using Colleges in Last 12 Months
(%)
0
20
40
60
Cheshire & Warrington
Greater Manchester
Greater Merseyside
Lancashire
Cumbria
North West
England
Source:NESS (2005)

Figure C.20: Employers Using Other Training Providers in Last 12 Months



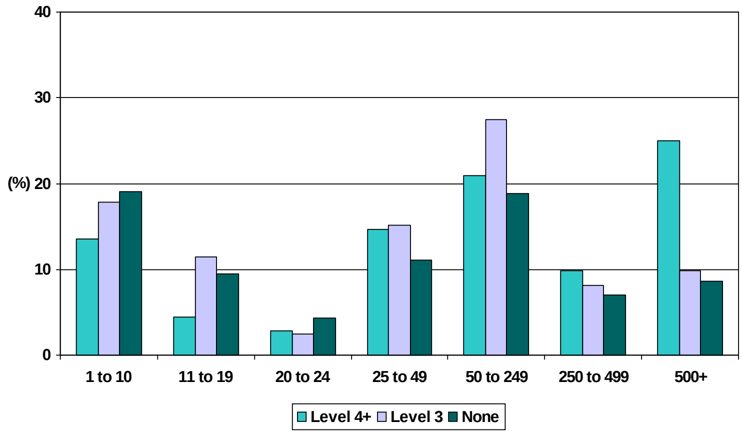
Source:NESS (2005)

Figure C.21: Job Related Education/Training – Last 13 Weeks by Qualification



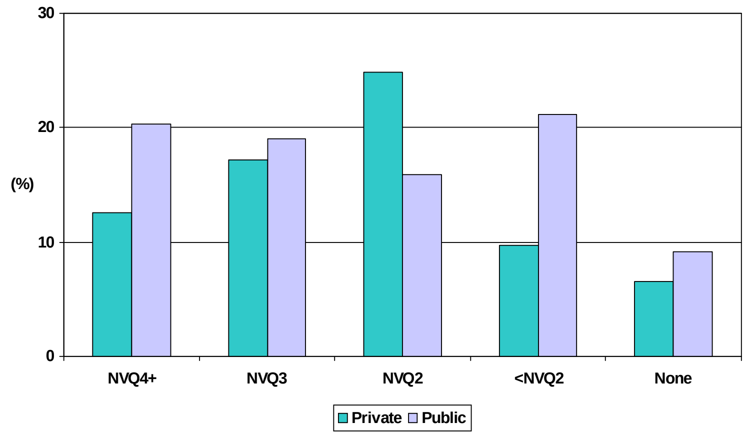
Source:APS (2004)

Figure C.22: Distribution of Job Related Education & Training by Reported Company Size

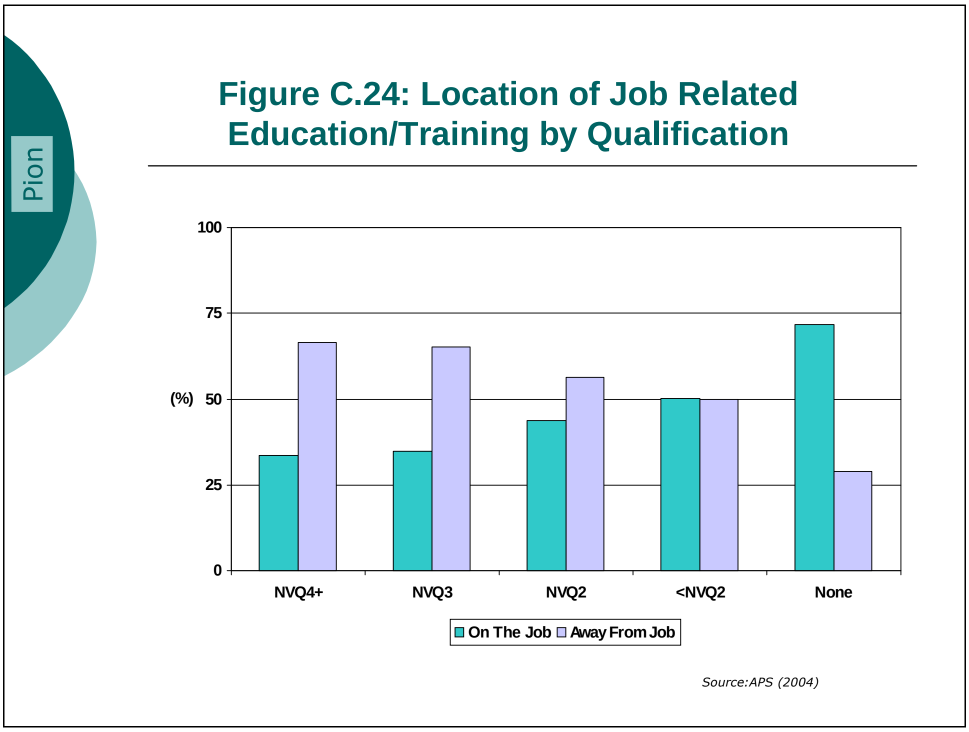


Source:APS (2004)

Figure C.23: Job Related Education/Training in Public/Private Sectors by Qualification



Source:APS (2004)


Pion
Figure C.24: Location of Job Related Education/Training by Qualification
100
75
(%) 50
25
0
NVQ4+
NVQ3
NVQ2
<NVQ2
None
On The Job
Away From Job
Source:APS (2004)

Annex D

Table D.1: Employer Recruitment and Assessment of Young People			
	Vacancy as % of Employment	**Hard to Fill Vacancy Rate %**	**Skill-Shortage Vacancy Rate %**
Lancashire	3.0	41%	13%
North West	3.0	42%	16%
England	2.7	35%	17%

Source: NESS (2005)

Table D.2: Reasons for Hard-to-Fill Vacancies in Lancashire	
Reason	**% of Employers**
Low number of applicants with required skills	28%
Not enough people interested in doing this type of job	20%
Lack of qualifications the company demands	18%
Poor terms and conditions (e.g. pay) offered for the post	17%
Low number of applicants generally	16%
Lack of work experience the company demands	15%
Low number of applicants with required attitude, motivation or personality	15%
Job entails shift work/unsociable hours	10%

Source: NESS (2005)

Table D.3: Skills found difficult to obtain from Applicants (%)			
Skill	**England**	**North West**	**Lancashire**
Technical, practical or job specific skills	43	56	54
Customer handling skills	39	47	49
Oral Communication skills	36	42	52
Problem solving skills	34	44	50
Team working skills	33	44	47
Written Communication skills	31	32	42
Literacy skills	28	34	35
Office / admin skills	26	19	21
Management skills	25	30	26
Numeracy skills	24	30	32
General IT user skills	16	18	16
IT professional skills	14	15	17
Foreign language skills	11	17	15

Source: NESS (2005

Table D.4: Impact of Hard-To-fill Vacancies (%)			
Impact	**England**	**North West**	**Lancashire**
Increased workload for other staff	84	88	87
Delay developing new products/services	39	44	45
Lose business/order to competitors	37	42	43
Increase operating costs	36	46	50
Have difficulty meeting quality standards	33	40	38
Have difficulties introducing new working practices	33	43	42
Outsource work	26	35	35

Source: NESS (2005

Table D.5: Employees Not Fully Proficient			
	England	**North West**	**Lancashire**
% of establishments with skill gaps	16.4%	16.4%	17.1%
% of total employees	6%	6%	6%
% managers	4%	3%	4%
% professionals	4%	2%	2%
% associate professionals	5%	4%	3%
% admin/clerical staff	5%	4%	7%
% skilled trades staff	6%	8%	7%
% personal service staff	7%	4%	6%
% sales/customer service staff	9%	9%	10%
% machine operatives	6%	9%	8%
% elementary staff	8%	8%	8%

Source: NESS (2005

Table D.6: Level of Impact of Skills Gap			
Level of Impact	**England**	**North West**	**Lancashire**
A major impact	12%	13%	14%
A minor impact	62%	64%	58%
No impact	25%	21%	27%
Don't know	1%	2%	1%

Source: NESS (2005

Table D.7: Actions Taken to Overcome Skills Gaps			
Action	**England**	**North West**	**Lancashire**
Increasing the training to existing workforce	55%	60%	61%
Increasing/expanding trainee programmes	25%	24%	22%
Nothing	12%	12%	12%
(More frequent) staff appraisal /review	4%	6%	4%
Using new recruitment methods or channels	4%	4%	3%
Redefining existing jobs	3%	2%	2%
Other	3%	2%	3%
Increasing advertising / recruitment spend	2%	1%	0%
Disciplinary action	2%	2%	2%
More supervision of staff	2%	2%	2%

Source: NESS (2005