

# 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](http://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, 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.

### County profile

Shropshire is a predominantly rural county, with two major urban areas of Telford and Shrewsbury. Telford was established as a New Town in the 1960s and experienced rapid growth in the 1970s, and continues to be the county's main industrial and commercial centre. Other main settlements in Shropshire are market towns of varying sizes, with economies focussed around the provision of services to local residents as well as light industry and manufacturing consisting primarily of small and medium sized companies. Shropshire's agricultural sector is significant and diverse – from hill sheep farming to lowland dairy and arable.

### Levels of pay and levels of qualifications

Average pay levels vary considerably across Shropshire and Telford and Wrekin. Compared to regional average earnings of £22,047 per annum, four district authorities (North Shropshire, South Shropshire, Telford and Wrekin and Shrewsbury and Atcham) have average earnings below the regional figure. In Bridgnorth average earnings exceed the regional and national averages at £26,073 per annum.

In terms of qualifications, Shropshire sub-region's performance is generally in line with the regional average. This means that 27% of the economically active population are qualified to Level 4 or above (26% for the West Midlands) and 47% to Level 3 or above (45% for the region). Some 11% of the economically active population have no qualifications compared to 12% for the region.

### Economically active qualification levels - 2005 APS

	Level 4+ (%)	Level 3+ (%)	Level 2+ (%)	Level 1+ (%)	No qualifications (%)
Shropshire	27	47	70	89	11
Shropshire, County of	28	48	70	88	12
Telford and Wrekin	26	45	71	90	10
<b>West Midlands</b>	<b>26</b>	<b>45</b>	<b>68</b>	<b>88</b>	<b>12</b>
<b>England</b>	<b>30</b>	<b>49</b>	<b>71</b>	<b>90</b>	<b>10</b>

Source: ONS, Annual Population Survey 2005

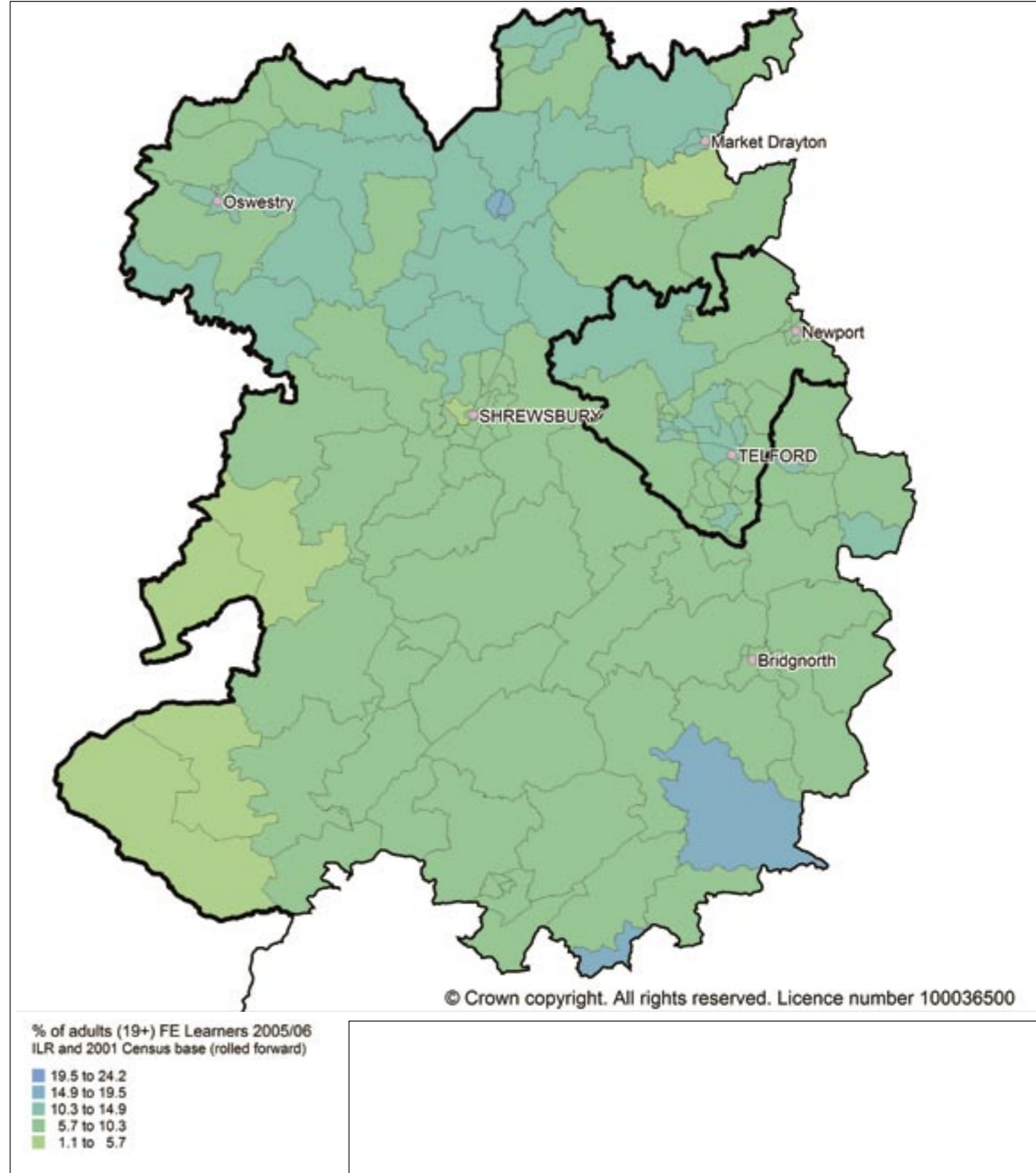
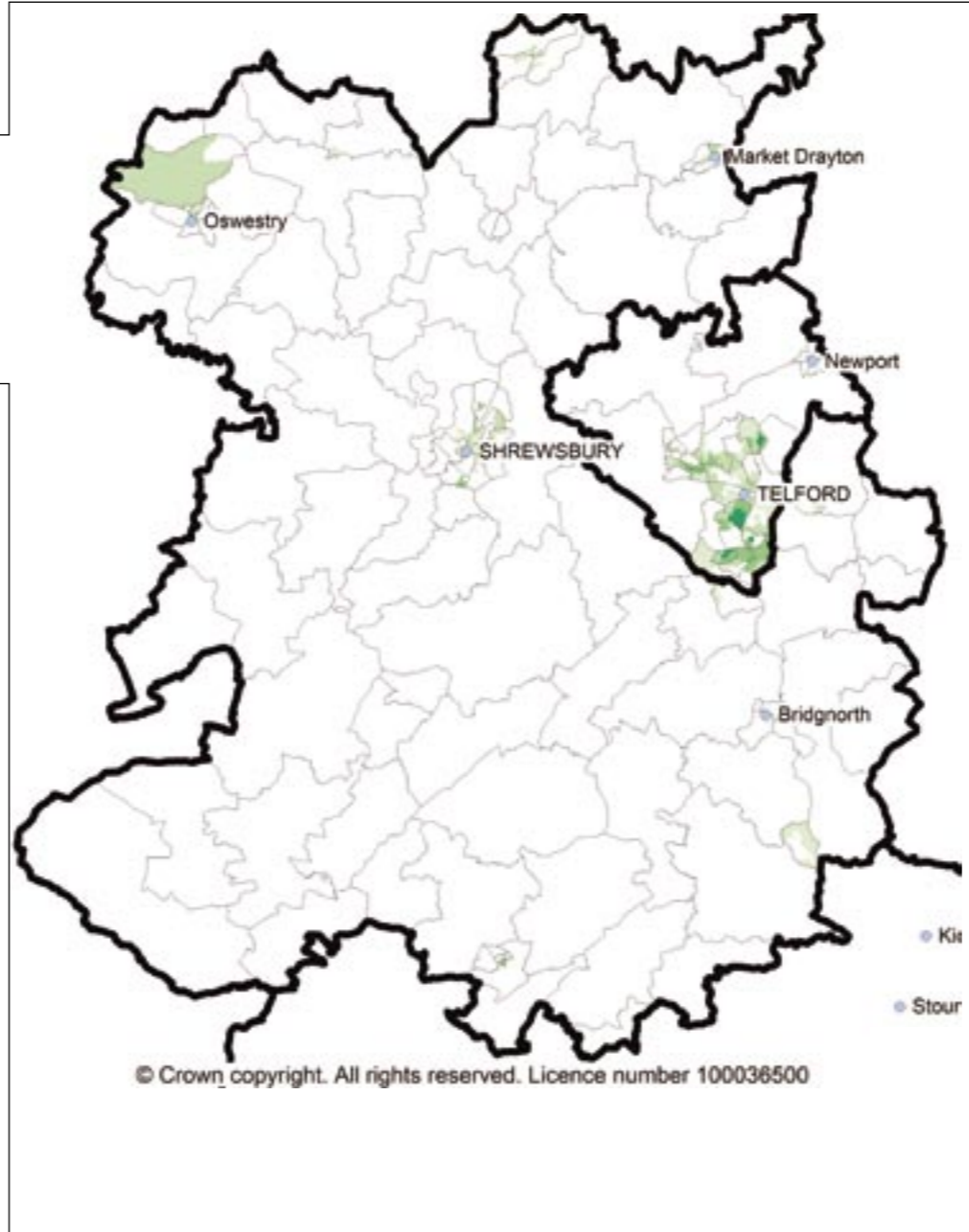
Note: Economically active population: People who are either in employment or unemployed.

### Centres of Vocational Excellence (CoVE) with Shropshire LSC (2006)

Lead provider	Partners	Title of CoVE
Ludlow College	Shropshire County Training	The Shropshire Health & Social Care Consortium
Polymer Training Ltd		Polymer Centre
Shrewsbury College of Arts & Technology		Building Maintenance Operations
Telford College of Arts & Technology		Engineering & Maintenance Skills for Manufacturing Process Industries

Source: Learning and Skills Council (2007)

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



## Bridgnorth

Population 52,200

Bridgnorth district is in the south east of Shropshire and constitutes about 20% of the area of the county. The main town of Bridgnorth has a population of nearly 12,000 people and other settlements include Albrighton, Shifnal, Broseley, Highley, Alveley and Much Wenlock.

The district has an estimated working age population of 29,800, of those 21% have declared that they have a disability. Only 1% of the district's population are from ethnic minority groups, significantly below the regional figure of 9%. The local Claimant Count unemployment rate is 1.5% (April 2007), again well below the regional average of 3.3%.

The public administration, health and education sector accounts for over 21% of employment in the district, with manufacturing and wholesale and retail making up a further 15% and 14% respectively. At 5%, employment in agriculture is above the regional average (1%).

The proportion of nineteen year olds achieving a NVQ level 2 qualification has increased by ten percentage points since 2004 to 79% in 2006. This is nine percentage points higher than the regional average.

## Oswestry

Population 39,200

Oswestry is the smallest of the Shropshire districts covering 99 square miles, which is about 8% of the area of the county. The district is home to around 9% of the county's residents. Some 42% of the district's population live in the town of Oswestry itself, with two further settlements of St Martin's and Whittington .

Oswestry has an estimated working age population of 22,700, of those 23.5% have declared that they have a disability. Only 1% of the district's population are from ethnic minority groups, significantly below the regional figure of 9%. The local Claimant Count unemployment rate is 1.8% (April 2007), again well below the regional average of 3.3%.

Employment in education and health accounts for 27% of jobs in the district, with a further 17% being in wholesale and retail. Manufacturing accounts for 14% of employment.

The proportion of nineteen year olds achieving a NVQ level 2 qualification has increased by six percentage points since 2004 to 71% in 2006. This is one percentage point higher than the regional average.

## Shrewsbury and Atcham

Population 96,300

Shrewsbury and Atcham district covers 232 square miles and lies in the centre of the county. Over two-thirds of the district's population live in Shrewsbury, Shropshire's county town.

Shrewsbury and Atcham district has an estimated working age population of 56,300, of those 14.5% have declared that they have a disability. Some 2% of the district's population are from ethnic minority groups, below the regional figure of 9%. The local Claimant Count unemployment rate is 1.5% (April 2007), again below the regional average of 3.3%.

The health and social care sector accounts for 21% of employment in the district, with a further 14% in public administration and education. Some 19% of jobs are in the wholesale and retail sector. The proportion of nineteen year olds achieving a NVQ level 2 qualification has increased by eight percentage points since 2004 to 78% in 2006. This is eight percentage points higher than the regional average.

## South Shropshire

Population 42,300

South Shropshire is the largest district in Shropshire, covering around a third of the area of the county. A substantial proportion of the district is designated as an Area of Outstanding Natural Beauty. The main settlements are Ludlow, Church Stretton, Cleobury Mortimer and Craven Arms.

South Shropshire has an estimated working age population of 24,000, of those 14.5% have declared that they have a disability. Only 1% of the district's population are from ethnic minority groups, below the regional figure of 9%. The local Claimant Count unemployment rate is 1.1% (April 2007), again below the regional average of 3.3%.

Almost a quarter of South Shropshire employment is in the public administration, education and health sector. Manufacturing and wholesale and retail sectors account for a further 18% and 15% respectively. At 6%, agriculture accounts for a significantly higher proportion of employment than the regional average (1%).

The proportion of nineteen year olds achieving a NVQ level 2 qualification increased by seven percentage points between 2005 and 2006 to 76%. This is six percentage point higher than the regional average.

## Telford and Wrekin

Population 161,600

Some 35% of Shropshire's population live in Telford and Wrekin district, which covers 112 square miles to the county's north east. The main population centre is the New Town of Telford, which acts as a major regional commercial and industrial centre.

Telford and Wrekin has an estimated working age population of 102,200, of those 21.8% have declared that they have a disability. Some 5% of the district's population are from ethnic minority groups, lower than the regional figure of 9%. The local Claimant Count unemployment rate is 2.5% (April 2007), again below the regional average of 3.3%.

Some 24% of employment in Telford and Wrekin is in the public administration, education and health sector, with manufacturing accounting for a further 23%. Wholesale and retail employment amounts to 18% of the district's total.

The proportion of nineteen year olds achieving a NVQ level 2 qualification has increased by seven percentage points since 2004 to 67% in 2006. However, this is still three percentage points lower than the regional average.

**Gross annual earnings (2006)**

Area	Annual pay - 2006
Bridgnorth	£26,073
North Shropshire	£21,585
Oswestry	£20,870
Shrewsbury and Atcham	£20,826
South Shropshire	#
Telford and Wrekin	£20,758
Shropshire	£22,418
<b>West Midlands</b>	<b>£22,047</b>
East Midlands	£22,155
South East	£27,412
London	£34,980
<b>England</b>	<b>£25,008</b>

Source: ONS, Annual survey of hour and earnings, resident analysis, April 2007  
# Suppressed due to statistical unreliability

**Economy and labour market**

Employment projections show that between 2004 and 2014 it is expected there will be steady employment growth in Shropshire and Telford and Wrekin. The net results of this will be 9,000 additional jobs, an increase of 4.4%. This predicted growth in employment is one percentage point above 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, including agriculture, engineering and other manufacturing and construction. This will be offset by a major growth in employment in business services,

distribution (including wholesale and retail), education, health and social care. However, there will 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.

At 4.6%, the proportion of employees in Shropshire sub-region with skills gaps as a proportion of employment is in line with the regional average. Looking at recruitment problems, the sub-region is below the regional average in terms of the proportion of vacancies which are due to skills shortages (skills shortage vacancies); 21% against 26%.

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

	Achieving 5+A*-C	Achieving 5+A*-G	Any passes
	2006	2006	2006
Bridgnorth	63.5	97	99.3
North Shropshire	63.2	91.4	98.1
Oswestry	61.4	94.8	98.4
Shrewsbury and Atcham	60.2	92.9	97.9
South Shropshire	65.6	96.2	98.9
Telford and Wrekin	55.4	90.6	96.8
Shropshire LEA	62.6	94.2	98.5
<b>West Midlands Region</b>	<b>56.4</b>	<b>90.5</b>	<b>97.4</b>
<b>England</b>	<b>59.2</b>	<b>90.5</b>	<b>97.8</b>

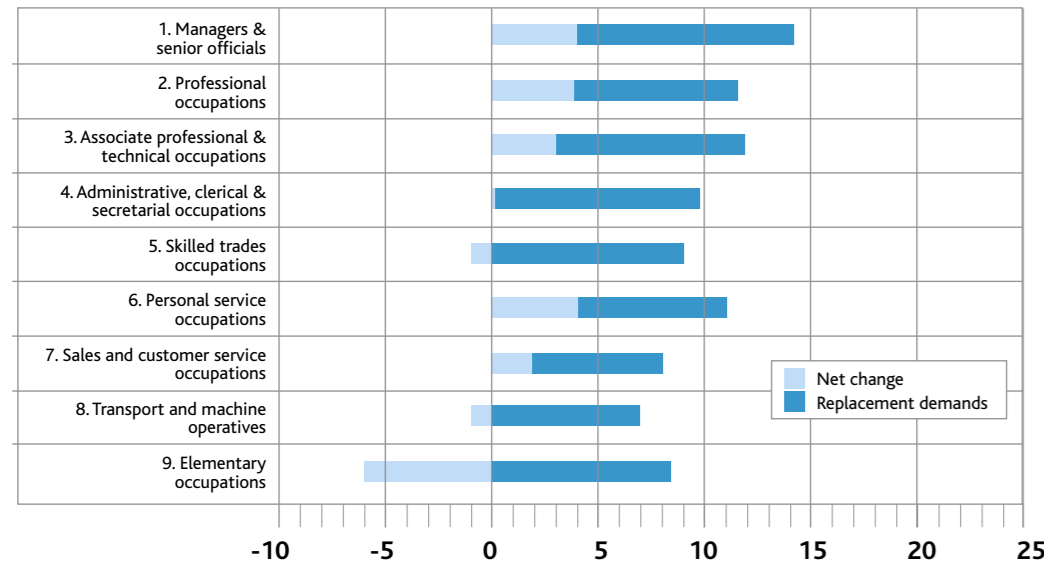
Source: DFES 2006. From 2006 figures are for pupils at the end of Key Stage 4.

**16-18 year old level 3 (A-level and equivalent) performance 2006**

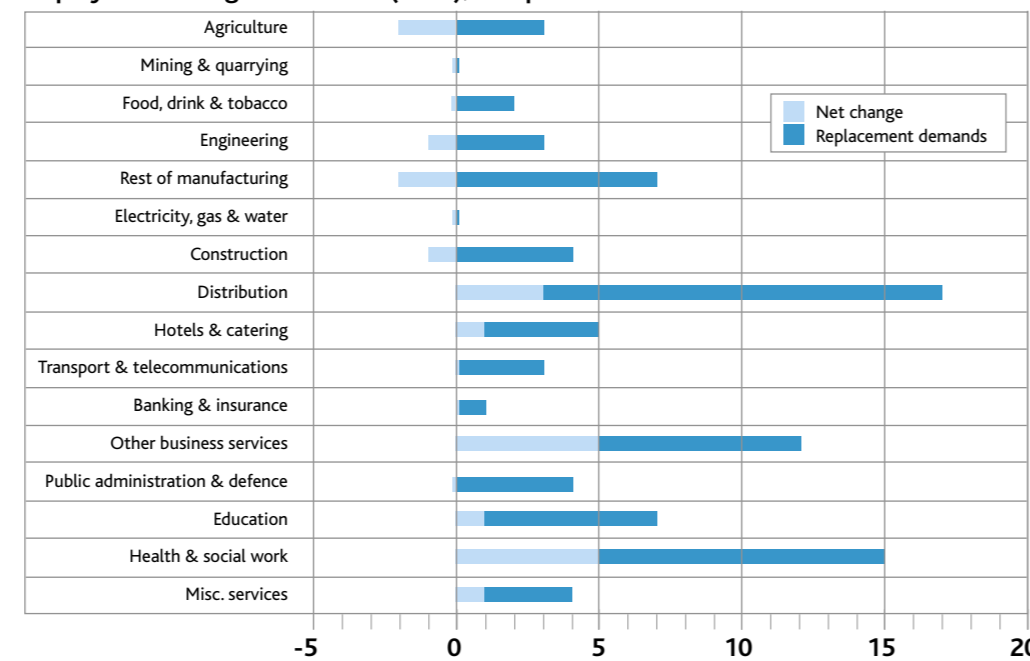
	Average QCA point score by students achieving all Level 3 qualifications:					
	Per candidate			Per entry		
	Male	Female	Total	Male	Female	Total
Shropshire	750.5	786.9	770.7	201.6	212.3	207.5
Telford and Wrekin	698.5	732.7	715.7	203.9	213.4	208.7
<b>West Midlands</b>	<b>684.3</b>	<b>729.5</b>	<b>709.1</b>	<b>191.9</b>	<b>202.1</b>	<b>197.5</b>
<b>England Average</b>	<b>724.7</b>	<b>758.9</b>	<b>743.2</b>	<b>201.5</b>	<b>209.7</b>	<b>206.0</b>

Source: DFES 2006

**Employment change 2004-2014 (000s), Shropshire**



**Employment change 2004-2014 (000s), Shropshire**



**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
Bridgnorth	285	295	10	5	10	5
Oswestry	160	140	-20	5	10	5
North Shropshire	270	275	5	10	10	0
Shrewsbury and Atcham	515	500	-15	10	5	-5
South Shropshire	160	175	15			N/A
Shropshire County	1,925	1,990	65	40	60	20
Telford and Wrekin	535	605	70	10	25	15
<b>West Midlands Region</b>	<b>21,015</b>	<b>24,540</b>	<b>3,525</b>	<b>910</b>	<b>710</b>	<b>-200</b>
<b>England</b>	<b>198,970</b>	<b>235,160</b>	<b>36,190</b>	<b>6,345</b>	<b>7,085</b>	<b>740</b>

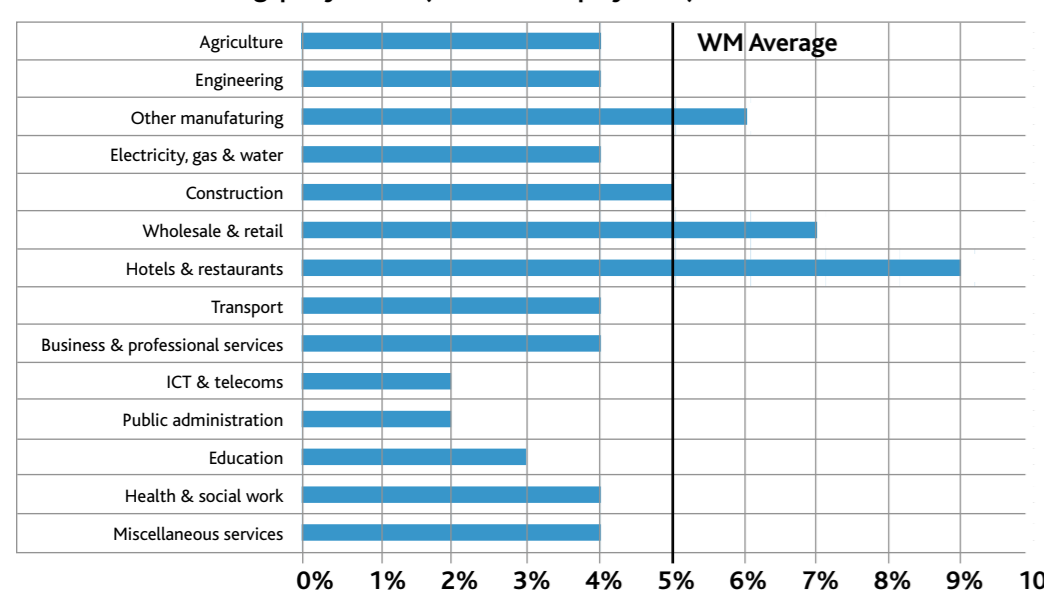
Note: Based on home residence. Source: DFES 2007

**Proportion of young people reaching the level 3 threshold.**

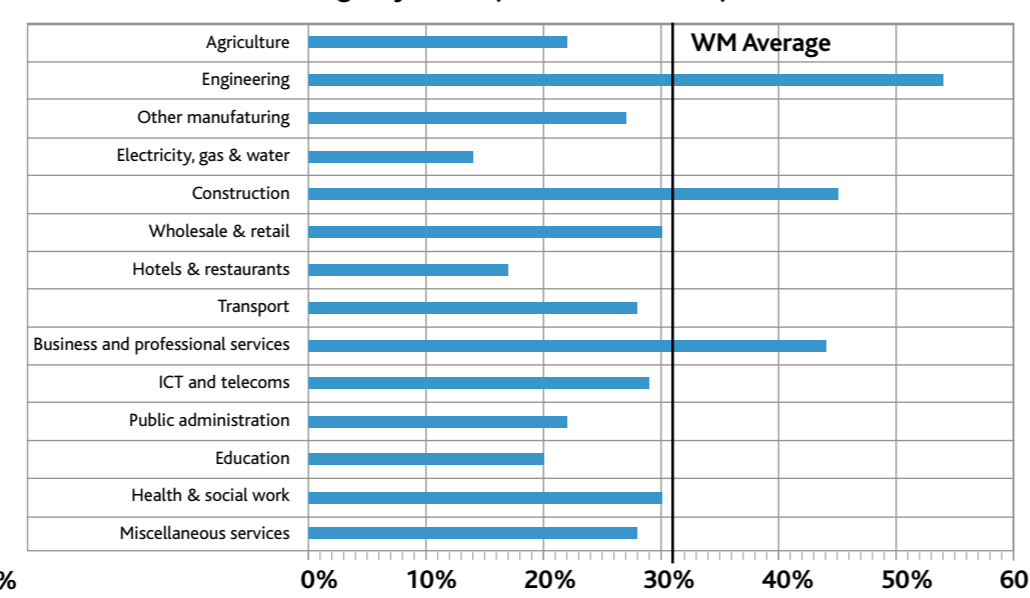
Local authority name	Aged 19 at the end of 2003/04 %	Aged 19 at the end of 2004/05 %	Aged 19 at the end of 2005/06 %	Percentage point change 2003/04 to 2005/06
Telford and Wrekin	36	40	43	7
Bridgnorth	47	55	56	8
North Shropshire	39	41	44	5
Oswestry	28	31	36	8
Shrewsbury and Atcham	48	53	53	5
South Shropshire	39	46	50	11
<b>West Midlands</b>	<b>39</b>	<b>43</b>	<b>44</b>	<b>5</b>
<b>England</b>	<b>42</b>	<b>46</b>	<b>47</b>	<b>5</b>

Source: Fisher Family Trust matched administrative dataset 2005/06

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



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



**11-15 Cohort within Shropshire**

	Age of pupils as at 31st August 2005				
	11	12	13	14	15
Shropshire	3,700	3,620	3,790	4,040	4,000
Telford and Wrekin	2,330	2,260	2,340	2,370	2,310
<b>West Midlands</b>	<b>69,620</b>	<b>69,830</b>	<b>73,140</b>	<b>74,190</b>	<b>72,430</b>
<b>England</b>	<b>632,900</b>	<b>634,410</b>	<b>657,940</b>	<b>662,470</b>	<b>650,300</b>

Source: DFES (2007)

**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
Telford and Wrekin	60	64	67	7
Bridgnorth	69	76	79	10
North Shropshire	67	69	70	2
Oswestry	66	67	71	6
Shrewsbury and Atcham	71	76	78	7
South Shropshire	69	70	76	7
<b>West Midlands</b>	<b>64</b>	<b>67</b>	<b>70</b>	<b>6</b>
<b>England</b>	<b>66</b>	<b>69</b>	<b>71</b>	<b>5</b>

Source: Fisher Family Trust matched administrative dataset 2005/06

**Year 11 School leaver destinations (2006)**

Status	Shropshire		Telford and Wrekin		Sub-region	
	No.	%	No.	%	No.	%
In Learning Total	3,197	88.8	1,930	85.2	5,126	87.4
Full Time Education	2,822	78.4	1,701	75.1	4,522	77.1
Govt. Supported Training	212	5.9	163	7.2	375	6.4
In Employment Total	324	9.0	134	5.9	457	7.8
Employment with Training	162	4.5	66	2.9	229	3.9
Not Settled	202	5.6	222	9.8	422	7.2
Not Known/Moved Out of Area	40	1.1	48	2.1	88	1.5

Source: Connexions