

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 & professional services, retail and hotels & catering and public sector activities such as health & 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.

Gross Annual Earnings (2006)

Area	Annual pay – 2006
East	26,026
East Midlands	22,155
London	34,980
North East	20,068
North West	22,147
South East	27,412
South West	22,237
Yorkshire and The Humber	21,458
West Midlands	22,047
England	25,008

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

Levels of pay and skills

Levels of pay

Average pay levels tend to be lower in the West Midlands than in most other regions of the country, with the exception of the North East and Yorkshire and the Humber. The West Midlands average is also almost £3,000 below the national average of £25,008 per annum.

Economy and Labour Market

Employment projections show that between 2004 and 2014 it is expected there will be steady employment growth in the West Midlands. The net results of this will be 90,000 additional jobs, an increase of 3.5%.

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 and health and social care. There will however, with the exception of mining and quarrying, 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.

Economic Status

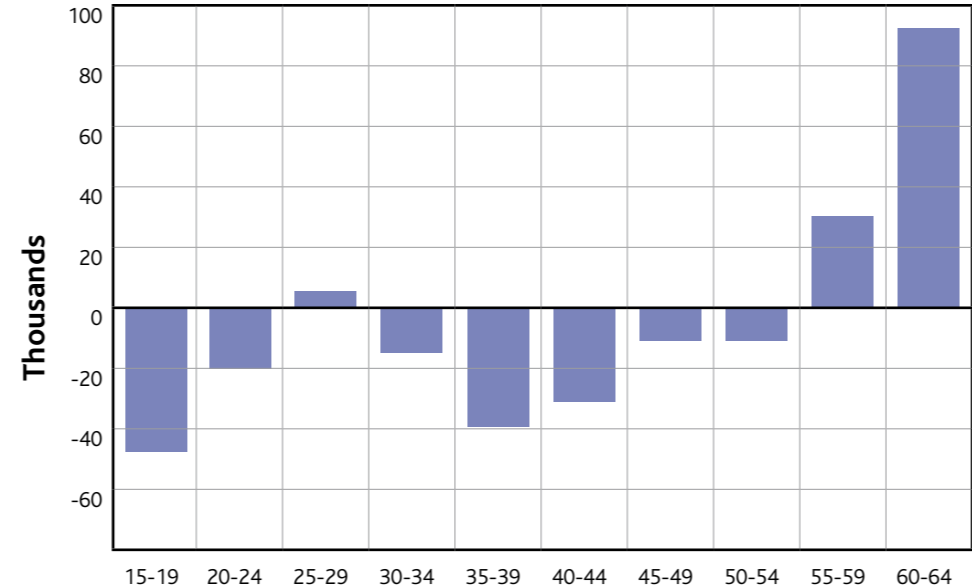
	In employment	ILO unemployed	Inactive	Total working age population
Birmingham	63%	7%	30%	597,952
Solihull	79%	3%	18%	119,019
Coventry	72%	6%	22%	187,768
Warwickshire	78%	3%	19%	316,848
Herefordshire	81%	3%	16%	104,214
Worcestershire	81%	3%	17%	329,506
Shropshire	77%	4%	19%	165,544
Telford and Wrekin	74%	5%	21%	102,641
Staffordshire	78%	3%	19%	493,105
Stoke-on-Trent	70%	3%	27%	146,299
Dudley	74%	3%	23%	183,419
Sandwell	66%	5%	28%	168,033
Walsall	66%	5%	29%	146,751
Wolverhampton	69%	5%	26%	138,549
West Midlands	73%	4%	23%	3,199,648
England	74%	4%	22%	30,682,000

Source: Annual Population Survey 2006

Demographic Changes and the Supply of Skills

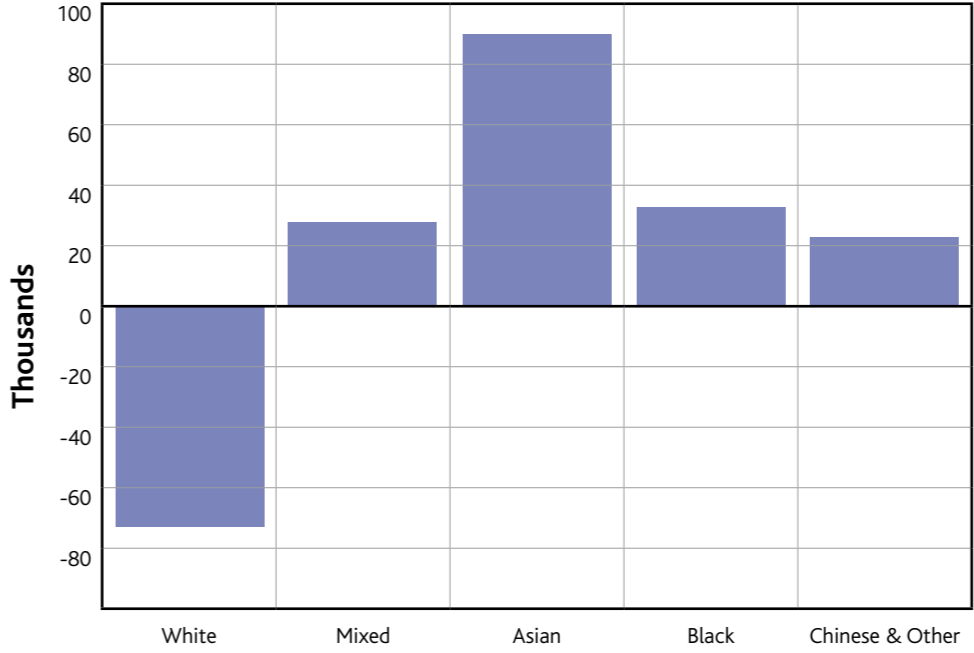
The regional population is expected to grow by 211,000 by 2018, at a rate of 4% slightly slower than the England average. Most of this growth will be in the 65 and over age group. The working age population (16-65) will grow by just 46,000 (1%). When we link this to the expected employment growth it 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.

Net change in the working age population of the West Midlands between 2005 and 2028



Source: ONS Mid-year population estimates 2005

Projected ethnicity change in West Midlands population from 2001 to 2020



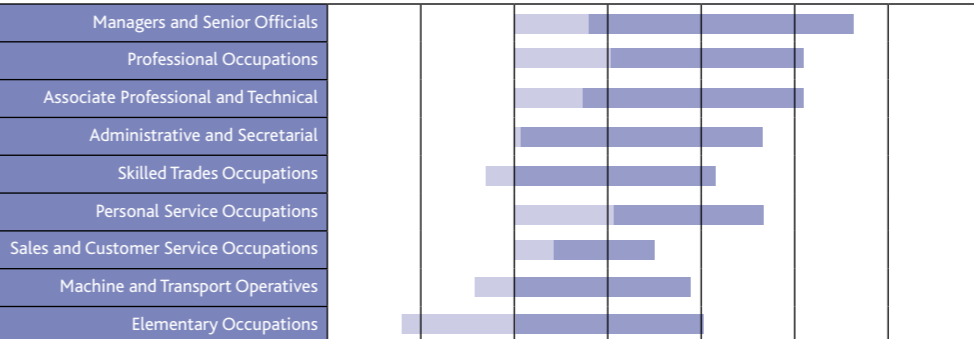
Source: Joseph Rowntree Foundation 2006

Employment change 2004-2014 (000s), West Midlands



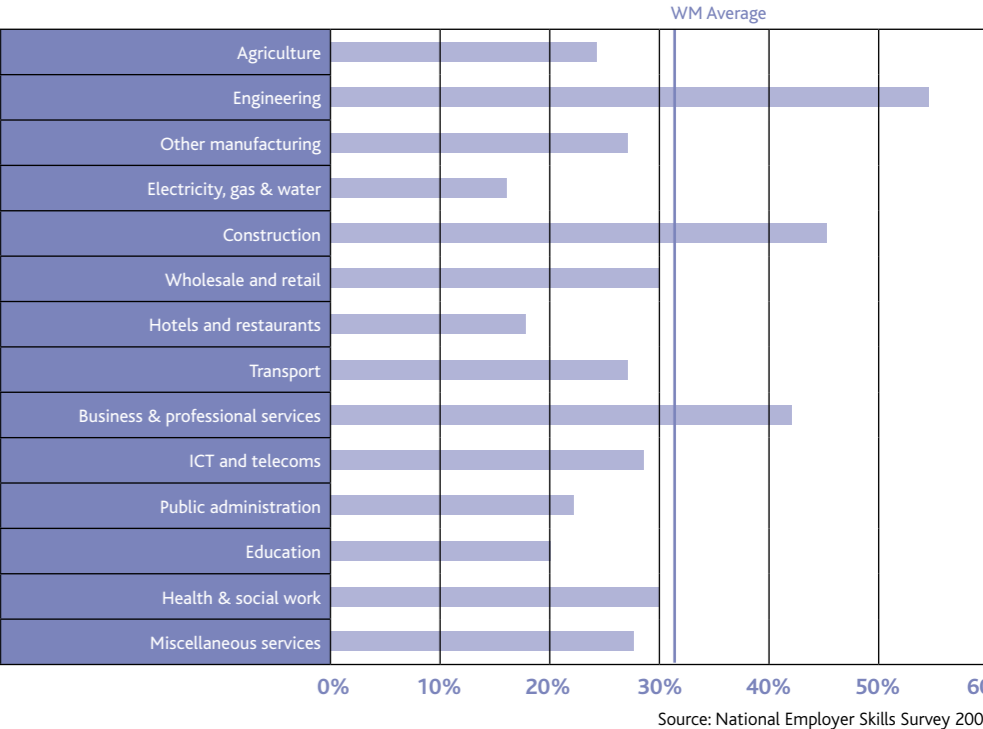
Source: Working Futures II

Employment change 2004-2014 (000s), West Midlands



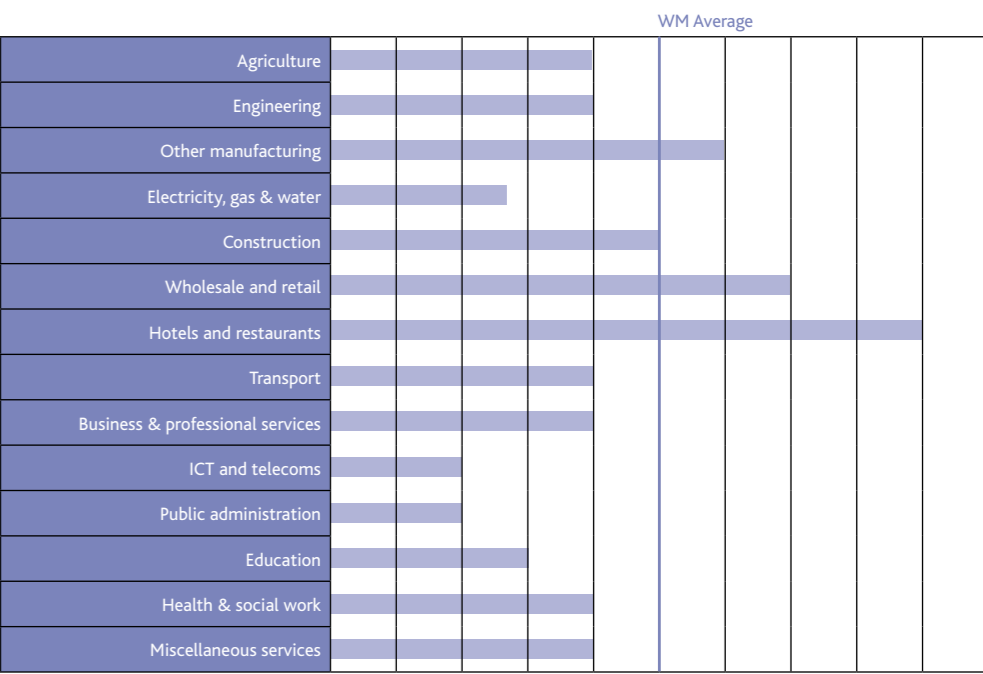
Source: Working Futures II

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



Source: National Employer Skills Survey 2005

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



Source: National Employer Skills Survey 2005

Workforce Qualification Levels (2006)

	Level 4+	Level 3+	Level 2+	No qualifications
Birmingham and Solihull	23%	41%	62%	19%
Coventry and Warwickshire	28%	48%	70%	13%
Herefordshire and Worcestershire	30%	49%	69%	13%
Shropshire	25%	45%	68%	13%
Staffordshire	23%	41%	63%	18%
The Black Country	18%	33%	57%	24%
West Midlands	24%	42%	64%	17%
England	27%	46%	67%	14%

Source: Annual Population Survey 2006

GCSE Performance (2007)

	Achieving 5+ A*-C	Achieving 5+ A*-G	Any passes
Birmingham	61.8%	91.7%	98%
Solihull	69.2%	94%	98.4%
Coventry	52.6%	87.8%	97.4%
Warwickshire	58.3%	93.4%	98.3%
Herefordshire	62%	92%	98.4%
Worcestershire	61.5%	92.7%	98.3%
Shropshire	66.6%	95.4%	98.8%
Telford and Wrekin	55.2%	92.3%	98%
Staffordshire	60%	93.2%	98.2%
Stoke-on-Trent	53.9%	88.7%	95.7%
Dudley	56.9%	93.1%	98%
Sandwell	54.6%	85.3%	96.4%
Walsall	50.5%	87.3%	96.7%
Wolverhampton	60.7%	88.9%	96.9%
West Midlands	57.8%	89.9%	97.2%
England	62%	91.7%	98.9%

Source: DCSF 2007

Regional Performance

The LSC is investing increasing levels of government money

In 2006/07 over one billion pounds was invested by the LSC in the West Midlands. The breakdown of the budget is shown in the table to the right. In addition there is substantial investment in developing infrastructure.

Investment (£)

	2006/07
Further Education	590,000,000
School Sixth Forms	105,500,000
Work Based Learning	28,500,000
Train to Gain	195,000,000
PCDL	22,000,000
Others	78,000,000
Total investment	1,019,000,000

Source: LSC Budget Book 2006/07 v10

Apprenticeships (Level 2) Young People 16-18

Region	2004/05	2005/06	2006/07
West Midlands	41.3%	53.2%	63.3%
East Midlands	41.7%	55.5%	61.0%
East of England	39.6%	51.4%	57.7%
Greater London	29.3%	42.8%	52.4%
National Employer Service	43.3%	53.5%	67.6%
North East	41.8%	51.6%	57.9%
North West	39.0%	52.4%	61.1%
South East	37.2%	53.8%	59.3%
South West	43.4%	56.7%	61.7%
Yorkshire and the Humber	36.4%	49.5%	63.3%
National	39.7%	52.5%	60.9%

Source: LSC Performance Scorecard (Framework success rates)

Advanced Apprenticeships (Level 3) Young People 16-18

Region	2004/05	2005/06	2006/07
West Midlands	36.5%	45.7%	62.1%
East Midlands	39.9%	45.6%	60.1%
East of England	33.2%	45.5%	55.1%
Greater London	21.9%	31.8%	46.8%
National Employer Service	48.3%	45.8%	59.6%
North East	34.9%	40.9%	60.6%
North West	35.9%	46.6%	58.2%
South East	27.7%	38.8%	52.9%
South West	39.8%	49.2%	57.7%
Yorkshire and the Humber	36.3%	44.6%	56.3%
National	38.6%	44.6%	58.0%

Source: LSC Performance Scorecard (Framework success rates)

Apprenticeships (Level 2) Adults 19+

Region	2004/05	2005/06	2006/07
West Midlands	39.0%	50.8%	62.8%
East Midlands	37.0%	54.0%	62.0%
East of England	37.4%	53.1%	60.3%
Greater London	30.8%	50.8%	58.5%
National Employer Service	35.3%	46.4%	60.7%
North East	35.8%	52.7%	62.1%
North West	37.0%	52.8%	64.0%
South East	36.1%	55.5%	62.7%
South West	44.3%	56.8%	62.5%
Yorkshire and the Humber	37.2%	51.8%	61.0%
National	37.1%	51.5%	61.8%

Source: LSC Performance Scorecard (Framework success rates)

Advanced Apprenticeships (Level 3) Adults 19+

Region	2004/05	2005/06	2006/07
West Midlands	30.3%	44.1%	56.3%
East Midlands	30.1%	43.1%	56.8%
East of England	27.7%	40.8%	51.7%
Greater London	23.7%	33.5%	54.6%
National Employer Service	44.8%	50.6%	64.0%
North East	30.7%	41.2%	58.6%
North West	26.0%	39.3%	56.1%
South East	23.7%	37.9%	53.8%
South West	33.9%	43.7%	57.4%
Yorkshire and the Humber	29.9%	40.1%	57.5%
National	31.0%	42.4%	57.5%

Source: LSC Performance Scorecard (Framework success rates)

Young people (16-18) Not in Education, Employment or Training

	July 2006			July 2007		
	NEET (volume)	NEET	Not known (Vol)	NEET (volume)	NEET	Not known (Vol)
East Midlands	8,834	8.5%	6,654	8,052	7.5%	4,717
East of England	9,375	7.0%	7,307	7,815	5.8%	5,225
North East	8,080	13.1%	9,355	7,248	12.9%	14,383
North West	19,467	11.1%	12,530	19,000	10.1%	11,189
South East	11,921	6.3%	8,882	10,835	5.8%	8,962
South West	7,587	6.5%	5,344	6,866	5.7%	5,162
West Midlands	11,342	9.6%	7,667	10,695	7.8%	6,356
Yorkshire and the Humber	12,212	10.0%	13,890	11,582	9.0%	9,259
Greater London	14,837	9.1%	11,129	11,086	7.0%	11,198
National Total	103,655	8.8%	82,758	93,179	7.7%	76,451

Source: West Midlands LSC Performance Reports

Attainment of Level 2 by 19

Region	2004	2005	2006	Point
West Midlands	64%	67%	70%	6
East of England	69%	71%	73%	4
East Midlands	63%	67%	69%	6
Greater London	65%	68%	71%	7
North East	64%	67%	69%	5
North West	64%	67%	70%	6
South East	72%	74%	75%	4
South West	70%	73%	75%	4
Yorkshire and Humberside	64%	66%	68%	4
England	66%	69%	71%	5

Source: DFES/LSC matched administrative dataset
This table uses all administrative data to show the proportion of all young people who have attained a level 2 qualification (equivalent to 5 or more A*-C GCSEs) by the age of 19

Attainment of Level 3 by 19

Region	2004	2005	2006	Point
West Midlands	39%	43%	44%	5
East of England	46%	48%	49%	3
East Midlands	39%	43%	44%	5
Greater London	43%	46%	49%	5
North East	36%	39%	40%	4
North West	39%	42%	43%	4
South East	49%	53%	54%	5
South West	45%	49%	50%	5
Yorkshire and Humberside	38%	41%	42%	4
England	42%	46%	47%	5

Source: DFES/LSC matched administrative dataset
This table uses all administrative data to show the proportion of all young people who have attained a level 3 qualification (equivalent to A Level) by the age of 19

Train to Gain Performance

Region	Starts (Apr 06 - Dec 07)
East Midlands	31,190
East of England	26,242
Greater London	36,941
National Employer Service	36,881
North East	26,797
North West	52,107
South East	31,953
South West	25,039
West Midlands	44,589
Yorkshire and the Humber	33,154
National Total	344,893

Source: LSC Train to Gain

Across all measures the West Midlands has been the most successful region in delivering the Train to Gain service:

* 8,780 employers and over 44,500 learners engaged to date

* The region has over 14,000 achievements to date

Actual learner starts in total for the West Midlands are:

37,103 Full Level 2
2,256 Full Level 3
1,160 Level 3 Trial
3,991 Skills for Life

The LSC has been very successful in meeting targets for young people

LSC Performance Measure: Increase the participation of 16-18 year olds in learning. The latest Department for Education and Skills Statistical First Release, published in June 2007, shows participation to be 77.3% at the end of 2006, an increase from 76.8% at end of 2005. The total number of 16-18 year olds in education and training is at its highest ever level, increasing by 15,500 to 1.55 million at the end of 2006.

Within the region there has been an increase in the numbers of 16-18 year olds in government funded learning, between 04/05 and 05/06. The 06/07 year has been included although this is not a full year set of data, and does not include HESA data.

It is not possible to provide these figures as a proportion of the total 16-18 population, in the same way as the Statistical First Release. As such the measure of young people not in education, employment and training (NEET) is often used as a proxy. The West Midlands Regional Commissioning Plan 2007/08 has set an ambitious target of reducing the level of NEET across the region by at least 3%. The level of NEETs in the region has decreased from 9.6% in July 2006 to 7.8% in July 2007.

Adult Participation: FE Full Level 2 and Full Level 3

Region Name	2004/05		2005/06		2006/07	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
East Midlands	20,206	13,263	20,893	14,510	22,962	13,527
East of England	10,633	9,539	14,522	12,207	16,389	12,059
Greater London	16,488	14,126	20,512	21,353	25,005	21,516
National Employer Service	125	0	108	0	96	0
North East	13,422	7,737	16,624	10,339	17,614	11,105
North West	25,571	20,278	28,347	24,595	26,914	23,383
South East	22,153	19,754	25,809	25,200	23,379	23,609
South West	19,026	15,454	20,923	17,589	19,670	16,277
West Midlands	26,467	15,288	30,308	19,807	32,420	18,877
Yorkshire and the Humber	19,381	12,295	22,817	15,635	25,296	15,333
National Total	173,472	127,734	200,863	161,235	209,745	155,686

Source: LSC Performance Scorecard (excludes HESA data)

For further information please contact the West Midlands LSC Research Team on 0845 0194143. LSC-P-WMR 080001

FE Young People (16-18) success rates, 2003/2004 to 2005/06

Area		Full Level 2			Full Level 3		
		2003/04	2004/05	2005/06	2003/04	2004/05	2005/06
East Midlands	Achievements	7,301	7,379	8,090	3,016	3,839	4,565
	Success Rate	58%	61%	66%	61%	65%	65%
East of England	Achievements	10,729	11,527	12,395	4,176	5,751	7,001
	Success Rate	62%	64%	70%	58%	64%	66%
Greater London	Achievements	14,818	15,375	14,901	2,779	4,167	5,806
	Success Rate	57%	63%	67%	54%	56%	63%
National Employer Service	Achievements	76	86	100	-	-	-
	Success Rate	40%	54%	60%	-	-	-
North East	Achievements	7,468	7,937	7,822	2,162	2,996	3,499
	Success Rate	62%	66%	71%	52%	59%	62%
North West	Achievements	17,605	18,426	18,278	5,458	7,697	9,418
	Success Rate	61%	65%	70%	58%	62%	66%
South East	Achievements	15,605	17,895	18,335	5,862	8,249	10,173
	Success Rate	58%	63%	68%	56%	61%	66%
South West	Achievements	9,306	9,640	9,751	5,134	6,179	7,508
	Success Rate	60%	62%	66%	61%	61%	66%
West Midlands	Achievements	11,184	12,468	12,735	4,396	5,763	7,034
	Success Rate	62%	66%	66%	55%	58%	65%
Yorkshire and the Humber	Achievements	11,248	11,728	11,381	3,980	5,145	6,107
	Success Rate	61%	63%	67%	67%	62%	65%
National Total	Achievements	105,340	112,461	113,788	36,963	49,786	61,111
	Success Rate	59%	63%	68%	57%	60%	65%

Source: LSC Performance Scorecard

FE Adults (19+) success rates, 2003/2004 to 2005/06

Area		Full Level 2			Full Level 3		
		2003/04	2004/05	2005/06	2003/04	2004/05	2005/06
East Midlands	Achievements	8,096	10,163	11,981	5,139	6,103	6,225
	Success Rate	54%	59%	67%	51%	56%	60%
East of England	Achievements	6,213	6,542	8,394	4,339	5,014	5,398
	Success Rate	57%	58%	69%	53%	58%	63%
Greater London	Achievements	10,826	11,967	12,369	8,301	9,438	10,248
	Success Rate	58%	61%	67%	51%	55%	60%
National Employer Service	Achievements	47	59	49	29	25	-
	Success Rate	36%	47%	49%	58%	71%	-
North East	Achievements	6,149	8,956	11,734	5,914	5,717	7,027
	Success Rate						