

Welcome

There are five LSC area offices in the West Midlands. These cover the following sub-regions:

- Birmingham and Solihull
- The Black Country
- Coventry and Warwickshire
- Herefordshire, Worcestershire and Shropshire
- Staffordshire

The LSC is committed to the improvement of the wider further education sector, to raise standards and to make learning provision more responsive to the needs of individuals and employers. To do this we assess and utilise market intelligence at area level to target resources to bring about change.

The research team in the West Midlands has produced this information pack to support colleagues, stakeholders and providers in their strategic and operational planning, to help meet the challenges of a demand led system.

A more detailed analysis of the issues presented can be found in the West Midlands Strategic Analysis at www.lsc.gov.uk/westmidlands

Market Analysis

The Structure of the regional economy

Whilst many of the West Midland's key manufacturing industries have continued to decline, a range of service industries are expanding significantly and are becoming key sources of wealth creation for the region. These include both private sector services such as business and professional services, retail and hotels and catering and public sector activities such as health and social care and recreational and cultural services.

Forecasts suggest that there is potential for significant additional demand for labour and skills in the West Midlands over the next decade. Overall close to a million job opportunities could potentially be on offer, with 90,000 of these being new jobs created by the expansion of the economy.

The demand for skills and qualifications

The shifts in sectoral and occupational employment will impact on the skills and qualifications needed by employers and individuals. Ten years from now there will be fewer employment opportunities for people with no or few skills, whereas there will be more opportunities for those with higher level skills.

Demographic changes and the supply of skills

The regional population is expected to grow by 211,000 by 2018, at a rate of 4% slightly slower than the

England average. Most of this growth will be in the 65 and over age group. The working age population (16-65) will grow by just 46,000 (1%). When we link this to the expected employment growth it is apparent that some employers will have difficulties meeting their recruitment needs and will have to become more effective in exploiting growing groups of potential labour supply such as minority ethnic groups and older people.

Economy and Labour Market

Employment projections show that between 2004 and 2014 it is expected there will be steady employment growth in Coventry and Warwickshire. The net results of this will be 22,000 additional jobs, an increase of 5.5%. This predicted growth in employment exceeds that estimated for the West Midlands and the national average.

The structure of employment by industrial sector is expected to change. Projections indicate that there will be a decline in employment within the primary sectors, engineering and other manufacturing and construction. This will be offset by a major growth in employment in business and other services, distribution (including wholesale and retail), education, health and social care. There will however be demand for labour in all sectors of the economy due to replacement demands which reflect the need to replace skills that will be lost because of labour turnover as people retire or leave for other reasons.

A slightly higher proportion of employers report skills gaps within their workforce in Coventry and Warwickshire, 17% compared to 16% in the West Midlands and nationally. However, skills gaps as a proportion of employment are in line with the regional average and below the national average. In terms of recruitment problems the local LSC is below the regional average in terms of the proportion of vacancies which are due to skills shortages (skills shortage vacancies (22% against 31%).

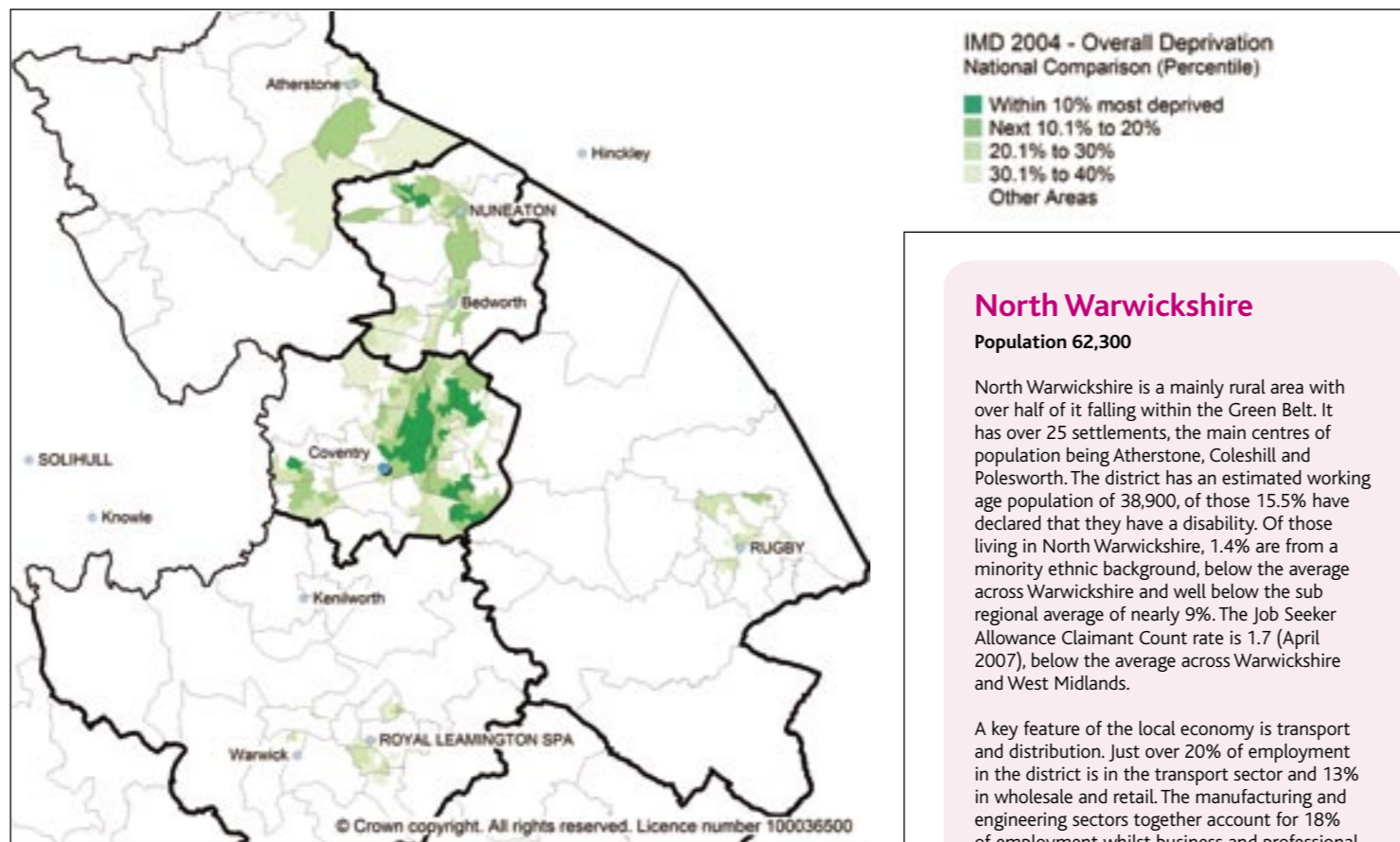
LSC PSA targets

Increase the proportion of 19 year olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008.

Improve the basic skills of 2.25 million adults between 2001 and 2010, with interim targets of 750,000 by 2004 and 1.5 million by 2007.

By 2010 reduce by at least 40% the number of adults in the workforce without a Level 2 or equivalent qualification.

Increase the number of full framework completions by 75% by 2007/08. This means 75,500 completing their framework in 2007/08.



North Warwickshire

Population 62,300

North Warwickshire is a mainly rural area with over half of it falling within the Green Belt. It has over 25 settlements, the main centres of population being Atherstone, Coleshill and Polesworth. The district has an estimated working age population of 38,900, of those 15.5% have declared that they have a disability. Of those living in North Warwickshire, 1.4% are from a minority ethnic background, below the average across Warwickshire and well below the sub regional average of nearly 9%. The Job Seeker Allowance Claimant Count rate is 1.7 (April 2007), below the average across Warwickshire and West Midlands.

A key feature of the local economy is transport and distribution. Just over 20% of employment in the district is in the transport sector and 13% in wholesale and retail. The manufacturing and engineering sectors together account for 18% of employment whilst business and professional services account for 11% of employment.

The proportion of 19 year olds achieving a NVQ level 2 qualification has increased by 4 percentage points since 2004 to just over 60% in 2006. Despite the recent increase this remains below the sub-regional average.

Note: Working age includes males aged 16 to 64 and females aged 16 to 59.

Stratford-on-Avon

Population 119,000

Stratford-on-Avon District covers a large rural area, with Stratford-upon-Avon town centrally located. The district has an estimated working age population of 71,300, of those 19.6% have declared that they have a disability. Just over 1% of those living in the Stratford district are from a minority ethnic group, well below the sub-regional average of nearly 9% and below the average across Warwickshire of 4.6%. The Job Seeker Allowance Claimant Count rate is 1.3 (April 2007), below the average across Warwickshire and the West Midlands.

Tourism is a feature of the local economy, highlighted by the fact that 10% of employment in the district is in hotels and restaurants, above the sub-regional average of 7.4% and the regional average of 6.2%. However, it is the business and professional services sector which accounts for the largest proportion of employment (24.3%), whilst the wholesale and retail sector is also prominent accounting for 13.2% of employment.

The proportion of 19 year olds achieving a NVQ level 2 qualification has increased by 6 percentage points since 2004 to 78% in 2006, above the sub-regional average of 74%.

Higher education entrants (18-20 year old) 2005/06

Area	Full time entrants			Part time entrants		
	1999/2000	2005/06	Difference	1999/2000	2005/06	Difference
Coventry & Warwickshire	3,310	3,955	645	110	80	-45
Coventry	1,170	1,365	195	45	35	-10
North Warwickshire	210	235	25	0	15	N/A
Nuneaton and Bedworth	355	435	80	15	10	-5
Rugby	380	445	65	15	5	-10
Stratford-on-Avon	555	700	145	25	5	-20
Warwick	640	775	135	10	10	0
Warwickshire	2,140	2,590	450	65	45	-35
West Midlands Region	21,015	24,540	3,525	910	710	-200
East Midlands Region	15,825	18,795	2,970	545	465	-80
South East Region	34,610	40,330	5,720	730	975	245
England	198,970	235,160	36,190	6,345	7,085	740

Note: Based on home residence. Source: DFES 2007

Nuneaton and Bedworth

Population 120,700

Nuneaton and Bedworth district has an estimated working age population of 74,300, of those 20.3% have declared that they have a disability. Just under 5% of those living in Nuneaton and Bedworth are from a minority ethnic background, in line with the average across Warwickshire but below the sub-regional average of nearly 9%. The Job Seeker Allowance Claimant Count rate is 2.9 (April 2007), above the average across Warwickshire but below the West Midlands average.

The wholesale and retail sector accounts for 18% of employment in the district, business and professional services (15%), engineering and manufacturing (15%) and transport (13%) are also key features of the local economy.

The proportion of 19 years olds achieving a NVQ level 2 qualification has increased by five percentage points since 2004 to 63% in 2006. This remains below the sub-regional average of 74%.

Coventry

Population 304,200

Coventry has two universities and an estimated working age population of 190,900. Within the city 19.0% of the working age population have declared that they have a disability. Around 16% of all those living in Coventry are from a minority ethnic group. The Job Seeker Allowance Claimant Count rate is 4.0 (April 2007), above the West Midlands average of 3.3.

In Coventry 16.7% of employment is the business and professional services sector with wholesale and retail accounting for 15.5%. Together engineering (9.8%) and manufacturing (4.3%) account for 14.1% of employment in the city. Employment is also strong in education (15.1%) and in the health and social care sector (11.1%).

The proportion of 19 year olds achieving a NVQ level 2 qualification by the age of 19 has increased by six percentage points since 2004 to 65% in 2006, below the sub-regional average of 74% and the West Midlands average of 70%.

Rugby

Population 91,600

The Borough of Rugby covers 35,592 hectares of Warwickshire, the main centre of population being the market town of Rugby itself. The district has an estimated working age population of 55,800, of those 14.1% have declared that they have a disability. Just over 6% of those living in Rugby are from a minority ethnic background, below the sub-regional average of nearly 9%, but above the average across Warwickshire. The Job Seeker Allowance Claimant Count rate is 1.9 (April 2007), inline with the average across Warwickshire and below the West Midlands average.

Business and professional services and the wholesale and retail sectors each account for around 15% of the employment in Rugby District. Also prominent is the engineering sector accounting for 13% of employment.

The proportion of nineteen years olds achieving a NVQ level 2 qualification has increased by just over five percentage points since 2004 to 74% in 2006, in line with the sub-regional average.

Warwick

Population 140,300

Warwick District has four main towns: Warwick, Leamington Spa, Kenilworth and Whitnash. The district has an estimated working age population of 91,700, of those 10.9% have declared that they have a disability. Just over 7% of those living in the Warwick district are from a minority ethnic group, above the Warwickshire average of 4.6%. The Job Seeker Allowance Claimant Count rate is 1.6 (April 2007), below the average across Warwickshire and the West Midlands.

Business and professional services account for 23.7% of employment in Warwick followed by wholesale and retail (14.0%) and health and social care (10.5%).

The proportion of 19 year olds achieving a NVQ level 2 qualification has increased by four percentage points since 2004 to 79% in 2006, above the sub-regional average of 74%.

Centres of Vocational Excellence (CoVE) with Coventry and Warwickshire LSC (2006)

Lead provider	Partners	Title of CoVE
Henley College Coventry		Computing & E-Skills Technologies
Midland Group Training Services Ltd		Multi-skilled Management of Electrical Systems
North Warwickshire & Hinckley College	Warwickshire College, City College Coventry	Refurbishment & repair of buildings
North Warwickshire & Hinckley College		Logistics
North Warwickshire & Hinckley College	Warwickshire College, City College Coventry, Midland Group Training Services Ltd,	Centre of Vocational Excellence for Leadership & Management
Stratford Upon Avon College	Henley College Coventry, North Warwickshire & Hinckley College	Hospitality & Catering
Warwickshire College		General Engineering

Note: Warwickshire College is a partner CoVE in Equine with Bishop Burton College and Hartpury College

11-15 Cohort within Coventry and Warwickshire

	Age of pupils as at 31st August 2005				
	11	12	13	14	15
Coventry	4,000	3,910	3,990	4,210	4,130
Warwickshire	6,560	6,450	6,780	7,020	6,940
West Midlands	69,620	69,830	73,140	74,190	72,430
East Midlands	55,210	55,060	57,420	58,160	56,300
South East	104,000	102,490	106,650	106,110	104,360
England	632,900	634,410	657,940	662,470	650,300

Note: Warwickshire College is a partner CoVE in Equine with Bishop Burton College and Hartpury College

Year 11 School leaver destinations (2006)

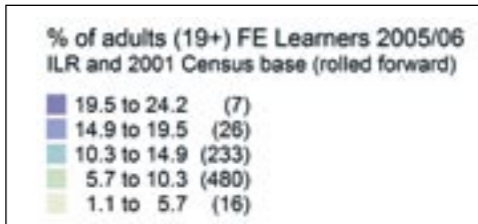
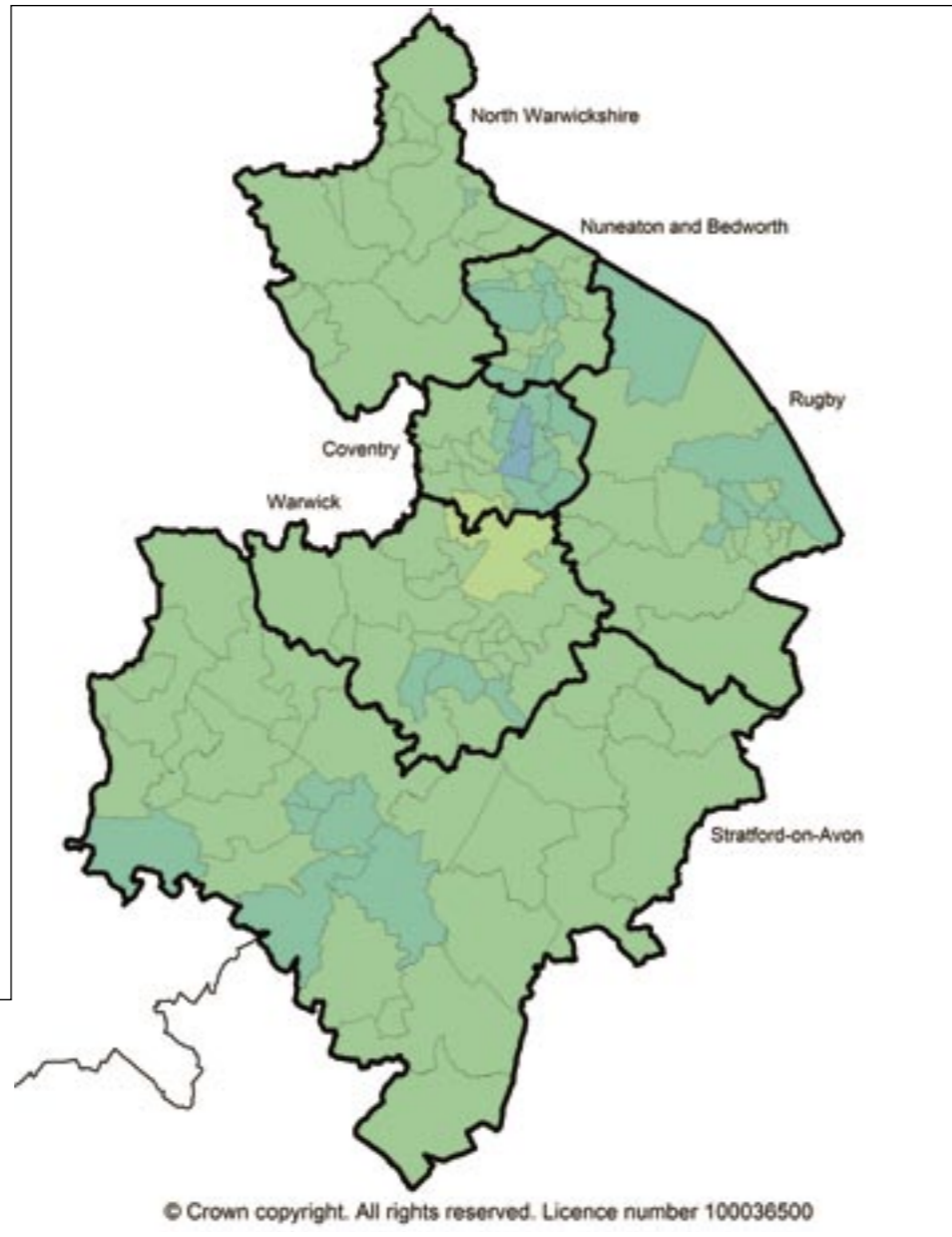
Status	Coventry		Warwickshire		Sub-region	
	No.	%	No.	%	No.	%
Continuing in education	3,370	79.6%	5,466	80.3%	8,836	80.0%
Training (non-employed)	186	4.4%	162	2.4%	348	3.2%
Employment	366	8.6%	658	9.7%	1,024	9.3%
Vol & P/t activities	65	1.5%	81	1.2%	146	1.3%
Positive outcomes	3,987	94.2%	6,367	93.5%	10,354	93.8%
NEET*	207	4.9%	381	5.6%	588	5.3%
Not available / Left area	39	0.9%	62	0.9%	101	0.9%
Negative outcomes	246	5.8%	443	6.5%	689	6.2%
Total	4,233	100.0%	6,810	100.0%	11,043	100.0%

*Not in Education, Employment or Training
Source: Connexions Coventry and Warwickshire 2006

Year 11 School leaver destinations 3 year comparisons

Status	2004	2005	2006
Continuing in education	75.5%	77.7%	80.0%
Training (non-employed)	4.1%	3.2%	3.2%
Employment	12.8%	11.4%	9.3%
Vol & P/t activities	0.6%	1.0%	1.3%
Positive outcomes	93.1%	93.4%	93.8%
NEET	5.6%	5.6%	5.3%
Not available / left Area	1.3%	1.1%	0.9%
Negative outcomes	6.9%	6.6%	6.2%
Total	100%	100%	100%

*Not in Education, Employment or Training. Source: Connexions Coventry and Warwickshire 2006



Gross annual earnings (2006)

Area	Annual pay - 2006
Coventry	21,487
Nuneaton and Bedworth	21,652
North Warwickshire	21,998
Rugby	24,307
Stratford-on-Avon	28,130
Warwick	27,683
Warwickshire	25,099
West Midlands	£22,047
East Midlands	£22,155
South East	£27,412
England	£25,008

Source: Annual survey of hours and earnings (ONS, 2007)

Levels of pay and levels of qualifications

Average pay levels vary across Coventry and Warwickshire with Stratford-on-Avon and Warwick districts with the highest levels of pay, well above the average across the West Midlands. Levels of pay in the north of the sub-region, in Coventry, Nuneaton and Bedworth and North Warwickshire fall below the West Midlands average.

Qualification levels in the sub-region are above the average across the West Midlands, with higher proportions of the economically active population with a NVQ level 2 qualification or above (73% in Coventry and Warwickshire 68% across the West Midlands). The proportion of those with a level 3 and level 4 or above in the sub-region is in line with the England average. GCSE results in both Coventry and Warwickshire have improved over the past three years. Levels of pay and qualifications need to be considered alongside patterns of deprivation across the sub-region.

Key Stage 4 GCSE results

	% Achieving 5+ A*-C	% Achieving 5+ A*-G	% With any passes
Coventry	48.1	88.5	97.3
North Warwickshire	46.9	93.3	97.9
Nuneaton and Bedworth	51.6	90.1	98.0
Rugby	62.0	93.1	97.6
Stratford-on-Avon	68.8	94.3	98.5
Warwick	60.4	92.6	97.9
Warwickshire	58.5	92.7	98.1
West Midlands	56.4	90.5	97.4
East Midlands	55.4	90.6	97.4
South East	59.7	92.1	97.9
England	59.2	90.5	97.8

Source: DFES. From 2006 figures are for pupils at the end of Key Stage 4

Coventry and Warwickshire LSC providers - FE Full Time Equivalents (FTEs) by age (2005/06)

Provider Name	Age Band		Total
	16-18	19+	
City College Coventry	1,759	2,087	3,846
Coventry City Council	67	1,466	1,533
Henley College Coventry	1,207	1,345	2,552
Hereward College of Further Education	37	107	144
King Edward VI College	937	*	937
North Warwickshire & Hinckley College	2,271	2,738	5,009
Stratford upon Avon College	1,335	780	2,115
Warwickshire College	3,347	3,244	6,591
Coventry and Warwickshire Total	10,961	11,772	22,732

Source: West Midlands LSC Performance Reports
* data cannot be shown - less than 10

FE Success rates by sector (2003 to 2005)

Sector Subject Area	Data	2003	2004	2005
Agriculture, Horticulture and Animal Care	Success Rate	74%	69%	64%
	Starts	3,223	2,969	2,237
Arts, Media and Publishing	Success Rate	79%	81%	83%
	Starts	14,409	11,499	9,236
Business, Administration and Law	Success Rate	64%	69%	73%
	Starts	7,243	6,473	6,107
Construction, Planning and the Built Environment	Success Rate	65%	73%	70%
	Starts	2,342	1,891	1,469
Education and Training	Success Rate	71%	74%	79%
	Starts	2,076	1,666	1,849
Engineering and Manufacturing Technologies	Success Rate	74%	75%	75%
	Starts	6,577	4,694	3,681
Health, Public Services and Care	Success Rate	80%	88%	88%
	Starts	21,794	21,272	19,595
History, Philosophy and Theology	Success Rate	75%	78%	80%
	Starts	437	465	587
Information and Communication Technology	Success Rate	62%	68%	70%
	Starts	17,387	14,991	7,578
Languages, Literature and Culture	Success Rate	76%	74%	77%
	Starts	6,934	6,301	3,648
Leisure, Travel and Tourism	Success Rate	76%	84%	81%
	Starts	6,169	6,511	3,652
Preparation for Life and Work	Success Rate	81%	83%	82%
	Starts	16,737	20,236	19,972
Retail and Commercial Enterprise	Success Rate	72%	76%	78%
	Starts	5,850	5,724	5,703
Science and Mathematics	Success Rate	64%	63%	71%
	Starts	4,497	4,357	3,372
Social Sciences	Success Rate	81%	77%	78%
	Starts	2,202	1,875	1,134
Not Classified	Success Rate	78%	97%	95%
	Starts	2,705	2,484	3,018
Coventry and Warwickshire Success Rate		74%	79%	80%
Coventry and Warwickshire Starts		120,582	113,408	92,838

Source: West Midlands LSC Performance Reports Note: "Starts" are the number of enrolments on qualifications where the learner was expected to complete the qualification that college year. Each qualification a learner is enrolled on is shown as a separate "start"

Coventry and Warwickshire work based learning average in Learning by Local LSC Period 15

Sector Subject Area	2003/04	2004/05	2005/06
Agriculture, Horticulture and Animal Care	89	101	95
Arts, Media and Publishing	*	*	*
Business, Administration and Law	897	833	738
Construction, Planning and the Built Environment	384	415	404
Education and Training	*	*	*
Engineering and Manufacturing Technologies	942	1,205	1,196
Health, Public Services and Care	681	637	552
Information and Communication Technology	49	54	124
Leisure, Travel and Tourism	160	143	117
Preparation for Life and Work	*	14	*
Retail and Commercial Enterprise	925	858	799
Not Classified	*	61	47
Coventry and Warwickshire Total	4,134	4,322	4,077

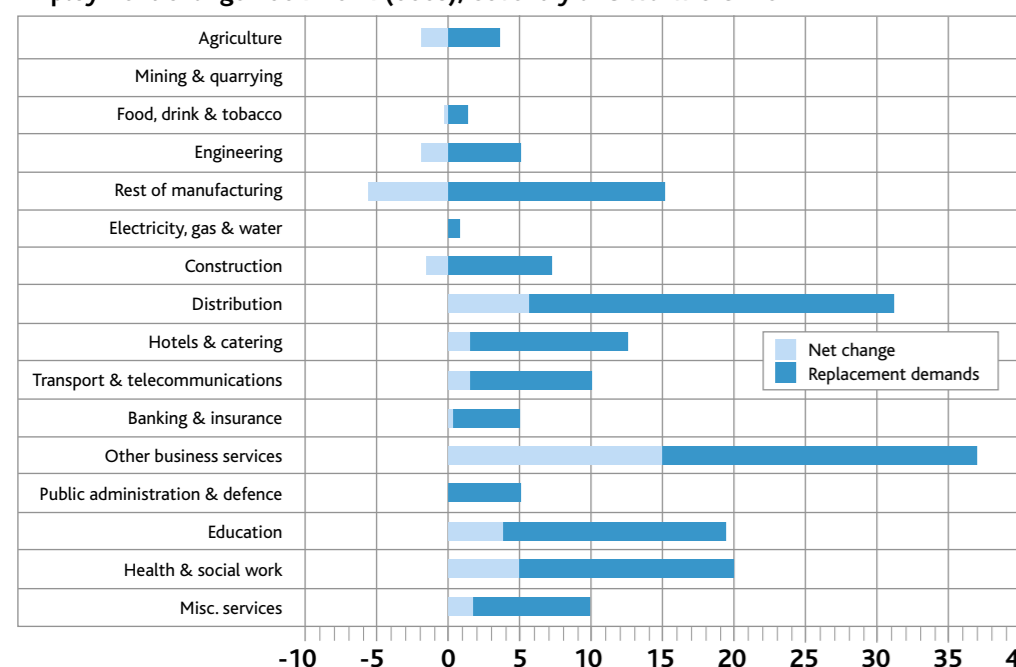
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Note Average in Learning: the average number of learners during a given period

Proportion of young people reaching the level 2 threshold.

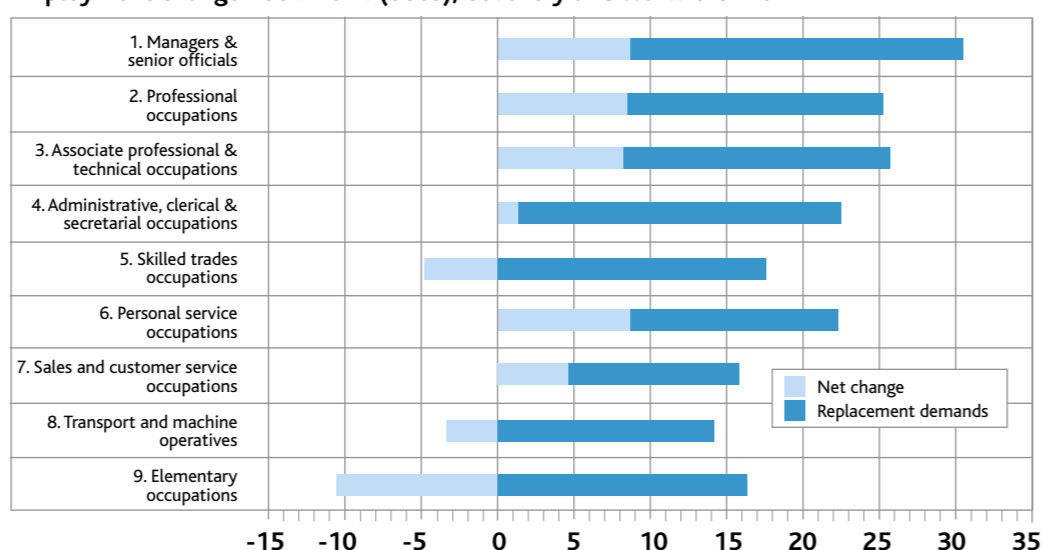
Local authority name	Aged 19 at the end of 2003/04	Aged 19 at the end of 2004/05	Aged 19 at the end of 2005/06	Percentage point change 2003/04 to 2005/06
Coventry	60%	64%	65%	6
North Warwickshire	57%	58%	60%	4
Nuneaton and Bedworth	58%	63%	63%	5
Rugby	69%	72%	74%	5
Stratford-on-Avon	73%	76%	78%	6
Warwick	75%	75%	79%	4
West Midlands	64%	67%	70%	6
East Midlands	63%	67%	69%	6
South East	72%	74%	75%	4
England	66%	69%	71%	5

Source: Fisher Family Trust matched administrative dataset 2005/06

Employment change 2004-2014 (000s), Coventry and Warwickshire



Employment change 2004-2014 (000s), Coventry and Warwickshire



Economically active population, qualification levels (2005)

	Level 4+ (%)	Level 3+ (%)	Level 2+ (%)	Level 1+ (%)	No qualifications (%)
Coventry and Warwickshire	30	49	73	90	10
Coventry	30	47	70	89	11
Warwickshire	30	50	74	90	10
West Midlands	26	45	68	88	12
England	30	49	71	90	10

Source: ONS, Annual Population Survey 2005
Note: Economically active population: People who are either in employment or unemployed.

GCSE Results - Year on year results for 15 year olds (2006)

	% of 15 old pupils achieving 5+A*-C (and equivalent)		
	2004	2005	2006
Coventry Local Authority	45.5	46.3	47.5
Warwickshire Local Authority	54.3	57.2	58.4
England Average	53.7	56.3	58.5

Source: DFES 2006

Level 3 performance score (2006)

	Average QCA point score by students achieving all Level 3 qualifications:					
	Per candidate			Per entry		
	Male	Female	Total	Male	Female	Total
Coventry	602.0	647.7	626.7	188.5	198.5	194.0
Warwickshire	729.7	767.3	750.3	199.0	209.4	204.7
West Midlands	684.3	729.5	709.1	191.9	202.1	197.5
East Midlands Region	696.1	745.2	722.9	191.9	202.6	197.8
South East Region	709.3	757.2	735.0	198.8	210.1	204.9
England Average	724.7	758.9	743.2	201.5	209.7	206.0

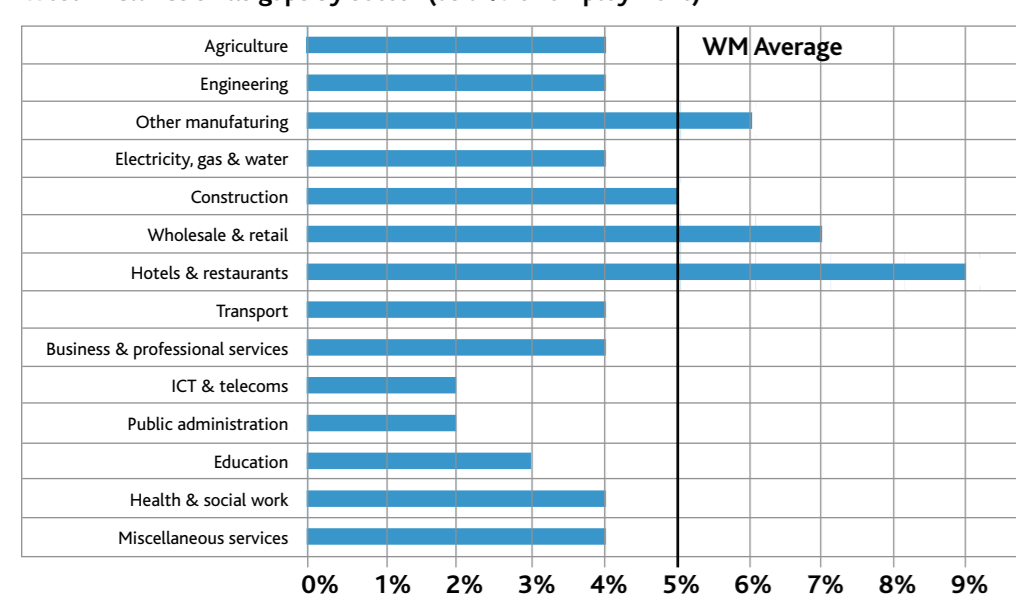
Source: DFES 2006

Coventry and Warwickshire work based learning success rates 2003/04 to 2005/06

Programme type	Measure	2003/04	2004/05	2005/06
Advanced Apprenticeship	Leavers	739	648	815
	S4A Success Rate	46%	52%	62%
	FWK Success Rate	27%	42%	56%
Apprenticeship	Leavers	1,682	1,776	1,935
	S4A Success Rate	47%	53%	62%
	FWK Success Rate	33%	42%	56%
NVQ only	Leavers	706	634	315
	S4A Success Rate	56%	61%	75%
	NVQ Success Rate	56%	61%	75%

Source: West Midlands LSC Performance Reports. Note S4A Success Rate: Success for All rate, those achieving a NVQ or framework FWK - Success Rate: Framework Success Rate, those achieving a framework

West Midlands skills gaps by sector (as a % of employment)



West Midlands skills shortages by sector (as a % of vacancies)

