Lancashire
Enterprise Partnership

LEP - Lancashire Skills Board

Thursday, 23rd July, 2015 in Scholars - University of Central Lancashire, Fylde Road, Preston PR1 2HE, at 8.00 am

Please note the venue and time

Agenda

Part 1 (publicly available)

1. **Welcome and Apologies.**

2. **Declarations of Interests.**

3. **Minutes of the last meeting.** (Pages 1 - 6)

4. **Matters arising**

5. **Sector Skills Action Plan - Health and Social Care.** (Pages 7 - 100)

6. **Sector Skills Action Plan - Visitor Economy.** (Pages 101 - 146)

7. **Sector Skills Action Plan - Energy and Environmental Technologies.** (Pages 147 - 166)

8. **Sector Skills Action Plan - Financial and Professional Services.** (Pages 167 - 172)

9. **Skills Capital Application Process 2016-17 Projects.** (Pages 173 - 192)

10. **ESIF Pipeline Project Exercise.** (Pages 193 - 248)

11. **Away Day 28th July 2015 - content and arrangements.** (Pages 249 - 250)

12. **Any Other Business.**

13. **Date of next meeting.**

    The next scheduled meeting will be held at8.30am on the 10th September 2015 at Blackpool and Fylde College, Ashfield Road, Bispham.

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Lancashire
Enterprise Partnership

Private and Confidential

Lancashire Skills Board

Minutes of the Meeting held on Thursday, 11th June, 2015 at 8.00am in the Room A07 - A Floor, County Hall, Preston.

Present:

Amanda Melton (Chair)

Steve Gray
Paul Holme
Lynne Livesey
Joanne Pickering
Bev Robinson

Observers
Debbie Corcoran, Head of Employer and Delivery Services (North West) Skills Funding Agency.
Cat Settle, Skills Funding Agency Partnership Manager designate.

In Attendance
Andy Walker, Head of Business Growth, Lancashire County Council.
Mike Neville, Company Services Team, Lancashire County Council.
Michele Lawty-Jones, Shills Hub Director designate.
Dave Brennan, Interim Skills Hub Director.
Ian Ruff, Consultant to the Skills Board.
John McCreadie, Director, ekosgen.

1. Welcome and Apologies.

All those present introduced themselves and the Chair noted that apologies had been received from A Atherton and G Haworth.

2. Declarations of Interests.

The Chair and Bev Robinson declared an interest in relation to item 8 on the agenda as they represented organisations which were involved in makings bids for funding from the Skills Capital programme. Mr Walker informed the meeting that as the report did not involve the Committee making any decisions about specific applications it would not be necessary for members of the Committee to exclude themselves from any discussion.

3. Minutes of the last meeting.

Resolved: That the Minutes of the meeting held on the 23rd April 2015 are confirmed as an accurate record and signed by the Chair.

4. Matters Arising

Mr Ruff informed the meeting that whilst individual sectors would respond to the consultation on a Dual Mandate for Adult Education it had been difficult to produce a collective response from the Committee as suggested at the last meeting.

With regard to the decision to adopt a neutral approach in relation to a proposed 'virement case' request from a College Debbie Corcoran reported that the SFA had considered the request and determined that it was not eligible for support. Debbie added that this would be the last meeting she would be attending as she was due to move to the newly formed Intervention Team at the SFA and Cat Settle would attend future meetings of the Committee.

Resolved:

1. That the updates set out above are noted.

2. That the Committee place on record their thanks to Debbie Corcoran for all her support and contribution to the work of the Skills Board and wish her well for the future.

5. Skills Evidence Base presentation

John McCreadie, Director from the specialist economic development and regeneration consultancy, Ekosgen, presented a detailed report on the evidence base on skills and employment. In considering the report the members of the Committee identified a number of issues, including:

- Lancashire currently has a higher proportion of apprenticeships in the workforce than the national figure and there was concern that a ceiling would be reached in the future. However, it was recognised that the national average for higher apprenticeships had not been reached in Lancashire and so there was an opportunity to explore and develop that area.

- Factors such as salary, housing and schools were also considered important in retaining a skilled workforce for Lancashire. Currently individuals from the 20-24 and 30-34 age groups were more likely to move elsewhere due to perceived better opportunities or higher salaries.

- In the future there would be difficulties around recruiting skilled and experienced personnel with shortages in skilled trades as the construction sector grows. The visitor economy continued to show good growth while manufacturing was in decline. The Committee acknowledged that whilst it was a controversial issue Shale Gas extraction would have an impact on employment in Lancashire if it were to proceed due to the significant number of associated job opportunities.

- It was noted that Lancashire would need to get more out of its workforce in the future and that industry must become more proactive in relation to training its employees rather than relying on the public sector which would be subject to

increasing economic constraints.

On behalf of the Board the Chair thanked Mr McCreadie for his informative report and suggested that the issues raised be discussed further at the Away Day on the 28th July in the light of the consultation on the draft Skills and Employment Strategy.

Resolved: That the information set out in the report presented and the comments of the Committee as set out above are taken into account when developing the Skills and Employment Strategy for Lancashire.

6. Development of the Skills Strategy/Strategic framework.

Dave Brennan, Interim Skills Hub Director, presented a report on the first draft of the Lancashire Employment and Skills Strategic Framework and invited members of the Committee to comment on the contents.

- It was noted that there were a number of key action points attached to each of the 7 strategic priorities set out in the Framework and whilst construction was not identified as a priority it would be addressed as a sub theme. In addition the provision of information/advice would be viewed as a cross cutting theme under Priority 7.

- Whilst recognising that it had limited influence regarding the attainment of young people aged 16 and 19 the Committee agreed that efforts should be made to encourage schools to improve attainment in the future in order to provide better qualified entrants into the workforce.

- With regard to Priority 5 it was noted that projects regarding NEETS and skills for the unemployed were in development though it was acknowledged that further consideration may need to be given to investment in those projects in the light of any announcement as part of the Governments budget in July.

- Members of the Committee agreed that in the future employers needed to be more engaged with skills and provide investment as referred to in Priority 6.

- It was suggested that a paragraph be included in the Framework to acknowledge the potential future devolution of local government and the dual accountability of the LEP and any Combined Authority in relation to employment.

- With regard to the initial consultation on the Framework it was noted that discussions would take place with officers at local authorities before being referred to individual authorities for decision. Chambers of Trade and Job Centre Plus would also be consulted.

- It was noted that new materials/resources were being developed which could be provided to coaches/mentors and other intermediaries in order to keep them informed of developments.

Resolved:

1. That the comments of the Committee, as set out above, in relation to the contents of the draft Lancashire Employment and Skills Strategic Framework are noted and taken into consideration during development of the Framework as set out at Annex 1 to the report presented.

2. That local authorities be consulted in accordance with the process set out in the report presented as part of the next phase of developing the Framework prior to the wider consultation launch.

3. That the following milestones for launching and consulting on the draft Strategic Framework are agreed.

Local Authority Consultation	By early July
Final Evidence Base	By early July
Sector Skills Action Plans	By w/c July 22nd
Board agree Strategic Framework for consultation (Away Day)	End July
2x consultation events	Early August/Mid September
Final Report for approval to the LEP Board	6th October
Agree Final Strategic Framework launch	mid / end Oct.

4. That the suggested mechanism for providers to respond to the Strategic Framework once it has been finalised, as set out at Annex 2 to the report presented, is agreed.

7. Ofsted meeting feedback.

Steve Gray reported that representatives from Ofsted had indicated at a meeting with providers that they were interested in many elements of the proposed Skills and Employment Strategy including supply/demand levels and the number/quality of apprenticeships.

It was suggested that in the future Ofsted anticipated that the LEP would hold providers to account against agreed priorities and this role would be exercised through the Skills Board.

Resolved: That the update is noted.

8. Skills Capital - progress update

Andy Walker presented a report on the management of the Skills Capital process and outlined progress/issues in relation to the initial round of projects and the timeline/approach for developing projects for the second year of the programme.

It was reported that the seven projects previously considered by the Committee had been referred to and approved by the LEP Board. The SFA Capital Team had subsequently raised some information issues regarding some of the projects which would be clarified in parallel with the development of the Grant Funding

Agreement for each project.

With regard to the revised timetable for future commissioning members of the Committee discussed the Expression of Interest stage and noted that providers/colleges would need to be given advance warning of the limited timescale between the launch of the EOI process and submission date.

Resolved: That the updates are noted.

9. Communications Strategy and Programme of Work

Mr Walker informed the meeting that he had to leave due to another commitment and asked that consideration of items 9 – 12 be deferred until the next meeting.

Resolved: That consideration of items 9 – 12 on the agenda is deferred until the next meeting.

10. Employer Engagement - plans for Boost/Skills offer for business.

Consideration of item 10 on the agenda was deferred until the next meeting.

11. Membership Review

Consideration of item 11 on the agenda was deferred until the next meeting.

12. Away day - content and arrangements

Consideration of item 12 on the agenda was deferred until the next meeting.

13. Any Other Business.

Members of the Committee discussed the circulation of papers and it was suggested that in future the agenda should be circulated five days before the meeting.

Resolved: That the agenda for future meetings of the Skills Board be circulated five days before the date of the meeting.

14. Date of next meeting.

It was noted that the next scheduled meeting would be held at 8.00am on the 23rd July 2015 in Scholars at the University of Central Lancashire, Fylde Road, Preston.

Lancashire Health & Social Care Sector: Baseline Review

Final

A report for

Lancashire LEP

new economy

part of MGC

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Appendix A – Health & Social Care Sector: SIC Definition

Appendix B – Location Quotients in Health & Social Care in Lancashire LEP Districts

1 Introduction

1.1 The purpose of this report is to highlight the main findings from a baseline review of the health & social care sector in Lancashire. Research was undertaken in two strands: a literature review; and data analysis. The literature review outlines the current and future challenges facing the sector at both the national and Lancashire level, while the data analysis summarises the current situation using data on employment, businesses, population, student numbers etc.

1.2 The report represents the main output from Phase 1 of the research programme submitted to Lancashire County Council as part of developing a sector skills action plan for health. The main findings from the baseline review will inform subsequent phases of the work plan, which will focus on engaging with employers and skills providers to test the issues identified by the desk-based research and ultimately, will lead to the development of a fully evidenced action plan.

Structure of the report

1.3 The remainder of this report is structured as follows:

- **Section 2** outlines the findings from the literature review, looking at: the current situation; supply side issues; demand side issues; future challenges; and a summary of what is being done to tackle some of the issues facing health and social care.
- **Section 3** looks at the employment and business base in the area, as well as summarising demographic change over the next decade. The section also presents analysis of the Higher Education sector in Lancashire and the North West, drawing on information sourced from the Higher Education Statistics Agency. It also summarises findings from the most recent National Employer Skills Survey undertaken by the UK Commission for Employment & Skills.
- **Section 4** presents a summary of the main issues to emerge from the literature review and data analysis, which can be discussed in further detail with employers and skills providers as part of the next phase of the work plan.
- **Section 5** provides a bibliography of the documents reviewed as part of the literature review.

2 Literature Review

Introduction

2.1 Through its direct and indirect contributions, the health and social care sector is of significant importance for the UK economy and indeed, to economies at the regional level. This literature review will outline the current and future challenges facing the sector at both the national and Lancashire level. The section is structured under a number of different themes and where applicable, case studies are provided in order to highlight particular issues affecting the sector. The themes are as follows:

- **Current Situation:** Outlining issues such as an ageing population, the health of residents in Lancashire, specific issues around the social care workforce and also providing a case study on health amongst Lancashire's BME population. While reference is made to different statistics in order to highlight certain points, full details on the current situation in terms of data on employment, businesses, population and student numbers etc. is provided in section three.

- **Issues for Employers:** Summarising issues such as the role of demographic change in shaping skills demand and workforce gaps in professions such as nursing and social care. Digitalisation is also likely to play an important role on the demand side and a case study is provided on this issue.

- **Issues for Skills Providers:** Looking at research/papers published by organisations such as the UK Commission for Employment & Skills, Skills for Care, Health Education North West and the Centre for Workforce Intelligence. A case study is also provided on the Lancaster Health Innovation Park, which represents collaboration between Lancashire's learning and health institutions.

- **Future Challenges:** Including a look at NHS England's Five Year Forward Plan and also providing a case study on the Lancashire North Clinical Commissioning Group's Vanguard Site, which has been created to take control of the whole health and social care needs of an area within a single budget.

- **Tacking the Issues:** Giving examples of how different organisations are working to try and address the issues affecting the health and social care sector. At a Lancashire level, the case study of Morecambe Bay's "Better Care Together" programme is highlighted as one such example.

Current Situation

2.2 As the health and social care sector looks towards the future, it faces a number of imminent and future skills and employment challenges which it must address. Many of these issues are relevant at the national level, such as how to treat the comorbidities of an ageing population with an ageing workforce, but some are specific to Lancashire, such as staff shortages, particularly in social care and also how to address high staff turnover rates. As health and social care institutions and professionals call for greater integration, some CCGs, such as the Lancashire North CCG Vanguard Site are leading the way and by creating a reformed system that will take responsibility for the whole health and social care needs of the population within a single budget.

2.3 Strategies such as the NHS Five Year Forward View set out a vision for the future of healthcare. Its purpose is to articulate why change is needed, what that change might look like and how we can achieve it. It describes various models of care which could be provided in the future, defining the actions required at local and national level to support delivery. It outlines how everyone will need to play their part – system leaders, NHS staff, patients and the public – to realise the potential benefits for everyone. It covers areas such as disease prevention; new, flexible models of service delivery tailored to local populations and needs; integration between services; and consistent leadership across the health and care system. The Five Year Forward View starts the move towards a different NHS, recognising the challenges and outlining potential solutions to the big questions facing health and care services in England. It defines the framework for further detailed planning about how the NHS needs to evolve over the next five years[1].

2.4 Like the majority of regions in the UK, Lancashire has an ageing population due to more people living longer. While people living longer and healthier lives is something to be celebrated, it places additional pressures on health and social care services. Between 2014 and 2021, all eight of Lancashire's CCGs are expected to see growth of at least 13% in their populations aged 70 or over. With two thirds of hospital patients being over retirement age, NHS England's chief executive Simon Stevens has highlighted the ageing population as the greatest challenge facing the health and care system[2].

2.5 Residents in Lancashire are generally less healthy than the national average, with rates of asthma and depression in the highest quintile in England. There are also significant health inequalities within Lancashire. The Health and Social Care Act 2012 recognised the importance of tackling health inequalities. Health inequalities between the most and least deprived 20% of people in Lancashire have widened or have remained static for a number of diseases. As an example, health inequality for diabetes sufferers increased significantly between 2009 and 2013. As well as faring poorly on the national scale, there are wide variations in disease prevalence within Lancashire too. One Lancashire Clinical Commissioning Group (CCG), Fylde and Wyre, is among the worst 10% of CCG areas in the country for the prevalence of 15 out of 22 major diseases, while Chorley and South Ribble is not ranked among the worst decile for any[3].

[1] NHS England. (2015). The NHS Five Year Forward View.
[2] Healthier Lancashire Programme. (2014). A Lancashire System Response to the Five Year Forward View.
[3] *Ibid.*

2.6 A recent report by Skills for Care shows that the adult social care workforce continues to grow year on year. It also highlights the increased pressure that will be stimulated by the ageing UK population, noting that by 2025 there will be an additional 1.5 million people aged 65 or over in England, while it is estimated that 1 in 3 babies born after 2013 will live to be 100 years old. A key factor in being able to meet growing demands on these systems will be a workforce with the right skills performing the right roles. There are an estimated 17,300 organisations involved in the delivery and organisation of adult social care. These organisations are made up of some 39,000 establishments[4].

2.7 The adult social care workforce remains one skewed in terms of gender with 80% of workers being female (this is higher still in direct-care providing roles). The workforce is also an older one with 1 in 5 workers being aged 55 or over. In terms of ethnicity, the workforce is predominantly white (80%), though over 1 in 10 workers hold a non-EEA nationality. Both ethnicity and nationality profiles vary considerably by region. However, staff turnover remains an issue in adult social care with an overall turnover rate of 25.4% (equating to around 300,000 workers leaving their role each year). It should be noted however that turnover is not uniformly high although it tends to be higher in the private sector and amongst domiciliary care providers[5].

2.8 The workforce is the primary source of both current future health care costs. In the UK, 1.4 million people work in the NHS and as a proportion, the workforce accounts for around 70% of expenditure for the average health care provider. One of the biggest challenges for today's professional workforce is that it was trained and developed to work in a model centred on single episodes of treatment in hospital. However, those placing the greatest demand on services, both now and in the future, are older people with multi-morbidities (both mental and physical), who need integrated, long-term health and social care[6].

2.9 Lancashire's population is less ethnically diverse than the national average, although large Pakistani and Indian communities are present in the sub-region. At the time of the 2011 Census, the largest ethnic group in Lancashire was white (92%) with the remaining 8% being from black and minority ethnic (BME) groups. This compares to 14% in England and Wales[1]. Numerically, there were over 90,000 BME residents in the county and the proportion of BME residents has increased by around 50% since 2001. By ethnic group within Lancashire the changes varied greatly. The white population increased by just 0.6%. The Asian/Asian British population increased by 43%, the Black/Black British by 55%, Chinese by 69% and Mixed/Multiple by 71%. However, National Insurance number registrations continue to reduce, according to Lancashire County Council (2013), suggesting that new migrant numbers are decreasing. Almost three-quarters of the BME population of Lancashire live in Preston, Pendle, Burnley and Hyndburn.

2.10 Across the county council area 6% of all people said they had bad or very bad health. There are minimal differences in rates of people aged under 16 with bad or very bad health. However, by age 50 to 64 years almost 18% of Asian people are in this category. In the over 65 year olds age group, the rate was highest for Asian/Asian British older people, with almost 30% registering very bad or bad health compared to 16% of white people. Specific health risks within South Asian populations mean that the number of diabetes sufferers is likely to increase in the future. The relationship

[4] Skills for Care. (2015). The state of the adult social care sector and workforce in England.
[5] *Ibid.*
[6] The King's Fund. (2013). NHS and social care workforce: meeting our needs now and in the future?

between social class and ethnicity and its impact on health outcomes is a complex one. Inequalities in health are multifactorial. They are influenced by issues such as environment, housing, educational achievement, material wealth, discrimination and lifestyle. As such, reducing health inequalities cannot take a 'one size fits all' approach and requires a multitude of efforts at different layers of society, engaging a wide variety of stakeholders.

Issues for Employers

2.11 The health and social care sector in the UK employs a wide range of professionals and practitioners, many of whom have undertaken extensive academic, vocational and practical training in order to meet the skill levels required to deliver high-quality health and social services. However, the high skill requirements of the sector also results in skills gaps and demands which are important to be addressed. Gaps identified by Skills For Health include[7]:

- In practical terms, 'problem solving skills', 'oral communication', 'customer handling', 'teamwork' and 'management and leadership' are key skills gap areas;
- Shortages are so severe in 35 specific health-related roles that recruitment from outside the EU is necessary. These roles require very specialist levels of skill and are consistent across the UK.
- Within the NHS, shortage pressure points exist within pharmacy [registered (5.3%) and pre-registered (6%)], other physiological sciences (7.6%), and respiratory physiology (6%);

2.12 A key driver of demand for skills in the sector is likely to be demographic change; the associated rise in long-term health conditions and the greater need for care for older people. Employment projections for the sector as a whole indicate that there will be a growing need for high level and caring skills at a time when growing demand is coupled with the impact of public sector spending constraints[8].

2.13 There are a number of prospective workforce gaps that represent challenges facing the health and social care sector. In England, many institutions are finding it increasingly difficult to recruit nurses, while the Royal College of Nursing projects that the number of nurses could fall by 28% (100,000) by 2022. In social care, the mismatch between supply and demand could reach 1 million workers by 2025, a 35% shortfall on projected demand. In the informal workforce (eg unpaid care provided by friends and relatives) the gap could be even greater. From 2010 to 2030 the number of people requiring informal care is expected to grow by 1.1 million to 3 million[9].

2.14 The mismatch between supply and demand is in part due to the ageing workforce and the subsequent demand that this will place on the sector. In 1996, 20.6% of nurses in the NHS were aged 50 or over; by 2005 the figure was 28% – a 36% increase, and a figure that is likely even higher today. As the workforce gets older, more nurses retire, which also means that the workforce loses technical and practical skills. Therefore, it is useful to outline some of the challenges facing the older workforce, and indeed, how these can be overcome in order to retain older workers. Challenges include: the physical toll of working and health problems associated with ageing, age discrimination and a failure to value experience by managers, extended financial and

[7] Skills for Health. (2011). UK Sector Skills Assessment 2011.
[8] UKCES. (2012). Sector Skills Insights: Health & Social Care.
[9] UKCES. (2012). Sector Skills Insights: Health & Social Care.

caring responsibilities for dependent children and frail older parents and nurses' ability to gain access to retirement planning and flexible work options.

2.15 In addition, there are also a number of push factors causing older nurses to leave the NHS, notably reduced job satisfaction, dissatisfaction with career opportunities, insufficient educational opportunities and an inflexible approach to retirement. In order to overcome these issues, a number of policies and strategies have been proposed such as: the appropriate recognition and utilisation of skills and experience, tailored education and training, continuing opportunities for career progression and also flexible working conditions and approaches to retirement[10].

2.16 A paper by the Centre for Workforce Intelligence (CfWI) delves deeper into issues around GP numbers. The paper argues that growth in the GP workforce has not kept pace with the increase in the number of medical consultants or population growth. Boosting the number of GP trainees is proving difficult. Although fill rates have been high and there has been a modest increase in applications for GP training in the last two years, the number of accepted offers to GP training posts in 2013-14 remained below its 2010-11 peak. Another issue is the unequal distribution of GPs, whereby more deprived areas suffer from shortages more acutely. Therefore, simply increasing the supply of GPs will not necessarily lead to a more equal distribution, as several studies have found. Reducing geographical inequity in access to GP services requires targeted area-level policies, including increasing GP training opportunities in those areas with the poorest coverage[11].

2.17 Issues facing existing GP's were also flagged by the CfWI. GP's have argued that their workload is increasing, as consultation rates per patient rose by 41% between 1995-96 and 2008-09 largely due to an increase in consultations for patients aged over 60. Also, the GP role has become broader and more complex. Research indicates that the role of the GP has expanded over the past decade, with increasing and competing demands. A significant proportion of a GP's time is now spent on non-clinical responsibilities, including working with the new clinical commissioning groups (CCGs). These additional responsibilities may be reducing the time available for direct patient care. Finally, they conclude that the available evidence suggests the GP workforce is under considerable strain and current levels of activity may not be sustainable in the face of rising patient demand[12].

2.18 As the modelling shows that current numbers of GP trainees are inadequate and are likely to lead to a major demand-supply imbalance by 2020, CfWI makes a number of suggestions for how to respond to this shortage. It estimates that a 20% increase in annual GP training posts from their current 2,744 to 3,280 are required by 2015-16. Regarding the job itself, both patient demand and practice operations could be managed more effectively. While the CfWI's central recommendation is to boost workforce supply, there is considerable scope for GPs to improve ways of working as well. Possible solutions include: enacting changes to the general practice skill mix; reducing the number of missed appointments; increasing the use of technology to interact with patients; and managing back-office functions more effectively. Finally, there are other recommendations made in regard to how to mitigate short-term supply risks, and to bolster medium-term supply. These include making general practice a more appealing career choice for medical students, making it easier for trainees or established practitioners in other specialties to switch to general practice and

[10] King's College London. (2007). Will an ageing nursing workforce work?
[11] Centre for Workforce Intelligence. (2014). In-depth review of the general practitioner workforce.
[12] *Ibid.*

reductions in non-clinical time spent by GPs on paperwork, reporting and administration, among others[13].

2.19 Depending on whether care workers are residential-based or domiciliary, the demands they face are different, especially in regard to the personalised care budgets of patients. In 2011 the Dilnot Commission published recommendations to reform the way individuals pay for their care and how government could provide better support. The Commission concluded that the current system was 'not fit for purpose and needs urgent and lasting reform'. It identified that the current system is confusing, unfair and unsustainable, meaning people are unable to plan ahead to meet their care needs. In particular the Commission was concerned that: there is a 'postcode lottery' as eligibility for care varies between different local authority areas; people are often unable to move home as 'care packages' are not portable between local authorities; and the process of obtaining care, including getting assessed, is complicated and lacks transparency. People are unable to protect themselves against 'catastrophic' costs. Although the majority of people in later life do not face very high care bills a small number of older people are forced to pay out over £100,000. As there is no way to predict in advance who this will be and very few financial products available to help cover very high costs, care truly is a 'life lottery'[14].

2.20 As a response to this, the Dilnot Commission made a number of recommendations, including that a cap of £35,000 should be placed on an older person's lifetime contribution to their 'eligible care needs' in order to protect people from catastrophic costs. This includes both the costs of care received either at home or living in a care home; an increase in the means tested upper threshold for people applying for financial support for their care; and an end to the 'postcode lottery' for care through introducing a national eligibility threshold for England. These measures, the Commission believed, would significantly reduce the financial risk any individual would face and would mean no one would end up forced to spend all their money on care.

2.21 Another skills demand issue is related to the mismatch between the location of the current workforce and the locations where care services are needed. Part of this can be explained by what are described as 'higher education coldspots', identified by data from the Higher Education Statistics Agency (HESA) showing the areas with low concentrations of people studying[15]. Areas in Lancashire do not fare well relative to that national average when it comes to the proportion of graduates. Blackpool and Preston have up to 0.9 relative to the UK city average (1), whereas the figures for Blackburn and Burnley are even lower at 0.5-0.8 of the UK city average[16].

2.22 In regard to the workforce demand issues related to doctors, CfWI is forecasting an oversupply of hospital doctors and an undersupply of GPs. However, although there is expected to be a large oversupply of hospital doctors generally, there will be significant issues in particular specialties, with emergency, geriatric and psychiatric medicine facing recruitment difficulties. Yet these are precisely the specialties where the need is greatest and growing most significantly, given the changing demographics and the need for consistent 24/7 care. The short-term fix to these issues is to employ significant numbers of agency staff, which is an unsustainable solution[17]. Workforce

[13] *Ibid.*
[14] Age UK. (2013). The 'Dilnot social care cap': making sure it delivers for older people.
[15] HEFCA. (2013). Higher education provision in England.
[16] Centre for Cities. (2015). Skills and cities – 10 years of change.
[17] Healthier Lancashire Programme. (2014). A Lancashire System Response to the Five Year Forward View.

redesign is needed not only because of a potentially dwindling workforce, but also because the nature of health care work is changing and the skills of the current workforce are not well matched to future needs[18].

2.23 As with the rest of the UK, the demand for health and social care services in Lancashire is growing as the population ages and people with ill health require more care. Across the sector, there are calls for much closer collaboration between specialists and generalists, hospital and community, and mental and physical health workers. The NHS and social care sector needs multi-skilled staff to work across these boundaries in an integrated fashion[19]. Breaking down the barriers between different services is crucial if Lancashire is to improve both quality and efficiency of care, and to ensure a collaborative one-system approach. The aim should be to give individuals the care and support they require in the most appropriate and efficient settings and to ensure a truly integrated service[20].

2.24 Social care services also face particular challenges, with the proportion of temporary staff in Lancashire social care institutions being almost double the English average. In many parts of Lancashire, vacancy rates are also higher than the England average and have grown by 155% in the past three years - three times as fast as rates in England over the same time period[21]. The Skills for Care National Minimum Data Set (NMDS) online database estimates that of the 212,000 social care jobs in the Northwest, 54.3% are in the private sector, compared to 16.1% in the voluntary and 12.1% in the local authority sector. These are slightly different to the England average, in which 57.2% of the jobs are in the private sector, relative to 19.1% in the voluntary and 9.2% in the local authority sector. The dataset also reports that in Lancashire, 64.7% of care professionals had been in their current job since 2010, 24.0% joined between 2005-2010, with 13.3% joining more than ten years ago. However, in the rest of England, 55.0% joined after 2010, and 28.7% joined between 2005 and 2010, meaning 22.3% had been in their current job role for more than ten years. This demonstrates that care workers in Lancashire had been in their roles for less time than care workers nationally. Knowing how long workers have been in their roles gives an understanding of staff stability and continuity of service. The longer workers have been in their roles the more time they have had to develop relationships with service users, to complete training and qualifications and to gain experience[22].

Issues for Skills Providers

2.25 At an individual level, the supply of skills comes from three sources: the investments that individuals make in their initial education and training before they enter the labour market; an individual's investment in continuing professional development whilst in work; and the investments that employers make in developing the skills of their workforce[23]. At the broader level, the state also fund skills development through payments to further education providers and subsidies to universities.

2.26 Since 2006, there has been an increase in the number of students applying for medical degrees, subjects allied to medicine and social studies. Recently however, this has slowed, or even reversed slightly. For example, whereas in 2011 there were

[18] UKCES. (2012). Sector Skills Insights: Health & Social Care.
[19] *Ibid.*
[20] Skills for Care. (2015). The state of the adult social care sector and workforce in England.
[21] Healthier Lancashire Programme. (2014). A Lancashire System Response to the Five Year Forward View.
[22] NMDS-SC. (2015). NMDS-SC Dashboard.
[23] UKCES. (2012). Sector Skills Insights: Health & Social Care.

96,400 university applicants to medicine and dentistry, in 2012 this number dropped to 93,900 – a 2.6% decrease. For students applying for social studies subjects, the drop was even more pronounced, decreasing by 7.3% from 233,900 to 206,500 over the same time period[24]. Alongside this, the number of medicine and dentistry qualifications has been increasing in recent years; however, given the relative stability in the number of acceptances given to students wanting to study medicine and dentistry, it may be difficult to maintain the recent increases in qualification attainment in these subjects[25].

2.27 Employers in the health and social care sector invest money in their employee's skills at a higher rate than the UK average for other sectors, in part due to the tight regulatory environment requiring certain qualifications before staff are permitted to directly engage with patients. The UK Commission's UK Employers Skills Survey 2011 reports that over 80% of employers in the health and social care sector provided training to their employees in the past 12 months. The average for all employers in the UK is 59%. There is also an increasing focus on the UK's vocational education and apprenticeships system, particularly as a source of supply of intermediate technical skills. According to the Office of National Statistics, between 2002 and 2011, there was a 382% increase in the number of people starting apprenticeships[26].

2.28 Skills for Care believe employers should place greater emphasis on the training and development of their staff to ensure that they have a capable, confident and skilled workforce. Analysis of Skills for Care data (NMDS-SC) shows over two thirds of workers had completed an induction, while a further 11% had their induction in progress (through being new to their role). From April 2015 the induction was replaced by the Care Certificate - assessing the fundamental skills, knowledge and behaviours that are required to provide safe, effective and compassionate care. The certificate contains both knowledge and competence outcomes and allows learners to develop their new skills in a classroom or similar setting in preparation for the assessment evidence, which must be collected during real work activity[27]. These changes might appear subtle, but they illuminate a seismic culture change that is clear in the Care Certificate excerpt from the technical document page three, under the heading "assessment": "Evidence of performance must be undertaken in the workplace, during the learner's real work activity and be observed by the assessor". It will no longer be acceptable to attend induction, complete the workbook and start working alone shortly thereafter. After April next year, this practice must be checked - and with the people that workers support[28]. Health Education North West has recently designed a toolkit to act as a guide for users implementing the Care Certificate[29].

2.29 As a response to the factors that influence the supply of employees to the health and social care sector, the UKCES argues that in order to address the skills and occupational gaps at the national level, there is a need to[30:]

- Modify working practices and roles by reforming traditional approaches to provide greater flexibility, embrace new technology and deliver more appropriate patient care.
- Develop more new entry routes into the sector, for example through apprenticeships.

[24] *Ibid.*
[25] *Ibid.*
[26] ONS (Office for National Statistics). (2012). Statistical First Release Apprenticeship Supplementary
[27] NHS, Skills for Care & Skills for Health. (2014). The Care Certificate.
[28] The Guardian. (2015). Care certificate offers an opportunity to shift health and social care culture.
[29] Health Education North West. (2015). Care Certificate Toolkit.
[30] UKCES. (2012). Sector Skills Insights: Health & Social Care.

- Raise engagement to maximise productivity, retention and minimise absence.
- Ensure that skills shortages do not arise through reductions in migration rates, especially in light of government commitments to restrict immigration.
- Ensure that strategies are in place to replace the increasingly large cohort of retirees, especially those who are highly skilled.

2.30 To elaborate on the final point above, it is projected that 107,000 people will retire between 2007 and 2017. Replacing these professionals will be a challenge, it also represents an opportunity for employers to reshape their workforce and employment strategies to become better equipped to respond to future skills demands[31].

2.31 There are also prominent workforce challenges at the Lancashire level. Recruiting and retaining medical, nursing and specialist staff poses a significant problem, particularly in emergency medicine and accident & emergency departments, as well as specialties of growing importance, such as clinical and interventional radiology. In Lancashire, medical and dental staff turnover exceeds the England average. As a result of workforce shortages across the North West, there is a need to increase the number of GPs in training and practice to ensure that the supply and demand gap is closed[32].

2.32 The sector enjoys support from the universities in the region, such as Edge Hill, Lancaster and Central Lancashire universities, all of whom have a strong track record in research and development. An example of collaboration between Lancashire's learning and health institutions can be found in the case study below[33].

Case Study: Lancaster Health Innovation Park

Lancaster University, together with Lancaster City Council and Lancashire County Council, is developing a Health Innovation Park on land currently allocated for a Science Park development adjoining the University.

The Innovation Park, which will be completed in 2018 will be expected to:

- Provide an integrated approach to healthcare and services for people who are growing older, as well as integrating and delivering an innovative combination of services applicable to urban and rural environments;
- Capitalise on the research profile, collaborative strengths and business linkages of the University;
- Provide research and development activities and raise the profile of Lancaster University as an excellent partner for collaborative research;
- Improve graduate retention in the area;
- Mutually enhance the image and reputation of the City, the region, the University and businesses.

Future Challenges

2.33 Many reports explore the challenges facing the sector and propose strategies and solutions to address them. For example, NHS England recently published a "Five Year Forward View" that offered a route map for the proposed direction of travel for the

[31] Skills for Health. (2010). Skills for Health: Skills and Labour Market Intelligence Briefing for the North West of England.
[32] Skills for Care. (2015). The state of the adult social care sector and workforce in England.
[33] Healthier Lancashire Programme. (2014). A Lancashire System Response to the Five Year Forward View.

health and care system over the next five years. Much of the Forward View focuses on secondary care in hospitals, but it also recognises the importance of reforming primary care too. The challenges facing primary care include[34]:

- An increasing workload and falling income
- Poor career structures and problems with workforce recruitment and retention
- Under-utilised skills and a lack of investment in education and training
- Lack of investment in infrastructure including premises
- The challenge of seven-day working.

2.34 Another paper, *Think Big, Act Now: Creating a Community of Care* also looks forward and sets out the NHS Alliance's position with regard to the future of general practice and primary care. It aims to provide a starting point for a practical guidance system and orchestrated campaign to re-energise a tired and demoralised primary care workforce, especially within general practice. The desired outcome, they argue, is for general practice to be regarded as 'special' again and to encourage the general public to see it as such, whilst also inspiring a new generation of doctors, nurses and other health professionals to be part of a prestigious primary care service[35].

2.35 The report calls for a fundamental shift in thinking by all who interact with the health service – one that moves from the delivery of health care as transactional and process driven – to one that relies on relationships. It describes this as a responsive and responsible service with three underlying principles:

- A responsive and responsible system.
- A responsive and responsible health professional.
- A responsive and responsible patient.

2.36 In order to deliver these principles, the report articulates a number of points, some of which include recognition that a restructured workforce is needed to deliver change, a reduction in the bureaucratic workload, greater co-ordination with community healthcare services and social care, a review of core funding and embracing use of new technology. Importantly, there is also an acknowledgment that there needs to be a demedicalisation of care, where appropriate, and a recognition that a solely medical approach cannot solve underlying problems such as unemployment, inadequate housing and social isolation.

2.37 To create an effective and efficient health and social care workforce in the future, it will be essential to develop versatile teams, not just individual professional groups. Previous investments in workforce have been heavily weighted to individual professional groups, in particular medical and nursing staff. However, clinical staff work within multidisciplinary teams and the quality of teamwork is a major contributor to the quality of patient care[36]. Developing teamwork skills may be more important than developing the roles of one professional group.

2.38 Medical training also needs to move away from the traditional individualistic perspective and prepare students for multidisciplinary team working[37]. It is also important to align the workforce to work, not the other way round. It is not possible to

[34] Skills for Care. (2015). The state of the adult social care sector and workforce in England.
[35] NHS Alliance. (2014). Think Big, Act Now: Creating a Community of Care.
[36] Borrill et al. (2000). The Effectiveness of Health Care Teams in the National Health Service. Aston University, University of Glasgow, University of Leeds. Available at: http://homepages.inf.ed.ac.uk/jeanc/DOH-final-report.pdf
[37] The King's Fund. (2013). NHS and social care workforce: meeting our needs now and in the future?

separate workforce redesign from work redesign; both need to be undertaken simultaneously. There should be a drive towards 'collaborative practice development', rather than 'continuing professional development'[38] – working across professions, not developing individual professions. Health and social care are team-based activities; the work of one team member is inter-dependent on others[39]. An example of how this notion has been successfully implemented in Lancashire can be found in the following case study:

Case Study: Lancashire North CCG Vanguard Site

With a population of 365,000, the partners of this Vanguard are all members of the Better Care Together Programme (see page 17), working on behalf of the population of Morecambe Bay which has 365,000 residents. They include five NHS Trusts: University Hospitals Morecambe Bay NHS Foundation Trust; Cumbria Partnership NHS Foundation Trust; Blackpool Teaching Hospitals NHS Foundation Trust; Lancashire Care NHS Foundation Trust. The Vanguard also includes North West Ambulance Service NHS Trust (NWAS) and two NHS Clinical Commissioning Groups: NHS Lancashire North Clinical Commissioning Group and NHS Cumbria Clinical Commissioning Group.

Two local authorities, Lancashire County Council and Cumbria County Council are also in the Vanguard, together with two GP Provider Federations, the North Lancashire Medical Group and the South Cumbria Primary Care Collaborative. The Vanguard will create a system that will take responsibility for the whole health and social care needs of the population within a single budget. This will mean a smaller, more productive hospital service working hand-in-hand with integrated out of hospital services. It will focus on keeping individuals, families and communities healthy, developing capacity in general practice and community services, and focusing the hospital on the services only it can deliver. This means that patients who work full time, for example, should have greater access to services at times that suit them, as the Better Care Together programme will develop more services and capacity in a setting closer to patients' homes.

2.39 As part of their report exploring the composition of the future of the healthcare workforce, Skills for Health discuss how the health service will need to be restructured in order to respond to the challenges of the future[40]. With a focus on professional skills, the author (like many others) concludes that an ageing population will change the levels of demand placed on different aspects of the healthcare system. For instance, more people will be living with chronic illnesses, rather than dying from them, meaning that certain healthcare sectors, such as for diabetes treatment, will require greater numbers of staff, particularly skilled staff.

2.40 In addition, with demand for services rising faster than funding, a squeeze on resources will mean that healthcare sectors will be required to do more with less. As a further consequence of funding cuts, pressure on resources will require professionals to demonstrate value and results in the care they deliver. This will necessitate many to take a leadership role, improve the process of care and be accountable for spending.

[38] *Ibid.*
[39] UKCES. (2012). Sector Skills Insights: Health & Social Care.
[40] Skills for Health. (2009). Tomorrow's workforce: Commentaries on the future of skills and employment in the UK's health sector.

Finally, the exponential rise in medical information and knowledge means that professionals will need to be expert knowledge managers and navigators and make much greater use of information technology[41]. The role of information technology within the sector is a key issue and the case study below looks at this in further detail, in the form of a case study on digitalisation and its potential impact.

Case Study: The Digitalisation of Healthcare

The nature of health and social care is changing rapidly, and therefore embracing and integrating digital technologies into healthcare provision is increasingly integral to ensuring that industry professionals are equipped to adapt to these changes. A major advancement in health and social care in recent years has been the digitalisation of clinical, patient and administrative records, which has made recording information more efficient, cheaper and of higher quality. In addition, health informatics and metadata are being progressively adopted into the patient diagnosis procedures and are also being used to both review patient care strategies and pre-empt the necessity for and timing of interventions.

A number of pieces of research have underlined the need to embrace new technology. An example is PwC's Health Research Institute (HRI), which surveyed 1,000 physicians and physician "extenders" and found that increasing digitalisation can[1]:

- Help caregivers work more as a team
- Increase patient-clinician interaction
- Put diagnostic testing of basic conditions into the hands of patients
- Promote self-management of chronic disease using health apps.

In their report exploring healthcare delivery models of the future, PwC project that healthcare digitalisation will be: focussed on the patient as a consumer; predictive and precise; integrated and transparent; team-based; sustainable; quality-based and efficient. To achieve this, a number of measures have been proposed or are already underway. One advancement that is being developed is the notion of clinicians and patients connecting digitally, rather than face-to-face - freeing up capacity by replacing in-office patient visits.

New medical and information technologies can enable different ways of working, including enhanced roles for patients. Technology puts power into the hands of patients and means more care can take place outside the hospital setting. Instead of spending many hours attending busy outpatient clinics to have their blood monitored and medication adjusted, patients can test themselves and either adjust their medication according to a predetermined dose or call a clinic to be told the appropriate dose. However, while use of these technologies can improve clinical outcomes, and make care more convenient, it is important to note that not everyone feels confident to self-medicate or will want this degree of intrusion in their daily lives**.**

[41] Skills for Health. (2009). Tomorrow's workforce: Commentaries on the future of skills and employment in the UK's health sector.

The 'Digital by Default' agenda set out in the UK Government's Digital Strategy sets a target for all public services to be delivered online 'by default'. It also mandates the provision of 'consistent services for people who have rarely or never been online'. Skills for Care (2014) report that considerable resource is therefore being dedicated to the continuing issue of digital exclusion, which sees 11million people in the UK lacking basic digital skills and therefore potentially excluded from accessing public services. The Department of Health's 'Digital First' strategy focuses on the internal requirements for the Department to become more digitally effective, and on the effect of digital technologies on the provision of information, including a commitment to 'steward the health and care system towards a health information revolution'.

Available data suggest digital technology is well embedded for professional and managerial staff, but not for the remainder of the workforce. Only a quarter of social care staff say they access the internet for work. Both of these strategies underline the importance of improving access for patients and healthcare professionals alike, if the advantages of digitalisation are to be realised. Social care sector literature foresees that assistive technologies will spread rapidly across the social care sector, and this will hasten a requirement for all staff to have some degree of digital capability. With that being said, there is evidence to suggest that social care employers see the set-up costs of digital technology as a barrier to further uptake, particularly those in SMEs.

2.41 As outlined in the previous section, in the future, new technology, pharmaceutical advances, genetic engineering and emergent evidence-based medical and nursing practice requires the healthcare sector to develop new ways of working with an ageing population that will have more complex co-morbidities, be more aware of their care needs and have growing expectations of what the care system should deliver them.

2.42 The 'Raising the Bar' report published by Health Education England delves further into the issue of reforming working practices by looking at the future education and training of nurses and care assistants. It notes that care assistants, be it in health or social care settings, are a vital part of delivering frontline compassionate care. They currently provide approximately over 60% of hands-on care, yet often have little access to training or personal development. They must be a significant focus for investment because they are of vital importance to patient safety and wellbeing[42]. To achieve this, it is essential that registered nurses feel valued throughout their whole career. Furthermore, as nurses increasingly engage with health and social care research (and indeed are in a unique position to do so), it is essential that nurses have the ability to engage in critical enquiry and implement research findings in order to make a significant difference to the care experience.

[42] Health Education England. (2015). Raising the Bar - Shape of Caring: A Review of the Future Education and Training of Registered Nurses and Care Assistants.

2.43 ‘Raising the Bar’ concludes with eight overarching recommendations, which advocate: enhancing the voice of the patient and the public; valuing the care assistant role; widening access to care assistants who wish to enter nursing; developing a flexible nursing model; assuring a high-quality environment for pre-registration nurses; assuring high-quality, ongoing learning for registered nurses; assuring sustainable research and innovation; and assuring high-quality funding and commissioning[43].

Tackling the Issues

2.44 There are a number of reports from various health and social care governance organisations that outline ways of tackling the myriad skills and employment issues affecting the sector. For instance, in No Health Without Mental Health and Closing the Gap, the Government set out its commitment to achieving parity of esteem for mental health. Timely access to services and then for treatment is one of the most obvious gaps in parity – whilst there are waiting time standards for physical health services, for mental health services, these standards don’t exist. This plan sets out the immediate actions to be taken in order to end this disparity and achieve better access to mental health services, along with a vision for further progress by 2020. In 2014/15, an estimated £40 million investment was due to be made – comprising:

- £7 million to end the practice of young people being admitted to mental health beds far away from where they live, or from being inappropriately admitted to adult wards.
- £33 million to support people in mental health crisis, and to boost early intervention services, that help some of the most vulnerable young people in the country to get well and stay well.

2.45 A further £80 million investment is scheduled to be made in 2015/16 with the following targets in mind:

- Treatment within 6 weeks for 75% of people referred to the Improving Access to Psychological Therapies programme, with 95% of people being treated within 18 weeks.
- Treatment within 2 weeks for more than 50% of people experiencing a first episode of psychosis.
- A £30 million targeted investment will help people in crisis to access effective support in more acute hospitals.

2.46 Only three quarters of patients with mental health problems are receiving treatment within 18 weeks of being referred by a GP, compared to 95% of those with physical ailments, according to a an analysis of data by the Nuffield Trust[44]. Speaking in relation to Scotland, Liberal Democrat Health Minister, Jim Hume points out that ‘two-fifths of GPs are not referring patients to psychological treatments, either because of the ballooning waiting times or just lack of provision. It's not just me saying this, it's the GPs themselves’[45].

2.47 Last year, the Department of Health also outlined their proposal to transform primary care into a safer, more proactive and personalised model of care directed at those who need it the most. It argued that the NHS and social care services need to change to meet the challenges of an ageing population and to better serve those living with complex health and care needs. This means providing personalised, proactive care to

[43] *Ibid.*
[44] Nuffield Trust. (2014). The NHS and social care: quality and finance.
[45] STV. (2015). NHS mental health waiting times progress 'not significant enough'.

keep people healthy, independent and out of hospital. It also acknowledged that to achieve this, a requirement is the support of a wide range of NHS and other staff, working in partnership with other local partners[46] [47].

2.48 This proposed transformation comes in response to feedback from patients, who feel that services are disjointed and the system is failing to meet their needs. The initial focus for the transformation of primary care therefore, is on the people with the most complex needs. From September 2014, over 800,000 people with the most complex needs began to experience a change in their care, with GPs developing a proactive and personalised programme of care and support tailored to their needs and views – the Proactive Care Programme. In addition, in an effort to improve continuity of care, by the end of June 2014, all people aged 75 and over were assigned a named GP with overall responsibility for and oversight of their care. This accountability, it is thought, will help coordination of services around the patient, ensuring personalised, proactive care regardless of the setting.

2.49 Another facet of the Proactive Care Programme is increased support to health and care staff through the 'freeing up' of staff, particularly GPs. In addition, training is required by staff to ensure they can improve their skills to meet people's changing needs and work across traditional boundaries. Health Education England will support joint working, and engage with employers, professional bodies and education providers to ensure the workforce has the necessary skills to care for older people and those with complex needs. Health Education North West have also looked at this issue and established a dedicated workforce transformation function in January 2014. In support of the increasing impetus for whole system service transformation the Workforce Transformation Team's primary purpose is to develop a workforce responsive to changes in care, now and in the future[48].

2.50 DH's 'Transforming Primary Care' report contends that in order to support this vision, the system needs to enable, rather than restrict, the transformation of services. DH is planning to make available an extra 10,000 primary and community health and care professionals by 2020, in support of the shift in how care will be provided. Furthermore, clinical commissioning groups will provide £250 million to commission services to support GPs to improve quality of care for older people and people with the most complex needs. Also, from 2015 onwards, the £3.8 billion Better Care Fund will support the integration of health and care services. An example of how the sector is showing signs of reform comes from Morecambe Bay[49], in the following case study.

2.51 Some commentators have pointed out that it is imperative that the sector better recognises that the staff it will have in the future are the staff it already has today. Therefore, any workforce redesign needs to focus more on re-training or re-assigning/re-purposing the current workforce, so that they have the skills needed to deliver new models of care, rather than on the training of new junior medical staff. Currently, less than 5% of the £5 billion Health Education England training budget is

[46] Department of Health. (2014). Transforming Primary Care: Safe, proactive, personalised care for those who need it most.
[47] National Voices. (2015). My life, my support, my choice: a vision for person centred coordinated care and support for children and young people with complex lives.
[48] Health Education North West. (2014). Workforce Transformation.
[49] Better Care Together. (2015). The Better Care Together Strategy: the Future for Health & Care Services in Morecambe Bay.

allocated to continuing professional development, while the rest is spent on securing professional qualifications; this division should be reconsidered[50].

Case Study: Morecambe Bay – Tackling the Issues

The health and social care organisations that deliver services across Morecambe Bay have united under the banner of the "Better Care Together" programme to co-design high quality adult, children's and mental health services that will be safe, affordable and fit for the future. At the heart of the strategy is a "population" based approach to promoting wellbeing and providing care in which people and their needs are the focus rather than processes and buildings. People will be enabled to make lifestyle choices that will keep them healthy for longer and to take control and manage their long-term conditions with local clinical teams integrating the support and technology they need around them. This will include more effective use of video links, texting and other digitalised facilities which will reduce the need for patients to travel, whether from their own or their nursing care home.

The Five Year Forward View published by NHS England echoes Morecambe's proposals for integrated out of hospital care built upon GP practices, supported by specialist teams. The team in Morecambe want to provide the best possible care within the realities of the budgets available to them and recommend the Better Care Together Strategy as a credible and innovative way forward for their local health economy. Five delivery principles have underpinned the development of the programme:

1. Focussing on a patient's experience, rather than organisational interests.
2. Engaging with patients & stakeholders from programme conception to identification of the preferred clinical model.
3. A clinically led solution from start to finish.
4. A robust qualitative & quantitative framework to underpin the options.
5. A focussed governance process to drive the process and hold it to account.

2.52 Another issue that requires greater attention is the support the informal workforce In England, for which around 3 million people volunteer in health and social[51], and there are more than 5.5 million informal carers[52]. This is almost three times the number of formal health and social care workers. With more and more fit retirees, there is an opportunity to foster a 'social movement' to support those in need[53].

2.53 The health and social care system is under extreme pressure to improve the quality and efficiency of services. To meet the challenges ahead, service providers will need to think differently about how they work and who they work with. Research indicates that volunteers improve people's experience of care, building stronger relationships between services and communities, supporting integrated care, improving public health and reducing health inequalities. The support that volunteers provide can be of

[50] Imison et al. (2009). NHS Workforce Planning: Limitations and possibilities.
[51] Naylor et al. (2013). Volunteering in Health and Care: Securing a sustainable future.
[52] Carers UK (2012). Facts about Carers 2012. Policy briefing.
[53] The King's Fund. (2013). NHS and social care workforce: meeting our needs now and in the future?

particular value to those who rely most heavily on services, such as people with multiple long-term conditions or mental health problems[54].

2.54 Voluntary sector organisations are providing a growing range of public services, bringing volunteers into new aspects of service delivery. Innovative forms of volunteering such as 'time banking' and peer support allow community members to act as both the beneficiaries and the providers of care. In some hospitals, volunteers are increasingly being seen as an integral part of the care team. There are huge opportunities for volunteering to help transform health and social care services and bring about real improvements for patients and the wider public. The challenge now is to ensure that the system can make the most of these opportunities. Many organisations lack a strategic vision for the role of volunteering within their workforce, and so miss the opportunities that exist. The value of volunteering needs to be better measured and articulated at all levels in the system. There is a striking lack of information about the scale or impact of volunteering in health and social care[55].

2.55 Critics have argued that there is a need to reverse the 'inverse training and investment' law. Much of the workforce debate has focused on the most expensively trained workers[56]. Approximately 60% of the NHS's training budget is spent on the most highly paid health professionals (12% of the workforce) and 35% is spent on nurses and allied health professionals, who account for 40% of the workforce. Despite the fact that biggest growth in need will be in hands-on, out-of-hospital, and social care, there are no national funding streams for training the unqualified workforce, such as health care assistants, who have no real professional pathway[57].

2.56 Finally, The King's Fund discuss the need to transform care, with the aim being to shift care closer to home in order to reduce the lengths of stay in hospital. Reflecting the general thinking within the sector, they argue that a key first step is to remove the complexity that has resulted from different policy initiatives over the years. A simple pattern of services should be developed, based around primary care and natural geographies and with a multidisciplinary team. These teams need to work in new ways with specialist services – both community and hospital based, to offer patients a much more complete and less fragmented service[58].

2.57 Transformational programmes need to include both mental health and social care, including the management of the health and social care budget for the care of their patients. These services need to be capable of a very rapid response and to work with hospitals to speed up discharge. Access to community or nursing home beds for short stays can make an important difference. Significant numbers of patients occupying hospital beds could be cared for in other settings but only if suitable services are available and can be accessed easily. In addition, more progressive methods of contracting and paying for these services are required. This will also require changes in primary care and hospital contractual arrangements and in the infrastructure to support the model. Community services also need to reach out into communities more

[54] The King's Fund. (2013). Volunteering in health and care: Securing a sustainable future. Available at: http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/volunteering-in-health-and-social-care-kingsfund-mar13.pdf
[55] *Ibid.*
[56] Cavendish, C. (2013) An Independent Review into Healthcare Assistants and Support Workers in the NHS and Social Care Settings.
[57] The King's Fund. (2013). NHS and social care workforce: meeting our needs now and in the future?
[58] The King's Fund. (2014). Community services: How they can transform care. At: http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/community-services-nigel-edwards-feb14.pdf

effectively because the opportunity to harness the power of the wider community to support people in their own homes, combat social isolation and improve prevention is not being fully exploited[59].

[59] *Ibid.*

Data analysis

2.58 This section draws on a number of data sources to provide an overview of the health & social care sector in the Lancashire LEP area. It looks at the employment and business base in the area, as well as summarising demographic change over the next decade. The section also presents analysis of the Higher Education sector in Lancashire and the North West, drawing on information sourced from the Higher Education Statistics Agency. It also summarises findings from the most recent National Employer Skills Survey undertaken by the UK Commission for Employment & Skills. Where relevant, analysis is provided down to a district level and travel to work area (TTWA) in order to draw out any differences between the various geographies within Lancashire LEP.

2.59 When analysing employment and business data, a definition of the health & social care sector has been derived using standard industrial classifications (SIC) produced by the Office for National Statistics. Further details on this are provided in Appendix A, along with examples of the type of activity included within each SIC code.

Employment Base

2.60 The Business Register and Employment Survey (BRES) shows there were 98,300 jobs in the health & social care sector in 2013 in the Lancashire LEP area. The number of jobs in the sector grew from 95,700 in 2010 to 98,300 in 2013, representing an increase of 2,600 jobs (2.7%). It is the largest employment sector in the Lancashire LEP area, representing 15.9% of all jobs. Manufacturing forms the second largest employment sector, representing 81,700 jobs and 13.2% of all employment. The third largest employment sector is the retail sector, accounting for 60,700 jobs and 9.8% of all employment (see Figure 1).

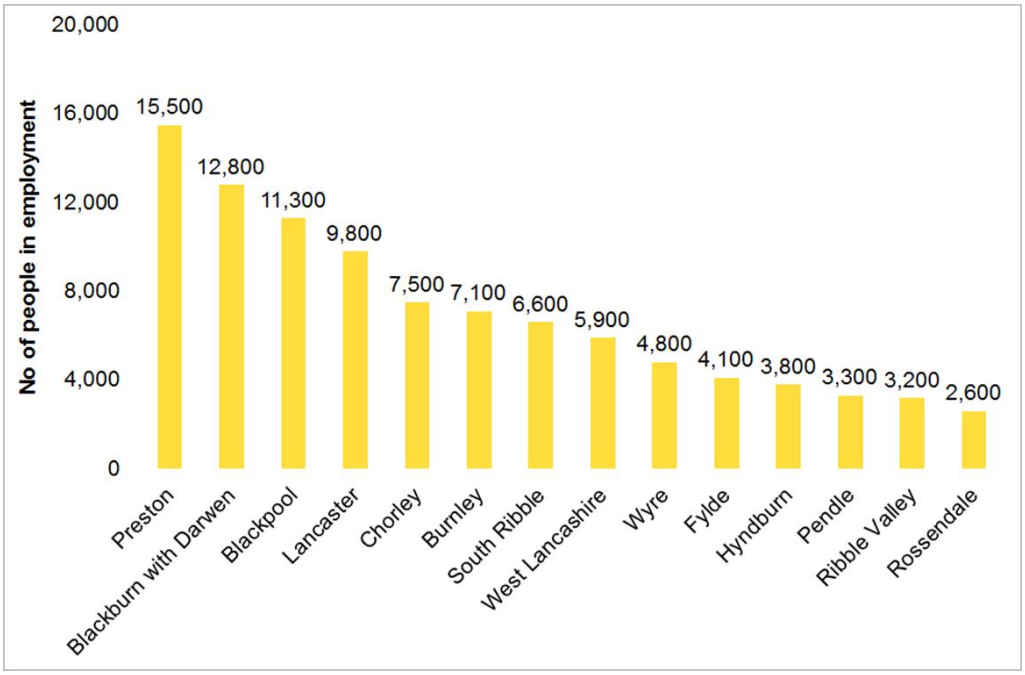
Figure 1: Employment by Broad Sector, 2013

Total Employment in Lancashire LEP: Broad Industrial Groups, 2013	No in Employment	% of Total Employment
Health	**98,300**	**15.9%**
Manufacturing	81,700	13.2%
Retail	60,700	9.8%
Education	57,800	9.4%
Accommodation & food services	40,800	6.6%
Business administration & support services	39,500	6.4%
Construction	35,300	5.7%
Professional, scientific & technical	34,400	5.6%
Wholesale	33,600	5.4%
Public administration & defence	33,600	5.4%
Arts, entertainment, recreation & other services	26,100	4.2%
Transport & storage (inc postal)	21,500	3.5%
Information & communication	14,400	2.3%
Motor trades	11,500	1.9%
Financial & insurance	10,900	1.8%
Property	9,100	1.5%
Mining, quarrying & utilities	7,700	1.2%
Agriculture, forestry & fishing	700	0.1%
Total Employment	**617,600**	**100.0%**

Source: Business Register and Employment Survey (BRES), 2013

2.61 In the Lancashire LEP area, Preston, Blackburn with Darwen and Blackpool local authorities have the highest levels of employment in the health & social care sector. The greatest concentration of employment is in Preston, which accounts for 15,500 jobs and 15.8% of all employment in Lancashire LEP's health & social care sector. Blackburn with Darwen contains the second highest level of employment in the health & social care sector across the Lancashire LEP area accounting for 12,800 jobs and 13.0% of all employment in the sector. Blackpool has the third highest level of employment in the sector, representing 11,300 jobs and 11.5% of all employment in the sector across the Lancashire LEP area (see Figure 2).

Figure 2: Heath & Social Care Employment by District, 2013



Source: Business Register and Employment Survey

2.62 As explained above, Preston has the highest concentration of health & social care employment across the Lancashire LEP area, containing 15,500 jobs and representing 15.8% of all employment in the sector across the Lancashire LEP area. However, Preston also experienced the greatest decline in employment in the sector in the period 2010-2013 across all Lancashire LEP local authorities. Its employment in the sector declined from 18,300 to 15,500, a decrease of 2,800 jobs (15.3%). Consequently, Preston's proportional share of all health & social care sector employment across the Lancashire LEP area decreased from 19.1% to 15.8%, a decline of 3.3%.

2.63 In contrast, Blackburn with Darwen experienced the greatest absolute growth of employment in the health & social care sector across all Lancashire LEP local authorities. During the period 2010-13, employment in health & social care in Blackburn with Darwen increased from 10,700 in 2010 to 12,800 in 2013, representing an increase of 2,100 jobs (19.6%). The largest proportional increase in employment in the sector during the period 2010-14 occurred in Burnley. Health & social care employment in Burnley increased from 5,700 in 2010 to 7,100 in 2014, representing a rise of 24.6% and 1,400 jobs.

2.64 At a TTWA area level, in Lancashire only the Preston TTWA experience a decline in health & social care employment from 2010-13. It fell by 5.3%, representing 1,800 fewer jobs (see Figure 3).

Figure 3: Health & Social Care Employment Change by District & TTWA, 2010-13

Employment in Health & Social Care	2010	2013	Change	
			No.	%
Preston	18,300	15,500	-2,800	-15.3%
Blackburn with Darwen	10,700	12,800	2,100	19.6%
Blackpool	10,900	11,300	400	3.7%
Lancaster	9,700	9,800	100	1.0%
Chorley	7,400	7,500	100	1.4%
Burnley	5,700	7,100	1,400	24.6%
South Ribble	5,900	6,600	700	11.9%
West Lancashire	5,500	5,900	400	7.3%
Wyre	4,300	4,800	500	11.6%
Fylde	3,700	4,100	400	10.8%
Hyndburn	3,900	3,800	-100	-2.6%
Pendle	3,500	3,300	-200	-5.7%
Ribble Valley	3,400	3,200	-200	-5.9%
Rossendale	2,800	2,600	-200	-7.1%
Blackburn TTWA	*20,200*	*21,700*	*1,500*	*7.4%*
Blackpool TTWA	*17,300*	*18,400*	*1,100*	*6.4%*
Burnley, Nelson & Colne TTWA	*9,200*	*10,500*	*1,300*	*14.1%*
Lancaster & Morecambe TTWA	*9,700*	*9,800*	*100*	*1.0%*
Preston TTWA	*33,700*	*31,900*	*-1,800*	*-5.3%*
Lancashire LEP	**95,700**	**98,300**	**2,600**	**2.7%**
North West	**442,200**	**447,000**	**4,800**	**1.1%**
Great Britain	**3,564,000**	**3,733,300**	**169,300**	**4.8%**

Source: Business Register and Employment Survey (BRES), 2013

2.65 With regard to health & social care sub-sectors, the largest absolute increase in employment occurred in 'Hospital activities' which grew from 34,300 in 2010 to 40,100 in 2013 in Lancashire, representing an increase of 5,800 (16.9%). 'Social work activities without accommodation for the elderly and disabled' experienced the largest proportional increase in employment of 38.6%; employment grew from 8,300 in 2010 to 11,500 in 2013, a rise of 3,200. 'Other human health activities' saw the greatest proportional decrease in employment, falling by 42.6%; employment decreased from 10,100 in 2010 to 5,800 in 2013, a fall of 4,300. The sub-sector of 'Other social work activities without accommodation not elsewhere classified' saw its employment decrease from 14,600 in 2010 to 11,100 in 2013, representing a decrease of 3,500 jobs (24.0%) and likely to be due to cuts in funding at day centres, for example. Figure 4 shows changes across all health & social care sectors in Lancashire LEP from 2010-13.

Figure 4: Health & Social Care Employment Change by Sub-Sector in Lancashire, 2010-13

Employment in Health & Social Care Sub-sectors in Lancashire	2010	2013	Change	
			No.	%
Hospital activities	34,300	40,100	5,800	16.9%
Social work activities without accommodation for the elderly and disabled	8,300	11,500	3,200	38.6%
Other social work activities without accommodation n.e.c.	14,600	11,100	-3,500	-24.0%
Residential nursing care activities	4,700	6,000	1,300	27.7%
Residential care activities for the elderly and disabled	7,200	5,900	-1,300	-18.1%
General medical practice activities	5,200	5,800	600	11.5%
Other human health activities	10,100	5,800	-4,300	-42.6%
Other residential care activities	4,200	4,300	100	2.4%
Child day-care activities	3,800	4,000	200	5.3%
Dental practice activities	1,900	2,400	500	26.3%
Residential care activities for learning disabilities, mental health and substance abuse	900	900	0	0.0%
Specialist medical practice activities	300	400	100	33.3%
Total	**95,500**	**98,200**	**2,700**	**2.8%**

Source: Business Register and Employment Survey (BRES), 2013

2.66 The number of employees in the Lancashire LEP area employed in research and development (R&D) in the health & social care sector was approximately 800 in 2013 according to the Business Register and Employment Survey (BRES). This represents a substantial decrease from 2010 when approximately 1,300 were employed in R&D. It should be noted that almost all R&D employment is in SIC code 7219: Other research and experimental development on natural sciences and engineering. Data for SIC codes 7211: Research and experimental development on biotechnology and 7220: Research and experimental development on social sciences and humanities is too limited to be representative.

Location Quotients

2.67 Location Quotients "can be interpreted as a local measure of geographical concentration of industries" (Office for National Statistics). The location quotient (LQ) of an industry is an analytical statistic which measures an area's industrial specialisation relative to a benchmark (in this case Great Britain). LQs are calculated by comparing the industry's share of employment in Lancashire with its share of GB employment. For example, if a sector accounts for 10% of all jobs in an area, but only 5% of all GB jobs, the area's LQ for that sector is 2. This means jobs in this particular sector are two times more concentrated in that area than average.

2.68 The analysis conveys that the sub-sectors of 'Social work activities without accommodation for the elderly and disabled', 'Residential nursing care activities', and 'Hospital activities' respectively account for a larger share of employee jobs in the Lancashire LEP area in comparison with the national level. Indeed, the sub-sector of 'Social work activities without accommodation for the elderly and disabled' is nearly two times more concentrated than the national average (see Figure 5).

Figure 5: Health & Social Care Location Quotients in Lancashire

Employment in Health & Social Care Sub-sectors in Lancashire	Location Quotient
Social work activities without accommodation for the elderly and disabled	1.86
Residential nursing care activities	1.41
Hospital activities	1.32
Residential care activities for the elderly and disabled	1.16
Other social work activities without accommodation n.e.c.	1.13
Dental practice activities	1.10
Child day-care activities	1.08
General medical practice activities	1.06
Specialist medical practice activities	0.94
Other residential care activities	0.89
Residential care activities for learning disabilities, mental health and substance abuse	0.86
Other human health activities	0.72
Total	**1.21**

Source: Business Register and Employment Survey (BRES), 2013

2.69 Appendix B provides LQ information down to a local authority level and TTWA. The main points to note are:

- **District level:** The highest LQ for any sub-sector is in Burnley – 4.63 for "Social work activities without accommodation for the elderly and disabled". This is closely followed by Chorley, which has an LQ of 4.47 – also for "Social work activities without accommodation for the elderly and disabled". Other LQs to highlight at a district level include: 3.46 in Pendle for "Residential care activities for learning disabilities, mental health and substance abuse"; 3.30 in Rossendale for "Residential nursing care activities"; and 3.14 in Ribble Valley for "Residential care activities for learning disabilities, mental health and substance abuse".

- **Travel to Work Areas:** The highest LQ for any sub-sector is in Burnley, Nelson & Colne – 3.08 for "Social work activities without accommodation for the elderly and disabled". This is followed by Lancaster & Morecambe, which has an LQ of 1.95 – for "Residential care activities for the elderly & disabled".

Business Base

2.70 The Inter-Departmental Business Register (IDBR) shows there were just over 55,000 businesses trading in the Lancashire LEP area in 2014. There are 3,900 businesses operating in the health & social care sector in the Lancashire LEP area, representing 7.1% of the entire business base. It is the fourth largest business sector in the Lancashire LEP area. The largest business sectors are retail; professional, scientific & technical and construction, cumulatively accounting for 18,770 businesses or more than one third (34.1%) of all businesses in the Lancashire LEP area (see Figure 6).

Figure 6: Businesses by Broad Sector in Lancashire, 2014

Total Businesses in Lancashire LEP: Broad Industrial Groups, 2014	No of Businesses	% of Total Businesses
Retail	6,975	12.7%
Professional, scientific & technical	6,240	11.3%
Construction	5,555	10.1%
Health	**3,900**	**7.1%**
Manufacturing	3,660	6.7%
Business administration & support services	3,625	6.6%
Accommodation & food services	3,620	6.6%
Arts, entertainment, recreation & other services	3,495	6.4%
Agriculture, forestry & fishing	3,280	6.0%
Wholesale	2,845	5.2%
Information & communication	2,315	4.2%
Motor trades	2,125	3.9%
Transport & storage (inc postal)	1,865	3.4%
Property	1,825	3.3%
Education	1,455	2.6%
Financial & insurance	1,380	2.5%
Public administration & defence	510	0.9%
Mining, quarrying & utilities	360	0.7%
Total No of Businesses	**55,030**	**100.0%**

Source: Inter-Departmental Business Register (IDBR)

2.71 The number of businesses in the health & social care sector increased from 3,555 in 2010 to 3,900 in 2014, representing an increase of 345 (9.7%) businesses over the period (see Figure 7). Within the sector 'Human health activities'' businesses account for the majority of these companies; increasing from 1,365 in 2010 to 1,705 in 2014, representing an increase of 340 (24.9%). These include: hospital activities, general and specialist medical practice and dental practice activities.

Figure 7: Health & Social Care Business Change in Lancashire, 2010-14

Number of Lancashire Businesses in Sub-sector	2010	2014	Change	
			No.	%
Human health activities	1,365	1,705	340	24.9%
Social work activities without accommodation	1,335	1,340	5	0.4%
Residential care activities	855	855	0	0.0%
Total	**3,555**	**3,900**	**345**	**9.7%**

Source: Inter-Departmental Business Register (IDBR)

2.72 With regard to local authority proportions, the greatest proportion of health & social care businesses are located in Preston, which is home to 445 businesses and 11.4% of all health and social care businesses in the Lancashire LEP area (see Figure 8). Blackburn with Darwen has the second highest number of health and social care businesses only marginally lower than Preston (440, 11.3%); Blackpool (400, 10.2%) and Lancaster (380, 9.7%) have the third and fourth highest number of businesses. Ribble Valley contains the lowest number of health & social care businesses (145, 3.7%).

Figure 8: Health & Social Care Business by District, 2014[60]

Businesses in Health & Social Care across Lancashire LEP Districts	2014	% of Total Lancashire LEP Health & Social Care Employment
Preston	445	11.4%
Blackburn with Darwen	440	11.3%
Blackpool	400	10.2%
Lancaster	380	9.7%
South Ribble	265	6.8%
West Lancashire	250	6.4%
Chorley	245	6.3%
Fylde	240	6.1%
Wyre	240	6.1%
Burnley	235	6.0%
Hyndburn	215	5.5%
Pendle	215	5.5%
Rossendale	190	4.9%
Ribble Valley	145	3.7%
Total	**3,905**	**100.0%**

Source: Inter-Departmental Business Register (IDBR)

2.73 Health & social care businesses in Lancashire tend to be small with more than half (55.3%) employing 9 or fewer people; 36.8% of businesses employ 10-49 people and 7.4% (290) of businesses employ 50-249 people (see Figure 9). There are very few large businesses with 250 or more employees in the health and social care sector; they represent only 0.5% (20) of all health & social care businesses in Lancashire LEP. However, on average health & social care businesses in Lancashire have more employees than typical for all businesses in Lancashire (81.5% of all businesses in Lancashire employ 9 or fewer people; 15.1% of all businesses employ 10-49 people; 3% of all businesses employ 50-249 people; 0.4% of all businesses employ 250 or more people).

Figure 9: Health & Social Care Businesses by Size in Lancashire, 2014

Employment Sizeband of Lancashire Businesses in Health & Social Care, 2014	No of Businesses	% of Businesses
Micro (0 to 9 employees)	2,155	55.3%
Small (10 to 49)	1,435	36.8%
Medium-sized (50 to 249)	290	7.4%
Large (250+)	20	0.5%
Total	**3,900**	**100.0%**

Source: Inter-Departmental Business Register (IDBR)

Key Business Sub-Sectors

2.74 The largest numbers of businesses are in the 'Other social work activities without accommodation not elsewhere classified' sub-sector accounting for 640 businesses in 2014; declining by 60 (8.6%) from 2010, although they represent 16.4% of all Health and Social Care businesses in the LEP area. The second largest business sub-sector is 'Other human health activities' representing 590 businesses in 2014, increasing by 85 (16.8%) since 2010; they account for 15.1% of the health & social care business base. The third biggest health & social care sub-sector is 'General medical practice

[60] TTWA area figures are not available for the business base.

activities' accounting for 460 businesses in 2014, having increased by 50 (12.2%) since 2010; they represent 11.8% of all Health & Social Care businesses (see Figure 10).

2.75 The greatest absolute increase in businesses was in the 'Hospital activities' sub-sector, in which the number of businesses increased from 165 in 2010 to 300 in 2014, representing a rise of 135 (81.8%). The substantial rise in hospital activities is likely to be due to NHS commissioners now being able to commission 'any qualified provider' to deliver services, which is leading to more niche providers who deliver hospital services. The 'Hospital activities' sub-sector accounts for 7.7% of all businesses in Lancashire LEP's health & social care sector.

Figure 10: Health & Social Care Business Change in Lancashire, 2010-14

Businesses in Health & Social Care Sub-sectors in Lancashire LEP	2010	2014	Change	
			No.	%
Other social work activities without accommodation n.e.c.	700	640	-60	-8.6%
Other human health activities	505	590	85	16.8%
General medical practice activities	410	460	50	12.2%
Child day-care activities	350	400	50	14.3%
Residential care activities for the elderly and disabled	360	365	5	1.4%
Hospital activities	165	300	135	81.8%
Social work activities without accommodation for the elderly and disabled	285	300	15	5.3%
Other residential care activities	285	285	0	0.0%
Dental practice activities	245	280	35	14.3%
Residential nursing care activities	145	150	5	3.4%
Specialist medical practice activities	40	75	35	87.5%
Residential care activities for learning disabilities, mental health and substance abuse	65	55	-10	-15.4%
Total	**3,555**	**3,900**	**345**	**9.7%**

Source: Inter-Departmental Business Register (IDBR)

2.76 There are approximately 50 businesses active in research and development (R&D) across the health & social care sector in the Lancashire LEP area according to the Inter-Departmental Business Register (2014). There has been no significant change in the number of active R&D health & social care sector businesses in the period 2010-2014. The following SIC Codes contribute to the research and development category: 5 businesses in 7211: Research and experimental development on biotechnology; 45 businesses in 7219: Other research and experimental development on natural sciences and engineering; and 0 businesses in 7220: Research and experimental development on social sciences and humanities. However, please note that this data is subject to Office for National Statistics rounding and suppression stipulations.

Forecasts

2.77 The forecasts below have been prepared by Oxford Economics. Their forecasting methodology is not consistent with data utilised elsewhere in this report derived from the Business Register and Employment Survey (BRES), therefore the different datasets cannot be directly compared.

2.78 Total Employment across the Lancashire LEP region is expected to increase from 729,000 in 2014 to 765,200 by 2024; this represents an increase of 36,200 (5.0%). Employment is expected to increase the most in the Administrative and support services activities sector by 10,100 (21.4%) over the period 2014-2024. Construction

employment is projected to increase by 10,000 (18.5%) over the same period, it is expected to be the second largest growth sector. Conversely, manufacturing is projected to experience the greatest absolute decline over the forecast period, losing 9,100 (10.4%) of its employment (see Figure 11)

Figure 11: Employment Forecasts- Broad Industrial Groups, 2014-24

Lancashire LEP: Employment Forecast- Broad Industrial Groups	2014	2024	Change	
			No.	%
Administrative and support service activities	47,300	57,400	10,100	21.4%
Construction	54,100	64,100	10,000	18.5%
Professional, scientific and technical activities	47,500	56,600	9,100	19.2%
Wholesale and retail trade; repair of motor vehicles and motorcycles	112,300	119,200	6,900	6.1%
Transportation and storage	29,700	33,600	3,900	13.1%
Accommodation and food service activities	43,300	46,900	3,600	8.3%
Arts, entertainment and recreation	20,100	22,900	2,800	13.9%
Information and communication	17,000	19,400	2,400	14.1%
Other service activities	17,800	20,000	2,200	12.4%
Human health and social work activities	**112,800**	**114,700**	**1,900**	**1.7%**
Real estate activities	10,500	12,300	1,800	17.1%
Financial and insurance activities	12,000	12,100	100	0.8%
Mining and quarrying	500	400	-100	-20.0%
Electricity, gas, steam and air conditioning supply	2,400	2,200	-200	-8.3%
Water supply; sewerage, waste management and remediation activities	5,700	5,400	-300	-5.3%
Agriculture, forestry and fishing	11,400	10,000	-1,400	-12.3%
Education	63,300	61,300	-2,000	-3.2%
Public administration and defence; compulsory social security	34,000	28,500	-5,500	-16.2%
Manufacturing	87,300	78,200	-9,100	-10.4%
Total Employment	**729,000**	**765,200**	**36,200**	**5.0%**

Source: Oxford Economics- Lancashire Labour Market Forecasts

2.79 Employment in Lancashire LEP region's health & social care sector is forecast to grow by 1,900 (1.7%) in the period 2014-24 (see Figure 12). Lancashire LEP's employment in the health & social care sector is expected to increase slightly more (0.1%) than the North West average of 1.6%, however this is substantially below the national predicted growth of 2.9%. Total employment in the area is to expected grow by 5.0% over the same period, meaning growth of employment in the health & social care sector is expected to be lower than overall employment growth. The Social work activities sub-sector is predicted to experience the largest growth out of the three Health & Social Care sub-sectors i.e. an increase of 1,100 (3.3%) employees.

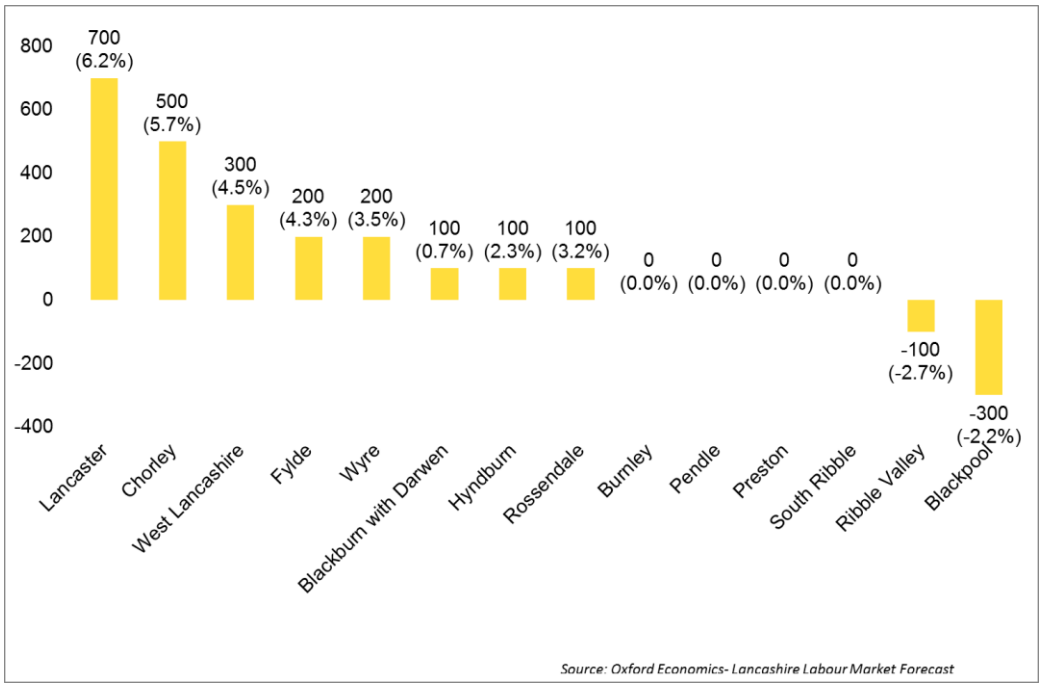
Figure 12: Health & Social Care Employment Forecasts, 2014-24

Employment Forecast- Health & Social Care				
Lancashire	**2014**	**2024**	**Change**	
Human health activities	62,000	62,400	400	0.6%
Residential care activities	17,800	18,200	400	2.2%
Social work activities	33,000	34,100	1,100	3.3%
Total Health & Social Care	**112,800**	**114,700**	**1,900**	**1.7%**
North West	**2014**	**2024**	**Change**	
Human health activities	294,600	297,600	3,000	1.0%
Residential care activities	85,200	86,700	1,400	1.6%
Social work activities	129,200	133,000	3,700	2.9%
Total Health & Social Care	**509,000**	**517,300**	**8,300**	**1.6%**
UK	**2014**	**2024**	**Change**	
Human health activities	2,421,400	2,483,600	62,200	2.6%
Residential care activities	715,200	732,900	17,700	2.5%
Social work activities	1,118,200	1,162,400	44,200	4.0%
Total Health & Social Care	**4,254,800**	**4,378,900**	**124,100**	**2.9%**

Source: Oxford Economics- Lancashire Labour Market Forecasts

2.80 With regard to Lancashire LEP area's constituent local authority districts, Lancaster is predicted to experience the largest increase in employment in the health & social care sector over the period 2014-24 throughout Lancashire. Lancaster's employment is expected to grow from 11,300 to 12,000; this represents an increase of 700 (6.2%). Chorley and West Lancashire are predicted to experience employment growth in the health & social care sector of 5.7% (500) and 4.5% (300) respectively. Meanwhile, employment in the sector in the districts of Burnley, Pendle, Preston and South Ribble is expected to remain constant. However, Ribble Valley and Blackpool are predicted to experience modest decline in health & social care employment (see Figure 13).

Figure 13: Employment Forecast for Lancashire LEP Districts: Health & Social Care- Change 2014-2024



Source: Business Register and Employment Survey

Demographic Change

2.81 Lancashire LEP's total population was 1.47million in 2012 (see Figure 14). This is expected to increase to just over 1.5million by 2024, representing an increase of 41,000 (2.8%). It should be noted that Lancashire LEP's population is ageing. Lancashire LEP's population aged 65 and over was just under 270,000 in 2012. This is projected to increase to just over 330,000 by 2024, representing an increase of around 62,000 (23.0%). Over the period 2012-2024, the North West's population aged 65 and over is expected to increase by 24.2%; England's population aged over 65 is expected to increase by 27.6%.

Figure 14: Population Projections for Lancashire, 2012-24

Lancashire LEP Population	2012	2024	Change	
			No.	%
Aged 0-15	274,655	283,167	8,512	3.1%
Aged 16-64	922,228	892,916	-29,312	-3.2%
Aged 65 and over	268,785	330,654	61,869	23.0%
Total Population	**1,465,668**	**1,506,737**	**41,069**	**2.8%**

Source: Office for National Statistics (ONS) Subnational Population Projections, 2012-based projections

2.82 Figures 15-28 show population projections for each district in Lancashire LEP from 2014-24. There are a number of variations at a local authority level, notably:

- With the exception of **Blackpool** and **Burnley** where numbers are expected to remain broadly the same, all districts in Lancashire LEP are projected to see an increase in their total population from 2012-24. In absolute and relative terms, **Chorley** (9.1%, or 10,000 additional people) is estimated to see the largest rise.

- **Chorley** and **Rossendale** are projected to see the highest percentage increases in people aged 65 and over from 2012-24, with increases of 35.5% and 31.9% respectively.

- **Chorley** is the only district projected to see an increase in its working age population (16-64), with an estimated rise of 2.1% (1,500 additional people).

- **Rossendale** is projected to see the largest percentage increase in the number of people aged 0-15 (8.5%, or 1,100 additional people).

Figure 15: Population Projections for Blackburn with Darwen, 2014-24

Blackburn with Darwen	2012	2024	Change No.	Change %
Aged 0-15	34,255	34,015	-240	-0.7%
Aged 16-64	93,633	91,732	-1,901	-2.0%
Aged 65 and over	19,825	24,756	4,931	24.9%
Total	**147,713**	**150,503**	**2,790**	**1.9%**

Figure 16: Population Projections for Blackpool, 2014-24

Blackpool Population	2012	2024	Change No.	Change %
Aged 0-15	25,630	26,606	976	3.8%
Aged 16-64	88,420	84,216	-4,204	-4.8%
Aged 65 and over	27,926	31,008	3,082	11.0%
Total	**141,976**	**141,830**	**-146**	**-0.1%**

Figure 17: Population Projections for Burnley, 2014-24

Burnley	2012	2024	Change No.	Change %
Aged 0-15	17,335	17,792	457	2.6%
Aged 16-64	55,041	51,215	-3,826	-7.0%
Aged 65 and over	14,751	18,070	3,319	22.5%
Total	**87,127**	**87,077**	**-50**	**-0.1%**

Figure 18: Population Projections for Chorley, 2014-24

Chorley	2012	2024	Change No.	Change %
Aged 0-15	19,925	21,577	1,652	8.3%
Aged 16-64	69,899	71,363	1,464	2.1%
Aged 65 and over	19,253	26,084	6,831	35.5%
Total	**109,077**	**119,024**	**9,947**	**9.1%**

Figure 19: Population Projections for Fylde, 2014-24

Fylde	2012	2024	Change	
			No.	%
Aged 0-15	12,030	12,624	594	4.9%
Aged 16-64	44,886	43,397	-1,489	-3.3%
Aged 65 and over	19,104	23,661	4,557	23.9%
Total	**76,020**	**79,681**	**3,661**	**4.8%**

Figure 20: Population Projections for Hyndburn, 2014-24

Hyndburn	2012	2024	Change	
			No.	%
Aged 0-15	16,375	16,224	-151	-0.9%
Aged 16-64	50,390	47,395	-2,995	-5.9%
Aged 65 and over	13,425	16,291	2,866	21.4%
Total	**80,190**	**79,911**	**-279**	**-0.3%**

Figure 21: Population Projections for Lancaster, 2014-24

Lancaster	2012	2024	Change	
			No.	%
Aged 0-15	23,139	24,631	1,492	6.4%
Aged 16-64	90,170	86,993	-3,177	-3.5%
Aged 65 and over	26,356	31,757	5,401	20.5%
Total	**139,665**	**143,381**	**3,716**	**2.7%**

Figure 22: Population Projections for Pendle, 2014-24

Pendle	2012	2024	Change	
			No.	%
Aged 0-15	18,376	18,972	596	3.2%
Aged 16-64	56,189	54,842	-1,347	-2.4%
Aged 65 and over	15,048	18,880	3,832	25.5%
Total	**89,613**	**92,693**	**3,080**	**3.4%**

Figure 23: Population Projections for Preston, 2014-24

Preston	2012	2024	Change	
			No.	%
Aged 0-15	26,906	27,320	414	1.5%
Aged 16-64	93,849	91,361	-2,488	-2.7%
Aged 65 and over	19,785	23,637	3,852	19.5%
Total	**140,540**	**142,318**	**1,778**	**1.3%**

Figure 24: Population Projections for Ribble Valley, 2014-24

Ribble Valley	2012	2024	Change	
			No.	%
Aged 0-15	10,525	10,447	-78	-0.7%
Aged 16-64	34,936	33,681	-1,255	-3.6%
Aged 65 and over	12,135	15,438	3,303	27.2%
Total	**57,596**	**59,567**	**1,971**	**3.4%**

Figure 25: Population Projections for Rossendale, 2014-24

Rossendale	2012	2024	Change	
			No.	%
Aged 0-15	13,304	14,438	1,134	8.5%
Aged 16-64	43,924	43,650	-274	-0.6%
Aged 65 and over	11,138	14,690	3,552	31.9%
Total	**68,366**	**72,778**	**4,412**	**6.5%**

Figure 26: Population Projections for South Ribble, 2014-24

South Ribble	2012	2024	Change	
			No.	%
Aged 0-15	19,863	20,944	1,081	5.4%
Aged 16-64	68,587	67,057	-1,530	-2.2%
Aged 65 and over	20,521	26,273	5,752	28.0%
Total	**108,971**	**114,273**	**5,302**	**4.9%**

Figure 27: Population Projections for West Lancashire, 2014-24

West Lancashire	2012	2024	Change	
			No.	%
Aged 0-15	19,841	19,671	-170	-0.9%
Aged 16-64	69,116	64,530	-4,586	-6.6%
Aged 65 and over	21,968	27,509	5,541	25.2%
Total	**110,925**	**111,710**	**785**	**0.7%**

Figure 28: Population Projections for Wyre, 2014-24

Wyre	2012	2024	Change	
			No.	%
Aged 0-15	17,151	17,908	757	4.4%
Aged 16-64	63,188	61,483	-1,705	-2.7%
Aged 65 and over	27,550	32,602	5,052	18.3%
Total	**107,889**	**111,993**	**4,104**	**3.8%**

Source for Figures 15-28: ONS subnational population projections (2012-based)

Workforce Profile

2.83 There are a number of different sources which allow for the analysis of the workforce in the health & social care sector, including the 2011 Census and quarterly Labour Force Survey (LFS). In addition, Skills for Care holds detailed figures for the social care sub-sector in or National Minimum Dataset for Social Care (NMDS-SC). Each of these three datasets is discussed below.

2011 Census

2.84 The Census provides data on the qualifications of the workplace population aged 16-74 working in “human health & social work activities”. Analysis of the figures shows a substantial proportion of people with higher level skills. In particular, 44.0% of the workplace population in Lancashire in the sector have a level 4 or higher qualification (degree, BTEC etc.). This is well above the average for the whole of the workplace population (30.0%), and a similar trend is evident at a national level (see Figure 29).

Figure 29: Highest level of qualification of workplace population aged 16-74 working in the human health & social work activities sector

	Lancashire		England & Wales	
	Human health & social work activities	All people aged 16-74 in employment	Human health & social work activities	All people aged 16-74 in employment
No qualifications	6%	11%	6%	10%
Level 1	9%	15%	10%	14%
Level 2	17%	18%	16%	17%
Level 3	19%	17%	16%	15%
Level 4 & above	44%	30%	47%	35%
Apprenticeships & other	4%	9%	5%	9%

Source: 2011 Census

2.85 The Census also provides information on the occupation profile of the workplace population. While it isn't possible to get figures specifically on health & social care, the data are available for the wider publication administration, education & health sector. Figure 30 provides the data for Lancashire and England & Wales – showing the relatively high proportion of the workplace population in "caring, leisure & other service" roles (26% in Lancashire, well above the LEP average of 11% for all sectors). Professional occupations also account for a high proportion of the workplace population in the sector – 31%, compared to 16% for all workers in Lancashire. Similar trends are also evident at a national level.

Figure 30: Occupation profile of workplace population aged 16-74 working in public administration, education & health

	Lancashire		England & Wales	
	Public administration, education & health	All people aged 16-74 in employment	Public administration, education & health	All people aged 16-74 in employment
Managers, directors & senior officials	5%	10%	5%	11%
Professional	31%	16%	33%	17%
Associate professional & technical	13%	10%	14%	13%
Administrative & secretarial	16%	12%	14%	11%
Skilled trades	2%	13%	2%	11%
Caring, leisure & other service	26%	11%	23%	9%
Sales & customer service	1%	9%	1%	8%
Process, plant & machine operatives	1%	9%	1%	7%
Elementary	5%	12%	6%	11%

Source: 2011 Census

2.86 Figure 31 shows the age profile of the workplace population, again for the wider public administration, education & health sector in both Lancashire and England & Wales. It can be seen that there are fewer young people (those aged 24 & under) in the sector– 9% in Lancashire and 8% in England & Wales, compared to an overall average of 13% in both areas. In addition, 54.0% of the sector's workplace population in Lancashire is aged 35-44, above the average for all industries of 49.0% – a trend repeated nationally.

Figure 31: Age profile of workplace population aged 16-74 working in public administration, education & health

	Lancashire		England & Wales	
	Public administration, education & health	All people aged 16-74 in employment	Public administration, education & health	All people aged 16-74 in employment
24 & under	9%	13%	8%	13%
25 to 34	20%	20%	21%	22%
35 to 44	26%	24%	25%	24%
45 to 54	28%	25%	27%	24%
55 to 64	16%	15%	16%	15%
65 to 74	2%	3%	3%	3%

Source: 2011 Census

Quarterly Labour Force Survey

2.87 Data from the quarterly Labour Force Survey[61] (LFS) also shows that in the North West, there is a higher percentage of workers aged 50 years or older in the health and social care sector, compared with the average across all sectors (30% compared to 28.4% respectively). The health and social care sector also has a lower proportion of workers under 30 than the all-sector average – 20.9% compared to 24.7%. The age groups where the health and social care sectors surpass the sector average in the North West are between the ages of 30 and 55, with 62.8% of the total health and social care workforce falling into this category, compared to 58.6% in other sectors.

National Minimum Dataset for Social Care

2.88 The (NMDS-SC[62]) on the social care sub-sector is available via Skills for Care (SfC). This provides information on various workforce characteristics, including the age profile of people – as highlighted in Figure 32. This shows that around one third (33.1%) of the social care workforce in Lancashire recorded in the NMDS-SC) is aged 34 or under, slightly higher than the national average of 30.9%. In addition, one in five member of the workforce are aged 55 and over in Lancashire.

Figure 32: Age Profile of the Social Care Workforce in Lancashire

	Lancashire		England		
Age Group	No. of staff	%	No. of staff	%	Difference (%pts)
24 and under	2,721	11.3%	73,102	10.2%	1.1
25 to 34	5,243	21.8%	142,269	19.9%	1.9
35 to 44	4,650	19.4%	146,321	20.4%	-1.1
45 to 54	6,485	27.0%	195,152	27.3%	-0.3
55 to 64	4,141	17.2%	132,755	18.6%	-1.3
65 and over	777	3.2%	25,941	3.6%	-0.4
Total	**24,017**	**100.0%**	**715,540**	**100.0%**	**-**

Source: Skills for Care National Minimum Dataset

2.89 The SfC dataset also gives information on the nationality of the social care workforce recorded in the NMDS-SC. As shown in Figure 33, just over 70% are British and this is marginally higher than the national average of 68%.

Figure 33: Nationality of the Social Care Workforce in Lancashire

	Lancashire		England		
Nationality	No. of staff	%	No. of staff	%	Difference (%pts)
British	15,479	71.3%	400,387	67.6%	3.7
EEA (Non British)	373	1.7%	24,981	4.2%	2.5
Non-EEA	729	3.4%	46,502	7.9%	4.5
Unknown	4,958	22.8%	109,415	18.5%	4.4
Non-British (nationality not known)	179	0.8%	11,074	1.9%	-1.0
Total	**21,718**	**100.0%**	**592,359**	**100.0%**	**-**

Source: Skills for Care National Minimum Dataset

2.90 According to the SfC dataset, around one quarter of the social care workforce recorded in the NMDS-SC hold no qualifications, well below the national average of almost one third. More than half (55.8%) have a Level 2, 3 or 4 qualification, in line with national trends (see Figure 34).

[61] Labour Force Survey 2014

[62] The three geographies available for Lancashire on the NMDS-SC are: Blackburn with Darwen; Blackpool and Lancashire. The analysis presents the data for these areas as an overall total.

Figure 34: Qualifications of the Social Care Workforce in Lancashire

	Lancashire		England		
Nationality	No. of staff	%	No. of staff	%	Difference (%pts)
Any other qualification(s)	92	0.9%	10,726	3.8%	2.9
Other relevant social care qualification(s)	1,476	14.9%	22,612	8.1%	6.8
Entry Level or Level 1	228	2.3%	2,450	0.9%	1.4
Level 2	2,092	21.2%	66,271	23.8%	-2.6
Level 3	1,845	18.7%	44,167	15.8%	2.8
Level 4 or above	1,574	15.9%	42,772	15.3%	0.6
No qualifications held	2,566	26.0%	89,737	32.2%	-6.2
Total	**9,873**	**100.0%**	**278,735**	**100.0%**	**-**

Source: Skills for Care National Minimum Dataset

2.91 Of the people recorded in the NMDS-SC in Lancashire, the average annual salary is around £16,500. The national average for the sector is slightly higher at £17,000. According to the Annual Survey of Hours and Earnings published by the Office for National Statistics, the gross median annual salary for full time workers in Lancashire in 2014 was far higher at £24,400.

Higher Education Students

2.92 Data sourced from the Higher Education Statistics Agency (HESA) show that in 2013/14, there were just over 16,500 students (undergraduate and postgraduate) studying health & social care-related subjects at Higher Education Institutions in Lancashire. The University of Central Lancashire has the highest number of students at just over 9,000, of which 5,000 are studying “subjects allied to medicine”. This includes almost 3,000 nursing students, 550 pharmacology, toxicology & pharmacy students and just over 400 students studying “complementary medicines, therapies & well-being”.

2.93 Edge Hill University has the second highest number of HE students in health & social care-related subjects at almost 5,800, of which 3,100 are studying nursing (included within “subjects allied to medicine”). Figure 35 provides further detail on HE student numbers in Lancashire HEIs.

Figure 35: HE Students in Lancashire by Institution, 2013/14

	Central Lancashire	Edge Hill	Lancaster	Total
Medicine & dentistry	610	0	135	**745**
Subjects allied to medicine	5,120	3,520	240	**8,880**
Social work	1,865	445	185	**2,495**
Biological sciences	1,665	1,830	970	**4,465**
Total	**9,260**	**5,795**	**1,530**	**16,585**

Source: HESA

2.94 Figure 36 provides information on HE student numbers across the North West in medicine & dentistry. As can be seen, the Universities of Manchester and Liverpool dominate in terms of absolute numbers – accounting for 6,500 of the 7,500 total.

Figure 36: Medicine & Dentistry HE Students in the North West, 2013/4

The University of Manchester	3,595
The University of Liverpool	3,050
The University of Central Lancashire	610
The University of Lancaster	135
The Manchester Metropolitan University	45
The University of Salford	35
Liverpool John Moores University	-
Edge Hill University	-
University of Chester	-
University of Cumbria	-
The University of Bolton	-
Liverpool Hope University	-
Total	**7,470**

Source: HESA

2.95 Figure 37 provides information on HE student numbers across the North West in "subjects allied to medicine". Central Lancashire has the highest number of students, followed by Salford and Manchester. In total, there are more than 32,000 students and around 18,000 of these are studying nursing.

Figure 37: Subjects allied to medicine HE Students in the North West, 2013/4

The University of Central Lancashire	5,120
The University of Salford	4,595
The University of Manchester	4,305
University of Chester	3,720
Liverpool John Moores University	3,670
Edge Hill University	3,520
University of Cumbria	2,485
The Manchester Metropolitan University	2,350
The University of Liverpool	1,290
The University of Bolton	1,115
The University of Lancaster	240
Liverpool Hope University	80
Total	**32,490**

Source: HESA

2.96 Figure 38 provides information on HE student numbers across the North West in social work. Central Lancashire accounts for almost 1,900 of the 6,000 total – the highest absolute figure of any North West HEI.

Figure 38: Social Work HE Students in the North West, 2013/4

The University of Central Lancashire	1,865
The University of Salford	855
The Manchester Metropolitan University	815
University of Cumbria	680
Edge Hill University	445
Liverpool John Moores University	380
University of Chester	365
The University of Bolton	200
The University of Lancaster	185
Liverpool Hope University	140
The University of Manchester	130
The University of Liverpool	-
Total	**6,060**

Source: HESA

2.97 Figure 39 provides information on HE student numbers across the North West in biological sciences, which total just over 20,000. Of this total, there are around 7,500 psychology students (1,000 are at Central Lancashire, the highest number for any North West HEI) and a further 5,000 are studying sport & exercise science.

Figure 39: Biological sciences HE Students in the North West, 2013/4

The Manchester Metropolitan University	3,445
Liverpool John Moores University	3,105
The University of Manchester	2,625
Edge Hill University	1,830
The University of Liverpool	1,785
The University of Central Lancashire	1,665
The University of Salford	1,445
University of Chester	1,305
The University of Lancaster	970
The University of Bolton	825
Liverpool Hope University	695
University of Cumbria	640
Total	**20,335**

Source: HESA

Data Cube

2.98 Information from the LEP Data Cube provides historic learning aim starts and achievement data funded by the Skills Funding Agency (SFA) and Education Funding Agency (EFA) for Lancashire, for 2012/13 & 2013/14. Data are available on a learner and delivery basis. Learner location, based on the learners' resident postcode, presents the data in terms of where individuals live. However, this may not be the same local authority location in which they undertake their study or work. Delivery location postcode data relates to training being undertaken within an area, though a proportion of the learners may be resident outside of the delivery location.

2.99 All Data Cube analysis presented below focuses on starts and achievements within the "Health, Public Services & Care" sector, which includes the following sub-sectors:

- Medicine and Dentistry
- Nursing and Subjects and Vocations Allied to Medicine

- Health and Social Care
- Public Services
- Child Development and Well Being

Data Cube Learner Analysis

2.100 The learner Data Cube shows that the number of health, public services & care sector starts in Lancashire was just over 27,500 in 2013/14. This was down slightly on the 30,000 recorded in 2012/13. At a sub-sector level, the largest number of starts was in health & social care at just over 20,000. Figures 40 and 41 provide sub-sector starts in the entire sector in Lancashire for 2012/13 and 2013/14 respectively. Both figures highlight that the highest number of starts were made by people aged 25 and over.

Figure 40: Health, Public Services & Care Sector Starts in Lancashire by Sub-Sector, 2012/13

Sub-sector	Under 16	16-18	19-24	25+	Total
Medicine and Dentistry			4	9	**13**
Nursing and Subjects and Vocations Allied to Medicine	2	7	367	1,763	**2,139**
Health and Social Care	62	4,307	3,234	10,609	**18,212**
Public Services	6	1,000	481	1,069	**2,556**
Child Development and Well Being	43	1,288	453	949	**2,733**
Other	8	758	650	3,240	**4,656**
Total	**121**	**7,360**	**5,189**	**17,639**	**30,309**

Source: LEP Data Cube

Figure 41: Health, Public Services & Care Sector Starts in Lancashire by Sub-Sector, 2013/14

Sub-sector	Under 16	16-18	19-24	25+	Total
Medicine and Dentistry		15	8	16	**39**
Nursing and Subjects and Vocations Allied to Medicine	1	54	388	1,035	**1,478**
Health and Social Care	32	3,024	3,357	13,917	**20,330**
Public Services	20	1,342	334	788	**2,484**
Child Development and Well Being	65	1,202	511	1,122	**2,900**
Other	19	28	74	222	**343**
Total	**137**	**5,665**	**4,672**	**17,100**	**27,574**

Source: LEP Data Cube

2.101 Looking at the different levels of starts within the sector, in 2013/14 the highest number in Lancashire were at Level 2 (around 10,000), followed by Level 1 at just under 6,500 (see Figure 42).

Figure 42: Health, Public Services & Care Sector Starts in Lancashire by Notional NVQ Level, 2013/14

	Under 16	16-18	19-24	25+	Grand Total
Entry level	20	100	94	387	**601**
Higher level				1	**1**
Level 1	52	1,406	1,517	3,513	**6,488**
Level 2	46	1,601	1,517	7,100	**10,264**
Level 3	0	2,454	615	1,395	**4,464**
Level 4 (original)		73	367	655	**1,095**
Level 5 (original)		0		0	**0**
Not applicable	19	31	562	4,049	**4,661**
Grand Total	**137**	**5,665**	**4,672**	**17,100**	**27,574**

Source: LEP Data Cube

2.102 Lancashire County Council accounted for the most health, public services & care starts in the LEP area in 2013/14 at almost 4,000. This was followed by Blackburn College and Accrington & Rossendale College (both at 2,400). Figure 43 shows the top 10 provides in Lancashire LEP and combined, they accounted for almost 70% of all starts in the sector in 2013/14.

Figure 43: Health, Public Services & Care Sector Starts in Lancashire, 2013/14 – 10 largest providers

Provider Name	Under 16	16-18	19-24	25+	Grand Total
Lancashire County Council	21	24	484	3,250	3,779
Blackburn College	4	804	377	1,188	2,373
Accrington & Rossendale College	5	221	447	1,688	2,361
Preston College	38	428	312	1,447	2,225
Manchester College, The		226	1,035	962	2,223
Burnley College		756	235	795	1,786
Blackpool & The Fylde College	62	571	231	531	1,395
Runshaw College		477	83	500	1,060
Lancaster & Morecambe College		249	139	403	791
Blackburn with Darwen Unitary Authority			40	750	790

Source: LEP Data Cube

2.103 Turning to look at achievements, there were just over 24,000 within Lancashire in 2013/14, down from around 37,000 in 2012/13. In line with the starts data, health & social care accounted for the highest share of achievements at approximately 18,000. This represents an increase on the 2012/13 total for the sub-sector of 15,500. Figures 44 and 45 provide sub-sector achievements in the entire sector in Lancashire for 2012/13 and 2013/14 respectively.

Figure 44: Health, Public Services & Care Sector Achievements in Lancashire by Sub-Sector, 2012/13

Sub-sector	Under 16	16-18	19-24	25+	Total
Medicine and Dentistry			4	4	**8**
Nursing and Subjects and Vocations Allied to Medicine	1	9	320	1,579	**1,909**
Health and Social Care	42	3,552	2,528	9,390	**15,512**
Public Services	12	1,041	423	1,137	**2,613**
Child Development and Well Being	52	1,099	349	831	**2,331**
Other	18	708	557	3,086	**4,369**
Total	**125**	**6,409**	**4,181**	**16,027**	**26,742**

Source: LEP Data Cube

Figure 45: Health, Public Services & Care Sector Achievements in Lancashire by Sub-Sector, 2013/14

Sub-sector	Under 16	16-18	19-24	25+	Total
Medicine and Dentistry		19	8	6	**33**
Nursing and Subjects and Vocations Allied to Medicine	2	48	326	1,016	**1,392**
Health and Social Care	40	2,502	2,867	12,909	**18,318**
Public Services	20	941	279	711	**1,951**
Child Development and Well Being	30	936	371	875	**2,212**
Other	19	30	76	225	**350**
Total	**111**	**4,476**	**3,927**	**15,742**	**24,256**

Source: LEP Data Cube

2.104 Looking at the different levels of achievements within the sector, in 2013/14 the highest number in Lancashire were at Level 2 (around 9,000), followed by Level 1 at just under 5,800 (see Figure 46).

Figure 46: Health, Public Services & Care Sector Achievements in Lancashire by Notional NVQ Level, 2013/14

	Under 16	16-18	19-24	25+	Grand Total
Entry level	19	92	82	352	**545**
Higher level				0	**0**
Level 1	50	1,047	1,309	3,391	**5,797**
Level 2	9	1,272	1,260	6,470	**9,011**
Level 3	14	1,975	497	1,293	**3,779**
Level 4 (original)		58	222	368	**648**
Level 5 (original)		1		0	**1**
Not applicable	19	31	557	3,868	**4,475**
Grand Total	**111**	**4,476**	**3,927**	**15,742**	**24,256**

Source: LEP Data Cube

2.105 Lancashire County Council accounted for the most health, public services & care achievements in the LEP area in 2013/14 at around 3,500. This was followed by Accrington & Rossendale College (2,200) and Blackburn College (2,000). Figure 47 shows the top 10 providers in Lancashire LEP and combined, they accounted for nearly 70% of all starts in the sector in 2013/14.

Figure 47: Health, Public Services & Care Sector Achievements in Lancashire, 2013/14 – 10 largest providers

Provider Name	Under 16	16-18	19-24	25+	Grand Tot
Lancashire County Council	34	35	466	3,035	3,570
Accrington & Rossendale College	2	171	422	1,629	2,224
Blackburn College	3	652	305	1,038	1,998
Preston College	42	326	271	1,333	1,972
Manchester College, The		183	846	862	1,891
Burnley College		549	176	758	1,483
Blackpool & The Fylde College	21	471	162	403	1,057
Runshaw College		379	76	474	929
Blackburn with Darwen Unitary Authority			38	743	781
Lancaster & Morecambe College		204	130	380	714

Source: LEP Data Cube

Data Cube Delivery Analysis

2.106 The delivery Data Cube shows that the number of health, public services & care sector starts in Lancashire was just under 26,000 in 2013/14. This was down slightly on the circa 28,000 recorded in 2012/13. At a sub-sector level, the largest number of

starts was in health & social care at just under 19,000. Figures 48 and 49 provide sub-sector starts in the entire sector in Lancashire for 2012/13 and 2013/14 respectively. Both figures highlight that the highest number of starts were made by people aged 25 and over.

Figure 48: Health, Public Services & Care Sector Starts in Lancashire by Sub-Sector, 2012/13

Sub-sector	Under 16	16-18	19-24	25+	Total
Nursing and Subjects and Vocations Allied to Medicine	2	3	321	1,712	**2,038**
Health and Social Care	64	4,295	2,935	8,598	**15,892**
Public Services	13	1,030	361	701	**2,105**
Child Development and Well Being	42	1,268	439	940	**2,689**
Other	8	865	673	3,361	**4,907**
Total	**129**	**7,461**	**4,729**	**15,312**	**27,631**

Source: LEP Data Cube

Figure 49: Health, Public Services & Care Sector Starts in Lancashire by Sub-Sector, 2013/14

Sub-sector	Under 16	16-18	19-24	25+	Total
Medicine and Dentistry				6	**6**
Nursing and Subjects and Vocations Allied to Medicine	1	59	353	1,018	**1,431**
Health and Social Care	32	3,003	3,231	12,501	**18,767**
Public Services	19	1,378	296	630	**2,323**
Child Development and Well Being	64	1,216	517	1,118	**2,915**
Other	19	28	82	224	**353**
Total	**135**	**5,684**	**4,479**	**15,497**	**25,795**

Source: LEP Data Cube

2.107 In terms of the different levels of starts within the sector, in 2013/14 the highest number in Lancashire were at Level 2 (around 7,800), followed by Level 1 at 7,000 (see Figure 50).

Figure 50: Health, Public Services & Care Sector Starts in Lancashire by Notional NVQ Level, 2013/14

	Under 16	16-18	19-24	25+	Grand Total
Entry level	21	78	83	396	**578**
Level 1	52	1,390	1,636	3,935	**7,013**
Level 2	43	1,638	1,187	4,911	**7,779**
Level 3	0	2,471	599	1,411	**4,481**
Level 4 (original)		76	393	664	**1,133**
Not applicable	19	31	581	4,180	**4,811**
Grand Total	**135**	**5,684**	**4,479**	**15,497**	**25,795**

Source: LEP Data Cube

2.108 Lancashire County Council accounted for the most health, public services & care starts in the LEP area in 2013/14 at 3,900. This was followed by Preston College at 2,600. Figure 51 shows the top 10 provides in Lancashire LEP, which in total accounted for 80% of all starts in the sector in 2013/14.

Figure 51: Health, Public Services & Care Sector Starts in Lancashire, 2013/14 – 10 largest providers

Provider Name	Under 16	16-18	19-24	25+	Grand Total
Lancashire County Council	21	24	496	3,385	3,926
Preston College	38	440	333	1,801	2,612
Blackburn College	4	811	401	1,290	2,506
Accrington & Rossendale College	6	227	461	1,780	2,474
Manchester College, The		251	1,097	943	2,291
Burnley College		799	244	857	1,900
Kirklees College		64	257	1,206	1,527
Blackpool & The Fylde College	62	575	246	536	1,419
Runshaw College		557	89	554	1,200
Lancaster & Morecambe College		301	172	373	846

Source: LEP Data Cube

2.109 Looking at achievements within the delivery Data Cube, there were just under 22,500 within Lancashire in 2013/14, down from around 24,500 in 2012/13. As with the starts data, health & social care accounted for the highest share of achievements at approximately 16,700. Figures 52 and 53 provide sub-sector achievements in the entire sector in Lancashire for 2012/13 and 2013/14 respectively.

Figure 52: Health, Public Services & Care Sector Achievements in Lancashire by Sub-Sector, 2012/13

Sub-sector	Under 16	16-18	19-24	25+	Total
Nursing and Subjects and Vocations Allied to Medicine	1	6	288	1,581	**1,876**
Health and Social Care	45	3,518	2,317	7,777	**13,657**
Public Services	12	1,055	271	738	**2,076**
Child Development and Well Being	49	1,089	339	822	**2,299**
Other	17	797	580	3,194	**4,588**
Total	**124**	**6,465**	**3,795**	**14,112**	**24,496**

Source: LEP Data Cube

Figure 53: Health, Public Services & Care Sector Achievements in Lancashire by Sub-Sector, 2013/14

Sub-sector	Under 16	16-18	19-24	25+	Total
Medicine and Dentistry				0	**0**
Nursing and Subjects and Vocations Allied to Medicine	2	46	292	971	**1,311**
Health and Social Care	40	2,486	2,775	11,430	**16,731**
Public Services	27	951	273	608	**1,859**
Child Development and Well Being	30	946	391	862	**2,229**
Other	19	29	82	219	**349**
Total	**118**	**4,458**	**3,813**	**14,090**	**22,479**

Source: LEP Data Cube

2.110 Looking at the different levels of achievements within the sector, in 2013/14 the highest number in Lancashire were at Level 2 (around 6,800), followed by Level 1 at just under 6,300 (see Figure 54).

Figure 54: Health, Public Services & Care Sector Achievements in Lancashire by Notional NVQ Level, 2013/14

	Under 16	16-18	19-24	25+	Grand Total
Entry level	20	68	80	373	**541**
Level 1	59	1,030	1,409	3,778	**6,276**
Level 2	6	1,295	1,023	4,491	**6,815**
Level 3	14	1,980	481	1,105	**3,580**
Level 4 (original)		55	246	374	**675**
Not applicable	19	30	574	3,969	**4,592**
Grand Total	**118**	**4,458**	**3,813**	**14,090**	**22,479**

Source: LEP Data Cube

2.111 Lancashire County Council accounted for the most health, public services & care achievements in the LEP area in 2013/14 at around 3,700. This was followed by Preston College and Accrington & Rossendale College (both at 2,300). Figure 55 shows the top 10 provides in Lancashire LEP and combined, they accounted for 81% of all starts in the sector in 2013/14.

Figure 55: Health, Public Services & Care Sector Achievements in Lancashire, 2013/14 – 10 largest providers

Provider Name	Under 16	16-18	19-24	25+	Grand Total
Lancashire County Council	34	35	478	3,149	3,696
Preston College	42	330	295	1,665	2,332
Accrington & Rossendale College	3	175	427	1,668	2,273
Blackburn College	3	655	324	1,119	2,101
Manchester College, The		202	879	860	1,941
Burnley College		578	183	818	1,579
Kirklees College		56	227	1,137	1,420
Blackpool & The Fylde College	21	474	176	406	1,077
Runshaw College		438	78	523	1,039
Blackburn with Darwen Unitary Authority			38	739	777

Source: LEP Data Cube

Success Rates

2.112 Separate data published by the SFA show the success rates (the proportion of learning successfully completed) of people on apprenticeships at a national level, broken down by subject area. Figure 56 shows success rates for health & social care apprenticeships from 2011/12-2013/14 funded by the SFA, with Figure 57 then going on to provide information for all apprenticeships.

2.113 It can be seen that over the three year period in question, success rates in health & social care subjects have lagged behind the overall average – for example, a success rate of 66.8% in 2013/14 for all apprenticeships in the sector (see Figure 56) was below the overall average of 68.9% (see Figure 57). More positively, success rates in health & social care subjects have remained broadly the same since 2011 whereas the overall average has declined – the average of 68.9% in 2013/14 was a substantial decline on the 73.8% recorded in 2011/12.

Figure 56: Apprenticeship success rates (national level) for health & social care subjects, 2011-2014

	2011/12	2012/13	2013/14
Level 2 (Intermediate)	66.5%	68.7%	67.1%
Level 3 (Advanced)	66.6%	68.6%	66.5%
Level 4 + (Higher)	-	-	64.8%
All Levels	66.5%	68.7%	66.8%

Source: SFA

Figure 57: Apprenticeship success rates (national level) for all subjects, 2011-2014

	2011/12	2012/13	2013/14
Level 2 (Intermediate)	72.6%	71.9%	68.8%
Level 3 (Advanced)	76.5%	73.0%	69.1%
Level 4 + (Higher)	72.6%	70.2%	71.3%
All Levels	73.8%	72.3%	68.9%

Source: SFA

UKCES Employer Skills Survey

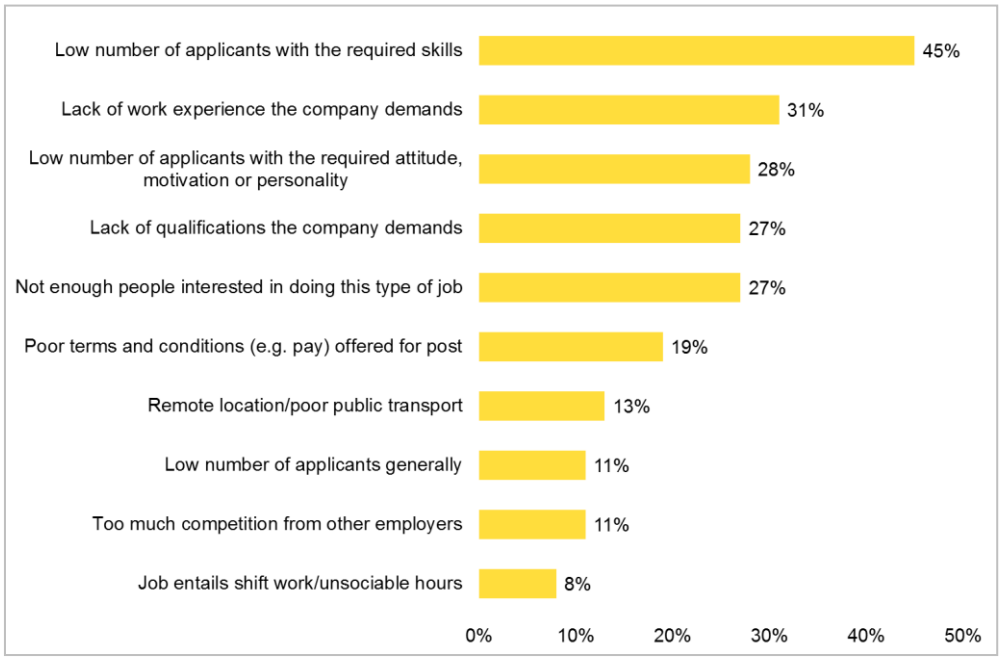
2.114 The UKCES Employer Skills Survey (ESS) provides an indication of skills needs and training investment in UK businesses. The most recent ESS was undertaken in 2013 and it looked at a number of issues, including:

- **Skill-shortage vacancies (SSV):** These are vacancies that are hard-to-fill due to applicants not having the rights skills or work experience.
- **Skills gaps:** When employees do not have the right skills to be fully proficient to do their job.

2.115 In terms of SSV for all companies (regardless of sector), results from the ESS indicate that nationally, one in five vacancies (22.0%) are proving difficult to fill due to skills shortages. The corresponding figure for Lancashire LEP is virtually the same. The health & social work sector in Lancashire had a lower proportion of SSVs at 13%, however.

2.116 Looking at the results for Lancashire LEP in more detail across all sectors, the main reason cited by employers in the area for having a hard-to-fill vacancy was the low number of applicants with the required skills (45%). This was followed by a lack of work experience (31%). Figure 58 breaks the results down into further detail, providing the top 10 causes in Lancashire LEP for hard-to-fill vacancies.

Figure 58: Main causes of having a hard-to-fill vacancy in Lancashire LEP



Source: ESS (UKCES, 2013)

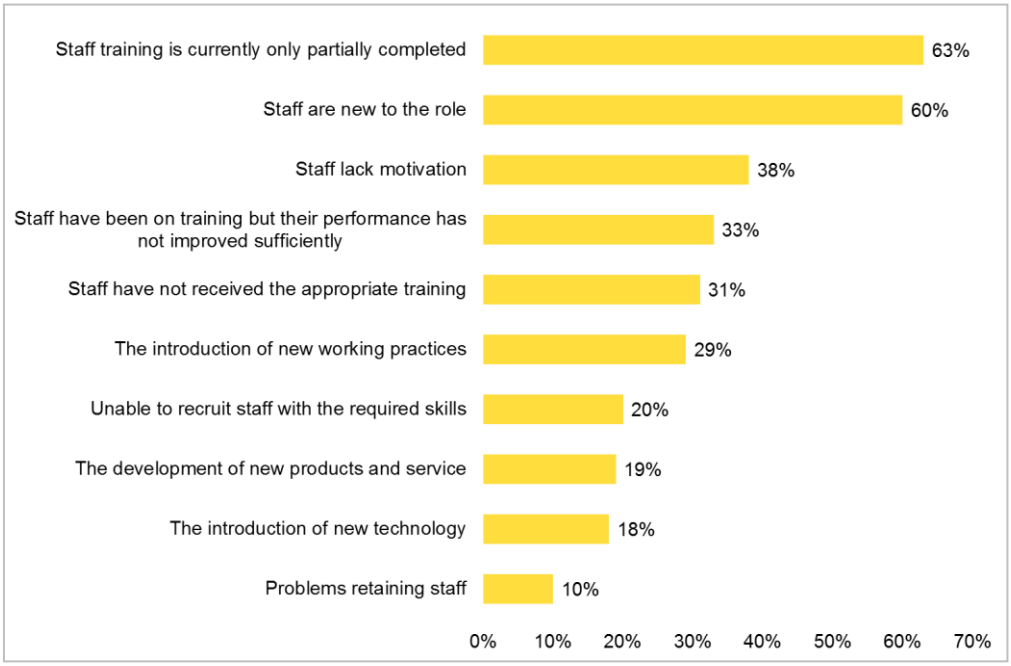
2.117 The ESS also asked employers about the skills they found difficult to obtain from applicants. In Lancashire LEP, 72% of employers with an SSV citied technical, practical or job specific skills as the hardest skillsets to obtain. This was followed by planning and organisation skills (57%) and oral communication skills (49%). Team working skills, which were highlighted as being of importance in the literature review, were cited by 42% of employers (see Figure 59).

Figure 59: Skills found difficult to obtain from applicants in Lancashire LEP

Source: ESS (UKCES, 2013)

2.118 In terms of skills gaps, the main cause identified by employers in Lancashire LEP was that staff training was only partially completed (63%), followed by 60% of respondents saying gaps were due to staff being new to a role (see Figure 60).

Figure 60: Causes of skills gaps in Lancashire LEP



Source: ESS (UKCES, 2013)

2.119 Results by sector are available from the ESS, although the majority of the information is published at a national level. The main points to note for the health & social work sector nationally are (where available, Lancashire LEP figures are included too):

- There are emerging pockets of skills deficiency for professionals in the sector nationally.
- 89% of employers in the health & social work sector were likely to offer training, the third highest proportion of any sector nationally. The figure for Lancashire LEP was even higher at 93%. Moreover, 90% of employers in the health & social work sector in Lancashire predicted a need for an upskilling of staff over the next 12 months.
- 45% of employers in the sector nationally offered some form of management training, behind only education (60%) and public administration (54%).
- Health & social work employers that trained were the most likely to have trained any staff to a qualification (65%), and trained the highest proportion of their workforce to nationally recognised qualifications (24%, compared to the UK average of 13%).
- There is considerable variation in rates of recruitment of education leavers across the different sectors of the economy. In health & social work for example, 17% of employers nationally recruited from FE colleges, second

only to hotels & restaurants (19%). In addition, 17% of employers in the sector said they recruited from HEIs, below the high of 38% reported for education, but still relatively high when compared to other sectors within the economy. Lancashire LEP had a similar figure at 18% in terms of recruitment by the sector from HEIs.

- A lack of work experience was particularly likely to be given as a reason for failing to employ young people by employers in the Health and Social Work – 71% at a national level – the highest proportion of any sector.

3 Key Issues

3.1 Based on the research to date, issues for consideration when engaging with employers and skills providers include:

Skills shortages

3.2 An ageing population will change the levels of demand placed on different aspects of the healthcare system. New technology, pharmaceutical advances, genetic engineering and emergent evidence-based medical and nursing practice requires the healthcare sector to develop new ways of working with an ageing population that will have more complex co-morbidities, be more aware of care needs and have growing expectations of what the care system should deliver them.

Skills gaps

3.3 Skills requirements are evolving – for example, medical training needs to move away from the traditional individualistic perspective and prepare students for multidisciplinary team working. Health and social care are team-based activities; the work of one team member is inter-dependent on others, and therefore working practices require better integration. In addition, embracing and integrating digital technologies into healthcare provision is increasingly integral to ensuring that industry professionals are equipped to adapt to these changes. Whilst there remain a number of barriers, both in terms of set-up and utilisation, digital technologies will become a vital tool for the health and social care workforce in the future.

Recruitment and retention

3.4 Certain areas of the health and social care sector are facing chronic employment and skills shortages. Across both Lancashire and the UK, there is a shortage of nurses, general practitioners, care workers and pharmacists, among others. Part of the reason for the lack of supply is due to the conditions in which these professionals are expected to work. A number of reports, such as Think Big, Act Now and Raising the Bar, advocate working practice reform by reducing the bureaucratic workload, investing in further training and generally valuing health and social care professional better. Analysis of the Skills for Care NMDS-SC shows that in social care, pay is well below average, which is another issue that needs to be addressed. Recruitment and retention problems will be further exacerbated by the ageing workforce – it is projected that 107,000 people will retire between 2007 and 2017 and the proportion of both GPs and nurses over the age of 50 is growing. When older members of the workforce retire, they take with them valuable skills and experience.

Investment

3.5 The lack of investment in continuing professional development (CPD) is particularly striking. Currently, less than 5% of the £5billion NHS training budget is allocated to CPD, while the rest is spent on securing professional qualifications. Looking further ahead, the bulk of the workforce of 2025 are already in jobs, however it appears as though their skills development needs are not being met.

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Appendix A – Health & Social Care Sector: SIC Definition

SIC Code	Description	Types of Activity Included
8610	Hospital activities	Short- or long-term hospital activities, i.e. medical, diagnostic and treatment activities, of general hospitals (e.g. community and regional hospitals, hospitals of non-profit organisations, university hospitals, military-base and prison hospitals) and specialised hospitals (e.g. mental health and substance abuse hospitals, hospitals for infectious diseases, maternity hospitals, specialised sanatoriums).
8621	General medical practice activities	Medical consultation and treatment in the field of general medicine carried out by general practitioners.
8622	Specialist medical practice activities	Medical consultation and treatment in the field of specialised medicine by medical specialists and surgeons, and family planning centres providing medical treatment such as sterilisation and termination of pregnancy, without accommodation.
8623	Dental practice activities	Dental practice activities of a general or specialised nature, e.g. dentistry, endodontic and paediatric dentistry; oral pathology. It also includes orthodontic activities, as well as dental activities in operating rooms.
8690	Other human health activities	Activities for human health not performed by hospitals or by medical doctors or dentists, including: • Activities of nurses, midwives, physiotherapists or other paramedical practitioners in the field of optometry, hydrotherapy, medical massage, occupational therapy, speech therapy, chiropody, homeopathy, chiropractic, acupuncture etc. These activities may be carried out in health clinics such as those attached to firms, schools, homes for the elderly, labour organisations and fraternal organisations and in residential health facilities other than hospitals, as well as in own consulting rooms, patients' homes or elsewhere. This class also includes: • Activities of dental paramedical personnel such as dental therapists, school dental nurses and dental hygienists, who may work remote from, but are periodically supervised by, the dentist • Activities of medical laboratories such as: o X-ray laboratories and other diagnostic imaging centres o Blood analysis laboratories • Activities of blood banks, sperm banks, transplant organ banks etc. • Ambulance transport of patients by any mode of transport including aeroplanes.
8710	Residential nursing care activities	Activities of: • Homes for the elderly with nursing care • Convalescent homes • Rest homes with nursing care • Nursing care facilities

SIC Code	Description	Types of Activity Included
8720	Residential care activities for learning disabilities, mental health and substance abuse	This class includes the provision of residential care (but not licensed hospital care) to people with learning disabilities, mental illness, or substance abuse problems. Facilities provide room, board, protective supervision and counselling and some health care. This class includes activities of: • Facilities for alcoholism or drug addiction treatment • Psychiatric convalescent homes • Residential group homes for the emotionally disturbed • Learning disabilities facilities • Mental health halfway houses • Nursing homes
8730	Residential care activities for the elderly and disabled	This class includes the provision of residential and personal care services for the elderly and disabled who are unable to fully care for themselves and/or who do not desire to live independently. The care typically includes room, board, supervision, and assistance in daily living, such as housekeeping services. In some instances these units provide skilled nursing care for residents in separate on-site facilities. This class includes activities of: • Assisted-living facilities • Continuing care retirement communities • Homes for the elderly with minimal nursing care • Rest homes without nursing care
8790	Other residential care activities	This class includes the provision of residential and personal care services for persons, except the elderly and disabled, who are unable to fully care for themselves or who do not desire to live independently. It includes: • Orphanages • Children's boarding homes and hostels • Temporary homeless shelters • Institutions that take care of unmarried mothers and their children
8810	Social work activities without accommodation for the elderly and disabled	This class includes: • Social, counselling, welfare, referral and similar services which are aimed at the elderly and disabled in their homes or elsewhere and carried out by government offices or by private organisations, national or local self-help organisations and by specialists providing counselling services: o Visiting of the elderly and disabled o Day-care activities for the elderly or for disabled adults o Vocational rehabilitation and habilitation activities for disabled persons provided that the

SIC Code	Description	Types of Activity Included
		education component is limited
8891	Child day-care activities	Activities of day nurseries for pupils, including day-care activities for disabled children.
8899	Other social work activities without accommodation not elsewhere classified	This class includes: • social, counselling, welfare, refugee, referral and similar services which are delivered to individuals and families in their homes or elsewhere and carried out by government offices or by private organisations, disaster relief organisations and national or local self-help organisations and by specialists providing counselling services: o Welfare and guidance activities for children and adolescents o Adoption activities, activities for the prevention of cruelty to children and others o Household budget counselling, marriage and family guidance, credit and debt counselling services o Community and neighbourhood activities o Activities for disaster victims, refugees, immigrants etc., including temporary or extended shelter for them o Vocational rehabilitation and habilitation activities for unemployed persons provided that the education component is limited o Eligibility determination in connection with welfare aid, rent supplements or food stamps day facilities for the homeless and other socially weak groups o Charitable activities like fund-raising or other supporting activities aimed at social work

Appendix B

Location Quotients in Health & Social Care in Lancashire LEP Districts

	Blackburn with Darwen	Blackpool	Burnley	Chorley	Fylde	Hyndburn	Lancaster	Pendle	Preston	Ribble Valley	Rossendale	South Ribble	West Lancashire	Wyre
Hospital activities	2.54	2.01	1.61	1.17	0.20	0.72	1.55	0.48	1.86	0.90	0.20	1.02	1.16	0.41
General medical practice activities	1.09	1.67	1.13	0.81	0.78	1.11	1.25	1.12	0.65	0.76	1.39	0.80	1.05	1.75
Specialist medical practice activities	0.67	0.50	0.92	1.61	0.28	1.11	0.34	0.63	2.91	0.90	0.43	0.39	0.40	0.21
Dental practice activities	0.87	1.14	1.04	1.11	1.13	1.39	0.81	2.07	0.68	0.89	1.82	0.71	1.41	1.95
Other human health activities	0.37	1.24	0.43	0.33	0.76	1.25	1.24	0.37	0.58	0.56	0.30	0.37	0.23	2.37
Residential nursing care activities	0.87	1.22	1.66	1.95	2.06	1.32	1.48	0.77	1.37	0.27	3.30	0.68	2.03	2.03
Residential care activities for learning disabilities, mental health and substance abuse	0.25	2.09	0.12	0.81	0.46	0.13	0.19	3.46	0.30	3.14	0.33	0.27	1.72	0.02
Residential care activities for the elderly and	0.73	1.15	1.17	1.42	1.33	0.92	1.95	1.67	0.49	1.44	1.47	1.01	1.36	1.14
Other residential care activities	0.56	1.70	1.12	0.42	0.96	1.30	0.68	0.65	0.56	0.29	1.55	1.28	0.70	1.15
Social work activities without accommodation for the elderly and disabled	1.44	1.13	4.63	4.47	1.73	2.30	1.77	1.47	1.28	0.35	2.55	1.43	0.99	2.55
Child day-care activities	0.89	1.03	1.31	1.32	0.64	1.52	1.16	1.26	1.03	0.95	1.39	0.99	0.76	1.57
Other social work activities without accommodation n.e.c.	1.29	0.84	1.10	1.88	0.65	0.85	1.17	0.54	2.36	0.76	0.58	0.56	0.54	1.10
Total	**1.51**	**1.52**	**1.52**	**1.41**	**0.73**	**1.06**	**1.38**	**0.81**	**1.40**	**0.79**	**0.94**	**0.89**	**0.99**	**1.20**

Source: Business Register and Employment Survey (BRES), 2013

Location Quotients in Health & Social Care in Lancashire Travel To Work Areas

	Blackburn TTWA	Blackpool TTWA	Burnley, Nelson & Colne TTWA	Lancaster & Morecambe TTWA	Preston TTWA
Hospital activities	1.71	1.26	1.06	1.55	1.19
General medical practice activities	1.13	1.47	1.11	1.25	0.76
Specialist medical practice activities	0.89	0.41	0.78	0.34	1.52
Dental practice activities	1.23	1.46	1.48	0.81	0.75
Other human health activities	0.64	1.52	0.39	1.24	0.44
Residential nursing care activities	1.36	1.82	1.21	1.48	1.17
Residential care activities for learning disabilities, mental health and substance abuse	0.95	1.30	1.63	0.19	0.42
Residential care activities for the elderly and disabled	1.03	1.10	1.37	1.95	0.94
Other residential care activities	0.78	1.46	0.88	0.68	0.77
Social work activities without accommodation for the elderly and disabled	1.68	1.62	3.08	1.77	1.89
Child day-care activities	1.14	1.05	1.27	1.16	1.01
Other social work activities without accommodation n.e.c.	1.12	0.95	0.82	1.17	1.43
Total	**1.32**	**1.31**	**1.16**	**1.38**	**1.10**

Lancashire Health & Social Care Sector: Phase 2 Report

Final

A report for

Lancashire LEP

new economy

part of MGC

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1. Introduction

1.1 In April 2015 New Economy was commissioned by Lancashire County Council, on behalf of its LEP, to undertake a sector skills study and develop an action plan for Health and Social Care in Lancashire.

1.2 The purpose of this report is to highlight the main findings from the second phase of work to deliver this project. This report should be reviewed in light of the findings of the desk-based phase one baseline report, agreed by the project steering group in May 2015. Drawing on the findings of the baseline report, extensive engagement and discussion with employers and key health and social care thought leaders was undertaken across Lancashire over a four week period beginning in early May 2015. This report presents the findings of this work, providing the evidential basis for a subsequent action plan which will form the third phase of this project, to be published in late June 2015.

Structure of the report

1.3 The remainder of this report is structured as follows:

- **Section 2** outlines the methodology deployed by the project team to gather evidence and feedback from a wide range of employers and key stakeholders across Lancashire. It will describe the approach and format of the 1-2-1 interviews that were undertaken, as well as the roundtables with employers and skills providers. This section will also summarise the potential limitations of the research methodology.
- **Section 3** provides a detailed account of the key findings of the second phase of this project. Information will be presented on a thematic basis, drawing together common messages which span multiple sub-sectors of the health and social care economy in Lancashire. Discussion of the feedback from interviewees and focus groups on the findings of the baseline report will be outlined, along with the identification of additional issues. Importantly, the drivers of these challenges will also be described.
- **Section 4** will summarise the findings from the interviews and roundtables, drawing the threads together as the project moves towards its final, third stage – action planning. A separate phase three report will be published in late June, highlighting how partners in Lancashire can work together to address the issues and drivers highlighted in this report.

2. Methodology

2.1 The objective of this second phase of work was to review, discuss and validate the findings of the phase one report via a mix of one-to-one and roundtable discussions with employers and skills providers. Discussions also focused on the constraints that limit the ability of Lancashire's skills and employment system to respond to these issues.

2.2 A series of employer 1-2-1s and roundtables was scheduled, followed shortly after by 1-2-1 and roundtable discussions with further and higher education skills providers. The sequencing of this was deliberate – our ambition was to secure a first wave of employer feedback to enable better-informed discussions with skills providers.

Identification of interviewees

2.3 The task of identifying key contacts for interview began as the project inception report was being agreed. A list of health and social care sub-sectors (eg domiciliary care, mental health, primary care, public health etc) was drawn up and input from Lancashire County Council, on behalf of its LEP, was sought to start developing a list of interviewees.

2.4 DH and BIS data on delivery by key health, care and skills providers was used to prioritise organisations that we wished to reach, ensuring that those with delivery specialisms were included in our research. Existing relationships between the project team and Lancashire employers, employer networks and skills providers were also drawn upon to gather contacts.

2.5 A draft list of consultees was presented to the project steering group on 20th April, with additional names recommended for inclusion. Once satisfied that representatives of all key sub-sectors of health and social care within Lancashire were included in our contact list, invitations to 1-2-1s and roundtable were developed and circulated. A list of all interviewees and roundtable participants can be found at Annex A.

Employer interviews, roundtables and survey

2.6 The project team member responsible for leading employer 1-2-1s and roundtables was Gill Boston. Gill is a former senior lecturer in Health and Social Care at the University of Salford, a current Governing Body member of Eastern Cheshire Clinical Commissioning Group, Chair of Salford Health Matters (a CIC providing primary care) and Programme Advisor for National Care Forum (NCF) and Voluntary Organisations Disabilities Group (VODG) on their DH Health and Care Voluntary Sector Strategic Partnership Programme. Gill's specialist knowledge, contacts and experience was critical in extracting feedback from Lancashire's health and social care employers.

2.7 Conducted largely on a face to face basis, each interview drew upon the phase one desktop review findings, seeking to review and validate its conclusions. Through semi-structured interviews, discussion was focused along the following key lines of enquiry:

- Understanding the employer's role in the market and anticipated future trajectory – how will their delivery change in the coming years?
- Confirming the employer's view of skills shortages, gaps and opportunities, now and, in light of their trajectory, in future

- Gathering feedback on the appropriateness, quality and impact of training for new recruits and existing workforce – where are the gaps in provision, how can skills delivery improve?
- The barriers to training take-up among new recruits and existing workforces
- Understanding the extent of employer involvement in the design and delivery of training by further and higher education providers
- Opportunities to review/refresh/overhaul existing skills delivery to better meet employer needs
- How employer networks, government agencies, skills providers, the local authority and the LEP can contribute to addressing skills shortages and gaps

2.8 A total of sixteen 1-2-1 employer interviews took place in May 2015, ensuring that the project gathered feedback from senior staff at key health and social care providers and networks in all major sub-sectors. Respondents were all in middle or senior management positions. At the large NHS trusts and other public bodies, discussions tended to take place with Director-level senior managers, while at smaller employers – such as companies providing care services – and employer networks, engagement typically took place with the CEO or centre manager.

2.9 To supplement the 1-2-1s, roundtables were held to ensure that a range of views was gathered from employers in the sector. The first of this was held with the support of the Lancashire Care Association, a not-for-profit organisation representing a wide variety of residential and domiciliary care providers across Lancashire. Hosted by the Lancashire Workforce Development Partnership, the roundtable gathered feedback from care providers in the domiciliary and residential sub-sectors. Facilitated by Gill Boston and James Farr, the key lines of enquiry were consistent with the 1-2-1 interviews. A second roundtable, featuring mental health service managers, was held in early June, hosted by Lancashire Care NHS Foundation Trust.

2.10 The growth of personal budgets and personal health budgets means that a growing number of care workers – mainly personal assistants – are employed by individuals, not public or private sector organisations. The challenge of reaching these employers was significant, however we worked effectively with care brokerage organisations to draft and disseminate a survey for individual employers, as well as place a note in a newsletter seeking employer feedback. The findings of this work have fed into our stage two analysis.

Skills provider interviews and roundtable

2.11 Gathering the input of skills providers such as colleges, independent training providers and higher education is of critical importance to shaping this project's analysis, conclusions and its proposed actions. Mark Hayes was the project team member with responsibility for leading this work – with nearly two decades' experience in business development and delivery of employer-responsive training, Mark was well placed to develop an informed, high quality dialogue with a mix of curriculum leads, Principals and senior members of faculty management.

2.12 A mix of telephone and face-to-face discussions were held with seven colleges, training providers and universities from mid-May to early June. Initial engagement was guided by HEFCE and SFA data, highlighting the organisations currently delivering the most significant volumes of training relevant to the sector. Key lines of enquiry for these discussions included:

- Confirmation of training delivery volumes, courses, mode of delivery
- Future plans to support the needs of employers in the sector
- How curriculum is planned, including whether employers are involved
- Staff capacity, experience and knowledge – do tutors understand employer needs?
- Are there any planned investments in facilities and estate?
- Whether employers account managed and if so, the depth of that management
- Are other supportive qualifications, such as customer service, management etc made available to employers?
- Suggestions on how to handle future demands in climate of austerity

2.13 In addition to this, a roundtable was held in early June to gather input from a wider number of further education providers. Hosted by Nelson and Colne College, the session proved extremely helpful in gathering further perspective from skills providers about the opportunities and challenges facing the health and social care sector.

Methodology - limitations

2.14 While the project has succeeded in engaging key stakeholders in all key subsectors of the Health and Social Care sector in Lancashire, key limitations to its methodology include:

- Tight timescales meant that not all those we contacted were able to meet before the final report was due. We also recognise that, to a degree, the participation of employers was partially self-selecting – ie. those most willing to respond are often the people and organisations that are interested in, and passionate about, the skills agenda. The views of those who are less engaged are less well represented.
- We had planned to organise a larger number of employer roundtables, however timescales and employer availability proved difficult to overcome in a handful of cases. The number of 1-2-1 discussions was scaled up to compensate for this
- We chose not to use survey methods in favour of fewer, better quality, in-depth interactions with key employers. This decision reduced the total number of employers that we contacted, however the large volume of data already published via surveys conducted by UKCES, Skills for Care, Health Education England and others proved an ample substitute. However we did use a survey method to contact individual employers, given the practicalities of reaching such a large, dispersed population

A note on language

2.15 Throughout this report we use a range of terms (eg client, customer, patient, service user) to describe those accessing health and care services. We use the term ‘skills provider’ to cover all further and higher education provision by colleges, independent training providers and higher education institutions. Occasionally the term ‘provider’ will be used, this refers to a provider of health and/or care services, such as a hospital or care home.

3. Findings

3.1 Detailed below are the findings from the phase two discussions with employers and skills providers. Allowing the report to distil a large volume of feedback in an accessible format requires the identification of common themes across the whole sector – however important geographical and sub-sector issues are also highlighted.

Skills Shortages

3.2 The phase one report identified a common issue of skills shortages across the health and social care sector. Discussions with consultees confirmed this pattern, with feedback highlighting specific issues and underlying causes that, while rarely unique to Lancashire, point to the need for a response from within the county.

3.3 Skills shortages arise when employers find it difficult to recruit new staff with the required skills from the pool of available labour. Almost all employers we consulted reported these difficulties, one hospital trust in Lancashire reported that it is currently unable to fill over 250 vacancies.

3.4 The issue appears to vary according to geography. In locations that are considered less attractive because of negative perceptions about the area or employer, fears were expressed that a lack of available skills, combined with recent Government plans to restrict the use of agency staff, could jeopardise the ability of some NHS providers to operate services. This could contribute to decisions to scale down delivery/close hospitals, if mergers and consolidation become a prospect. Skills shortages were reported to be less significant in locations close to major BME populations and in Preston/West Lancashire. Some respondents also highlighted the problem of being outcompeted for recruits by the major teaching and research hospitals in the Manchester and Merseyside area.

3.5 Employers reported that rising demand and an ageing workforce were common causes of skills shortages. However other factors tended to vary according to the role in question. For example:

- Issues recruiting hospital doctors were also attributed to the perceived elitist nature of medical training (such as UCAS entry requirements of 4 A*s etc) driven perhaps in part by the limited number of commissioned HE places available. This suggests that opportunities to widen access to medical school may be required, in the mould of the Lancashire Teaching Hospital's recent initiative with the University of Manchester. In specialist roles, several reported that without many major health research specialisms in the county (such as the Christie in Manchester for cancer; or Alder Hey in Liverpool for paediatrics), trusts face an uphill battle recruiting the 'brightest and best'.
- In General Practice, feedback identified a drop in newly qualified doctors choosing to become GPs as a major concern, linked to worries about workload and stress. The ageing profile of GPs has meant that in addition to a drop in new recruits, many older GPs are choosing to retire early. With the pivotal role of GPs in the transformation agenda, a shortage of GPs could hamper attempts to deliver more care in the community.
- Shortages in nursing staff in all settings (hospital, community, GP practices etc) were highlighted as a particular concern. Within mental health, enhanced pension schemes exacerbate the issue of an ageing workforce by promoting more early retirements.

Concerns were expressed about the effectiveness of workforce planning in meeting future needs; the expectations of newly-qualified nurses (ie the reality of the job not matching pre-conceptions); and even the potential that the bursary paid to those studying to join the profession, could act as a perverse incentive by attracting learners who are not committed to becoming nurses once qualified. For those with experience, the use of job descriptions that require NHS experience was highlighted as an issue, limiting applications from those working in non-NHS settings. Demand for nurses is also developing in new areas of the NHS – for example, the targeting of nurses by Ambulance service providers, to help plug shortages in paramedics.

- Within residential and domiciliary care, widespread struggles to recruit good quality staff were reported by employers. Additional challenges highlighted included the fragile nature of many employers in these sub-sectors and the perceived lack of progression opportunities compared to a larger employer such as a hospital trust. Pay and conditions were also noted a major issues, with competition from better paid hospital roles (including training bursaries). Care workers have rarely been high earners but cutbacks in publicly-funded contracts from local authorities and difficulties in growing private income has led to a growth in flexible working practices that do not provide security of income. Compounding this is a sense that, at a time when the needs of clients are getting more complex, salaries are uncompetitive. As one care sector employer said:

  "Staff can earn more working at a supermarket or call centre than in a care home. And they quickly learn that at Asda and Tesco, if you get something wrong you're not going to be held accountable for someone's life. The accountabilities and responsibilities that come with a job in care don't match the rewards."

3.6 Extensive work is underway in some parts of the NHS to redesign roles and soften the impact of skills shortages. This includes the development of Advanced Nurse Practitioners (ANPs) and upskilling Pharmacists to assume tasks previously the preserve of GPs, reducing workloads for overstretched doctors. Similarly, Trainee Assistant Practitioner (TAP) programmes have sought to release nursing staff from elements of their role. This is a positive development, however these schemes sometimes recruit from the existing nursing and care sector staff, causing displacement issues rather than increasing the overall volume of staff available with the required skills.

3.7 Hospital trusts highlighted issues with workforce planning. All were sympathetic to challenges facing Health Education England, particularly the problem of national policy and resource allocation changing over short timeframes (when it can take 5-6 years to train a nurse). Frustration was expressed that hospitals often turn to costly agency staff or overseas workers at a time when learner demand for nursing courses is understood to exceed the volumes commissioned by HEE by at least 20,000 nationally each year.

3.8 One NHS trust – Lancashire Teaching Hospitals - has effectively 'opted out' of this system to develop its own recruitment and training models for nurses in partnership with the University of Bolton. This 'grow your own' approach has required the trust to effectively waive its entitlement to the nursing bursaries and training costs usually covered by HEE. But for the trust, the ability to recruit and train a more adequate quantity of staff (thus reducing agency staff and overseas recruitment), via a curriculum it co-designs with the universities, appears to outweigh the impact of losing access to a share of HEE's £5bn annual national budget.

3.9 A number of respondents highlighted the risk that skills shortages will grow significantly in some areas as transformation programmes gather pace. It is clear that the transformation of health and care is the single biggest challenge facing the current and future workforce in Lancashire. For years there has been a strong policy consensus that the only way rising demand for health and care services can be sustained is for health and care services to be better integrated, moving care increasingly out of hospitals and in to community settings that are often preferred by patients (and much more cost effective).

3.10 Achieving this will require increases in primary care staff – such as GPs, nurses, care coordinators and care workers – as part of integrated, well trained, well equipped workforces that are able to manage more complex care in communities, eg:

- Greater versatility in the training of new recruits at all levels – including hospital consultants - to ensure that they have a much enhanced understanding of how health and care services are delivered in the community
- An understanding that multi-complex care in the community does not just extend to older people – increasing numbers with learning and physical disabilities, along with mental health conditions, will be supported at home
- In a sector dominated by specialised roles and functions, new, multi-skilled practitioners whose remits span health and care are required, particularly in primary care settings.

3.11 Retention was felt to be a major challenge, particularly in the care sector and among nursing staff. Again, the issues of mismatched expectations of new recruits against the reality of the job were raised, with staff leaving on the first day / week (care) / month / year (nursing) of employment a common issue. This was felt to stem from a number of sources, including

- Perceived inadequacy of some further and higher education training programmes (from entry level to degrees) in preparing new recruits for the workplace. Employers, particularly in the care sector, felt strongly that much of the QCF training intended to equip learners with the knowledge and skills to do the job was not of the required quality or relevance. None of the care sector employers contacted reported any engagement with colleges and independent training providers to discuss curriculum design. One employer commented:

  "What we feel we get is people who have completed 'pseudo-training' that at best means they [new recruits] understand the theory, not the practice"

- The availability and quality of work placements was felt to be a major issue that requires addressing to improve retention. Skills providers often struggle to find sufficient high quality placements for HE and FE learners that offer a useful and appropriate introduction to working in the sector. Several respondents highlighted cases of inappropriate placements. This appears to be a collective action failure that Lancashire partners could engage with.
- In the care sector, employers reported significant difficulties recruiting staff to entry level posts. Poor experiences with those referred to vacancies by Jobcentre Plus and other DWP providers, combined with issues around DWP's '16 hour rule' and perceived disincentives in the system for employees to extend their working hours (eg 16 hour rule and tax credit withdrawal). Employers were not well sighted on the potential impact that the introduction of Universal Credit and further benefit cuts may have on this issue.

- Several employers reported developing effective induction programmes and over-recruiting as methods to address gaps in knowledge and manage the risk that new recruits will leave within a short time period, though these models were adopted by what appeared to be a minority of employers

3.12 Several respondents felt that staff retention is hampered further by 'poaching' of specialist staff by other employers, which is a major issue for employers undertaking schemes to grow this workforce. While employers in Lancashire sometimes struggle to compete with the salaries on offer in other parts of the country (especially London and SE England), the greatest concern revolved around experienced and highly qualified staff moving around within Lancashire. This was most commonly highlighted by those working at the large NHS provider trusts, who compete for the same staff. As one employer said:

"We (the major NHS trusts) talk about collaboration on this issue but nothing really ever happens"

3.13 Approaching to preventing poaching in other sectors – such as among engineering employers – have produced very mixed results. Some respondents suggested that health employers could better invest their time making their organisation a better place to work. Most agreed that the underlying issue is a lack of qualified professionals which, under the current system, is best remedied by increasing the number of commissioned training places in specialist roles.

3.14 Further stimulating the supply of learners and potential new recruits was felt to be an issue in some roles but not others. For example, colleges in East Lancashire report that 'A' level learners keen to undertake HE courses in subject areas such as radiography, often prefer to study locally. However they face intense competition for the limited number of university places commissioned from HEIs each year. This leads to many deciding to move away to areas such as Eastern England, where competition for places is much less intense.

3.15 However others reported that stimulating demand for careers from adult residents was important. Three examples were highlighted by multiple respondents:

- An opportunity to capitalise on the high number of Muslim women graduates in parts of Lancashire who, though often qualified to degree level in bioscience courses, do not participate in the workforce
- Despite their misgivings about further education training provision, the care employers consulted had a positive approach to recruiting new staff via apprenticeships and other routes. Some employers commented that they would rather employ a an inexperienced new recruit who they can train, than some more experienced workers who have bad habits and practices ingrained
- It was felt that volunteers where/are a hugely underused resource who with the right recruitment, support and training could help to fill the skills gap whilst at the same time creating a pathway to paid employment and a way to address social isolation for some vulnerable and marginalised people.

Skills Gaps

3.16 Our research also focused on issues surrounding skills gaps – ie. the difference between the skills held by existing staff and the skills required to do the job, now and in future. While much state resource is understandably invested in training the next

generation of health and care workers, the bulk of the workforce in 2025 is already working in the sector now.

3.17 Many of the issues highlighted in the section above on skills shortages also apply when it comes to the existing workforce. Critically, the challenge of responding to the skills requirements of health and social care transformation appear even greater for the existing workforce than for new recruits. Existing staff are already in roles, have been trained in specialisms and will have established working practices and norms that may need reform in light of the new models of health and care delivery that transformation programmes will bring. Furthermore, the amount of public investment in workforces pales into insignificance compared to that devoted to training new recruits.

3.18 A number of respondents questioned whether Lancashire had enough health and care sector leaders willing to 'bang the drum' about service transformation and its implications for the future workforce. Good examples of high profile leaders were identified but some employers were concerned that there are other key individuals and thought leaders who have scope to play a bigger role. The infrastructure in place to enable employers to focus and galvanise around the challenge of providing integrated care was felt by some to be fragmented or lacking in places within the NHS. The NHS infrastructure was also felt to be lacking any kind of effective connection with care employers, however plans for the Lancashire and Cumbria Local Workforce and Education Group (LWEG) (accountable to the board of Health Education North West) to prioritise primary care provides an opportunity to change this.

3.19 The need to make existing workforces more versatile to deliver integrated care was a recurring theme amongst the employers we spoke to. Many commented on a perceived lack of flexibility from many staff – particularly doctors and those in specialist roles. This hampers the ability to provide the kind of support that enables patients and clients to smoothly transition from one part of the health and social care system to another. Rotating work placements between hospital and community settings was suggested for new recruits and existing workforces, however there were fewer suggestions about how staff in roles could build their knowledge of other parts of the system. One option highlight was an extension of the work undertaken by the Lancashire Workforce Development Partnership (LWDP), which provides training to existing care staff in the fundamentals of different health and care disciplines.

3.20 Investment in workforce development was felt to be patchy throughout. Broadly, feedback suggested that NHS organisations perform well in this regard, with the exception of some primary care employers. In particular, a number of respondents highlighted a lack of skills development for staff at some GP practices – where GPs simply do not see the value of investing in skills.

3.21 In care, the resources available to support workforce development in the sector have shrunk significantly in recent years – investment by Lancashire County Council in the care workforce via LWDP has dropped from c£2m to £500,000 annually, as local government cuts bite. Spend via the Skills for Care Workforce Development Fund has not suffered as much, but only amounts to c.£300,000 a year in Lancashire. The apparent mismatch between investment in skills for NHS health services (via HEE) and the care sector was a recurring theme of our research. Both health and care need to function effectively if the whole system is to succeed in reducing demand and treating the complex conditions of a growing, ageing population.

3.22 Workforce development activity was felt by employers to be more easily achievable in large employers than the SMEs that dominate primary, residential and domiciliary

care. Large employers have HR and OD functions, along with workforce development plans that are often linked to team, department and corporate business plans. This is much less common in SMEs, particularly in sub-sectors that feel hard-pressed after years of reductions in state funding. The fragile nature of many of these businesses hampers their ability to plan skills and staffing for the future – one care employer commented that he was unsure if his business would still be functioning in six months' time, such is the scale of the financial challenge facing his organisation. Despite this, the transformation agenda should help drive a growth in the number of care workers – particularly in roles such as domiciliary care, as part of an integrated community health and social care teams.

3.23 Furthermore, the nature of some types of care work makes workforce development more challenging to deliver. For example, many personal assistants work for individual employers in receipt of individual care budgets. This workforce is growing both in number and scope as more people in receipt of care start to access individual budgets. Largely unregulated and operating on a peripatetic basis, the task of ensuring PA skillsets are up to date a major logistical challenge. Currently the best route appears to be via brokerage agencies, who undertake checks on behalf of th individual employers who seek their support to recruit PAs.

3.24 In this context, the introduction of the Care Certificate (see the phase 1 report) should be a major opportunity. Employers we spoke to were supportive of the Care Certificate's aims and the principle of workforce development (many adhere to Investors in People standards), however there were significant reservations about the Care Certificate's implementation. These revolved around a belief that the Care Certificate is open to fraud and will be exploited by unscrupulous skills providers, employers and individuals, thus rendering it of little value. Employers expressed concern about their ability to create the staff time (from busy rosters) required to complete the certification process properly.

3.25 NHS provider trusts highlighted good examples of schemes to progress lower paid staff into more senior roles, thus addressing skills gaps and potential skills shortages. This approach has much to recommend, not least the feeling that staff currently in lower paid 'Band 2 / 3' roles are often very committed to quality service and remaining in the local area, thus are a lower risk of being poached. However we learned of a couple of examples where such schemes have been hampered by poor pre-existing numeracy and literacy skills among participants, limiting their ability to progress to more advanced, better paid roles.

Skills Providers

3.26 Our dialogue with employers provided an extensive amount of feedback that helped to inform subsequent discussion with skills providers, including colleges, independent training providers and higher education institutions.

3.27 All types of skills providers benefit from extensive state funding. Total annual investment in Lancashire across all sectors is estimated as:

- c.£200m by the Department for Education (DfE) in post-16 classroom-based training for young people via the Education Funding Agency, mainly to colleges
- c£80m by the Department for Business, Innovation and Skills (BIS) in adult learning and apprenticeships via the Skills Funding Agency, to colleges and independent training providers

- c£60m of recurrent grant funding by the Department for Business Innovation and Skills via the Higher Education Funding Council for England (HEFCE)in the three Lancashire-based universities
- c£18m of European Social Fund, prioritised by Lancashire LEP and procured via SFA, DWP and Big Lottery

3.28 The above sums represent approximate investment in all training across all sectors. Exact calculations of spend on health and social care-related courses is difficult, however with 1 in 6 Lancashire workers employed in the sector, we can safely assume that total investment is in the tens of millions of pounds per annum.

3.29 In addition to this, Health Education England will invest a proportion of its £5bn annual national budget in Lancashire, a rough estimate suggests this could be c£150m a year in training and bursaries. Adding in comparatively modest spent on community learning and LCC and SfC workforce development funds administered by LWDP, it is reasonable to assume that total investment in health and social care skills in Lancashire is around £200 million per annum.

3.30 Skills providers showed a strong understanding that the health and care sector in Lancashire is of strategic economic importance. Those we contacted were clear that skills providers should be delivering training and investing their resources in the sector. However understanding of how integrated health and social care delivery, as promoted by the transformation programmes, will impact on training was limited outside of higher education.

3.31 Data from the phase 1 report indicates that learner volumes in further education lean towards classroom-based delivery instead of work-based learning. We found limited evidence that classroom-based delivery, mainly through 16-19 study programmes in colleges, fed through into increased participation in work-based learning among young people. Likewise, some colleges identified how established working practices among many classroom-based tutors makes it difficult to shift skills delivery towards work-based learning which tends to be more valued by employers.

3.32 Discussion at the roundtable of FE providers highlighted the challenges colleges face in recruiting specialist tutors with recent knowledge of working in the sector. With skills providers often outcompeted on wages, this is a common pattern across all sectors. Examples of good practice were highlighted in higher education, such as the agreement between UCLAN and Lancashire Care NHS Trust to appoint a jointly-funded lecturer/practitioner role to help address the twin shortages of trained health care delivery staff and skilled tutors.

3.33 Work-based learning was overwhelmingly delivered as an apprenticeships, much of it to adults in the existing workforce. It was felt that for employers, this was the most cost-efficient route to securing NVQ training, given the reluctance of many colleges and providers to charge for the employer contribution to apprenticeship training costs. However many care sector employers highlighted doubts about the adequacy of many qualifications, including some technical certificates, in preparing learners for the workplace.

3.34 Knowledge of key recent skills policy and funding developments was patchy. There were isolated examples of FE staff knowing about the Care Certificate, how to deliver it and who would pay for it. Similarly engagement in the new trailblazer apprenticeships – setting the standards for all work-based learning – has, with one or two exceptions, been missing. This is important, not least in light of employers' desire to widen access to key roles. It suggests that both employers and skills providers in

Lancashire are largely not participating in the single biggest development of vocational routeways to higher skilled roles in recent times.

3.35 For many further education providers, significant emphasis in recent times had been placed on managing sharp reductions in SFA Adult Skills Budgets. With apprenticeship funding effectively protected, this meant that colleges and training providers have had to scale back their classroom-based delivery to adults except for English and Maths, which is a government priority. ASB can also be used to provide a short course taster to an employer, essentially to draw the employer in to participating in apprenticeships or other work-based learning. With Government keen to prioritise apprenticeship growth, we found few examples where ASB funds have been used in this way to stimulate employer demand for apprenticeships and other learning.

3.36 However there was some positive feedback around the approaches taken by some skills providers to develop FE loans for adult learners at level 3 and above (including Access courses, historically a popular route for adult learners seeking to upskill).

3.37 Linked to this, examples were highlighted of career pathways between FE and HE via partnerships between colleges and universities in Lancashire. Clear routeways outside of the traditional A level / university track are of pivotal importance if access to careers in health and care is to be broadened to reduce skills shortages. We found examples of FE/HE partnerships and connections between larger employers and colleges/training providers. Feedback suggested that the strength of these relationships is reasonable, but with scope to bolster further around curriculum planning, work placements and the establishment of more flexible, vocational learning routeways to widen access.

3.38 Employer engagement appears to be an area ripe for further development. A stated above, both FE and HE organisations have established links to larger employers, usually within the major provider trusts. However engagement with SMEs is much weaker; college representatives were keen to understand how the LEP could help to coordinate and better manage employer engagement. This could prove difficult in an environment where FE and HE providers are competing for business, however developing a mechanism to coordinate engagement could enhance the employer leadership within the skills system, while growing the market for skills providers.

3.39 Examples of partnerships between higher education and large employers were stronger than in further education. In part this is a product of HEE's commissioning of higher education places via competitive tendering amongst higher education institutions, however universities' employer relationships went beyond hospitals to include engagement (in the example of Edge Hill's Innovation Team) with Clinical Commissioning Groups and GPs. This is good to see, given the commissioning power of CCGs and the growing role that GPs will play as the transformation agenda starts to impact. However one potential area for development could be extending this type of relationship to include care providers.

3.40 HEIs were also keen that the profile of the health and social care sector – including its challenges and contribution to economic growth – should be better recognised by leaders outside of the sector, such as at the LEP. Employer feedback on Lancashire's three main universities was broadly positive, with both research and teaching felt to be a real asset to the county.

3.41 HEE's investment in HE provision in Lancashire was welcomed, particularly the role planned places have in providing the certainty required for capital developments. However there were questions about whether the potential of Lancashire's Higher Education providers to create new and innovative delivery models could be better

unleashed if employer-led investment, rather than planned allocations from HEE, were the norm.

4. Summary

4.1 Overall our phase two consultation largely validated the issues highlighted in the desktop literature review and data analysis. However the phase two research was extremely helpful in identifying the drivers behind many of these issues as well as particular local geographical and/or sub-sectoral nuances, which will be critical to shaping the subsequent action plan.

4.2 Many of the issues highlighted by employers in Lancashire cover ground that is well trodden at a national level by organisations such as HEE, the sector skills councils and think-tanks. However the challenges and opportunities facing skills providers, particularly in further education, are much less well known. Fusing the two into a coherent action plan represents an excellent opportunity for Lancashire to seize the initiative.

4.3 From employers, the key messages emerging include:

- The scale of the sector – employing 1 in 6 Lancashire workers – suggests that the profile of health and social care in the LEP's growth plans could be higher
- The transformation and integration agenda presents fundamental challenges to the configuration of health and care providers, roles and the entire training and skills system supporting the sector. Work to understand this in a skills context has barely begun
- There is a significant disparity between the infrastructure and available investment for NHS services, compared to care providers. The former is served by HEE's investment, existing regional and sub-regional employer groups, enjoying strong links to HE and some FE providers. In contrast, care providers access scant public resource and as employers tend to be smaller and fragile in nature. However both need to function together to ensure that the residents of Lancashire access the best possible care
- Visible leaders who take a high profile stance on issues of recruitment and training are welcome but are few and far between. More CCGs and provider trusts need to be signalling that the health and care system needs to address systemic issues that will see skills shortages and gaps continue both now and in future

4.4 The key messages from skills providers include:

- Further education's level of engagement with employers is variable, as is understanding of the health and social care policy and funding context
- There is ample scope to improve the way skills providers interact with employers, particularly SMEs, to ensure that the curriculum offer adapts to meet employer needs. Competitive pressures may make this difficult, but there is a role for the LEP to play in facilitating a better dialogue between employers and those who provide training
- Employers' desire to widen access to key health and social care roles has not been capitalised on by the skills system to date. Vocational career pathways remain largely under-developed, despite well-evidence skills shortages in key roles
- State investment in training for health and social care is not effectively marshalled and prioritised. Taken together, there remains significant investment of public

funds via a variety of funding agencies and skills providers. This money arrives with Lancashire residents and employers in Whitehall silos – there is a job to be done to ensure that this investment is better joined up, maximising its impact on employers, improving productivity.

5. Appendix A

Consultees (1-2-1s)

Janet Aspinall	Lancashire Workforce Development Partnership
Lesley Bamber	Lancashire Workforce Development Partnership
Mike Burgess	Health Education North West
Nicola Cunningham	Blackburn College
Diane Eden	Pennine Integrated Care Programme
Jeanette Grey	UCLAN
Dominic Harrison	Blackburn with Darwen Council
Mike Leaf	Lancashire County Council
Dave Lynes	Edge Hill University
Amanda Melton	Nelson and Colne College
Liz Mear	North West Coast Academic Health Science Network
Kevin Moynes	East Lancashire Hospitals
Jane O'Brien	Lancaster University
Charlotte Scheffman	Accrington and Rossendale College
Paul Simic	Lancashire Care Association
Stephen Sloss	Salvere CIC
Julie Stansfield	In Control
Karen Swindley	Lancashire Teaching Hospitals
Heather Tierney-Moore	Lancashire Care NHS Trust
Caroline Wareing	Blackpool and The Fylde College
David Wilkinson	University Hospitals Morecambe Bay
Andrea Willimott	Healthier Lancashire Programme

Consultees (roundtables)

Ken Barnsley	Blackburn with Darwen Council
Carol Gardner	Age UK
Bryan Griffiths	North West Coast Academic Health Science Network
Debbie Howard	Nelson and Colne College
Mel Howard	Stocks Hall Care Homes
Daniel Jones	Ormerod Trust
Gina Kidd	Cuerden Grange Residential Home
Carol MacDonald	BUPA
Rachael Mitchell	Lancashire Care NHS Trust

Caroline Openshaw	Lancaster and Morecambe College
Andrea Padgean	Blackpool, Fylde and Wyre Teaching Hospitals
Ian Parkinson	Lancaster and Morecambe College
Lesley Sergeant	Age UK
John Sharples	Lancashire County Council
Carol Smith	Priory Homecare and Lancashire Domiciliary Care Providers Network
Kay Vaughan	Via Partnership
David Ward	Carewatch
Claire Wilkinson	Burnley College

Lancashire Health & Social Care Sector: Phase 3 Action Plan

Final

A report for

Lancashire LEP

new economy

part of MGC

Background and Purpose

1.1 The purpose of this report is to set out a proposed action plan for the Lancashire Enterprise Partnership's Skills Board, working with its partners, to address labour market challenges and opportunities in the health and social care sector. The action plan builds on two earlier phases of this project:

- Phase one: A desk-based data and literature review, developing a baseline report containing a list of the identified skills and employment issues
- Phase two: A succession of interviews, 1-2-1s and roundtables with employers and skills providers to review, discuss and validate the issues identified in the baseline report. This activity also sought to uncover the drivers of the identified issues, thus establishing a solid evidence base for the stage three action plan

1.2 A further consequence of the phase two engagement has been to build a consensus amongst key employers and skills providers in Lancashire. This provides the LEP's Skills Board with a ready cohort of partners to progress action plan implementation and other skills-related LEP activity.

1.3 Actions are built around a limited number of priorities which respond directly to the issues and drivers identified in the first two phases of this project. Responsibility for taking forward actions sits with a mix of stakeholders, timescales added are indicative and for review.

Consultation and review

1.4 In preparation for this final phase three report, a workshop was held in early June to which all participants who had contributed to the project to date were invited. In addition to providing an updated overview of the findings of phases one and two of this project, the workshop – attended by 15 delegates – helped to shape the draft action further in advance of this report. Key lines of enquiry at the workshop included understanding:

- Whether delegates concurred with our analysis of the phase one and two findings
- The extent to which proposed actions were realistic and achievable
- Who is best placed to take the lead on activity
- Whether there is existing activity underway in Lancashire that we need to take account of in project action planning
- Whether there are other actions that we should include, in light of the phase one and two findings

Structure and priorities

1.5 Actions are grouped by a limited number of strategic priorities, designed to provide a comprehensive response to the issues and drivers highlighted by employers and skills providers. For each priority, a short narrative will provide introductory commentary, followed by a summary table which will explain the proposed action, rationale, lead and timescale.

1.6 The actions contained in the following pages provide a blend of 'quick wins' and bold, ambitious proposals that will require significant collective action within Lancashire and strong relationships with those outside the county – such as within Whitehall departments. It is our belief that only via major steps that Lancashire can start to better equip itself with the workforce required to meet the challenges and opportunities faced by health and social care employers, now and in future.

1.7 In approaching this action plan, we are aware that the current picture of activity to address skills challenges is far from a blank canvas. Therefore we have focused upon the ways in which Lancashire LEP, working with its employer and skills provider partners, can address any gaps in this activity, add value and provide leadership where required. This must not be seen as an attempt to tiptoe around existing infrastructure – rather a recognition that in some areas, enhancement of existing approaches may be required, instead of starting afresh.

Considerations

Transformation Agenda

1.8 In approaching the task of developing this action plan, our analysis shows that it is difficult to understate the importance and likely impact of the transformation of health and social care on roles, recruitment and training.

1.9 While Lancashire is behind other localities in its plans for implementation of a new set of health and care delivery models, in time momentum will build, backed by ministers, to move increasing amounts of care out of hospital settings and in to the community. As outlined in the phase 2 report, this poses fundamental challenges to the existing infrastructure established to provide skills to health and social care employers.

1.10 With employers struggling to address their skills needs now, the transformation agenda risks further widening shortfalls of staff in key roles, as well as further stretching the gap between the skills of the workforce and the requirements of the job.

European Structural and Investment Funds

1.11 From 2015 to 2020, a new round of European Structural and Investment Funds (ESIF) will be deployed in Lancashire. This investment totals around £80m of European Social Fund (jobs, skills - ESF) with a slightly larger amount available in European Regional Development Fund (capital investment, business growth, infrastructure etc).

1.12 Previous ESIF rounds were prioritised and administered by regional bodies and/or Whitehall departments. Now it is the job of the LEP to prioritise this investment. Therefore this action plan will make specific recommendations for ESIF investment to address health and care labour market challenges

1.13 We recommend that the care sector is prioritised for ESF investment. This may help to start rebalancing the divergence in resources available to the care sector, compared with those available to health employers via HEE.

Dissemination

1.14 Following completion of the phase three report we proposed a number of actions to assist with the dissemination of this project's findings and recommendations. These include:

- Separate briefing sessions on the report and its findings for:
    - for key employer groups and networks
    - key skills provider networks and organisations
    - local authorities and LEP members
- A launch event for all key contributors and stakeholders

Priority 1: Strengthen Employer Leadership in Skills

1.15 For Lancashire to take bigger steps towards addressing the skills challenges in the health and social care sector, a much-enhanced skills infrastructure is required, led by employers. Employer leadership of the skills system – for instance, via the planned 'voucher' system in apprenticeship, which places purchasing power in the hands of employers – is a key national policy theme. Feedback from our phase two discussions highlighted the absence of a Lancashire-wide mechanism that can demonstrate visible leadership to the health and social care sector and galvanise employers in to action.

1.16 We recommend **the creation of a health and social care Employer Skills Group (ESG)** for Lancashire. Its purpose will be to:

- Lead, own and drive the implementation of the key actions from this report
- Facilitate coordinated employer engagement by skills providers, particularly amongst SMEs
- Offer a route via which SME skills demand can be aggregated, helping smaller employers to drive a reformed curriculum offer from skills providers
- Provide a platform via which health and care service innovators can interact with skills providers
- Offer technical sector expertise to the LEP
- Represent the whole sector, not just the employers on the group

1.17 In recommending this action we recognise that there are existing employer networks within the NHS and amongst care providers which provide leadership on key issues. However none span the whole health and social care sector, geographies are inconsistent and the degree of engagement with skills providers – particularly in further education – is generally lacking.

1.18 With this critical piece of infrastructure in place, a range of actions can flow to help address skills gaps and shortages in Lancashire, responding to the feedback gathered via this research. Details of these actions can be found in the table overleaf.

Priority 1: **Strengthen Employer Leadership and Participation in Training**

Ref	Action	Rationale	Lead	Timescale
1.1	Formation of a Lancashire Employer Skills Group for Health and Social Care	Provide highly visible employer leadership and drive to the task of addressing skills challenges and opportunities in the health and social care sector	LEP Skills Board	Summer 2015
1.2	Working with the LEP, Lancashire Colleges Group and Work Based Learning Providers, establish a mechanism whereby skills provider curriculum planning is influenced and validated by the ESG	Tailor the curriculum offer, especially in FE, to better meet employer needs Could form part of a broader process for employer influence over curriculum planning in all priority sectors, coordinated by the LEP	LEP Skills Board	Winter 2015-6
1.3	Via the ESG, set up a special taskforce to address lack of quality work placements for learners in FE and HE	Employer concerns about the quality of work placements affecting the ability to new recruits to meet requirements of various roles FE and HE providers report difficulties sourcing work placements	HSC Employer Skills Group	Autumn 2015
1.4	Transformation Programme briefings to be held for care sector employers and further education providers	TP engagement with NHS and HE appears good. However direct links to FE are yet to be established, along with any discussion of future implications for training	Transformation Programmes	Autumn 2015
1.5	Develop new models for improving the participation of employers in classroom-based training delivery	Skills providers highlighted difficulties recruiting staff with up-to-date knowledge. UCLAN/Lancs Care joint practitioner/tutor model is one option	HSC Employer Skills Group, working with Lancashire Colleges Group, Lancashire Work Based Learning Executive and Universities	Winter 2015-16
1.6	Care Certificate – develop a Lancashire policy for CC implementation, signed by all LCA and LWDP	Set a benchmark for Care Certificate	ESG, working with LCA and LWDP,	Summer

	members, along with training providers and colleges	implementation, minimise the risk of fraud	colleges and training providers	2015
1.7	Bring together care employers and Jobcentre Plus to: • Ensure employers are briefed on the impact of Universal Credit • Address concerns about the calibre of recruits to entry level posts • Aggregate employer demand and explore viability of sector-based work academy model	Employer recruiting candidates who are previously unemployed reported issues with the work readiness of many prospective employees. Employers were concerned about existing disincentives in the benefit system but had no information on the likely changes that Universal Credit will bring	ESG, working with Lancashire Care Association and Jobcentre Plus	Autumn 2015
1.8	Concerted push to promote Lancashire to prospective employees, showcasing quality of life and career opportunities	Difficulties attracting talent, particularly in North of the county, risks viability of service delivery	ESG, working with CCGs and Marketing Lancashire	Spring 2016
1.9	Explore whether covenants and early-leaver penalties for candidates recruited via specific schemes to address skills shortages can be applied	Reduce poaching of staff, though experience from other sectors suggests that this is an inevitability and difficult to prevent	ESG, particularly larger employers	Spring 2016

Priority 2: Prioritise and coordinate state skills investment

1.19 Analysis presented in the phase two reports suggests that total state investment in training for new recruits and the existing health and social care workforce in Lancashire is likely to be in the region of £200 million annually. We recommend that the LEP, working with the Employer Skills Group and skills provider, takes on the task of better **brigading existing state skills investment in health and social care.**

1.20 This invest is split across multiple funding streams, administered by different Whitehall departments with little or no coordination. This includes:

- Adult skills, apprenticeship and community learning investment from the Department for Business, Innovation and Skills via its Skills Funding Agency. This also includes Lancashire's Community Learning budget
- Post-16 classroom-based delivery supported by the Department for Education, through the Education Funding Agency
- Mainstream HE investment through the Higher Education Funding Council for England, an executive agency of the Department for Business, Innovation and Skills
- European Social Fund investment, prioritised by the LEP with procurement routed through the Skills Funding Agency, BIG Lottery and Department for Work and Pensions
- Significant investment by the Department of Health, via Health Education England
- Workforce development funding available via Skills for Care and Lancashire County Council

1.21 Most skills funding is channelled direct to the skills provider, with little role for the LEP or for employers in shaping allocations. This means that funding often remains in silos, limiting both the coordination of delivery (avoiding duplication) and limiting the degree to which resources are joined up to the benefit of learners and employers.

1.22 Recent years have seen a steady accrual of influence and responsibility for skills funding at the level of the LEP. In addition to responsibility for prioritising all European Structural and Investment Funding (including ESF), skills providers within Lancashire are required to respond to local economic priorities, determined by the LEP. An assessment of how a college or training provider responds to LEP priorities is now a theme of the current Ofsted inspection framework.

1.23 So while the LEP does not control the bulk of skills funding, it can exert influence. At a time of significant cut backs in state skills investment, this provides an opportunity for the LEP's skills board to enable improved marshalling of resources to better respond to employer needs. While this task should be led by the LEP, it must be informed throughout by the Employer Skills Group, under priority one of this action plan.

1.24 Our view is that this task should begin with the resources that are clearly within the scope of the LEP's existing role – eg influencing EFA, SFA, HEFCE spend while effectively prioritising future ESF. This should lead to a discussion with HEE, starting with the current £1m annual flexible fund allocated to the LWEG to prioritise in Lancashire, moving on to discuss ways in which much more substantial spend can be shaped to help the health and care system respond to the transformation challenge.

Priority 2: **Brigade state skills investment to better address employer needs**

Ref	Action	Rationale	Lead	Timescale
2.1	Detailed analysis of EFA, SFA and non-HEE higher education spend to understand existing delivery, performance and curriculum offer	Provide a detailed baseline assessment of FE delivery in Lancashire – going beyond the data presented in this report to understand the detail of the curriculum offer	ESG (supported by LEP) with Colleges, Training Providers, Universities, EFA, SFA	Autumn 2015
2.2	Agree a set of skills funding priorities for health and social care in Lancashire for each of the key skills funding streams	Give skills providers a set of priorities to respond to, addressing issues such as the need for multi-skilled/versatile practitioners, enhanced work placements, growth in learner volumes etc. Priorities to be fed in to curriculum planning as described under priority one, and shared with Ofsted	ESG	Autumn 2015, refreshed annually
2.3	Undertake detailed planning of ESF investment once mainstream skills delivery is understood	ESF can be used flexibly to address gaps in provision, based on employer feedback and understanding of performance of the mainstream	ESG, working with Lancashire CC (on behalf of the LEP)	Autumn 2015
2.4	Annually, undertake a review of available labour market data and employer feedback to assess adequacy of revised provider curriculum offer and review priorities	Review how successful HSC skills funding priorities have been in shaping the curriculum offer	ESG, supported by LEP and LCC (data)	Summer 2016
2.5	With gap analysis complete, work with HEE to develop proposals for shaping/influencing HEE investment to better align this investment with other skills resources (and vice-versa) in widening access, addressing skills shortages and gaps.	Most of skills spend is via HEE – an improved dialogue between HEE and the whole of the health and care infrastructure could create opportunities to positively influence HEE spend in conjunction with other funding sources. This may also allow HEIs in Lancashire to better respond to strong learner demand, lessening the chance that talent will be lost to the county	ESG, supported by senior LEP members	Autumn 2016

Priority 3: Widen Access to Careers in Health and Social Care

1.25 Throughout our research we were struck by the frequency with which employers would readily identify skills shortages as a major issue, particularly in roles that require higher level skills. While learner demand in Lancashire for entry-level posts was not felt to be strong, at higher levels the sector offers many roles that residents, particularly young people, aspire to.

1.26 Changes in the skills funding and policy landscape mean that now is a good moment for partners within Lancashire to **strengthen alternative career paths that enable vocational learners to progress on a par with those taking the traditional academic route** via A levels and medical school. Throughout employers highlighted their preference for new recruits to have 'on the job' skills, as opposed to training that is dominated by a classroom environment. We have seen good examples of links between further and higher education; trailblazer apprenticeships now offer the opportunity to create new standards and enable progression pathways right up to postgraduate-equivalent qualifications. For learners, this offers the opportunity to 'earn as you learn', gaining experience and skills on the job while avoiding the tuition fees applied to other HE courses.

1.27 This opportunity to expand routes to higher level technical skills has been recognised by Government. Last summer BIS released a 'call to engagement' inviting proposals for new sector-based National Colleges – centres of vocational excellence, led by employers, developing the curriculum and training that will equip our economy with the higher level technical skills required for the future. We recommend that the LEP should **develop a business case to create a National College for Health and Social Care** in Lancashire.

1.28 The Health and Social Care transformation agenda will create new roles and skill requirements at level 3, 4 and 5 that a National College can address. Developing a National College would not only bring the brightest and best learners and tutors to Lancashire. It would create world-class facilities and, more importantly, have a catalytic effect on the training of residents for Lancashire's largest sector by employment – effectively putting the county at the cutting edge of practice in developing workforces that respond to the transformation agenda.

1.29 Through links to local colleges and training providers and universities, a model could be developed to feed learners into the national college, while progression and delivery partnerships with higher education in the area will facilitate access to further study and research. Employers would play a leading role, co-investing and defining the curriculum offer – all supported by the improved coordination of existing state skills investments, as described in priority 2, above.

Priority 3: **Widen Access to Careers in Health and Social Care**

Ref	Action	Rationale	Lead	Timescale
3.1	Develop the business case for a National College for Health and Social Care in Lancashire	Make Lancashire the national centre for cutting edge skills delivery, responding to transformation agenda. Establish strong progression partnerships with existing FE and HE organisations Putting vocational routeways on a par with existing academic paths Attract learners and workers to Lancashire – stop any brain drain	ESG to lead, working with LEP, Colleges, Training Providers, Universities and BIS	Task scoped summer 2015 Bid prepared for submission Spring 2016
3.2	Develop traineeships and JCP sector based work academies as more effective routes to entry level positions for unemployed residents	Response to employer concerns about the preparedness and adequacy of skills of those recruited from JSA	ESG working with FE skills providers (traineeships) and JSA (sector based work academies)	Autumn 2015
3.3	Concerted drive by employers and SFA providers to develop, shape and implement trailblazer apprenticeships in Lancashire	Lancashire employers involved in defining new apprenticeship standards; skills providers equipped to delivery; learners able to access frameworks that better meet employer needs and enable progression to higher levels	ESG, working with colleges, training providers and universities	Autumn 2015
3.4	Improve advice and guidance to young people and adults to improve awareness of alternative routes to good jobs in health and social care	The limited career pathways available are not well known or recognised by learners	Colleges, training providers, universities working with National Careers Service, schools and LEP	Winter 2015-6
3.5	**European Social Fund:** Prioritise investment in skills support for the workforce on: • HSC staff at 'band 2/3' (or equivalent) to	Improve progression of lower paid staff to address skills shortages in higher paid role	LEP, working with ESG, LCA and LWDP to define roles and detail of support required	Summer 2015

	improve access to level 3/4 training and roles, including English and Maths if required • Extension of existing activity led by LWDP to provide existing staff with training on the fundamentals of different parts of the health and care system • Care and domiciliary care workers – developing mechanisms to upskill peripatetic and lone workers	Improve the inter-disciplinary knowledge and understanding of health and care professionals, to improve patients' journey through the health and care system Refresh and update skills, as well as mitigate against the significant drop in workforce development investment in the care sector in Lancs		
3.6	**European Social Fund:** Prioritise projects to upskill health and social care volunteers, including creating pathways to jobs in the sector, supported by ESF BIG lottery investments	Volunteer workforce is important but under-supported. Upskilling will enable volunteers to contribute more effectively and stimulate demand to enter full time workforce	LEP, working with ESG	Summer 2015
3.7	**European Social Fund:** prioritise investment in skills support for the unemployed on providing skills required for entry-level care sector roles	Response to employer concerns about the preparedness and adequacy of skills of those recruited from JSA Address retention issues in care workforce	LEP, working with ESG and care employer networks	Summer 2015
3.8	**European Social Fund:** developing programmes to increase labour market participation by female bioscience graduates in Lancashire	Stimulate the supply of skilled labour via activity that re-engages this cohort in the health and care workforce, widening access to opportunities and helping to address skills shortages	LEP, working with ESG and employers in East Lancashire	Winter 2015-6
3.9	**European Social Fund:** to support the advice and guidance infrastructure in schools by delivering briefings, information and seminars for young people and staff	Stimulate learner demand for careers in health and social care in Lancashire, particularly if additional career pathways are developed	LEP, working with ESG and other employer networks	Spring 2016

Priority 4: A Strong, Competitive Skills Provider base

1.30 Lancashire benefits from an extensive further and higher education provider infrastructure, extending delivery to all parts of the county. Our work with these organisations has shown the high level of passion and commitment to delivering the best quality training to meet the needs of learners and employers. Colleges, training providers and universities recognise the strategic importance of health and social care and want to invest in improving delivery for the future.

1.31 Interviews and roundtables identified a number of issues and drivers for skills providers, many of which are implicit in the actions outlined under the previous three priorities. As with employers, we strongly believe that there is a value in colleges, training providers and universities collaborating more – allowing the exchange of information, innovation, sharing of resources and development of smoother career pathways. This can be difficult – FE and HE providers operate in a competitive marketplace - however there is scope to further develop relationships and links that will prove to benefit learners, employers and skills providers themselves.

1.32 Central to this is our recommendation that an active **network of health and care skills providers should be established in Lancashire**. This will allow skills providers to speak with one voice and ensure that their input is central to the tasks that this report assigns to the Employer Skills Group. No employer or group of employers can act alone on this. The knowledge, experience and resources of skills providers are critical to enabling our ambition - to reduce skills shortages, narrow skills gaps and equip Lancashire residents with the skills employer seek – can be achieved.

1.33 This will require leadership from skills providers and a degree of self-organisation that hitherto has not been present. However this is of critical importance if the function of the labour market in Lancashire is to benefit from an improved skills system.

1.34 As part of our work we also reviewed the training facilities managed by skills providers, to understand whether additional FE skills capital spend (now prioritised by the LEP) may be required. Aside from our proposal for the National College, we found no indication that additional facilities are required.

Priority 4: **A Strong, Competitive Skills Provider Base**

Ref	Action	Rationale	Lead	Timescale
4.1	Establish a Lancashire Health and Social Care skills provider group	Foster improved collaboration and career pathway development; speak with one voice in working with the ESG to implement actions	Begin with coalition of the 'willing'. Lancashire Colleges Group, Lancashire Work Based Learning Executive, Universities	Autumn 2015
4.2	Develop a Lancashire approach to implementing the Care Certificate	Care Certificate will be a missed opportunity for employers, commissioners and skills providers if implemented badly	HSC Provider Group, working with ESG	Sumer 2015
4.3	Explore models of direct contracting with employers for apprenticeship delivery	Secure growth in apprenticeship delivery and skills funding; build capacity on the part of the employer to deliver training Get ahead of the anticipated launch of the 'voucher' scheme for apprenticeship funding and employer levy	HSC Provider Group, working with the ESG	
4.4	Set a target for progressing young people completing learner responsive, classroom-based vocational courses (16-19 study programmes) in to apprenticeships	Colleges have young people but indications are that many leave aged 18/19 without progressing into work-based learning which gives them a much better change of securing sustained employment	Lancashire Colleges Group, working with the ESG	Autumn 2015
4.5	Prioritise use of remaining ASB on short courses to engage employers, leading to improved employer engagement in other forms of training	Feedback suggests that ASB, while being cut sharply, is not used strategically to engage employers and develop an employer habit for training Create shared investment plans whereby employers and FE providers co-invest in training that employers want	Lancashire Colleges Group, Lancashire Work Based Learning Executive	
4.6	**European Social Fund:** prioritise capacity building investment on improving:	As state funding shrinks, need to secure improved employer investment in training – however many	LEP, working with HSC Skills Provider Group	Summer 2015

	• the quality of employer engagement by FE providers, including employer return on investment techniques • the ability of classroom-based tutors to deliver work-based learning • programme of curriculum planning and LMI masterclasses for skills providers	SMEs don't see the business case Many skills providers will seek to grow their employer-responsive training offer but lack staff with the right skills to do this effectively		

Skills in Lancashire:

Sector Skills Action Plan for the Visitor Economy

June 2015

DRAFT

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About the Visitor Economy Skills Action Plan

The visitor economy is one of seven key business sectors in Lancashire that the Local Enterprise Partnership (LEP) has identified as a future driver of jobs and wealth. The visitor economy provides employment and upskilling opportunities, improves and protects the built and natural environments and creates demand for high quality businesses and services. It contributes more than £3bn a year to the county's overall economy and supports more than 50,000 jobs, plus many more in the local supply chain. It is also growing: forecasts predict that nearly 4,000 more full time equivalents will be required in the sector between 2014 and 2020.

Nonetheless, recruitment challenges, high staff turnover and a range of skills issues are preventing it from achieving its potential. The full breadth of jobs and careers in the sector is not accurately conveyed to young people, the rewards and opportunities it can offer are undersold and too often it is seen as a second best option or a stepping stone to a different career.

The Lancashire LEP, Lancashire County Council and Marketing Lancashire have therefore produced this visitor economy skills plan in collaboration with employers, business organisations and the county's network of skills providers. It is designed to help enable the provision of skills and learning to meet the needs of the county's visitor economy and to support the delivery of Lancashire's Visitor Economy Strategy, the Employment and Skills Strategic Framework and elements of Lancashire's Strategic Economic Plan.

The skills plan is an operational document. It proposes a series of actions, each of which has been assigned a lead organisation with responsibility for its implementation. The plan will be a live document that is reviewed and updated to ensure that the efforts of those involved in delivering it are channelled into activities where there is the greatest need for intervention.

The plan recognises that there is already forward momentum. The Blackpool Tourism Academy, take-up of high quality customer service training and capital investments in Further Education are just some of the developments that are in progress. The plan does not duplicate this good work, but rather seeks to introduce complementary activity that can help accelerate the pace of change.

Defining the Visitor Economy

The definition of the visitor economy used in this plan is based on the Standard Industrial Classification (SIC) codes listed at Appendix A. This definition covers the core components of the tourism system that are required to support a successful visitor economy and includes the main types of businesses with whom visitors will spend money while at a destination (e.g. accommodation, food and drink services, a range of art, entertainment, cultural and sport attractions and conventions and trade shows). It also includes a limited range of transport activities (taxis, transport hire and water transport) which are often supported by leisure spend in visitor destinations.

Acknowledgements

The Lancashire LEP, Lancashire County Council and Marketing Lancashire would like to express their thanks to everyone that has contributed to the development of this plan. The willingness of visitor economy employers, in particular, to make time available for consultations and to participate in surveys has been very much appreciated.

Consultation and Development

This plan was developed between April and July 2015. It has been underpinned by input from 73 employers from across Lancashire who have contributed via a combination of one-to-one interviews, focus groups and web based surveys.

Tutors and course leaders of provision relevant to the visitor economy in FE colleges, training providers and higher education institutions have also been consulted, as have other stakeholders with strategic and operational roles relevant to the visitor economy.

1 The National Visitor Economy

Summary of Key Points

- The visitor economy supports 1.4 million jobs in the UK, has been the fastest growing sector over recent years and is expected to grow one and a half times faster than the economy as a whole over the next decade.
- There remains a strong push at a national level to increase levels of inbound tourism to the UK, aided by lower oil prices and the lasting effects of the London 2012 Olympics. 2015 looks set to be a record year, with an estimated 31.5 million overseas visitors and associated expenditure of £22.2bn.
- In 2014 there in excess of 90 million overnight stays in England by British residents, resulting in £18.1bn of spend. in the same year, there were 1.3 billion day trips in the UK (£45bn spend) and 233 million nights (£19.1bn) spent in the UK by overseas visitors.
- The visitor economy nonetheless faces challenges. A perception exists that overseas destinations offer better value for money and there is limited knowledge of the breadth and quality of the domestic visitor economy offer. Attracting, retaining and motivating staff to work in the sector is difficult and an over-stretched transport infrastructure can impact negatively on the visitor experience, especially during high season.
- Opportunities for the sector include a growing senior market, increasing demand for engaging and unique visitor experiences and greater opportunities for digital marketing and promotion.

Scale and Contribution

1.1 The visitor economy is integral to the nation's prosperity. It directly supports 1.4 million jobs and contributes £48bn a year to the national economy. These figures rise to 2.6 million jobs and a contribution of £106bn when indirect benefits[1] are also included[2]. In 2013, the visitor economy accounted for approximately 10% of all employment in the UK and 9% of all Gross Domestic Product[3].

1.2 Since 2010, the visitor economy has been the fastest growing sector in the UK and accounted for a third of the total net increase in jobs between 2010 and 2012[4]. The growth in inbound tourism and an increase in domestic trips which, following a peak in 2009, have remained above pre-recession levels[5], have been amongst the key drivers of this growth.

1.3 The GVA (Gross Value Added) multiplier for tourism has been estimated at 2.2, i.e. for every £1,000 of direct GVA that is generated in tourism, a further £1,200 is secured elsewhere in the economy as a result of supply chain transactions[6]. National forecasts for the sector remain strong: Deloitte are predicting 630,000 more tourism jobs by 2025[7], while Oxford Economics expect employment in the tourism and culture sector to grow one and a half times faster than the economy as a whole over the same period[8].

1.4 The strong baseline position and the positive future outlook are down to several factors, although the prevalence and spending of three specific visitor groups/types are particularly important[9]:

[1] For example, benefits accruing to sectors that rely on the visitor economy through the supply chain
[2] Tourism in England Key Facts and Figures, Visit England
[3] Tourism: Jobs and Growth. The economic contribution of the tourism economy in the UK, Deloitte and Oxford Economics, November 2013
[4] England Tourism Factsheet, Visit England, May 2015
[5] Tourism in England: Key facts and trends, Visit England
[6] Tourism: Jobs and Growth. The economic contribution of the tourism economy in the UK, Deloitte and Oxford Economics, November 2013
[7] Tourism: Jobs and Growth. The economic contribution of the tourism economy in the UK, Deloitte and Oxford Economics, November 2013
[8] Taken as accommodation; food and beverage service activities; travel agency, tour operator and other; arts, entertainment and gambling activities
[9] England Tourism Factsheet, Visit England

- **Overnight stays by British residents:** in 2014, there were in excess of 90 million overnight stays in England by British residents, resulting in some £18.1bn of spend.
- **Day trips:** in the same year, there were 1.3 billion day trips in the UK, generating spend of £45bn.
- **Overseas visitors:** 233 million nights, 29.8 million trips and £19.1bn of spend occurred as a result of overseas visitors to the UK in 2014.

1.5 In recognition of its financial significance, and in keeping with the growing trend for worldwide travel, there has been a strong push at a national level to increase levels of inbound tourism to the UK. Visit Britain's *Delivering a Golden Legacy: A growth strategy for inbound tourism to Britain from 2012 to 2020* set a target of 40 million additional visitors (a 23% uplift), while a series of schemes have sought to increase trade for Britain's tourism sector, including the GREAT Britain campaign which sells Britain's tourism offer in the international marketplace. These schemes, combined with the lasting effects of the London 2012 Olympics and low oil prices, are resulting in increased numbers of overseas visitors coming to the UK. Looking ahead, this is expected to continue, with 2015 set to be a record year (VisitBritain forecasts 31.5 million overseas visitors and expenditure of £22.2bn[10]).

1.6 In addition, there were almost 21.7 million business trips (domestic and from overseas) made in/to the UK in 2013[11]. Whilst during the recession the number of trips fell, a recent UK Event Markets Trends survey pointed towards significant increases during 2015 and beyond[12].

Domestic Tourism

1.7 In broad terms, domestic trips for holiday purposes can be categorised under three main headings: seaside, urban and rural. Key features of each are shown below.

Seaside tourism[13]

Seaside destinations account for 31% of all overnight domestic trips made for holiday purposes, with almost half of all trips occurring between July and September. Seaside trips are more likely than other trips to involve children, be made by people in the lower social grades and involve longer stays.

Blackpool was the second most commonly visited overnight seaside destination between 2010 and 2012, accounting for 1.48m overnight trips. Scarborough was the most visited with 1.62m overnight trips.

Following a period of growth in 2009, holiday trips to the seaside (nationally) have reduced back to pre-recession levels.

Urban tourism[14]

Urban areas make up 31% of domestic overnight trips for holiday purposes and, whilst numbers peak during the summer months, they occur all year round. Overnight trips to urban areas have been growing steadily since 2007.

Relative to other domestic trips, urban stays more commonly involve adults only, are shorter and involve train travel and hotel stays.

Locations in Lancashire do not currently feature in the top 10 destinations for urban tourism (the top three are London, Manchester and York).

Rural tourism[15]

Trips to the countryside account for 22% of domestic overnight trips. Almost three quarters of rural stays occur in spring and summer.

Countryside trips tend to be by car and involve a higher than average proportion of people in the upper social grades. Countryside trips have remained relatively stable and continue to be above pre-recession levels.

[10] Visit Britain forecasts, December 2014
[11] England Tourism Factsheet, Visit England
[12] UK Event Market Trends Survey 2014
[13] England's Seaside: What are the opportunities? Visit England, 2013
[14] Urban England: What are the opportunities? Visit England, 2013
[15] England's Countryside: What are the opportunities? Visit England, 2013

1.8 Accommodation occupancy rates across England continue to increase, both at weekends and during the week (a year on year increase has been observed in both categories over the past four years). The decade from 2003 to 2013 also saw considerable increases in hotel stock, with investment of £13bn supporting the creation of 106,380 new rooms. This represents a net addition of 66,000 rooms after accounting for closures[16].

Challenges and Opportunities

1.9 At a national level, the visitor economy remained relatively strong during the economic downturn and looks set to perform well during the next growth cycle. Nonetheless, and as VisitEngland notes[17], significant challenges remain. Some of these are beyond the control of the visitor economy itself and include exchange rate fluctuations, international security and economic shocks. Others can be influenced through national policy, local stakeholders and theme-specific plans such as this one. They include:

- Perceptions that overseas destinations offer better value for money to UK holidaymakers than domestic destinations, in part due to the growth of low cost airlines.
- Limited knowledge about the breadth and quality of the domestic visitor economy offer (as covered later in this document, this extends to and influences the perceptions that young people and their parents have of job and careers in the visitor economy).
- Difficulties in attracting, retaining and motivating staff to work in the sector. This is linked to the above point and has been a consistent message emerging from the primary research undertaken with employers for this plan.
- An over-stretched transport infrastructure which can impact negatively on the visitor experience, especially during high season.
- Inconsistent broadband coverage which can impact on both business marketing and the visitor experience.

1.10 However, VisitEngland also notes that there are new and potentially lucrative opportunities for employers in the sector, such as:

- Growing senior markets: the baby boom generation is reaching retirement age and is more leisure focused and affluent than previous generations.
- Demand from across the financial spectrum (from budget to luxury markets) supported by growing numbers of multi-generational trips and increasing numbers of last minute short breaks.
- Greater opportunities for digital marketing and promotion (a topic that is revisited in Chapter Five).
- Growing demand for engaging and unique experiences, including activity holidays and 'doing trips'.

1.11 These challenges and opportunities have informed a refresh of the VisitEngland *Strategic Framework for Tourism in England 2010-2020*, which identifies the five growth priorities listed below. All five of these, indirectly at least, have relevance to this action plan, although priorities 2 and 4 are particularly significant.

1. Investing in tourism products and experiences in line with market trends and strategic needs.
2. Attracting and retaining motivated people and developing their skills.
3. Increasing the visibility and understanding of England's tourism offer.
4. Overcoming barriers to business competitiveness and investment.
5. Investing in the infrastructure and environment on which tourism relies.

1.12 A series of action plans underpin the delivery of the Strategic Framework. The Skills Action Plan[18] sets out the following vision and objectives, all of which are pertinent to the implementation of this visitor economy skills plan for Lancashire:

[16] Institute of Hospitality Digest 2014
[17] Visit England website, Refreshing the Growth Strategy for England's Tourism Industry

[18] Available at: https://www.visitengland.com/sites/default/files/downloads/final_skills_action_plan_1_june_2012_0.pdf

Vision

To increase the productivity and performance of England's tourism businesses through investing in the skills of the workforce, which will contribute to 5% growth, year on year, in the England tourism market by 2020.

Objectives

1. To motivate employers to improve performance through investing in the skills of their workforce.
2. To increase awareness of, and access to, the skills solutions and products that are available to employers.
3. To raise skills levels in the sector by:
   a. Encouraging more people into the sector and ensuring they enter with the required skills.
   b. Improving customer service skills.
   c. Developing and supporting current and future managers and owner operators.

1.13 In addition, the Government's Tourism Policy, published in March 2011, recognises the cross-cutting nature of tourism activity and the role it can play in achieving wider objectives. In its foreword, the Prime Minister states:

> *"Our aim is clear: we want to take tourism in Britain to a whole new level and harness the huge potential this area holds to grow our economy….For the first time, Government has a tourism strategy that reaches right across Whitehall, looking at policies from a tourism perspective."*

1.14 The three aims within the strategy are to:

- **Deliver a £100m campaign**, co-funded by the Government and the private sector, to attract 4 million extra visitors to Britain over the next four years, resulting in additional spend of £2bn and the creation of 50,000 new jobs.
- **Increase the proportion of UK residents who holiday in the UK to match those who holiday abroad each year**. For longer stays (four nights or more) this would mean 29% of UK holidaymakers holidaying in Britain rather than the current level of 20% (in doing so, this would generate an extra £1.3bn in domestic spend and create 26,000 new jobs).
- **Improve the sector's productivity** to become one of the top five most efficient and competitive visitor economies in the world.

1.15 The priority being afforded to the visitor economy at a national level is significant for Lancashire, where stakeholders have a similarly ambitious outlook for their sector. This outlook, along with an overview of the Lancashire visitor economy as it is now, is described in Chapters Two and Three.

2 Lancashire Today

Summary of Key Points

- Lancashire has a diverse and comprehensive visitor offer. It includes Areas of Outstanding Natural Beauty (Forest of Bowland, Arnside and Silverdale), England's most popular seaside destination (Blackpool) and a 137 mile coastline offering an array of visitor options. It has a historic county town with impressive built heritage (Lancaster), an administrative hub with significant business tourism potential (Preston), a growing events programme and outstanding businesses that are both award winning and very popular.
- Significant recent investments made by the county's local authorities include £100m to create the new Blackpool tramway, £40m of public realm improvements in Preston town centre and £25m to improve the Cathedral Quarter in Blackburn. Recent private sector investments have included £15m to improve Blackpool Pleasure Beach and £3m to develop a new Illuminasia experience. The county has also been successful in securing investment from national funding programmes such as the Coastal Communities Fund, the Heritage Lottery Fund and the Sustainable Transport Fund.
- Challenges for the visitor economy in Lancashire include the quantity, quality and variety of the accommodation stock in certain areas, a sub-optimal public transport and rural road infrastructure and a lack of profile, especially at the national level. There is also a lack of clarity and a strong message about what the county has to offer to consumers.
- The vision for Lancashire, as defined in the forthcoming Visitor Economy Strategy, includes being recognised as one of the top 5 English counties for a refreshing and relaxing short break and an active family holiday; to be known nationally as a culinary 'must visit destination'; and to be destination that offers outstanding customer service on a par with the best worldwide.

Visitor Economy Overview

2.1 Lancashire's diverse physical and economic geography, its rich industrial heritage and its mix of coastal, rural and urban areas results in a comprehensive visitor offer, summarised below.

2.2 The **Forest of Bowland** Area of Outstanding Natural Beauty (AONB) and the rural showcase in the **Ribble Valley** are of a quality that puts them on a par with the best in the country as destinations for walking, cycling and good food and drink sourced locally. Lancashire's **inland waterways** also provide an excellent visitor experience, although they remain a relatively unrecognised asset and have the potential to attract more visitors in the future.

2.3 A seaside resort for decades, **Blackpool** has retained its place as England's most popular seaside destination, famous for its tower, illuminations and entertainment, as well as being recognised internationally as the home of ballroom dancing. After a period of decline, Blackpool is reinventing itself and has embarked on a programme of investment in its facilities, services and accommodation stock and has recently launched a new national promotional campaign.

2.4 Blackpool sits centrally in a **137 mile coastline** that is visited for its tranquillity, beauty and opportunities for engaging with nature. The **Arnside and Silverdale AONB** and the wider **Morecambe Bay** area is highly valued by visitors who like to relax and refresh themselves in the area and pursue activities such as cycling and walking. The **Fylde and Wyre** coastlines, though less developed, are dotted with seaside towns and villages that attract visitors for days out and family holidays as well as hotspots of national excellence such as championship golf in Lytham St Anne's and at Royal Birkdale.

2.5 Just inland sits the historic county town of **Lancaster**, a small city with a built heritage that puts it in England's top flight, potentially. As the heritage centre of the county, with its Georgian roots evident in its architecture, it is a place that provides a quality environment for people that like history, independent shopping and cultural experiences. It is also one of the county's biggest opportunities for growth.

2.6 **Preston** is the administrative heart of the county. It has significant potential as a hub for business tourism and, because of its transport links and the

fact it is only two hours by train from London, is an important orientation point for visitors to the county.

2.7 Lancashire has a growing **events programme**. Those with the highest profile are Blackpool Air Show, the Illuminations and annual Switch On Event, Fleetwood Festival of Transport, Vintage By the Sea and the Lytham Festival, alongside which is a plethora of smaller festivals offering an authentic Lancastrian experience.

2.8 In terms of its **services and facilities**, the county has some outstanding businesses that are both award winning and very popular. The Freemasons at Wiswell, for example, received the gold award for Tourism Pub of the Year at the 2014 Visit England Awards for Excellence, while the Woodland Spa won Global Spa of the Year and Best Emerging Spa at the Luxury Spa Awards in 2015. In the North West, Blackpool is second only to the Lake District in terms of consumer's consideration for a visit. It also performs well against other resorts, coming second only to Bournemouth in appeal amongst consumers nationally.

A Summary of Strengths, Opportunities and Challenges

2.9 Lancashire's visitor economy has considerable strengths – much of its product is well developed and the county provides high quality and memorable experiences for visitors. But like most destinations in England, it also has challenges (accommodation and public transport being amongst the most prominent) as well as opportunities to strengthen and diversify the visitor offer going forwards. These strengths, challenges and opportunities are summarised in the boxes opposite.

trengths	Inland and coastal landscapes.
	The entertainment hub at Blackpool.
	Rural showcase in the Ribble Valley and Forest of Bowland.
	The heritage city of Lancaster.
	A growing programme of events, some with national potential.
	A wide range of outdoor activities for all ages and abilities.
	An emerging business tourism offer at Preston.
	Good road and rail connections, and proximity to Manchester International Airport and other regional airports and ports.
	Range/depth of quality food producers and eateries sourcing locally.
Challenges	Quality of the accommodation base.
	Quantity and variety of the accommodation base in specific areas.
	New business-oriented accommodation and venues.
	Weak public transport and outdated rural road infrastructure.
	Lack of profile, particularly at a national and international level.
	Lack of clarity and a strong message about what the county has to offer to consumers.
Opportunities	Arrival points and gateways to provide a better welcome and a stronger sense of place.
	Accommodation, facilities and experiences for people with accessibility needs.
	Flexible, accessible and customised training programmes and business advice particularly for small tourism businesses.
	Partnerships between the tourism industry and Lancashire's three universities to grow business tourism and maximise the value of the 'visiting friends and relations' market.
	Lancashire's centres of excellence to grow a hospitality workforce for the future that will provide outstanding customer service.
	Cultural tourism for Lancashire, defining what it means for the county and how it could be used to attract more visitors.

Improving the Visitor Offer

2.10 Recent investments, some of which have been on a very significant scale, demonstrate the importance that the county's local authorities attach to the visitor economy. These investments have included (although are by no means limited to):

- £100m to create the new Blackpool tramway.
- £40m of public realm improvements in Preston town centre.
- £25m to improve the Cathedral Quarter in Blackburn.

2.11 The county has also been successful in securing investment from national funding programmes. For example:

- £1m was secured from the Coastal Communities Fund to develop cycling experiences, improve the welcome for visitors and support events in the Morecambe Bay area.
- £4.5m was secured from the Heritage Lottery Fund to help restore Lytham Hall.
- £1.2m was secured from the Sustainable Transport Fund to help develop cycling facilities in the county.

2.12 Private sector investment has also increased. Some £15m has been invested in Blackpool Pleasure Beach, £3m in the new Illuminasia experience and upgrades have been made at the Preston Marriott. There is new ownership and investment for Preston's Guildhall, while a range of restorations and developments in heritage properties are refreshing and developing Lancashire's tourism offer.

The Vision for Lancashire

2.13 Lancashire's Visitor Economy Strategy (out for consultation at the time of writing) has identified a bold vision for Lancashire as a visitor destination in 2020. Comprised of six different elements, the vision is as follows:

The Vision for Lancashire as a Visitor Destination
1. To be recognised as one of the top 5 English counties for a refreshing and relaxing short break and an active family holiday.
2. To be known nationally as a culinary 'must visit destination' because of the authenticity and quality of its food and drink, from field to table, locally sourced from the county's stunning valleys, plains, woodlands and coasts.
3. To be a preferred location for corporate events and association conferences because of the choice and value for money of its venues and the breadth and depth of the business tourism infrastructure.
4. For the county's cultural offer, centred on Lancaster and key annual events, to be one of the main reasons that visitors choose to visit Lancashire.
5. To be recognised for its stunning 137 mile coastline that effortlessly combines seaside heritage and contemporary leisure experiences and is centred on England's favourite resort, Blackpool.
6. A destination that offers outstanding customer service on a par with the best worldwide and is an example of best practice in offering accessible holidays.

2.14 Having a workforce with the right skills mix is a theme that runs through each element of the vision and one that will be integral to the success of the county's visitor economy in the future. It is therefore important that as the Visitor Economy Strategy is implemented, this plan be kept under regular review to ensure that it is focused on the areas (geographic and sectoral) where intervention is most needed to support the sector to grow and succeed.

3 The Visitor Economy in Numbers

Summary of Key Points

- The STEAM model estimates that 79 million visitor days were spent in Lancashire in 2013 (+6% on 2009), more than two fifths of which were in Blackpool, Fylde and Wyre. The economic impact of the sector in 2013 was estimated at £3.5bn (£0.5bn more than in 2009).
- Lancashire's visitor economy comprises 3,800 businesses (8% of the total business base in the county), approximately two thirds of which operate in the food and services sub-sector. East Lancashire has the highest number of visitor economy businesses in the county, although the highest concentration is in Blackpool, Fylde and Wyre.
- Lancashire's visitor economy businesses are typically small: fewer than 100 businesses employ more than 50 people and fewer than 20 employ more than 250.
- The visitor economy in Lancashire employs an estimated 50,500 people (8% of total employment in the county). In addition to the obvious hotspot in Blackpool, above average concentrations also exist in Wyre, Lancaster and the Ribble Valley. Employment in the visitor economy across the county as a whole fell by 7% (a net reduction of 3,500 jobs) between 2009 and 2013.
- Lancashire's visitor economy workforce is characterised by a high proportion of young people. Employees aged under 30 account for 34% of employment in the sector (compared with 24% across the LEP area as a whole), and 53% are aged under 40.
- An above average proportion of employees in the visitor economy have no formal qualifications (one and half times the average for the LEP area) or are not qualified above Level 2. In contrast, the proportion of visitor economy employees qualified to Level 4 and above is less than half of the LEP-wide average.

Scale of the Market

Visitor Numbers

3.1 The STEAM (Scarborough Tourism Economic Activity Monitor) model uses a range of local inputs to monitor trends in visitor activity and, in doing so, demonstrates the significance of the visitor economy to Lancashire. STEAM estimates that 79 million visitor days were spent in the LEP area in 2013[19] (+6% on 2009 levels), more than two fifths of which were in Blackpool, Fylde and Wyre, reflecting the concentration of major attractions in this area. Visitor days in the other sub-geographies were also significant, ranging from 3 million in West Lancashire to 18 million in East Lancashire.

3.2 The STEAM model reported an increase of more than 4 million visitor days between 2009 and 2013, reflecting, in part at least, a rise in the number of people taking domestic holidays and day trips during the recession[20]. Over this period, East Lancashire recorded the highest absolute increase in visitor days while West Lancashire recorded the highest percentage increase, albeit from a significantly lower base than the other sub-geographies.

Lancashire Visitor Days				
	2013		Change 2009-2013	
	No.	%	No.	%
Lancashire	79.1m	100%	4.3m	6%
Blackpool, Fylde and Wyre	34.1m	43%	0.8m	2%
East Lancashire	18.0m	23%	1.5m	9%
Central Lancashire	14.5m	18%	1.0m	7%
Lancaster	9.0m	11%	0.6m	8%
West Lancashire	3.5m	4%	0.4m	13%
Source: STEAM				

3.3 There is an ambition from key stakeholders across the LEP area to increase visitor numbers significantly. Marketing Lancashire is aiming for 85 million visitor days, supporting 70,000 jobs, by 2016 and whilst these are

[19] STEAM (Scarborough Tourism Economic Activity Monitor) model data, 2013
[20] The main home locations for day trip visitors to Lancashire are the North West, Yorkshire and the West Midlands.

stretching targets, some of the early signs are encouraging. In Blackpool, for example, adult visitor numbers increased again in 2014, as did average levels of customer satisfaction[21].

3.4 Lancashire is also capturing a share of the UK's growing overseas visitor market. Preston is Lancashire's most commonly visited town by overseas visitors, recording 51,000 visits in 2013, followed by 47,000 visits to Blackpool and 39,000 to Lancaster[22].

Economic Contribution

3.5 STEAM estimated the economic impact of Lancashire's visitor economy to be £3.5bn in 2013[23]. Just over half of this was generated in Blackpool, Fylde and Wyre, which is a higher proportion than its share of visitor days, pointing towards an above average level of spend per visitor in this sub-geography.

3.6 The sector's economic contribution is estimated to have increased by more than £0.5bn between 2009 and 2013. The greatest absolute increase was in Blackpool, Fylde and Wyre, although the largest proportionate increase occurred in West Lancashire. In all sub-geographies, the uplift in the sector's economic contribution exceeded the percentage uplift in visitor days.

Lancashire Visitor Economy Economic Impact				
	2013		Change 2009-2013	
	No.	%	No.	%
Lancashire	£3,548m	100%	£551m	18%
Blackpool, Fylde and Wyre	£1,822m	51%	£242m	15%
East Lancashire	£656m	18%	£116m	21%
Central Lancashire	£554m	16%	£92m	20%
Lancaster	£382m	11%	£71m	23%
West Lancashire	£135m	4%	£31m	30%
Source: STEAM				

[21] Blackpool Council survey
[22] International Passenger Survey, ONS
[23] http://mediafiles.thedms.co.uk/Publication/LM/cms/pdf/STEAM%20OVERVIEW~%20Eng-Wal-NI.pdf

The Business Base

Scale and Geography

3.7 Almost 3,800 businesses operated in Lancashire's visitor economy in 2014, accounting for 8% of the total business base in the LEP area. Nationally (excluding London), the visitor economy accounts for a very similar proportion of the business base[24].

3.8 East Lancashire has the highest number of visitor economy businesses in the LEP area, although it also has the highest number of businesses per se of the five Lancashire sub-geographies. The concentration (i.e. the share of the total business base accounted for visitor economy businesses) is, not surprisingly, highest in Blackpool, Fylde and Wyre. It is significantly higher still in the Blackpool local authority area, where nearly one in five of all businesses operate in the visitor economy.

Visitor Economy Business Base by Sub-Geography (2014)			
	No.	% of sub-geography business base	% of Lancashire total
East Lancashire	1,250	8%	33%
Blackpool, Fylde and Wyre	1,075	11%	28%
Central Lancashire	820	7%	22%
Lancaster	385	9%	10%
West Lancashire	270	7%	7%
Total	**3,795**	**8%**	**100%**
Source: UK Business Count. Note data from this source is subject to rounding and sub-geographies therefore do not sum to the LEP total.			

Sub-Sector Profile

3.9 Approximately two thirds of visitor economy businesses operate in the food and services sub-sector, both within Lancashire and nationally (excluding

[24] National figures in this paper exclude London. This reflects that the business base and employment profile of London is distinctly different to the rest of the country and therefore tends to distort national results.

London). Relative to the national business base, Lancashire has an above average proportion of accommodation businesses but is under-represented in terms of businesses offering creative, arts and entertainment activities.

Visitor Economy Business Base by Sub-Sector (2014)			
	No.	**% of Lancashire business base**	**% of national excluding London business base**
Food and drink services	2,555	67%	65%
Accommodation	435	11%	8%
Creative, arts and entertainment activities	255	7%	11%
Sports and recreation	210	5%	5%
Land transport	145	4%	3%
Renting and leasing	110	3%	2%
Tour operator and reservation services	40	1%	1%
Conventions and trade shows	25	<1%	2%
Cultural activities	15	<1%	<1%
Water transport	0	0%	<1%
Total	**3,790**	**100%**	**100%**
Source: UK Business Count. Note data from this source is subject to rounding and sub-sectors therefore do not sum to the LEP total.			

Business Size

3.10 Lancashire's visitor economy is characterised by micro and small businesses[25], as is Lancashire as a whole. Fewer than 100 visitor economy businesses employ more than 50 people, and fewer than 20 employ more than 250.

3.11 This business size profile is not uncommon (in Lancashire's information and communication sector, for example, 95% of employers have fewer than 10 staff). The juxtaposition in the visitor economy is nonetheless of note, especially in Blackpool, where large, international businesses such as Merlin Entertainments and Cuerden Leisure operate alongside, and indeed rely upon, a plethora of small, independent accommodation and food businesses that for generations have been at the heart of the traditional visitor economy.

[25] Those employing fewer than 50 people.

Lancashire Business Base by Size Band (2014)			
	Visitor Economy		**Lancashire Total**
	No.	**%**	**%**
0-9	2,965	78%	87%
10-49	745	20%	11%
50-249	70	2%	2%
250+	15	<1%	<1%
Total	**3,795**	**100%**	**100%**
Source: UK Business Count. Note data from this source is subject to rounding.			

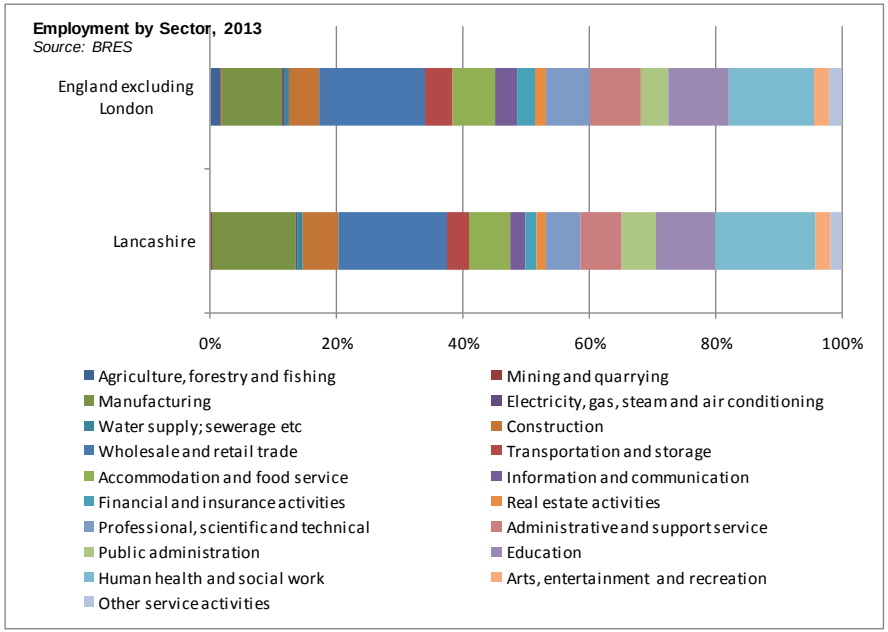
Employment in the Visitor Economy[26]

Total Employment

3.12 In 2013, Lancashire's visitor economy employed approximately 50,500 people, equating to 8% of all employment in the county, i.e. around 1 in every 12 jobs in Lancashire was in the visitor economy. This is in line with the profile nationally.

3.13 The overall sectoral profile of employment in Lancashire relative to nationally (excluding London) shows that employment in those sectors typically associated with the visitor economy (accommodation and food and arts, entertainment and recreation) is in proportion to national averages.

[26] The information presented in this section is based upon data taken from the Business Register and Employment Survey which provides data on both the number of people in employment, and the number of employees in an area. The 'employment' indicator is used in this study as it has a wider definition and therefore provides a more accurate indication of the scale of employment. The employment figure captures all people who are in employment, including working owners, which includes sole traders, sole proprietors and partners who receive drawings and/or a share of profits but are not paid via PAYE. However, it should be noted that despite these inclusions, BRES employment data does not capture all of self-employment.



Geographic Profile

3.14 Blackpool, Fylde and Wyre accounts for just over a third of all visitor economy employment in Lancashire and just over a fifth of total employment (all sectors), demonstrating once again the significance of the visitor economy to this sub-geography. It also has a higher concentration of larger visitor economy employers (to be expected given the prevalence of large visitor attractions in Blackpool). East and Central Lancashire each account for just under a quarter of visitor economy employment. In both cases these are smaller proportions than the sub-geographies' share of total employment.

Visitor Economy Employment by Sub-Geography (2013)

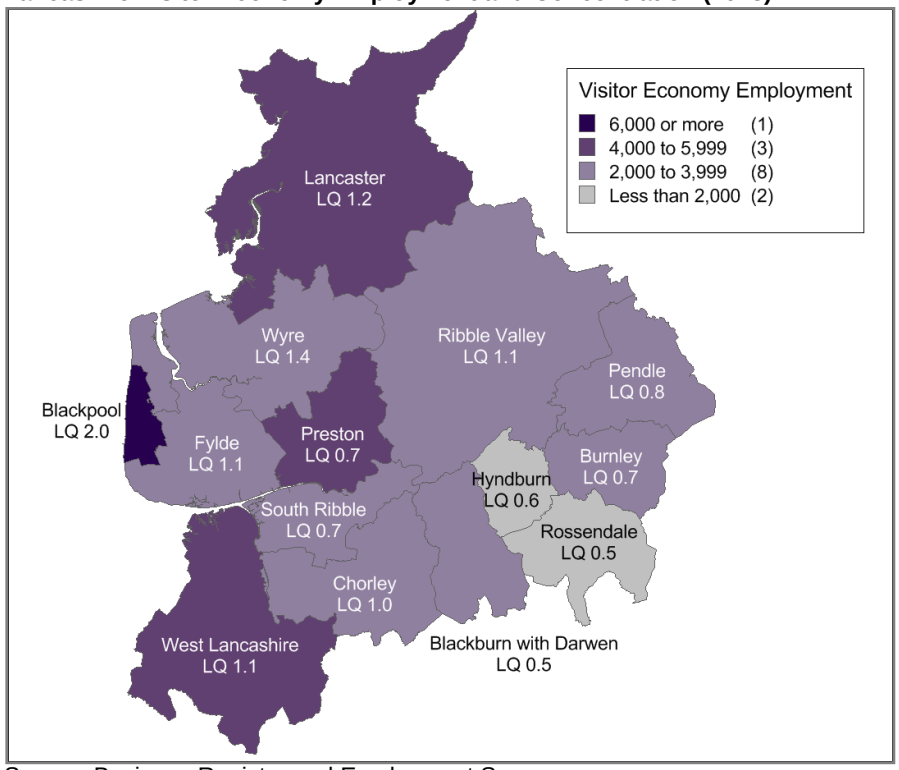
	Employment	% of Lancashire VE sector employment	% of all Lancashire employment
Blackpool, Fylde and Wyre	17,200	34%	21%
East Lancashire	12,100	24%	34%
Central Lancashire	11,600	23%	29%
Lancaster	5,400	11%	9%
West Lancashire	4,200	8%	7%
Total	**50,500**	**100%**	**100%**

Source: Business Register and Employment Survey

3.15 The sub-geography figures mask variations in the distribution and concentration of employment at a local authority level (see chart below). For example, Blackpool is very significant for visitor economy employment, both in terms of the number of jobs and the location quotient[27] (LQ) (9,700 jobs, equating to 19% of the Lancashire total, and a LQ of 2.0, i.e. double the national average). Relatively high levels of visitor economy employment are also evident in Lancaster (5,400 jobs), Preston (5,100 jobs) and West Lancashire (4,200 jobs). Together with Blackpool, these four authorities account for nearly half of all visitor economy employment across the LEP area. Although smaller in absolute terms, above average concentrations of visitor economy employment also exist in Wyre and the Ribble Valley.

[27] A location quotient (LQ) is an analytical statistic that measures an area's industrial specialisation relative to a larger geographic unit. A LQ of 1 indicates that an industry's representation is in line with the national average, a LQ of more than 1 indicates overrepresentation while a LQ of less than 1 indicates underrepresentation.

Lancashire Visitor Economy Employment and Concentration (2013)

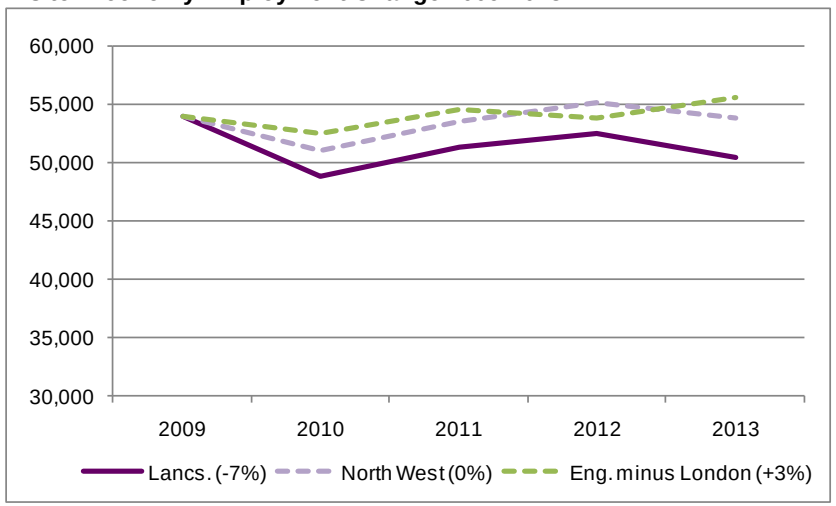


Source: Business Register and Employment Survey

Recent Change

3.16 Between 2009 and 2013, employment in Lancashire's visitor economy fell by 7% (a net reduction of 3,500 jobs), while employment across the LEP area as a whole remained relatively stable. As shown in the following chart, visitor economy employment dipped sharply between 2009 and 2010 – notably more so than across the North West region and England as a whole – and despite recovering over the next two years, remained below pre-recession levels in 2013. This is in contrast to pre-recession employment levels being regained in the North West and across England. Of some concern is the reduction in visitor economy employment in Lancashire between 2012 and 2013 – a time when employment in the sector nationally showed a marked increase.

Visitor Economy Employment Change 2009-2013[28]



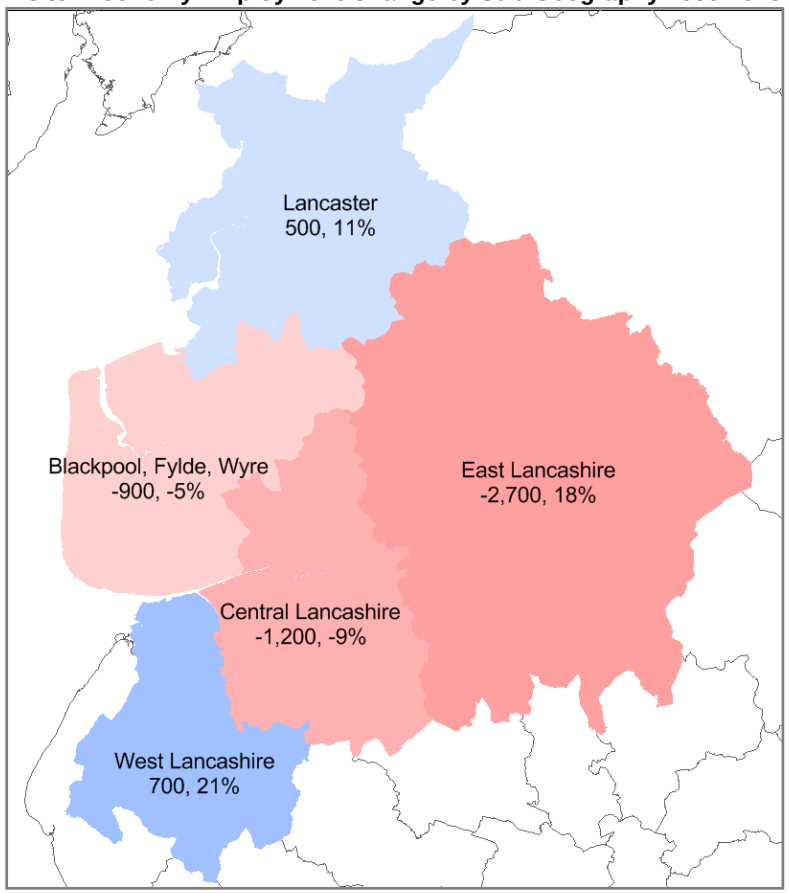
Source: Business Register and Employer Survey

3.17 Whilst there has been a reduction in visitor economy job numbers at LEP level, the picture at sub-geography and local authority level is more mixed. As shown in the charts on the following page (the first of which shows employment change between 2009 and 2013 by sub-geography and the second by local authority):

- Two of the five sub-geographies – West Lancashire and Lancaster – experienced net employment growth between 2009 and 2013. In proportionate terms the growth in West Lancashire was large – the visitor economy workforce increased by a fifth over a four year period.
- Seven local authorities experienced a net loss of 10% or more, with Rossendale, Preston and Hyndburn badly affected in relative terms.
- The reduction was less substantial in Blackpool, although in Wyre – a neighbouring authority – 10% of visitor economy jobs were lost.

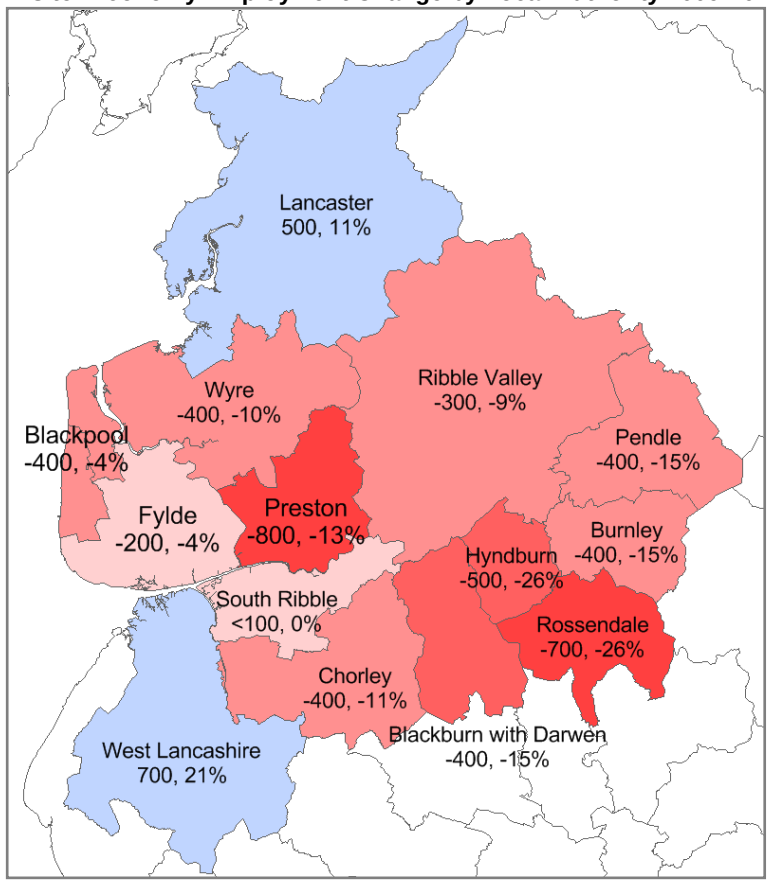
[28] The North West and England figures have been indexed to allow for comparison against the Lancashire trend.

Visitor Economy Employment Change by Sub-Geography 2009-2013



Source: Business Register and Employer Survey

Visitor Economy Employment Change by Local Authority 2009-2013



Source: Business Register and Employer Survey

Employment by Sub-Sector

3.18 The food and drink services sub-sector is the largest employer in Lancashire's visitor economy, followed by accommodation and sports and recreation. Together these three sub-sectors account for 92% of all visitor economy employment across the LEP area.

Lancashire Visitor Economy Employment by Broad Sub-Sector (2013)		
	Employment	**% of Lancashire total VE employment**
Food and drink services	30,800	61%
Accommodation	10,000	20%
Sports and recreation	5,700	11%
Creative, arts and entertainment activities	1,000	2%
Tour operators and reservation services	900	2%
Renting and leasing	700	1%
Cultural activities	700	1%
Land transport	600	1%
Conventions and trade shows	100	<1%
Water transport	<100	<1%
Total	**50,500**	**100%**
Source: Business Register and Employment Survey		

3.19 Comparing the figures above to the sub-sector structure of the business base shows that businesses in the food and drink sector are, on average, the smallest (they account for 61% of employment but 67% of businesses) while accommodation businesses are, on average, the largest (they account for 20% of employment compared with to 11% of businesses).

3.20 The statistics also show that Lancashire has an employment concentration[29] in five specific sub-sectors within the visitor economy. The largest of these is event catering (4,400 jobs), although the highest concentration is in amusement and theme park activities, reflecting the offer in Blackpool.

Visitor Economy Employment Concentrations (2013)			
	Employment	**% of Lancs employment**	**LQ: England minus London**
Activities of amusement parks and theme parks	1,000	2%	2.4
Event catering activities	4,400	9%	1.8
Other amusement and recreation activities	2,200	4%	1.6
Camping grounds, recreational vehicle parks and trailer parks	1,000	2%	1.3
Holiday and other short stay accommodation	1,100	2%	1.2
Source: Business Register and Employment Survey			

Productivity

3.21 Oxford Economics figures suggest that productivity (measured as GVA per worker) in Lancashire's visitor economy sector is lagging behind that of many other sectors.

3.22 At £17,300 in 2014, it was just over half the average reported for the Lancashire economy (£34,100) and less than 80% of the national visitor economy average (£21,900). In Blackpool (the local authority with the highest concentration of visitor economy employment), the position is even more stark: GVA per worker in the visitor economy is estimated at £14,900.

3.23 The visitor economy in Lancashire reported GVA growth of 5% between 2005 and 2014 which helped to close the gap to the Lancashire average, although not significantly so.

[29] Defined for the purpose of this analysis as a LQ of 1.2 or more (i.e. 20% or more significant than nationally) and 1,000 or more employees at the four digit SIC code level.

The Visitor Economy Workforce

Age Profile

3.24 Lancashire's visitor economy workforce is characterised by a high proportion of young people. Employees aged under 30 account for 34% of employment in the sector, compared with 24% across the LEP area as a whole. Employees aged 16-19, in particular, are over-represented.

3.25 This will continue to be the case for the foreseeable future and gives rise to challenges. Employers note that some roles, for example front of house staff in restaurants and other customer facing activities, are better suited to people with more work and life experience, yet it can be difficult to find suitable candidates. More generally, the employers consulted for this study regularly remarked on the absence of appropriate work readiness skills amongst younger job candidates.

Age Profile of Visitor Economy Employees in Lancashire		
	Visitor Economy (%)	**Lancashire Economy (%)**
Age 16 to 19	9%	4%
Age 20 to 29	25%	20%
Age 30 to 39	19%	21%
Age 40 to 49	21%	26%
Age 50 to 59	17%	20%
Age 60 to 64	6%	6%
Age 65 and over	3%	3%
Total	100%	100%
Source: Census and BRES		

Gender and Ethnicity

3.26 Females account for 54% of visitor economy employees in Lancashire, compared with 53% across all sectors in the LEP area combined. Visitor economy employees are predominantly white (90%), which is similar to the 93% across Lancashire as a whole (all sectors). The second largest ethnic group working in the visitor economy in Lancashire is Asian/Asian British, accounting for 8% in the sector compared with 1% across the LEP's total employment base.

Qualifications Profile

3.27 The 'highest level of qualification' profile for the visitor economy in Lancashire is below that of the LEP area as a whole. An above average proportion of employees in the visitor economy have no formal qualifications (one and half times the proportion for the LEP area) or are not qualified above Level 2. In contrast, the proportion of visitor economy employees qualified to Level 4 and above is less than half the LEP-wide average.

3.28 There are various reasons why this is the case. As explained later in this chapter, the visitor economy is, typically, a low paying sector and that acts as a deterrent for some well qualified individuals. It is also the case that some roles within the sector do not require applicants to have achieved qualifications at intermediate or higher levels. Employers also feel that advice and guidance in schools fails to convey the breadth of opportunities and progression pathways that exist, in doing so deterring young people capable of high levels of achievement from considering it as a viable option.

Highest Level of Qualification		
	Visitor Economy (%)	**Lancashire Economy (%)**
No qualifications	17%	11%
Level 1 qualifications	17%	15%
Level 2 qualifications	24%	18%
Level 3 qualifications	18%	17%
Level 4 qualifications and above	14%	30%
Apprenticeships and other qualifications	10%	9%
Total	**100%**	**100%**
Source: Census and BRES		

Occupational Structure

3.29 The significance of customer facing activity in the visitor economy is reflected in its occupational structure: sales and customer service staff account for nearly a quarter of the sector's workforce (23%), compared with 8% across all

sectors in the LEP area. Elementary occupations, skilled trades and managerial roles are also over-represented in the visitor economy.

Lancashire Occupational Profile (2013)			
	Visitor Economy		Lancashire Economy
	No.	%	%
Sales and customer service	11,600	23%	8%
Elementary	8,600	17%	11%
Skilled trades	7,300	14%	12%
Managers, directors and senior officials	6,800	13%	10%
Administrative and secretarial	5,600	11%	12%
Associate prof. & tech.	3,200	6%	12%
Process, plant and machine operatives	2,700	5%	7%
Caring, leisure and other service	2,400	5%	11%
Professional	2,300	5%	17%
Total	**50,500**	**100%**	**100%**
Source: ekosgen estimates based on Annual Population Survey and Business Register and Employment Survey. Note: Profile relates to those employed by businesses in Lancashire (workplace based).			

Hours Worked[30]

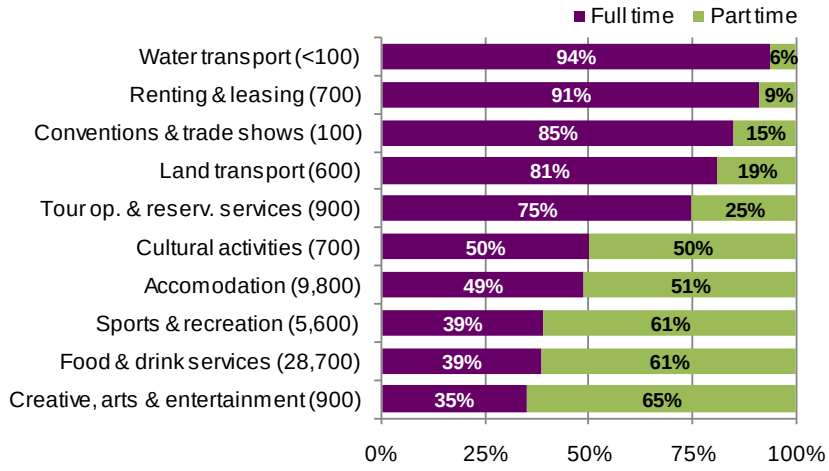
3.30 A high proportion of visitor economy employment in Lancashire is part time. As a consequence, when compared with the Lancashire economy as a whole, full time working is 25 percentage points below the average (influenced, of course, by the seasonality of the tourism industry).

[30] In this context, a full time job involves more than 30 hours of paid work per week and a part time job involves 30 or fewer hours per week. A full time and part time split is not available for BRES employment data (i.e. all employees plus the number of working owners) and the data presented here captures employees only.

Lancashire Employees by Full Time and Part Time Working (2013)		
	Full time	Part time
Lancashire Visitor Economy	43%	57%
Lancashire All Sectors	68%	32%
Source: Business Register and Employment Survey		

3.31 Within the different sub-sectors of the visitor economy, part time working ranges from 6% (water transport) to 65% (creative, arts and entertainment). There is a correlation between sub-sectors with the highest number of employees and those reporting high levels of part time working.

Lancashire Visitor Economy by Full Time and Part Time Employees (2013)



Source: Business Register and Employer Survey. Number of employees shown in brackets.

Wages

3.32 Wages in the visitor economy have historically been lower than in many other parts of the economy and recent figures show that this remains the case. In 2014, the average annual wage in Lancashire's visitor economy was less than half the all-sector average for the LEP area. Unsurprisingly given the north-south

salary divide, average wages in the visitor economy in Lancashire are lower than they are nationally.

Visitor Economy Average Annual Wages (2014)			
	Lancashire	England	Lancs as % England
Visitor economy	£11,444	£12,525	91%
Overall economy	£23,858	£27,487	87%
Source: ekosgen estimates based on Annual Survey of Hours and Earnings and Business Register and Employment Survey			

3.33 Sub-sectoral data[31] shows that average wages are particularly low in the beverage service sub-sector (£9,300). In other sub-sectors, the average ranges from £11,900 (operation of sports facilities and amusement parks) to £23,400 (water transport), i.e. in all parts of the visitor economy earnings are below the economy wide average.

Looking Ahead: Forecasts for the Visitor Economy

Employment

3.34 Using the 2014 STEAM data as a baseline, and factoring in historic trends and assumptions around future visitor expenditure, it is estimated that just under 4,000 additional full time equivalents will be required in Lancashire's visitor economy between 2014 and 2020[32]. Based on STEAM's definition of the sector and the baseline employment numbers used in the model, this is an increase of 8.6%. More than two fifths of this increase (42%, 1,652 FTEs) is expected to occur in Blackpool. None of the other local authority areas are expected to account for more than 11% of the increase.

Replacement Demand

3.35 Replacement demand occurs as employees retire, leave the workforce and/or move to other jobs. The STEAM forecasts do not include replacement demand (i.e. they cover new FTEs only) but given the transiency of the visitor economy workforce, it is safe to assume that replacement demand in this sector will be above average[33]. Employers suggest that the following occupations are particularly affected by replacement demand:

- **Engineers (mechanical and electrical):** this is more of an issue for the larger visitor economy employers who have plant and equipment to maintain (e.g. theme/amusement parks). The specific issue is one of an ageing workforce: employers report that many of their engineers are approaching retirement age and that some are being encouraged or incentivised to work longer because employers face significant difficulties recruiting staff to replace them.
- **Chefs and kitchen staff:** this affects visitor economy employers of all sizes, including those with a strong reputation for quality and those employing head chefs that are highly regarded and well recognised within the industry. High levels of staff churn, rather than retirements, is the issue.
- **Seasonal and other temporary roles:** often filled by students and those not considering a longer term career in the sector, there are many peak season jobs that are subject to replacement demand each year.

Population Projections

3.36 Population projections produced by the Office for National Statistics suggest that the population in Lancashire will grow more slowly than in both the North West and the country as a whole between 2015 and 2025 (2% compared with 4% and 7% respectively).

3.37 The working age population in Lancashire is expected to fall by nearly 2% over this period, in contrast to a 2% increase nationally. This will equate to 18,000 fewer residents of working age by 2025.

3.38 Of particular note for the visitor economy (which is characterised by a young workforce) is that the number of residents in Lancashire aged 20-29 is projected to decrease significantly – a drop of nearly 20,000 over the next 10 years. Low levels of growth are also forecast for 15-19 year old population.

3.39 Given that employees aged under 30 currently account for 42% of employment in the visitor economy, compared with 23% across Lancashire as a whole, this could result in further recruitment challenges, have implications for the

[31] Four digit SIC code level
[32] Global Tourism Solutions, 2015
[33] *Skills in Lancashire: A Comprehensive Evidence Base on Skills and Employment* (ekosgen, 2015) estimates all-sector replacement demand at 4%. Anecdotal feedback from employers gathered for this study, plus a review of vacancy data, suggests that in the visitor economy it will be significantly higher.

use of migrant labour and exacerbate the problems of an ageing workforce in certain occupations (e.g. engineers).

Population Projections 2015 – 2025				
	Lancashire		North West	England
Total	36,500	2%	4%	7%
Working Age	-18,000	-2%	-1%	3%
Detailed Age Groups				
Under 15	5,200	2%	4%	8%
15-19	2,100	2%	3%	7%
20-29	-19,400	-10%	-10%	-6%
30-39	12,900	8%	9%	9%
40-49	-28,900	-14%	-11%	-5%
50-59	-2,300	-1%	-1%	4%
60-64	17,600	21%	23%	26%
65+	49,300	17%	18%	21%
Source: ONS				

4 Recruitment and Retention

Summary of Key Points

- High vacancy rates have been a feature of the visitor economy for many years and continue to be the prevalent, both nationally and in Lancashire. Staff turnover has declined, although at more than 18% in 2012, it remains amongst the highest of any sector in the country.
- There are numerous reasons why recruitment and retention challenges exist in the visitor economy. Average wages are less than half of the all-sector average for Lancashire and weekend and evening working is common. Employers are also strongly of the view that full breath of jobs and careers available in the visitor economy are not being accurately conveyed to young people, especially in schools, and that a career in the sector is often seen as a second best option.
- Employers also expect higher standards in terms of employability and say that too few job applicants (especially young people) have the requisite work readiness skills to give the employers confidence that taking them on will be low risk.
- A related issue has also been identified around soft skills, and in particular customer handling, planning and organisation, oral communication and team work.
- Apprenticeship numbers in the sector have fallen significantly and the employers consulted for this study spoke of difficulties in finding suitable candidates for their apprenticeship vacancies. Some have disengaged from apprenticeships completely and are trying instead to develop their future workforce through work experience and placement schemes.

Introduction

4.1 The visitor economy has above average job vacancy rates and levels of staff turnover that are higher than any other sector in the country. This chapter explores the recruitment and retention issues facing the sector and, in doing so, draws on published data/reports and feedback obtained from employers gathered for the purposes of this plan.

4.2 **The chapter draws on data from the National Employer Skills Survey 2009 and the UK Employer Skills Surveys 2011 and 2013. In each of these surveys, the sector classification most relevant to the visitor economy is 'hotels and restaurants' (other parts of the visitor economy are subsumed within different sectoral classifications). It is therefore important when interpreting the findings to remember that findings from the National/UK Employer Skills Surveys reflect only a part of Lancashire's visitor economy, albeit a significant one.**

Vacancies: National Survey Data

4.3 High vacancy rates have been a feature of the visitor economy for many years. The 2009 National Employer Skills Survey, for example, found that 17% of hotels and restaurants reported having one or more vacancies, compared with the all-sector national average of 12%. This message was reinforced in the 2011 and 2013 surveys[34], although by 2013 the gap had narrowed to three percentage points.

4.4 It is a situation that is also reflected at the Lancashire level: the 2013 UK Employer Skills Survey showed that 17% of Lancashire's hotels and restaurants were reporting vacancies, compared with the all-sector average for Lancashire of 12%.

4.5 However, the 2013 survey also shows that hotels and restaurants tend to have fewer vacancies that are hard to fill or are classed as 'skills shortage vacancies', where candidates are reported to lack the necessary skills for the job. There could be several reasons for this, although it is of note that many of the employers consulted for this work have said that they recruit *"on attitudes, not specific skills"* (to quote a hotelier). In other words, it is not technical or job

[34] In 2013 the survey became UK-wide rather than just England and was renamed the UK Employer Skills survey.

specific skills that they prioritise when recruiting, but rather the demonstration of the right attitude (*"we recruit attitudes; we teach skills"* said another consultee).

Vacancies in the Lancashire LEP Area		
	Lancashire Total	**Lancashire Hotels and Restaurants**
Establishments with vacancies	12%	17%
Have at least one vacancy that is hard to fill	4%	2%
Have a skills shortage vacancy	3%	1%
% of all vacancies which are skills shortages vacancies	23%	3%
Source: UK Employer Skills Survey 2013		

Vacancies: Labour Insights

4.6 The Labour Insights online labour market information system gathers data on the job vacancies advertised online across the UK. Job postings are gathered from over 20,000 sources and categorised by occupation, sector and qualification requirement.

4.7 The data shows that across the two categories most relevant to the visitor economy – 'Accommodation and Food Service Activities' and 'Arts, Entertainment and Recreation' – in excess of 1,300 vacancies were advertised in Lancashire in 2014. This is 100 fewer than in 2013 but nearly 500 more than in 2012.

Lancashire Vacancies by Sector					
	2012	**2013**	**2014**		**UK**
	No.	**No.**	**No.**	**%**	**%**
Human Health And Social Work Activities	5,610	11,570	11,110	14%	9%
Manufacturing	6,340	5,740	4,860	6%	5%
Education	3,270	4,230	4,640	6%	5%
Wholesale And Retail Trade	2,870	3,200	2,910	4%	3%
Public Admin And Defence	640	1,390	2,300	3%	3%
Information And Communication	1,300	1,910	2,090	3%	3%
Administrative And Support Service Activities	1,730	3,340	1,880	2%	1%
Professional, Scientific And Technical Activities	1,360	1,300	1,020	1%	2%
Financial And Insurance Activities	1,750	1,080	1,010	1%	3%
Other Service Activities	660	1,050	920	1%	1%
Transportation And Storage	760	1,400	900	1%	1%
Accommodation and Food Service Activities	590	980	880	1%	1%
Construction	370	700	480	1%	1%
Arts, Entertainment And Recreation	250	440	440	1%	1%
Real Estate Activities	120	450	430	1%	1%
Utilities: Water Supply	4340	380	140	0%	0%
Mining And Quarrying	100	110	100	0%	0%
Utilities: Electricity	40	60	50	0%	0%
Agriculture, Forestry And Fishing	20	50	20	0%	0%
Activities Of Households As Employers	60	90	20	0%	0%
Unspecified	30,520	47,160	43,200	54%	60%
Total	**58,800**	**86,620**	**79,400**	**100%**	9%
Source: Labour Insights					

4.8 On the surface it may appear that vacancies in 'Accommodation and Food Service Activities' and 'Arts, Entertainment and Recreation' are, in relative terms, not especially prevalent. For example, the number of vacancies recorded in Human Health and Social Work Activities in 2014 equates to 11.3% of the

number of jobs in that sector in the same year. In manufacturing the equivalent figure is almost 6% and in education it is 8%. In 'Accommodation and Food Service Activities' and 'Arts, Entertainment and Recreation' combined, the figure is 2.3%.

4.9 In reality, however, these figures are likely to distort the true position, the key reason for which are the informal recruitment practices common to the visitor economy and covered in more detail later in this chapter. It is also of note that against more than half of all the vacancies captured by Labour Insights, the sector is not recorded, although there is no reason to assume that a disproportionate amount of these will be in visitor economy jobs.

4.10 Based on the Labour Insights data, the most commonly reported vacancies across the two visitor economy related sector areas have been for kitchen and catering assistants, chefs and customer service posts, all three of which featured in the anecdotal feedback provided by employers for this plan. Sales and retail assistants have also been in demand, although as with a number of the other occupations, fewer vacancies were recorded in 2014 than the year before. By contrast, vacancies for managerial staff, including those working in restaurants and catering establishments, bars and other service areas, appear to have increased.

Lancashire Vacancies in the Visitor Economy* – Most Commonly Reported by Occupation (top 15 occupations shown)		
	2013	**2014**
Kitchen and catering assistants	147	101
Chefs	137	143
Customer service occupations (NEC)**	162	89
Sales and retail assistants	102	95
Managers and directors in retail + wholesale	67	47
Restaurant and catering establishment managers and proprietors	51	72
Waiters and waitresses	76	79
Bar staff	32	35
Managers and proprietors in other services (NEC)**	35	44
Other administrative occupations (NEC)**	28	45
Actors, entertainers and presenters	22	50
Catering and bar managers	20	28
Other elementary service occupations (NEC)**	27	29
Receptionists	29	6
Cleaners and domestics	24	19
Source: Labour Insights *Defined here as 'Accommodation and Food Service Activities' and 'Arts, Entertainment and Recreation'. **Not elsewhere classified.		

4.11 Although the data on vacancies by local authority is not complete, it suggests over half of all the visitor economy vacancies in 2014 were in Preston and Blackpool. None of the other local authorities accounted for more than 10% of the total number of vacancies.

Vacancies: Feedback from Lancashire Employers

4.12 The online survey of employers undertaken for this study also explored recruitment difficulties in the Lancashire visitor economy and found that:

- A third of the businesses had faced difficulties filling vacancies in the previous two years.

- The hardest posts to fill included chefs, housekeepers, lifeguards, receptionists and software engineers (reflecting the diversity of the businesses that responded to the survey and to some extent echoing the Labour Insights data).

4.13 Most of the employers did not foresee these recruitment difficulties becoming any worse over the next two years, but it was similarly rare for them to report that they expect them to get any better.

Staff Turnover

4.14 Staff turnover in hospitality has declined in recent years, but, at more than 18% in 2012[35], it remains amongst the highest of any sector in the country. It is estimated that staff turnover costs the sector £274m a year[36] which, based on Lancashire's share of hospitality employment[37], would mean that the county's hospitality employers incur attrition related costs of approximately £6.6m per annum (or £2,200 per business, on average).

4.15 To some extent this is unavoidable. A surge in demand for staff over the summer months and an equivalent drop-off later in the year dictates that attrition and transiency is, and will remain, above national averages. But it almost certainly needn't be as high as it is and the cost to employers needn't be so great. Through the provision of more accurate and comprehensive information, advice and guidance about the sector to young people, a redressing of the downward trend in apprenticeships and a concerted effort to better sell the jobs and career paths available, it should be possible to reduce the number of people in the sector (both hospitality and the wider visitor economy) who subsequently choose to leave.

4.16 High turnover can also act as a disincentive for businesses to invest in their workforce. Based on data from the UK Employer Skills Survey, hotels and restaurants, both nationally and in Lancashire, are less likely to provide training for their staff than businesses across the UK economy as a whole. It can also be difficult from a logistical perspective for employers to train their staff at the start of, or during, the high season.

[35] Employer Skills Survey, 2012, People 1st
[36] Hospitality and Tourism – Creating a sustainable workforce, People 1st
[37] Defined here as 'food and drink services' and 'accommodation'

Informal Employment

4.17 The number of jobs that are offered and secured through unofficial, cash-in-hand arrangements is hard to estimate. However, based on feedback from employers and skills providers obtained for this study it is clearly very prevalent for the following two reasons:

- Employers (especially smaller employers) can find it difficult and time consuming to recruit staff through formal channels in sufficient volume for their peak season, turning instead to informal networks and cash-in-hand offers. The timing of FE provision can also be factor here, as some employers are keen to take on college leavers from the Easter period onwards, but find themselves unable to because the learners are still on programme until the end of the academic year.

> *"If they [the FE college students] aren't available until late June or July, that's too late for us. We have to look elsewhere, which is a shame because the college students have actually done on a course which gives them a bit of know-how about our industry."*
>
> Manager of an independent hotel

- Young people can (naturally) be drawn by the appeal of cash-in-hand summer work in the sector, despite it being short term, low paid and lacking in future prospects. For the duration of the employment, the average wage will often comfortably exceed the minimum paid to apprentices.

4.18 These issues have existed for many years in the sector and are far from straightforward to address. They are also by no means unique to Lancashire: a study dating back to 1994 and another from 2004 noted the prevalence of black market employment in the tourism sector nationally[38]. But that is not to say that new and additional efforts should not be made to try and make further inroads into them. As such, the actions in Chapter Seven advocate the provision of good quality, accurate and timely advice for young people about jobs and careers in the sector. They also encourage skills providers to consider whether they can compress the delivery schedule for provision relevant to the visitor economy to be better aligned with the annual surge in demand from employers.

[38] E.g. Riley, M (2004) 'Labour mobility and market structure' and Stalker, P (1994) 'The work of strangers'.

Why do Recruitment Challenges Exist?

Pay and conditions do not compare well

4.19 Average wages in the visitor economy are less than half of the all-sector average for Lancashire. Weekend and evening work is common to many roles and whilst there are evidently numerous career paths that can lead to considerable financial rewards, the entry level salaries are, in many cases, at the minimum wage.

4.20 National economic cycles can also affect the relative appeal of pay and conditions in low paying sectors. The visitor economy and social care, amongst others, have been known to experience more pronounced recruitment challenges when the national economy is more buoyant and individuals have greater choice over where they work.

> *"Improvements in the economy, shift working, working over seven days.....all of these things make a job in our sector less appealing than other opportunities"*
>
> Employer

4.21 Anecdotally, employers also noted that fewer Eastern European migrants are putting themselves forward for visitor economy employment than in the past. For some employers, Eastern European workers have been (and remain) an important way of filling vacancies and are reportedly less likely to leave than British employees.

Opportunities in the Visitor Economy are undersold

4.22 One of the most consistent messages to emerge from the primary research undertaken for this study is that the full breath of the visitor economy and the jobs and careers prospects it offers are not being accurately conveyed to young people, especially in schools.

4.23 Responsibility for careers guidance rests with schools but restrictions on resources and the demands of the national curriculum mean that it can assume a lesser priority than it ideally should. Employers consulted for this study were commonly of the view that the advice and guidance is not up to date and that it gives far too narrow a perspective of the opportunities and careers (as distinct from jobs) that are available. They spoke of a misconception that job opportunities in the sector are wrongly, but nonetheless often, seen as being limited to waiting tables, kitchen work or seasonal employment. The full array of roles (which cover marketing, management, finance and a host of other areas) is rarely conveyed accurately.

> *"The message isn't getting across that you can pursue all sorts of paths in hotels and catering. It's regarded as cooking and cleaning rooms, but there's a world of opportunities out there."*
>
> Employer

4.24 Employers believe that this has a considerable bearing on the volume (or lack) of job applications they receive and the characteristics of the applicants. Many also see it as being amongst the most significant issues to be addressed if the supply of, and demand for, skills in the visitor economy are to become better aligned.

4.25 Apprenticeships are also relevant here. Following a steady year-on-year increase in Leisure, Travel and Tourism apprenticeships in Lancashire, a marked fall of more than 60% was recorded between 2011/12 and 2013/14. The number of starts across all frameworks combined in Lancashire also fell over this period but to a far lesser extent (-16%). There are various reasons for this. The Raising the Participation Age reforms, for example, have caused fewer young people to choose employment (full or part time) with training as their preferred post-16 destination. The recession prevented many employers, including those operating in the visitor economy, from taking on (more) apprentices, and the proposed introduction of Advanced Learning Loans for Level 3+ provision for learners aged 24+ has also played a part.

4.26 Research has also found that that nearly two thirds of parents do not understand apprenticeships (in any sector) and the majority believe they are only available in manual jobs[39]. Research by City and Guilds has shown that young men are almost twice as likely to be advised to pursue an Apprenticeship as

[39] https://www.aat.org.uk/news/article/parents-and-apprenticeships

young women[40], while the Sutton Trust found that 65% of teachers said they would rarely or never advise a high-achieving student to consider an Apprenticeship[41].

4.27 Visitor economy employers in Lancashire, including large employers, see these as very significant problems. Those consulted for this study regularly spoke of difficulties in finding suitable candidates for their apprenticeship vacancies. Some have disengaged from apprenticeships completely as a result and are trying instead to develop their future workforce through work experience and placement schemes. Others need apprentices to help address the issue of an ageing workforce but very few, it would seem, receive enough applications from young people with the skills and attributes they require (note that quote below comes from one of the county's larger visitor economy employers).

> *"We advertised a vacancy for an apprentice engineer in October 2014….I'm doing the first interview next week [June 2015]. There has been such little interest."*
>
> Employer

4.28 There is also the issue of apprentice retention. Hoteliers consulted for the study reported that apprentices will often work at the business for a few weeks, but will soon leave having become disillusioned by weekend and evening working. The low minimum wage for apprentices (£2.73 per hour at the time of writing) also influences retention, although the same problems were reported by employers who pay the adult minimum wage.

4.29 Given the well documented commercial and economic benefits of apprenticeships, the policy priority that has already been attached to them by the new Government and the frustration that is evident amongst Lancashire's visitor economy employers, it is important that action be taken. Chapter Seven therefore advocates that apprenticeships feature as a core theme within a new Visitor Economy Ambassador Programme and that options be explored to increase the number of employers participating in Traineeships (for some young people a natural stepping stone to an apprenticeship).

Negative perceptions exist of jobs in the visitor economy

4.30 Jobs in the visitor economy are often, if wrongly, labelled as 'second best'. There are various reasons for this, ranging from attitudes (nationally) towards service sector employment to the undeniable issue of low average pay, but to bracket all employment in the sector together in this regard is both inaccurate and very frustrating for employers.

4.31 The available data on young people's job choices would seem to highlight the problem. In mid-May 2015, there were 1,786 young people in Lancashire's NEET (not in education, employment or training) cohort, only 126 of whom (7%) had expressed an interest in working in the sector. And across the cohort of young people aged 15-17 in full time education in Lancashire, only 4% of those with a recorded job preference had identified a job in the visitor economy.

4.32 The suggestion that customer facing roles in the sector require only very basic skills is also misplaced. Front of house staff in hotels, for example, require day-to-day working knowledge and practical ICT user skills for the particular technology used in their business. They may need to know how to access Wi-Fi systems, troubleshoot problems guests may have with technology and carry out simple maintenance activities such as restarting. Many kitchen roles also require general IT user skills to carry out stock taking, ordering, menu planning as well as using HR and e-learning systems as part of their development.

4.33 A consistent theme in the feedback from employers is that these messages aren't being adequately conveyed to young people in schools. Consequently it is a topic that is revisited in the actions in Chapter Seven.

Employers expect applicants to be more work ready

4.34 Skills providers, from schools to higher education, recognise and are embracing the importance of core skills, flexibility and equipping their learners with appropriate work readiness skills.

4.35 Nonetheless, employer feedback suggests that they expect higher standards and that too few job applicants (especially young people) have the

[40] http://www.cityandguilds.com/news/March-2014/apprenticeships-not-just-for-boys#.VNSPApWzXX4

[41] The Sutton Trust, Higher Apprenticeships Better for Jobs than University Degrees Say Public, press release, 8 July 2014

requisite set of rounded work readiness skills that give the employers confidence that taking them on will be low risk.

> *"We find that many young people are not very well prepared and struggle to get into the routine of going to work each day."*
>
> Employer

4.36 There are examples of where industry and education are working well together on these issues (see the Runshaw College example in Chapter Six), but the opportunity exists to strengthen those links.

Access to transport can be a barrier to employment

4.37 Several times during the consultation work undertaken for this study, the scarcity of public transport services outside of conventional working hours has been highlighted as an issue affecting (un)employment and the filling of vacancies in the visitor economy.

> *"We're only 3 miles out of the town but we have terrible trouble finding people [to fill vacancies] because many don't have their own transport and they finish work after the buses have stopped."*
>
> Employer

4.38 Schemes aimed at addressing this issue (e.g. *Wheels to Work*) exist elsewhere in the country, but not currently in Lancashire. Chapter Seven therefore recommends that a dialogue be initiated with stakeholders in other sectors to explore the merits of introducing a cross-sector supported transport initiative.

Applicants often lack the necessary soft skills

4.39 National research by People 1st has identified a particular recruitment challenge around the poor quality soft skills of job applicants[42]. To some extent this is supported by the 2013 UK Employer Skills Survey and the 2011 National Employer Skills Survey, both of which found that hotels and restaurants with hard to fill vacancies often report that applicants lack the necessary customer handling, planning and organisation, oral communication and/or team work skills.

4.40 These findings are corroborated not only by the Labour Force Survey – which in 2014 found that almost three fifths of tourism employers said that young people lacked basic soft skills such as communication and team working[43] – but also by the primary research undertaken for this study, where employers cited attitudinal, motivational and personality issues as being amongst the main reasons for their recruitment challenges.

4.41 It is difficult to address this holistically through a sector specific action plan, but nonetheless, in a competitive, customer focused market the importance of soft skills and attitudes, including effective communication, can have a definite impact on business performance. Commendable progress has been made through the provision of high quality customer service training and steps should be taken to continue driving up the number of visitor economy employers participating in this kind of workforce development activity in the future.

[42] Overcoming the Soft Skills Challenge, People 1st, May 2015

[43] Labour Force Survey 2014, ONS

5 Skills Gaps

Summary of Key Points

- Skills gaps in the visitor economy are distinctly more prevalent than they are across the UK economy as a whole. In Lancashire, the 2013 UK Employer Skills Survey showed that 22% of the county's hotels and restaurants had a skills gap, compared with the all-sector Lancashire figure of 17%. The proportion of staff in hotels and restaurants reported not to be fully proficient was twice the LEP average.
- Managerial skills gaps are common in the visitor economy. The young workforce and high turnover rates mean that employees who remain within the workforce often find themselves progressing into senior positions at a faster rate than they might do in other sectors. This offers a degree of social mobility but can also lead to inexperienced managers.
- Whilst the proportion of businesses able to accept online bookings is increasing, it is estimated that more than a quarter of bed and breakfast establishments (nationally) are still unable to do so. Anecdotal feedback provided for this study points to an opportunity for smaller visitor economy businesses in Lancashire to become more skilled at e-commerce, online marketing and social media.
- Expectations of customer service in the visitor economy have risen considerably in recent years, yet many employers still report skills gaps in this area. Considerable efforts are being made to address the issue in Lancashire and it is important that these be continued and, where appropriate, expanded to ensure that the local visitor economy keeps pace with other parts of the country and responds to evolving consumer demands.

National Headlines[44]

5.1 A skills gap occurs where staff are reported not to be fully proficient at their jobs. Nationally, the evidence suggests that skills gaps in the visitor economy are distinctly more prevalent than they are across the economy as a whole. For example:

- The UKCES 2012 Sector Skills Assessment[45], which uses a classification of 'hospitality, tourism and sport', found that a fifth of these businesses reported skills gaps, compared with an all-sector average of 13%. The proportion of employees with skills gaps in these businesses was estimated at 8%, which was also considerably higher than the all-sector figure of 5%. It was also higher than in any other sector.
- The 2013 UK Employer Skills Survey paints a similar picture for hotels and restaurants and shows that 23% of these businesses nationally had skills gaps against an all-sector average of 17% (see table below). It also reports that 9% of the hotels and restaurant workforce was deemed not fully proficient compared with 5.5% nationally. Sales and customer service roles, machine operatives and elementary occupations are those within which staff are the most likely to be deemed not fully proficient.

[44] Figures in this chapter that are taken from the UK Employer Skills Survey are for hotels and restaurants only.
[45] Hospitality, tourism and sport: Sector Skills Assessment (2012), UKCES

Incidence of Skills Gaps by Sector		
Sector	**% establishments with skills gaps**	**% staff reported as having skills gaps**
UK (all sectors)	17%	5.5%
Hotels and Restaurants	23%	9.0%
Agriculture	11%	4.6%
Mining and Quarrying	14%	3.1%
Manufacturing	20%	6.0%
Electricity, Gas and Water	19%	5.6%
Construction	13%	4.8%
Wholesale and Retail	19%	6.6%
Transport and Communications	15%	4.6%
Financial Services	21%	4.4%
Business Services	13%	5.1%
Public Administration	23%	5.3%
Education	22%	3.8%
Health and Social Work	20%	5.2%
Community, Social and Personal Services and Activities	16%	5.6%
Source: UK Employer Skills Survey 2013		

5.2 The above has its roots in the higher levels of employment of young people in the hotels and restaurants industry, the low entry level requirements for many roles and employers' training strategies (it is known from both the 2011 and 2013 Employer Skills Surveys that a below average proportion of hotels and restaurants provide training, and especially off-the-job training, for their staff).

5.3 The figures are also likely to be influenced by the staff turnover in accommodation and food and beverage services in particular, i.e. with high rates of churn and a competitive environment in businesses across the sector, it can be difficult to maintain a workforce which is fully skilled.

Skills gaps in Lancashire: Headlines

5.4 The national picture of skills gaps is largely reflected at the Lancashire level, with the 2013 UK Employer Skills Survey showing that 22% of Lancashire's hotels and restaurants have a skills gap, compared with the all-sector Lancashire figure of 17%. Hotels and restaurants account for 12% of all skills gaps in Lancashire, a proportion that is one and a half times greater than the employment share of the entire visitor economy across the LEP area. What is more, as a proportion of employment, the number of staff not proficient in their role is twice the LEP average.

Skills Gaps in the Lancashire LEP Area		
	Lancashire Hotels and Restaurants	**Lancashire Total**
% of establishments with any staff not fully proficient	22%	17%
Number of staff not fully proficient as a % of employment	8%	4%
Source: UK Employer Skills Survey 2013		

5.5 Only a third of the businesses that responded to the online survey for this plan said that the skills of their current workforce fully meets their business needs.

Management and Leadership

5.6 The transient nature of the workforce can make it difficult for employers, especially SMEs, to develop management and leadership capabilities. People 1st estimate that 6% of hospitality and tourism businesses have managerial vacancies and that problems often arise due to managers being new in their role, not having completed formal management training and struggling to adapt to their new responsibilities[46].

5.7 Feedback from employers obtained for this work chimes with the national message and adds weight to the assertion that SMEs in the visitor economy should be supported to develop their leadership and management skills. The

[46] Hospitality and Tourism: We overlook our management and leadership needs at our peril, People 1st

relatively young workforce and high turnover rates mean that employees who remain within the workforce often find themselves progressing into senior positions at a faster rate than they might do in other sectors. Whilst this offers a degree of social mobility, it can also lead to relatively inexperienced managers.

> *"Too many employers fail to recognise that leadership and management doesn't just come through long service, it is a skill that needs to be trained or coached."*
>
> Employer

5.8 The new European programme may provide the opportunity to provide leadership and management support through a bespoke programme of intervention, drawing on the expertise of local stakeholders and building in lessons learnt from previous initiatives.

Digital Awareness and Marketing

5.9 A recent travel and tourism survey administered nationally[47] found that half of the businesses surveyed reported a year-on-year increase in online bookings and 16% more companies were able to take online bookings than a year earlier. Despite this, 26% of operators in the hotel and bed and breakfast sector are still unable to take online bookings and anecdotal feedback provided for this study points to an opportunity for smaller businesses in the sector to become more skilled at e-commerce, online marketing and social media.

> *"Some of our students do placements at small hotels and bed and breakfasts. So often, I get feedback from the employers about how the student has helped them to set up a Twitter account or put them on Facebook. We assume that everyone does this nowadays but in this sector it's just not the case."*
>
> Course leader, FE College

5.10 The Superfast Lancashire programme is increasing access to the technology but further work may be required to promote take up, including explaining how to use superfast enabled technologies and showcasing the benefits that can be generated as a result. In the online survey of employers for this study, more than 80% of the companies who expect at least one workforce skill to require improvement over the next two years (and more than a third of the full sample) highlighted IT/digital skills.

Customer Service

5.11 Over the last 20 years, expectations of customer service in the visitor economy, and indeed across the economy as a whole, have risen considerably. It is therefore of some note that in 2013, 61% of the hotels and restaurant businesses with skills gaps said that these gaps included customer handling skills and 26% said that had resulted in them losing business to competitors[48]. Amongst the companies that responded to the online survey for this study, more than half of those who expect at least one workforce skill to require improvement over the next two years cited customer service as a key area.

5.12 Considerable efforts are clearly being made in this regard in Lancashire (see 'The Emerging Response', below, for examples). It is important that these be continued and, where appropriate, expanded to ensure that the local visitor economy keeps pace with other parts of the country and responds to evolving consumer demands.

The Emerging Response

5.13 Whilst the recruitment and retention issues (Chapter Four) and skills challenges (this chapter) in the visitor economy may not have previously been researched with a specific Lancashire focus, they are well recognised within the county and have led both employers and skills providers to take action.

5.14 The two summaries in the shaded boxes below highlight some of the new and innovative practice that is taking place. But these examples are by no means exhaustive. Others include:

- **The new £5m Visitor Economy Centre at Accrington and Rossingdale College.** Due to open in September 2015, the new centre will host the college's Hospitality and Catering, Travel and Tourism, Financial Services and

[47] Travel and Tourism Survey 2015, MHA

[48] Employer Skills Survey 2013, UKCES

Business and Logistics departments. It will also include a high quality restaurant, bakery, retail outlet and conference facilities.

- **UCLan** offer local, national and international work experience for their Tourism and Hospitality Management students, while some **FE colleges** in the county have recruited tutors with up to date industry experience who are well placed to convey the skills that employers in today's visitor economy need and expect.
- Take-up of **Welcome to Excellence** – one of the most successful customer service initiatives in the UK – has been strong and the ambition for Blackpool to become the first seaside town in the UK to achieve **WorldHost Recognised Destination** status provides clear evidence that the town is looking to further strengthen its visitor offer.

Blackpool Tourism Academy

The Blackpool Tourism Academy (BTA) is a co-funded initiative through the government's Employer Ownership Pilot which is seeing £2m invested over three years to raise the skills of people who work in the resort's visitor economy.

The training available ranges from customer service, supervisory and management programmes, to spectator management, gaming awareness, selling techniques and passenger carrying. Over 2,500 training places will be available to staff within the Academy founding employers (Merlin Entertainments, Cuerden Leisure, Blackpool Transport Services, Sandcastle Waterpark and Blackpool Zoo). Courses feature participants from across several businesses at once, and are hosted at a range of employer venues.

The BTA is an ambitious programme that is introducing a skills progression model that will be recognised throughout the resort. It also sees the introduction of a new apprenticeship framework to meet to the needs of a modern tourism industry. Each employer will have slightly different requirements and as such the framework has bespoke modules such as spectator management and selling skills. The aim is to create over 100 new apprentice opportunities for people in Blackpool, while the BTA as a whole will deliver over 5,000 new training opportunities for staff within businesses across the resort up to 2017.

Runshaw College

Runshaw College has entered into an innovative partnership arrangement with Hays Travel to develop 'The Travel Pod at Runshaw'. A fully working, commercial travel agents, the pod gives students the opportunity to undertake meaningful work experience in a retail travel environment whilst also gaining recognised industry qualifications.

The college also has a mock aircraft giving Travel and Tourism students the opportunity to gain practical experience and a recognised qualification in airline cabin crew.

Recently the college ran an awareness raising session and invited the careers advisors from 40 secondary schools to attend, the aim being to convey the full range of study options and job/careers opportunities that exist in the visitor economy. Since running the session the college has seen a marked increase in applications.

6 Supply Side Provision

Summary of Key Points

- In 2013/14, there were 8,530 starts on Leisure, Travel and Tourism 'education and training' learning aims in Lancashire. This is a 21% drop from the previous year, influenced in part by the Raising the Participation Age reforms. In 2013/14, starts in Leisure, Travel and Tourism accounted for 3% of all education and training starts in Lancashire.
- In 2013/14, just under half (47%) of the learning aim starts were by learners aged 16-18. Eleven per cent of the starts were by learners aged 19-24 and 42% by learners aged 25+. Learners aged 16-18 were the most likely to pursue learning aims at Level 3 while those aged 19-24 were the most likely to pursue learning aims at Level 4.
- Lancashire's providers fare well against the national average success rate for education and training provision in Leisure, Travel and Tourism. Across the ten providers that delivered the highest volume of Leisure, Travel and Tourism learning aims in 2013/14, seven had an above average success rate and only three were below.
- With 360 starts across the county in 2013/14, Leisure, Travel and Tourism was the sixth most commonly selected apprenticeship framework in Lancashire, although the frameworks in the top three positions had between 7 and 13 times that number of starts.
- Following a steady year-on-year increase in Leisure, Travel and Tourism apprenticeships in Lancashire, a reduction of 60% was observed between 2011/12 and 2013/14. Learners aged 16-18, and those aged 25+, have been responsible for the reduction.
- UCLan is the only university headquartered in the county that currently delivers provision under the 'Hospitality, Leisure, Sport, Tourism and Transport' category. In 2013/14, UCLan had 800 first degree students and 260 postgraduate students on that provision, equating to 5% of their undergraduate and 6% of their postgraduate cohorts respectively.

Education and Training

6.1 'Education and training' in this context includes FE provision, community learning and workplace learning. Apprenticeships are considered separately later in the chapter.

6.2 The education and training data – and indeed all the data in this chapter – is taken from the Skills Funding Agency's Data Cube[49]. It covers all learners learning within Lancashire. Unless otherwise stated, those learners whose registered home address is in Lancashire but who learn outside of the county are excluded from the analysis.

Starts: overall, by age and level

6.3 In 2013/14, there were 8,530 starts on Leisure, Travel and Tourism learning aims in Lancashire. This is a reduction from the previous year of 2,290 starts: a 21% drop which has been influenced, in part at least, by the Raising the Participation Age reforms. In 2013/14, starts in Leisure, Travel and Tourism accounted for 3% of all education and training starts in Lancashire.

Leisure, Travel and Tourism Learner Aim Starts by type			
	2012/13	2013/14	Change 2012– 20/14
	No.	No.	%
Education and Training	10,820	8,530	-21%
Source: Data Cube			

6.4 As shown below, a considerable proportion of the reduction in starts (1,380 starts or 60%) is accounted for by provision at Levels 1 and 2. In proportionate terms there have been notable increases in provision at Entry Level and Level 4, although in both cases the absolute numbers remain low.

6.5 The overall reduction in starts is of some concern for the visitor economy in Lancashire, where employers have been of the view for some time that too few

[49] On the Data Cube, all ESF funded provision is recorded as 'education and training'. Workplace learning, in the context of the Cube, is only recorded as such where it is funded through the Adult Skills Budget. As such, workplace learning numbers, when considered in isolation, appear very low. For that reason they have been incorporated under the 'education and skills' umbrella heading.

young people are choosing post-compulsory study, jobs and careers in the sector. It also adds weight to the actions in Chapter Seven regarding information, advice and guidance.

Leisure, Travel and Tourism Learner Aim Starts by level					
	2012/13		2013/14		Change 2012 – 2014
	No.	%	No.	%	%
Entry level	40	0%	100	1%	150%
Level 1	2,150	20%	1,160	14%	-46%
Level 2	2,280	21%	1,890	22%	-17%
Level 3	2,760	26%	2,600	30%	-6%
Level 4	190	2%	280	3%	46%
Higher level	80	1%	-	0%	-100%
Not applicable	3,310	31%	2,510	29%	-24%
Total	**10,820**	**100%**	**8,530**	**100%**	**-21%**
Source: Data Cube					

6.6 In 2013/14, just under half (47%) of the learning aim starts were by learners aged 16-18. Eleven per cent of the starts were by learners aged 19-24 and 42% by learners aged 25+. Reflecting the younger age profile of the visitor economy workforce, learners aged 16-18 and 16-24 are over-represented on visitor economy provision relative to provision across the Lancashire LEP area as a whole.

Leisure, Travel and Tourism Learner Aim Starts by Age 2013/14: Comparisons with Lancashire LEP area profile		
	Leisure, Travel and Tourism	Lancashire LEP Area
16-18	47%	35%
19-24	11%	16%
25+	42%	48%
Totals	**100%**	**100%**
Source: Data Cube		

6.7 The table below shows that 85% of education and training learning aims started by learners aged 16-18 were at Level 2 or above, compared with equivalent figures of 77% for those aged 19-24 and 19% for those aged 25+ (noting the high proportion of 'not applicable' records for this age group). Learners aged 16-18 are, by some margin, the most likely to pursue learning aims at Level 3.

Leisure, Travel and Tourism Learner Aim Starts by age and level (%)				
	16-18	19-24	25+	Total
Entry level	0%	4%	2%	1%
Level 1	14%	14%	13%	14%
Level 2	26%	42%	13%	22%
Level 3	57%	19%	4%	30%
Level 4	2%	16%	2%	3%
Not applicable	0%	5%	68%	29%
Total	**100%**	**100%**	**100%**	**100%**
Source: Data Cube				

Starts by provider

6.8 Lancashire County Council delivered at least twice the number of education and training learning aim starts in leisure, travel and tourism as any other provider in 2013/14. Note, however, that the Lancashire County Council figure includes 1,700 community learning starts (92% of the Council's total starts). Blackpool and the Fylde College is the only other provider accounting for more than 10% of education and training starts.

Leisure, Travel and Tourism Education and Training Starts by Provider 2013/14: Top 10 Providers		
	No.	**% of total starts**
Lancashire County Council	1,850	22%
Blackpool and the Fylde College	940	11%
Blackburn College	710	8%
Accrington and Rossendale College	560	7%
The Blackpool Sixth Form College	530	6%
Preston College	520	6%
Runshaw College	400	5%
Burnley College	390	5%
Myerscough College	290	3%
Newcastle College Group	270	3%
Total FE Starts	**8,530**	**100%**
Source: Data Cube		

Leisure, Travel and Tourism Education and Training Success Rates by Provider 2013/14	
	Success Rate (%)
Blackburn College	96.2%
Burnley College	92.1%
Lancaster and Morecambe College	92.1%
Preston College	92.1%
Myerscough College	90.2%
Runshaw College	89.6%
The Blackpool Sixth Form College	89.5%
Blackpool and The Fylde College	88.2%
Accrington and Rossendale College	87.8%
Newcastle College Group	84.5%
Source: SFA Note: Table presents data on estimated providers with highest number of achievements in Lancashire.	
Above the national success rate in Leisure, Travel and Tourism (88.5%)	
Below the national success rate in Leisure, Travel and Tourism (88.5%)	

Achievements and Success Rates

6.9 Achievements in this context tell us the number of achieved learning aims within a given period. There were 9,280 learning aim achievements in Leisure, Travel and Tourism in Lancashire in 2012/13 and 7,180 in 2014 – a reduction of 23% (a broadly equivalent reduction as was observed in starts).

6.10 More insight is gained by looking not at absolute numbers of achievements, but at success rates (the number of achieved learning aims with an end date in a given period expressed as a percentage of starts with a planned end date in that period). The table on the following page therefore shows the success rates in Leisure, Travel and Tourism of the 10 providers with the highest number of achievements in that subject area[50].

6.11 Overall, Lancashire's providers fare well against the national average success rate in Leisure, Travel and Tourism of 88.5%. Across the ten providers that delivered the highest volume of Leisure, Travel and Tourism learning aims in 2013/14, seven had an above average success rate and only three were below the national average. The message is therefore that where learners are choosing Leisure, Travel and Tourism related provision in the county, in many cases that provision appears to be of high quality and they have a very strong chance of succeeding.

6.12 Further research could be undertaken with Blackburn College, in particular, to identify whether any aspects of their teaching and learning practice in Leisure, Travel and Tourism may be relevant and of benefit to other providers in the LEP area.

[50] Note that the way in which the success rates are calculated dictates that they may include provision that has been delivered outside the Lancashire LEP area. Note also that Lancashire County Council does not appear in the table because the success rate statistics do not include community learning.

Apprenticeships

Starts: overall, by age and level

6.13 In 2013/14 there were 360 starts on Leisure, Travel and Tourism apprenticeships in Lancashire. This represents 3% of all apprenticeship starts in the county and is line with the equivalent figures for both the North West region and the country as a whole. Leisure, Travel and Tourism was the sixth most commonly selected apprenticeship framework in Lancashire in 2013/14, although the frameworks in the top three positions had between 7 and 13 times the number of starts as Leisure, Travel and Tourism.

Apprenticeship starts by sector: Change 2012/13 – 2013/14

	2012/13	%	2013/14	%	Change (%)
Business, Administration and Law	6,380	36%	4,690	33%	-26%
Health, Public Services and Care	4,520	25%	3,380	24%	-25%
Retail and Commercial Enterprise	3,020	17%	2,530	18%	-16%
Engineering and Manufacturing Technologies	1,860	10%	2,090	15%	13%
Construction, Planning and the Built Environ.	790	4%	570	4%	-27%
Leisure, Travel and Tourism	430	2%	360	3%	-15%
Education and Training	340	2%	270	2%	-22%
Information and Communication Technology	330	2%	250	2%	-24%
Agriculture, Horticulture and Animal Care	160	1%	190	1%	20%
Arts, Media and Publishing	30	0%	30	0%	-3%
Science and Mathematics	10	0%	1,410	0%	56%
Total	**17,860**	**100%**	**14,384**	**100%**	**-19%**
Source: Data Cube					

6.14 Between 2012/12 and 2013/14, the reduction in the number of Leisure, Travel and Tourism apprenticeships was accounted for entirely by a drop in the number of Advanced Apprenticeship starts. This mirrors the situation across Lancashire (all frameworks), where Advanced Apprenticeships accounted for 46% of starts in 2012/13 but only 33% in 2013/14. The reduction is believed to be largely down to the proposed introduction of Advanced Learning Loans for Level 3+ provision for learners aged 24+, although the Government has since withdrawn this obligation.

6.15 Perhaps of greater concern is the fact that following a steady year-on-year increase in Leisure, Travel and Tourism apprenticeships in Lancashire, a reduction of 60% was observed between 2011/12 and 2013/14, reflected in employer feedback about the scarcity of good quality apprenticeship candidates. The number of starts across all frameworks combined in Lancashire also fell over this period but to a far lesser extent (-16%).

Leisure, Travel and Tourism Lancashire Learner Profile by level: Apprenticeship Starts

	2012/13		2013/14	
	No.	%	No.	%
Intermediate Level Apprenticeship	230	55%	230	63%
Advanced Level Apprenticeship	190	45%	130	37%
Total	**430**	**100%**	**360**	**100%**
Source: Data Cube				

6.16 Looking at Leisure, Travel and Tourism starts by age group shows that 16-18 year olds and, to a greater extent, 25+ year olds have been responsible for the reduction in starts between 2012/13 and 2013/14 (linked to the previous point on Advanced Learning Loans). By contrast, there was a slight increase in starts amongst learners aged 19-24 over that period. This sits directly at odds with the all-framework profile across Lancashire, which saw a 10% increase in starts amongst 16-18 year olds, but a 3% and 40% reduction amongst those aged 19-24 and 25+ respectively.

Leisure, Travel and Tourism Lancashire Learner Profile by age: Apprenticeship Starts					
	2012/13		2013/14		Change
	No.	%	No.	%	%
Under 16	-	-	-	-	-
16-18	140	34%	120	33%	-17%
19-24	130	31%	140	39%	8%
25+	150	35%	100	27%	-34%
Total	**430**	**100%**	**360**	**100%**	**-15%**
Source: Data Cube					

6.17 In some regards, the situation in Lancashire mirrors that nationally. Research from CIPD suggests that apprenticeships in Leisure, Travel and Tourism receive, on average, fewer applications than vacancies in the vast majority of other subject areas. Vacancies in Leisure Management and Leisure Operations, in particular, tend to receive very few vacancies[51]. Even so, it is a pattern which gives employers considerable cause for concern, especially where apprentices form an integral part of their workplace planning and succession strategies.

Starts by provider

6.18 Nearly one in five of all 2013/14 apprenticeship starts in Leisure, Travel and Tourism was delivered by Lifetime Training Group headquartered in Bristol. Noting that figures in the Data Cube are rounded, the other main providers of Leisure, Travel and Tourism apprenticeships each delivered a similar number of starts.

Leisure, Travel and Tourism Apprenticeship Learner Starts by Provider 2013/14		
	No.	% of total starts
Lifetime Training Group Limited	70	19%
Wigan Metropolitan Borough Council	20	7%
Progress To Excellence Ltd	20	6%
Burnley College	20	6%
Babcock Training Limited	20	5%
Icon Vocational Training Limited	20	5%
North Hertfordshire College	20	5%
Barnardo's	20	4%
Thomas Cook Group UK Limited	20	4%
Loughborough College	10	3%
Total Apprenticeship Starts	**360**	**100%**
Source: Data Cube		

Achievements and Success Rates

6.19 There were 500 Leisure, Travel and Tourism apprenticeship achievements in Lancashire in 2012/13 and 270 in 2013/14, although as with 'education and training', more insight can be gleaned from success rate data[52]. This is shown below for the 10 providers with the highest number of apprenticeship achievements in Lancashire in 2013/14. There is a much larger spread of success rates amongst these providers than in the equivalent table for Education and Training – almost 28 percentage points between the provider with the highest success rate and the provider with the lowest. Those providers in italics are headquartered outside the Lancashire LEP area.

[51] The Match Factor: Good Practice in Apprenticeship Recruitment (CIPD, 2014)

[52] As with the education and training data, the way in which the success rates are calculated dictates that they may include provision that has been delivered outside the Lancashire LEP area.

Leisure, Travel and Tourism Apprenticeship Success Rates by Provider 2013/14	
	Success Rate (%)
League Football Education	92.1%
Blackburn College	91.3%
Kingston Maurward College	*89.8%*
Burnley College	87.5%
Thomas Cook Group UK Limited	*86.9%*
Lifetime Training Group Limited	*75.1%*
Cambridge Regional College	*74.0%*
Babcock Training Limited	*73.2%*
Icon Vocational Training Limited	*71.5%*
Weston College Of Further And Higher Education	*64.5%*
Source: SFA Note: Table presents data on providers with highest number of achievements in Lancashire.	
On or Above the national success rate in Leisure, Travel and Tourism (71.5%)	
Below the national success rate in Leisure, Travel and Tourism (71.5%)	

Higher Education Institutions

6.20 Lancashire has three universities that are headquartered in the county: UCLan, the University of Lancaster and Edge Hill University. In terms of visitor economy provision (defined as courses categorised by HESA[53] as 'Hospitality, Leisure, Sport, Tourism and Transport'), only one of those – UCLan – delivered any provision in 2013/14. In that year, they had 800 first degree students and 260 postgraduate students undertaking provision, equating to 5% of their entire undergraduate and 6% of their postgraduate cohorts respectively.

[53] Higher Education Statistics Agency

7 Actions

7.1 The actions in the tables on the following pages are separated into three categories. Together these categories cover a range of employment and skills topics relevant to the visitor economy, some of which are a high priority now and others which will grow in significance over the years ahead, especially without further intervention. The three categories are:

- **Preparing the Future Workforce:** these actions are designed to increase the number of people with the right skills and attitudes choosing careers in the visitor economy. They have been developed in response to high vacancy rates, high turnover and growing frustration amongst employers about how their sector is perceived within parts of the skills system. They also acknowledge that apprenticeship numbers in visitor economy related provision are falling, despite the proven benefits they offer, and that many employers would like the work readiness and employability skills of young people to be better.

- **Developing the Existing Workforce:** these actions are aimed at addressing skills gaps in the visitor economy workforce. They seek to increase the proportion of SMEs that can sell online, advocate support for new and young managers and look to ensure that the visitor economy is prioritised within future workforce development programmes in Lancashire.

- **Learning from Good Practice and Deepening Knowledge:** these actions recognise the innovative and effective practice that is already taking place in Lancashire's visitor economy and proposes that its wider roll-out be considered. They also recommend that economies of scale be explored with senior influencers in the visitor economy nationally and that further qualitative research be undertaken with employers in specific sub-sectors.

7.2 Each action has been assigned a lead organisation that will be responsible for its implementation and for reporting progress to the Employment and Skills Board. However the lead organisations will not (and in many cases cannot) be solely responsible for the *delivery* of the actions. This will require the involvement and expertise of other organisations. Against each action, the most appropriate 'supporting organisations' have therefore also been identified.

Preparing the Future Workforce

Ref.	Action	Lead	Supporting
P1	Explore options for a best-in-class 'Hotel School' as a joint venture between skills providers and employers to develop people's skills/experience across an array of occupations and disciplines.	Lancashire Skills Hub	Employers Skills providers
P2	In partnership with employers, develop a *Visitor Economy Ambassador* programme with a remit to: - Better and more accurately promote the breadth of jobs and careers in the sector to young people across the county; - Address inaccurate and outdated perceptions about the sector; - Improve parents' knowledge and understanding of visitor economy careers in Lancashire; - Raise the profile and tackle misconceptions about apprenticeships in the sector. The *I Care… Ambassador* programme (an initiative currently running in the adult social care sector) may be a useful point of reference.	Marketing Lancashire	Employers Lancashire LEP
P3	Working in partnership with other initiatives being developed in Lancashire, appoint a *Visitor Economy Schools Champion* with responsibility for raising the profile of the visitor economy and the jobs and careers it offers within secondary schools.	Lancashire LEP	Schools
P4	Linked to action P3, recommend and actively promote the Hospitality Guild's interactive career map[54] to schools, other skills providers and careers guidance professionals across the LEP area. The map captures the huge variety of opportunities within hospitality and tourism, explains job roles, qualification requirements and career paths.	Lancashire LEP/Schools Champion	The Hospitality Guild

[54] http://www.hospitalityguild.co.uk/A-Career-in-Hospitality/Career-tools/Career-Map. The Hospitality Guild also provides a broad array of other resources, the likes of which many employers and skills providers do not seem to be aware of but said, when consulted for this study, that they would welcome.

Ref.	Action	Lead	Supporting
P5	Actively promote Traineeships to employers in the visitor economy as a way of helping to address the shortage of suitable candidates for apprenticeships.	Skills providers (working with the *Ambassador* programme when implemented)	Schools Marketing Lancashire
P6	Ensure that skills providers across the county are aware of, and are willing to take action on, employers' growing concerns and disillusionment about the scarcity of suitable candidates for apprenticeships (especially apprentice engineers and chefs).	Lancashire Skills Hub	Skills providers
P7	Develop an employer-led 'employability chartermark', drawing on examples of effective practice from elsewhere in England, to strengthen the alignment between employers' requirements on work readiness and young people's attributes. The chartermark could also include agreements over access to work experience, up to date information on career routes, mock interviews and workplace visits.	Lancashire Skills Hub	Skills providers Schools Employers
P8	Explore options for compressing the delivery schedule for the Study Programme to be better aligned with employers' recruitment needs, i.e. starting after the end of the peak season and finishing before the onset of the peak season the following year.	Skills providers	-
P9	Introduce a Sector Based Work Academy for the visitor economy to recruit and train unemployed local people to fill employers' vacancies.	Jobcentre Plus	Local authorities Skills providers

Developing the Existing Workforce

Ref.	Action	Lead	Supporting
D1	Design and implement a project to support visitor economy employers (and especially SMEs) to improve their awareness and use of online sales, marketing and social media.	Lancashire LEP	Skills Funding Agency Skills providers
D2	Design and implement a project to develop the leadership and management capabilities of SMEs in the visitor economy, building on existing initiatives where they have been successful and drawing on local expertise (e.g. the Lancashire Business School at UCLan).	Lancashire LEP	Skills Funding Agency Skills providers
D3	Working with key stakeholders in other sectors affected by a lack of public transport as a barrier to work, explore options for introducing a cross-sector initiative, based on the *Wheels 2 Work* model, to help people access employment opportunities that involve unconventional working hours and/or are in areas not well served by public transport.	Lancashire LEP	Jobcentre Plus/Department for Work and Pensions
D4	Ensure that ESF project specifications for workforce development schemes explicitly mention the visitor economy as a priority sector.	Lancashire LEP	Skills Funding Agency Skills providers

Ref.	Action	Lead	Supporting
D5	Ensure that visitor economy employers are a priority group for the proposed Lancashire Skills Pledge	Lancashire Skills Hub	-
D6	Develop local case studies and testimonials from Lancashire's visitor economy employers (including SMEs) to showcase the benefits of good quality customer service training. Publicise these materials as widely as possible through existing networks and employer engagement activities.	Skills providers	Marketing Lancashire
D7	Include skills and competencies relevant to jobs in the visitor economy within the 'retraining and guidance offer' available to individuals in major redundancy situations.	Lancashire Skills Hub	Local authorities Skills providers Jobcentre Plus

Learning from Good Practice and Deepening Knowledge

Ref.	Action	Lead	Supporting
L1	Work with employers and skills providers to determine the appetite for, and feasibility of, replicating the Blackpool Tourism Academy model in other parts of the LEP area with concentrations of visitor economy employers, e.g. Lancaster and the Ribble Valley.	Lancashire LEP	Blackpool Tourism Academy Employers Skills providers
L2	Present/discuss this plan with the British Hospitality Association, the Tourism Society and other relevant trade bodies, networks and forums to explore opportunities for economies of scale and mobilising resources around shared objectives.	Marketing Lancashire	Lancashire LEP

Appendix A: Visitor Economy Definition

Visitor Economy Sector Definition	
Land transport	4932 : Taxi operation
Water transport	5010 : Sea and coastal passenger water transport 5030 : Inland passenger water transport
Accommodation	5510 : Hotels and similar accommodation 5520 : Holiday and other short stay accommodation 5530 : Camping grounds, recreational vehicle parks and trailer parks 5590 : Other accommodation
Food and drink services	5610 : Restaurants and mobile food service activities 5621 : Event catering activities 5629 : Other food service activities 5630 : Beverage serving activities
Renting and leasing	7711 : Renting and leasing of cars and light motor vehicles 7721 : Renting and leasing of recreational and sports goods
Tour operator and reservation services	7912 : Tour operator activities 7990 : Other reservation service and related activities
Conventions and trade shows	8230 : Convention and trade show organizers
Creative, arts and entertainment activities	9001 : Performing arts 9002 : Support activities to performing arts 9003 : Artistic creation 9004 : Operation of arts facilities
Cultural activities	9102 : Museum activities 9103 : Operation of historical sites and buildings & similar visitor attractions 9104 : Botanical and zoological gardens and nature reserve activities
Sports and recreation	9311 : Operation of sports facilities 9321 : Activities of amusement parks and theme parks 9329 : Other amusement and recreation activities
Source: ekosgen	

A Skills Action Plan for Lancashire's Energy and Environmental Technologies Sector

Draft Report

July 2015

JBA consulting

SQW

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2. State of the Sector 2

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Annex A: Fit with strategic framework A-1

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1. Introduction

Context

Lancashire's energy and environmental technologies (EET) sector employs around 40,000 people in over 5,200 businesses, including major firms such as Springfield Fuels, EDF, AMEC PLC, SITA, Assystem and Westinghouse-Toshiba. Lancaster University and UCLan both have internationally recognised centres of excellence in energy and environmental studies, and Lancashire's colleges provide expertise through, for example, the National College for Onshore Oil and Gas at Blackpool and Fylde College. The sector will play a central role in achieving the LEP's vision to:

> *"re-establish Lancashire as an economic powerhouse and a national centre of excellence in advanced manufacturing by maximising its clear competitive strengths and capabilities in the aerospace, automotive, energy and health science related sectors"*[1].

Lancashire's SEP identifies five key opportunities for growth in the EET sector:

- Growth relating to power generation, including a growth in green technologies
- Nuclear, with the presence of Heysham in Lancaster (and expected decommissioning of Heysham 1 in 2019, with Heysham 2 soon after) and the Springfield Fuels site which the capability and capacity to manufacture fuel for all designs of worldwide nuclear reactors
- The area's potential as a site for bringing offshore energy to shore to connect with the National Grid
- The Port of Heysham, which provides logistics support to one of the largest offshore gas fields in UK waters, is well placed to exploit the market opportunities presented by existing and new offshore wind operations and maintenance facilities
- The potential development of shale gas extraction, and work to assess the extent and viability of this economic opportunity.

Developing the action plan

SQW, in partnership with JBA Consulting, was commissioned by Lancashire County Council on behalf of the Lancashire LEP to ***"produce a detailed analysis of skills and employment issues for the Energy Sector in Lancashire and to develop a partnership-based Action Plan to address those issues"***[2]***.*** The resultant plan is set out in this document. It draws on a 'State of the Sector' report, available separately and summarised in the next section, and a series of consultations and meetings with our steering group[3].

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[1] Lancashire Local Economic Partnership (2014) Strategic Economic Plan, p. 23
[2] This draft Action Plan for Lancashire's EET sector has been developed in parallel to the Lancashire Employment and Skills Strategic Framework, and a number of other sector-specific skills action plans (including financial and professional services, health, digital and advanced manufacturing).
[3] A Steering Group, set up by Lancashire County Council and comprising key providers and employers across Lancashire's EET sector, has been involved throughout the study to inform and calibrate the work.

2. State of the Sector

Nature and scale of the EET sector

Lancashire's EET sector – key statistics

Lancashire's EET sector:

- includes around **5,200 firms**[4]
- accounts for around **40,000 jobs**, 6.5% of Lancashire's total workforce and 2.5% of the sector nationally[5]
- has **grown more quickly** in terms of employment (at a rate of 3.1% per annum) than the national average (0.8% pa) since 2009
- is most concentrated spatially in **South Ribble**, with around **one third of EET jobs**; relatively high numbers of jobs also found in the districts of Lancaster, Fylde, West Lancashire and Preston
- **generates around £564m - £2bn in Gross Value Added (GVA)** each year, and is highly productive, with GVA per employee of £35,000 - £65,000[6].

A number of EET sub-sectors are particularly important to the Lancashire economy, including **nuclear, offshore gas, oil and wind, onshore wind, waste recovery and environmental technology services and manufacture**.

Drivers of change

Drives of change in the EET sector are international, national and local. At the international level, globalisation, environmental change and carbon emission targets, legislation and regulation all play a strong role. National drivers also include legislation and regulation, such as energy emissions targets, plus economic growth and technical change, consumer demand, prices and fuel poverty. Key requirements include the 2008 UK Climate Change Act setting out an obligation to reduce greenhouse gas emissions by 35% by 2020 and 80% by 2050.

The rollout of smart meters also provides an opportunity for local economic growth and employment. Other examples include the continuation of the Green Deal and changes in building regulations. Water management is likely to continue to grow as government continues to invest in flood risk management.

Location specific opportunities

National policy has a key role to play in supporting particular sub-sectors within the EET sector. For example, the new government's support for nuclear and shale gas, and tightening of onshore wind development (the first planning consideration being local support) will have important implications for the growth of the energy sector in

[4] Source: BRES, 2014
[5] BRES, three-year average, 2011-13
[6] Source: SQW analysis of data produced by Oxford Economics, 2014. The range reflects and wide and narrow definition of the EET sector used using the sectors available from Oxford Economics' projections, produced for Lancashire County Council.

Lancashire. At the more local level, demand is driven by business performance and local policy (including political drive and public opinion particularly in relation to more controversial energy technologies such as nuclear, shale gas and onshore wind).

Demand for skills

Future UK demand

The future scale of demand from the EET nationally is uncertain. Cambridge Econometrics and Oxford Economics, two well regarded forecasting houses, predict markedly different trends for the UK[7]: Cambridge Econometrics, as part of their Working Futures publication for UKCES, expect to see an increase in energy sector jobs nationally of 33,000 (8%) in the decade to 2022 (to a total of 423,000 jobs); whereas Oxford Economics forecast a decline in employment of 32,900 (-8%) in same period.

Whatever the direction of travel for the sector as a whole, both figures are outweighed by a **significant level of replacement demand across the sector nationally (of around 143,000) by 2022**[8]. This issue of replacement demand is likely to affect the energy sector disproportionately more than the rest of the UK economy because it has a relatively older workforce. As illustrated in Table 2-1 below, replacement demand will cover all occupations.

Table 2-1: Net employment change and replacement demand by broad occupational groups for the energy and utilities sector[9] in the UK, 2012 - 2022

SOC2010 Major Groups	Net change (i.e. 'new' demand) (000s)	Replacement demand (000s)	Total requirement (000s)	% of total requirement
1. Managers and Senior Officials	10.5	18.0	28.4	16%
2. Professional Occupations	12.2	20.8	33.0	19%
3. Associate Professional and Technical Occupations	7.7	18.3	26.0	15%
4. Administrative, Clerical and Secretarial Occupations	-4.0	14.6	10.6	6%
5. Skilled Trades Occupations	0.8	20.7	21.5	12%
6. Personal Service Occupations	2.1	3.5	5.6	3%
7. Sales and Customer Service Occupations	2.1	7.6	9.7	6%
8. Transport and Machine Operatives	-0.5	25.6	25.1	14%
9. Elementary Occupations	1.8	13.9	15.8	9%
Total	**32.6**	**143.1**	**175.7**	**100%**

Source: SQW analysis of UKCES (2014) Working Futures data

[7] Both projections use the same broad definition for the energy sector. This covers SIC 05-09 (Coal, oil & gas; Mining & related), SIC 35 (electricity, gas, steam and air con) and SIC 36-39 (water supply, sewerage and other remediation activities)
[8] Source: UKCES / Cambridge Econometrics (2014) Working Futures
[9] Data has been selected from the UKCES database for Coal, oil & gas; Mining & related; Electricity, gas, etc; Water; Sewerage; and Waste management

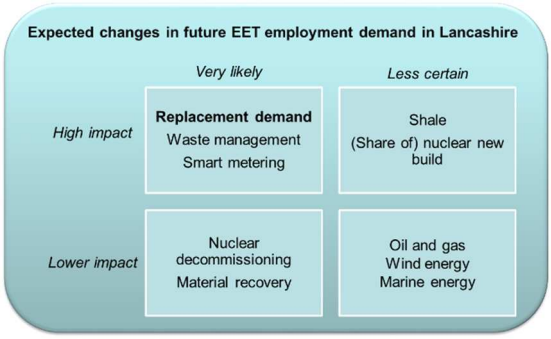
Future Lancashire demand

Using Oxford Economics projections, **expected employment growth in Lancashire ranges from 7% between 2012 and 2022** (an increase of around 500 jobs to 8,100) based on a narrow definition of the sector[10], **through to 23%** (an increase of 12,000 jobs to 68,300) using a wider definition[11]. In terms of the sub-sectors, the **greatest proportional increase in employment between 2012 and 2030 is in the 'architectural/engineering, scientific R&D and professional scientific' and 'building construction, engineering and specialised construction activities' sectors**.

In addition to net change, **replacement demand is expected to generate around 2,900 job openings in the EET sector by 2022 across Lancashire – this accounts for around 80% of the total requirement for labour between 2012 and 2022**[12]. For net new jobs, 74% will be in managerial, professional and technical occupations (cf 33% of replacement demand), whereas over one-fifth of replacement demand in the sector (c. 600 jobs) will be for process, plant and machine operatives.

The scale and certainty of future demand, by key EET sub-sectors

The way in which the expected changes in demand above map onto Lancashire's EET sectors is difficult to quantify – in part because some future developments are more certain than others, often related to public policy decisions. Nuclear new build and shale, for example, could have a high impact on demand, but at the moment the timing and scale of that demand is uncertain. We can be relatively certain, however, that replacement needs across the EET sector will have a high impact on recruitment and skill demands looking forward.



[10] OE projections for Lancashire are only available at 2-digit SIC codes. The narrow definition includes Mining and quarrying (SIC 05-09), electricity, gas, steam and air con (SIC 35) and water supply, sewerage and other remediation activities (SIC 36-39), matching the UK definition above.
[11] The wider definition includes activities such as installation, engineering and specialised construction, architectural activities, and scientific R&D. These figures exclude replacement demand
[12] Data on replacement demand sourced from Cambridge Econometrics projections for UKCES (2014) Working Futures

Supply side provision in Lancashire

Further and higher education specialisms

Lancashire's education providers offer expertise that is highly relevant to the EET sector. The supply from local Further Education (FE) and Higher Education (HE) provision was generally considered to be high quality by those consulted as part of this study, but there were still concerns that the volume of graduates (nationally) will be insufficient to meet future demands of the EET sector.

Supply side provision across Lancashire

Further Education

- **Blackpool and Fylde College**: a range of other relevant courses (e.g. Domestic Energy Assessors, Mechanical Engineering, and Environmental Science); UK hub for the National College for Onshore Oil and Gas; Energy Skills HQ planned
- **Runshaw College**: apprenticeships in engineering, and four year degree programme in Energy Engineering
- **Burnley University Technical College**: courses with a focus on nuclear and green industries
- **Lancaster and Morecambe College**: a focus on nuclear engineering in partnership with EDF Energy
- **Preston College**: renewable energy centre

Higher Education

- **Lancaster University**: Renewable Energy Group and 'Energy Lancaster' research centre, plus 'internationally excellent' research in Earth Systems and Environmental Sciences and Mathematical Sciences
- **University of Central Lancashire**: internationally recognised centre of excellence in energy and environmental studies, home to the John Tyndall Institute for Nuclear Research.

Further education, and apprenticeships

In 2013/2014, **there were 23,000 'learner starts' in EET-related subjects[13] at FEIs** (on education and training courses, community learning and workplace learning), and **2,000 apprenticeship starts in EET-related subjects**, across Lancashire[14]. When compared to the level of anticipated replacement demand in technical occupations[15] in Lancashire's EET sector to 2022, the annual supply looks broadly sufficient (and net new demand in these occupations in the EET sector is expected to be very low), particularly as employers will also look to experienced people to fill these vacancies.

Learners on EET-related courses have a younger age profile than learners across all subjects, and are more likely to enter full-time employment. The majority of EET-related apprenticeships were at an intermediate level, although large numbers of learners also studied at an advanced level. The average qualification success rate for apprentices studying 'Engineering and Manufacturing Technologies' was 76% (higher than the overall success rate for apprentices in Lancashire)[16]. Despite this some providers commented that demand from employers for apprentices was higher than the number of applications.

Higher education

According to HESA data, 92 graduates from HEIs (based anywhere in the UK/abroad) were working for EET firms based in Lancashire six months after graduation in 2012/13. This is based on a survey with a response rate of 69%, so a grossed up estimate of the **total number of graduates working for EET firms (broadly defined) in Lancashire is around c130**. Of these: 40% also studied in Lancashire (any subject), and 27% studied elsewhere in the North West; 50% were in professional occupations within the EET sector. Just over one-quarter (27%) studied engineering and technology (especially chemical, process and energy engineering, but also mechanical, general, electrical engineering and physical geography sciences). Other popular subjects, in order of popularity, included physical sciences,

[13] Science, Engineering and Manufacturing Technologies
[14] Source: ILR Data Cube
[15] Proxied by SOC 4. Administrative and secretarial; 5. Skilled trades occupations; 7. Sales and customer service; 8. Process, plant and machine operatives
[16] Source: Statistical First Release, Skills Funding Agency/ONS

architectural, buildings and planning, biological sciences and business and administrative studies.

Using a similar approach it appears that around 270 graduates from HEIs based in Lancashire were working in the EET sector (anywhere in the UK or abroad).

When we compare these figures to the level of net new and replacement demand for higher level occupations[17] in Lancashire's EET sector, it appears that the volume of graduates recruited by Lancashire's EET firms is considerably lower than the level of projected demand through to 2022, at around 20% on the broad definition (even allowing for many of these opportunities probably requiring experienced hires).

Current landscape of wider support initiatives

National initiatives

Nationally, a wide array of initiatives are being implemented to address skills issues in the EET and related sectors. These include:

- On apprenticeships, industry designed Degree Apprenticeships in Nuclear, Power Systems and Electronic Systems Engineering, introduced in March 2015, Apprenticeship Trailblazers (although at present relevance to EET is limited to 'power network technician'), and Apprenticeship Hub schemes.
- STEM programmes, including STEM ambassadors
- Activities led by Sector Skills Councils, such as EU Skills' Talent Bank, and Cogent's Gold Standard
- Actions included in the Nuclear Energy Skills Alliance Action Plan (published in April 2015), which relate to sector attraction, recruitment and retention, and professional development.

Local initiatives

In addition, the Lancashire LEP is leading on a number of initiatives agreed through their Growth Deal and European Structural and Investment Fund (ESIF) strategy that relate to the EET sector. These are summarised in Figure 2-1.

Along with these funding pots, the action plan could be funded through:

- Employer and individual (including through loans) contributions[18]
- Influencing and bending mainstream delivery
- In-kind contributions, for example, through employer and provider participation on the EET Sector Skills Development Group, and employer engagement in actions such as student placements/projects and 'meet the employer' events/presentations.

[17] SOC 1. Managers, directors and senior officials; 2. Professional occupations; 3. Associate professional and technical

[18] This chimes with the LEP's Growth Deal commitment to "recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment"

Figure 2-1: Planned interventions linked to EET skills in Lancashire

Source: SQW review of Lancashire's Strategic Economic Plan, Growth Deal and European Structure and Investment Funds Strategy

Skills issues, gaps and shortages in Lancashire's EET sector, from demand-side and supply-side perspectives

Table 2-2 summarises the key skills issues facing the EET sector in Lancashire. **Many of the issues raised in Lancashire were broadly similar to other parts of the UK** – so, whilst national policies/interventions should help Lancashire's businesses, Lancashire will face wide competition for people with skills that are in short supply.

Table 2-2: Skills issues, gaps and shortages in Lancashire's EET sector

Issue	Description / specifics
1. Shortages in specialist technical skills	Lack of new and experienced engineers (especially QA/QC, control and instrumentation engineers, civil engineering commissioning engineers, and heavy electrical engineers in the nuclear sector)*, electrical engineers across energy more generally*, safety specialists*, material scientists, specialist welders, , steel fixers, concretors, operatives, scaffolders, IT specialists, industry specific R&D staff, chemists, renewable energies technicians*, smart meters (installers) and waste[19]. Also, shortages in data science, manipulation and visualisation skills
2. Gaps in multi-disciplinary and softer skills	The need for multi-disciplinary and transferable skills* Ability to manage and commercialise innovation in the sector* Softer skills, such as communication and team working* High calibre management competencies, especially in newer EET sub-sectors, including project management skills* with the relevant sub-sectoral knowledge Client-facing business skills*

[19] For the wind sector specifically, skills shortages are in in composite manufacturing, advanced manufacturing (e.g. 3D printing of metals), wind turbine engineering, electrical engineering (e.g. for wind turbine maintenance), surveyors and specific wind technology skills

Issue	Description / specifics
3. Issues with new entrants	Difficulties in finding new entrants who are "work ready" (i.e. with basic employability skills, including basic English and Maths) Difficulties in finding engineers with business acumen (i.e. ability to use theory to address real world problems) Issues with graduates lacking engineering hand-skills*
4. Workforce profile	Ageing workforce, and inconsistent succession planning* Mature contractors who are very mobile and seek to maximise short term income* Small labour pool, leading to poaching (which is expected to get worse)*
5. Image issues	Difficulties in encouraging students to study STEM skills (including Apprenticeships), related to poor careers advice* with too much emphasis in schools on academic pathways Low numbers of women studying STEM subjects, working in the EET sector and, where they do work in EET, low numbers returning to work in the EET sector after maternity leave Challenges in retaining EET graduates in [Lancashire's] EET sector – a concern that graduates preferred to move to cities for their first job but may wish to return later Competition from other sectors for EET related graduates
6. Intelligence issues	Lack of articulation/communication between employers and providers in Lancashire, difficulties in understanding what employers need in terms of skills A need to better track developments (such as skills gaps relating to new technologies) and opportunities (for example, in terms of Smart Metering, nuclear new build, or shale), understand lead times following key decisions or events (from the provider and employer perspectives), and respond quickly to changing skills needs where appropriate
7. Supply-side barriers	Difficulties in recruiting sufficient staff to teach EET-related courses at FE colleges in Lancashire, partly due to competition on pay with the private sector

*Source: SQW research. Notes: * Issues which have been reported nationally for the EET sector, but also apply to the Lancashire context (when tested with consultees) are marked with an asterisk.*

3. Action Plan

Framework

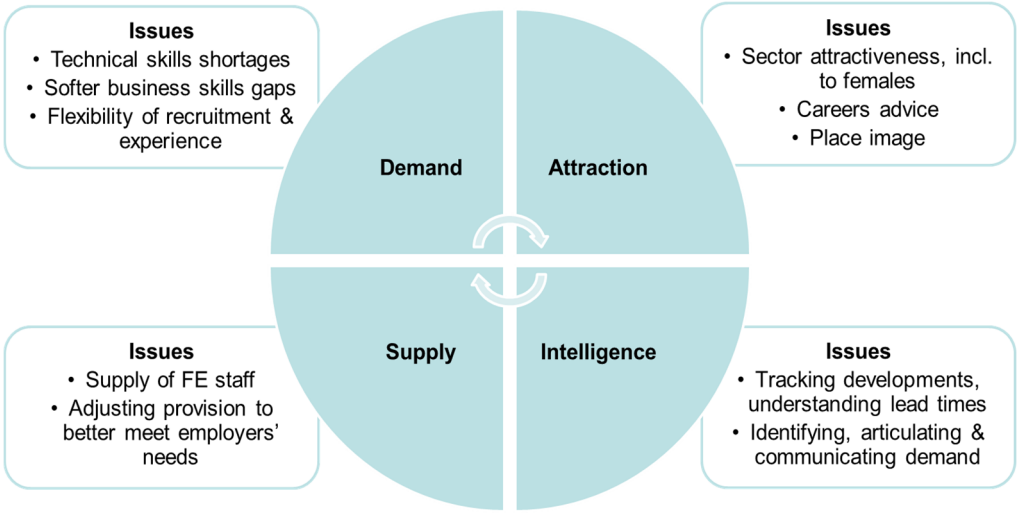
In this section, we present our draft skills action plan for Lancashire's EET sector. This has been split into four thematic areas:

- **Meeting the demand for skills** – focusing on the addressing issues raised by employers around skills gaps and shortages, and growing demand in key areas
- **Attraction** – designed to address issues around sector and location attractiveness, and improve retention and inflows of skills needed by Lancashire's sector
- **Intelligence** – to track sector developments, and improve the understanding, articulation and communication of employer needs to enable providers to respond appropriately
- **Developing the supply side** – ensuring that the supply-side system is equipped the needs of employers

A series of actions have been developed under the four themes, and for each we present the rationale for intervention, a description of each action, outline the desired outcomes and suggest key partners who would take the action forward. Please turn to Annex C for details on the fit between this EET action plan and the draft Lancashire Employment and Skills Strategic Framework.

Given the level of uncertainty in future demand (in terms of timing and scale) across some of the EET sub-sectors, this action plan has purposely been written in a way that is flexible and can evolve over time – the intelligence function will be crucial in driving this adaptability.

Figure 3-1: Framework for skills action plan



Source: SQW

Meeting the demand for skills

Rationale for intervention

Meeting the anticipated levels of replacement demand and current and future skills gaps and shortages will require a range of actions, both immediately and in to the future. These actions address the issues raised above relating to:

- Shortages in specialist technical skills
- Gaps in multi-disciplinary and softer skills
- Workforce profile.

Action 1: Increase provision of short courses to address skills shortages in specific technical skills, and encourage greater take up

Action details

Description	Four actions are suggested: • **Short retraining courses which focus on specific technical skills**, which allow people with more broad-based engineering skills/experience to transfer across to EET and/or become specialised in a technical area with skills shortages. Links should be made to provision being developed by the national Skills Academies • **Short courses on softer skills** such as project management, commercialisation etc. for those who enter the sector and existing employees • **Taster courses** provided on a very short term basis (i.e. weeks) at no/low cost to encourage interest in specified areas – advertised at job fairs, in job centres etc. The intention being that people will then be more willing to invest, perhaps through loans, in more substantial retraining courses to enable them to work in the sector • **Post Graduate Certification (PG Cert) courses** should be promoted to industry to demonstrate success in filling industry identified gaps. These are shorter and less expensive than full postgraduate courses requiring less funding and investment of employee and employer time. They are sponsored by an employer, with a number of their staff being provided with places **Employers are key to this strand**. Groups should be convened, through the Sector Skills Development Group described below, for employers to demonstrate their commitment to meet specific needs, input to course design alongside providers and, in cases, to funding. Larger firms should be called upon to promote take up by their supply chains.
Performance indicators	Performance indicators could include: • Number of courses developed and provided, and take-up • Increased volume of required technical skills • Reduction in employers reporting skills gaps and shortages
Key partners	Employers, FE and HE providers, National Skills Academies, LEP

Action 2: Apprenticeships - greater promotion and take up

Action details

Description	There is scope to expand the number of Apprentices, in line with Government policy. Key actions should include: • **Greater promotion of the benefits of Apprenticeships to young people in schools**, including the possibility of earning above the minimum trainee level and job prospects

	• **Encouraging large firms to work with their supply chains to expand the total number of apprentices recruited**, either through encouragement or the larger firms over-recruiting and training Apprentices who will then go and work in the supply chain • **Encouraging larger employers to consider using higher level Apprenticeship models (incl. Degree Apprenticeships) to complement planned graduate recruitment.** The Apprenticeship model offers the advantage of having greater control over the training received and more certainty about the young person staying with them at the end of the training. • **Promoting to employers the flexibility built in to Apprenticeships** and the development of Trailblazer Apprenticeship frameworks, whereby they can tailor some elements to their needs and negotiate the cost to them. This is likely a role for the local Hub as it crosses sectors.
Performance indicators	Performance indicators could include: • Increase in number of applications for Apprenticeship places • Increase in the number of Apprenticeship places offered by the sector (including higher level and degree apprenticeships) • Increased number of trailblazer frameworks relating to EET
Key partners	Training providers, FE Colleges, employers

Sector attraction

Rationale for intervention

These actions address the issues raised in Table 2-2 relating to:

- Shortages in specialist technical skills (especially relating to lack of engineers with experience)
- Workforce profile
- Image issues.

Action 3: Improving awareness and attractiveness of the EET sector as a career choice, including for women

Action details

Description	The following actions are suggested: • Produce **EET promotional materials on career opportunities in the sector and disseminate** amongst schools, FE colleges and universities. The materials produced should be provided to those delivering national programmes locally, such as STEM ambassadors. • FE/HE, employers and the LEP to participate and support school GCSE/A'level/**Careers option days** by providing speakers, site visits, projects etc • HE and FE providers to work with employers and schools in promoting National Women in Engineering Day in 2016 to raise the profile of engineering as an opportunity for young women at school and in FE/HE potentially using local role models and providing industry visits and taster courses. Also use initiatives such as WISE (Women into Science and Engineering) to promote EET career opportunities, and provide retraining/refresher opportunities to attract women returners (see Action 1 above).

Performance indicators	Performance indicators could include: • Production and dissemination of promotional material • Increased number of employer/provider careers events • Greater awareness amongst school children and young learners (including women) of the opportunities that are available in EET • Greater application to and uptake of STEM subjects and EET-related Apprenticeship/FE/HE courses
Key partners	FE and HE providers, employers, LEP, Women's Engineering Society, national partners

Action 4: Developing and promoting a coherent message about Lancashire as a place to work in the EET sector

Action details

Description	Develop a strong marketing message regarding the current strength and potential growth of the EET sector in Lancashire and run a local/regional marketing campaign with a particular focus on mobile workers (graduates and experienced people) and experienced returners (for example, using case studies). Promote the latter via alumni networks and potentially a campaign in north east Scotland.
Performance indicators	Performance indicators could include: • Production of marketing materials and case studies • Greater interest in the potential for employment within the EET sector
Key partners	LEP, FE, and HE providers, schools

Sector intelligence

Rationale for intervention

This action address the issues raised in Table 2-2 relating to intelligence.

Action 5: EET sector skills development group

Action details

Description	A Sector Skills Development Group, comprising key employers, providers and sector skills representatives, was set up by Lancashire County Council to guide and inform the development of this EET Skills Action Plan. Under this action, the Group will continue in some form (perhaps with some changes to membership) with the following remit: • **Intelligence gathering** on EET employer needs to improve understanding of current and future skills demand[20] • Provide a **co-ordinated response** to skills gaps and shortages, and changing needs – bringing employers together to detail needs • Lead **engagement with – and influence of - national activities** (e.g. Nuclear Energy Skills Alliance Action Plan), working closely with the LEP Skills Board

[20] As part of the Growth Deal, Government has committed to "improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs". The Group should draw on this, alongside evidence from employers across Lancashire (and other published sources).

	• Lead **cross-LEP working** on key issues/sub-sectors (e.g. Nuclear Decommissioning) and to create a critical mass for relevant training[21] In order to deliver against these functions, the Group will: • include LEP, employer, training provider and FE and HE provider representation – all of whom will make a clear commitment to engage in the group on a regular basis • include large employers, as a route to a larger number of employers (including SMEs) through to their supply chain • have a direct link to LEP Skills Board, and ability to influence priorities and investment • hold quarterly meetings, which will include a rolling update on developments for key EET sub-sectors. When key developments/opportunities come onto the horizon, specific sub-sector group meetings will be triggered to discuss detailed action plans • produce a quarterly intelligence document and performance scorecard. This will be short and accessible. Its purpose will be to communicate employer needs, possible developments, timescales and triggers for action by sub-sector. The primary audience would be the LEP Skills Board. It will be disseminated to employers and providers across Lancashire.
Performance indicators	Performance indicators could include: • Production of quarterly intelligence documents • Greater cross-LEP working, building critical mass • Improved understanding by providers of employer needs, greater appreciation by employers of supply lead times • More responsive and flexible provision, which is (re)shaped to better meet employer needs • Industry cite increase in ability to recruit staff with right skills for roles, especially within emerging sectors and new technologies
Key partners	Employers, providers, sector skills councils, local authorities and Local Enterprise Partnership (Skills Board)

The supply system

Rationale for intervention

These actions address the issues raised above relating to:

- Supply-side barriers
- Issues with new entrants coming out of the supply system.

Action 6: Introduce mechanisms to increase the number of FE staff teaching EET-related subjects in Lancashire

Action details

Description	Three actions are proposed to ensure that FE colleges have the staff with the skills, expertise and experience to respond to the needs of the EET sector: • **Create a pan-Lancashire pool of EET employers** who are willing to release staff to engage in the delivery of EET guest lectures / modules / courses (particularly short courses).

[21] This ties in closely with the Growth Deal proposal to establish a multi-LEP network to co-ordinate the development of the nuclear sector in the North of England

	• **Establish and deliver a marketing campaign to soon to be retirees** from EET firms in Lancashire to engage in the delivery of EET guest lectures / modules / courses (particularly short courses) • **The creation of commercial courses (**linked to Action 1 above) that are delivered by employers as contractors and where prices can be set accordingly. These actions have taken into account – and seek to respond to - the administrative burden on Colleges associated with bringing in non-academic staff to deliver FE courses, and difficulties finding employers with capacity/resources to deliver full courses.
Performance indicators	Potential performance indicators could include: • Increase the number of FE staff delivering EET-related courses/modules/lectures, allowing for (a) supply to increase, and (b) FE providers to provide courses in specialist, up-to-date EET to meet employer demands • Increase in the number of employers (a) in the pool, and (b) delivering FE EET-related courses/modules/lectures • Reduction in the number of FE vacancies in EET-related subjects
Key partners	FE Colleges (and the Lancashire FE Networks), employers

Source: SQW

Action 7: Adjust FE and HE provision to better meet employers' needs

Action details

Description	There appears to be a need to increase the volume and quality of graduates entering the sector. Two specific actions are identified: • **Increase the student experience with industry via projects and placements to help encourage more graduates to go and work there on completion of their courses, and give graduates work experience / business skills**. It should also give employers a better chance to influence what is taught via projects (though projects) and assess possible recruits. This could be supported through having a single way in to the system for employers (optional participation to avoid upsetting any existing relationships between firms and HE/FE establishments) and a brokerage function to link opportunities to appropriate courses. This could potentially be developed, co-ordinated and advertised by the LEP • **Adjust course curricula to better meet the needs of industry requirements**, especially around soft and hand skills. This could evolve over time through the intelligence and co-ordination measures set out below.
Performance indicators	Performance indicators could include: • Increase number of student placements and projects between Lancashire's FE and HE providers and EET employers • HE and FE provision targeted towards employer needs • Students gain aptitude and interest in specific industries/firms potentially leading to greater graduate retention
Key partners	FE and HE providers, LEP, employers

Source: SQW

Annex A: Fit with strategic framework

Table A-1 outlines how the actions included in this Skills Action Plan for Lancashire's EET Sector deliver against the strategic priorities set out in the draft 'Lancashire Employment and Skills Strategic Framework, which are as follows:

- **Strategic Priority 1:** Continue to deliver increased levels of attainment by Young People at age 16 and age 19.
- **Strategic Priority 2:** Deliver increased numbers of apprenticeships in the County by growing Level 3 and above apprenticeships for Young People (16-24).
- **Strategic Priority 3:** Train and retrain adults to help them benefit from, and contribute to, economic growth.
- **Strategic Priority 4:** Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.
- **Strategic Priority 5:** Effectively link those who are NEET and/or out of work to employment opportunities in the local economy.
- **Strategic Priority 6:** Increase levels of employer engagement with, and investment in, skills.
- **Strategic Priority 7:** Ensure access to high quality and impartial careers information advice and guidance for all young people and adults aged 14 and above.

Table A-1: Alignment between EET Skills Action Plan and wider Employment and Skills Strategic Framework

EET Skills Action Plan	Fit with Strategic Priorities Employment and Skills Strategic Framework	Relevant Key Actions in the Employment and Skills Strategic Framework
Action 1: Increase provision of short courses to address skills shortages in specific technical skills	**Strategic Priority 3:** Train and retrain adults to help them benefit from, and contribute to, economic growth.	• **Key Action 7:** All adults should have the opportunity to retrain at level 3 to secure employment in the major growth and replacement demand sectors: health, visitor economy, advanced manufacturing, finance and professional services, creative and digital and energy/environment. Construction skills will also be required to support the anticipated significant growth in the construction sector. Where appropriate, providers' curriculum offer should support this (re)training activity.
	Strategic Priority 6: Increase levels of employer engagement with, and investment in, skills.	• **Key Action 5/15:** A 'Lancashire Skills Pledge' will be developed by the Lancashire Skills Hub. The Skills Pledge will be adopted by Lancashire Employers as a commitment to workforce development and will result in increased apprenticeship places with local employers.
Action 2: Apprenticeships - greater promotion and take up	**Strategic Priority 2:** Deliver increased numbers of apprenticeships in the County by growing Level 3 and above apprenticeships for Young People (16-24).	• **Key action 4**: Each existing apprenticeship provider will develop their capacity to deliver higher level apprenticeships. Universities, FE Colleges and private providers will collaborate to develop degree apprenticeship programmes. • **Key Action 5/15:** A 'Lancashire Skills Pledge' will be developed by the Lancashire Skills Hub. The Skills Pledge will be adopted by Lancashire Employers as a commitment to workforce development and will result in increased apprenticeship places with local employers.
	Strategic Priority 6: Increase levels of employer engagement with, and investment in, skills.	• **Key Action 5/15:** A 'Lancashire Skills Pledge' will be developed by the Lancashire Skills Hub. The Skills Pledge will be adopted by Lancashire Employers as a commitment to workforce development and will result in increased apprenticeship places with local employers.
Action 3: Improving awareness and attractiveness of the EET sector as a career choice	**Strategic Priority 4**: Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.	• **Key Action 9:** Universities will work with employers to improve the percentage of Lancashire employers who recruit direct from local Universities. • **Key Action 10*:*** Lancashire colleges to work with universities to develop their higher level technical specialisms and a curriculum that reflects this.
	Strategic Priority 6: Increase levels of employer engagement with, and investment in, skills.	• **Key Action 16:** Colleges and providers are asked to develop Curriculum Advisory Panels (or similar) of employers in areas of vocational specialism as recommended by the Commission on Adult Vocational Teaching and Learning in its report 'It's about work…(Excellent adult vocational teaching and learning)'
	Strategic Priority 7: Ensure access to high quality and impartial careers information advice and guidance for all young people and adults aged 14 and above	• **Key Action 18:** The Lancashire Skills Hub will identify existing strengths and weaknesses in the current delivery arrangements for 14-19 Careers Information, Advice and Guidance and bring forward proposals for improvement. • **Key Action 19**: The Lancashire Skills Hub will work with Local Authorities and the National Careers Service provider to review delivery arrangements to ensure that they are responsive to local need at borough and district level.

EET Skills Action Plan	Fit with Strategic Priorities Employment and Skills Strategic Framework	Relevant Key Actions in the Employment and Skills Strategic Framework
Action 4: Developing and promoting a coherent message about Lancashire as a place to work in the EET sector	**Strategic Priority 4**: Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.	• **Key Action 9:** Universities will work with employers to improve the percentage of Lancashire employers who recruit direct from local Universities. • **Key Action 10*:*** Lancashire colleges to work with universities to develop their higher level technical specialisms and a curriculum that reflects this.
Action 5: EET sector skills development group	**Strategic Priority 6:** Increase levels of employer engagement with, and investment in, skills.	• **Key Action 17**: The Lancashire Skills Hub will work with providers, stakeholders and employers to deliver the Lancashire Sector Skills Action Plans
Action 6: Introduce mechanisms to increase the number of FE staff teaching EET-related subjects in Lancashire		•
Action 7: Adjust FE and HE provision to better meet employers' needs	**Strategic Priority 4**: Increase the numbers with higher skills in the workforce by retaining graduates and by increasing take up of higher level education/training by young people and adults.	• **Key Action 10**: Lancashire colleges to work with universities to develop their higher level technical specialisms and a curriculum that reflects this.

Source: SQW

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Financial & Professional Services Sector Skills Action Plan – *Draft*

Presentation to the LEP's Skills Board

Simon Pringle
23 July 2015

Lancs' FPS sector in a nutshell

- 10,200 business units (2014) [45,700]
- Employment 82,000 (2013) [618k]
- GVA £5.4bn (2014) [£25bn]
- GVA per employee £52,500 (2014) [£34,089]
- 42% of employees have NVQ4+ (2014) [34%]

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Employment by sub-sector

SIC Code	Nos employed in Lancashire	% of all FPS employment sector across Lancashire
69 : Legal & accounting activities	15,462	18.8%
78 : Employment activities (incl. employment placement activity)	13,243	16.1%
68 : Real estate activities	9,098	11.1%
82 : Office administrative & support activities	6,822	8.3%
71 : Architectural & engineering activities	6,149	7.5%
70 : Activities of head offices management consultancy activities	6,070	7.4%
62 : Computer programming, consultancy & related activities	6,004	7.3%
66 : Activities auxiliary to financial services	5,384	6.6%
64 : Financial services, except insurance & pension funding	4,976	6.1%
74 : Other professional, scientific & technical activities	3,481	4.2%
77 : Rental & leasing activities	2,792	3.4%
73 : Advertising & market research	1,375	1.7%
72 : Scientific research & development	819	1.0%
65 : Insurance, reinsurance & pensions	491	0.6%
Total	**82,166**	**100%**

Source: SQW analysis of BRES data (2013)

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Future scale of demand – replacement is key

- ↑ in FPS jobs of 16k (+20%) by 2022 (UKCES 2014)
- Outweighed by **replacement demand** - 46k (55%)
- Σ requirement of c. 62k – varied picture at LA district level

SOC2010 Major Groups	Net change (000s)	Replacement demand (000s)	Total requirement (000s)	% of total requirement whole sector
1. Managers & Senior Officials	3.2	5.5	8.7	14%
2. Professional Occupations	6.4	9.6	15.9	26%
3. Associate Professional & Technical Occupations	3.7	7.2	10.9	17%
4. Administrative, Clerical & Secretarial Occupations	-0.5	10.8	10.3	16%
5. Skilled Trades Occupations	-0.3	1.9	1.6	3%
6. Personal Service Occupations	1.2	1.9	3.1	5%
7. Sales & Customer Service Occupations	1.8	3.6	5.4	9%
8. Transport & Machine Operatives	-0.1	1.0	1.0	2%
9. Elementary Occupations	0.7	4.8	5.5	9%
Total	**16.1**	**46.3**	**62.4**	**100%**

Source: SQW analysis of UKCES Working Futures data

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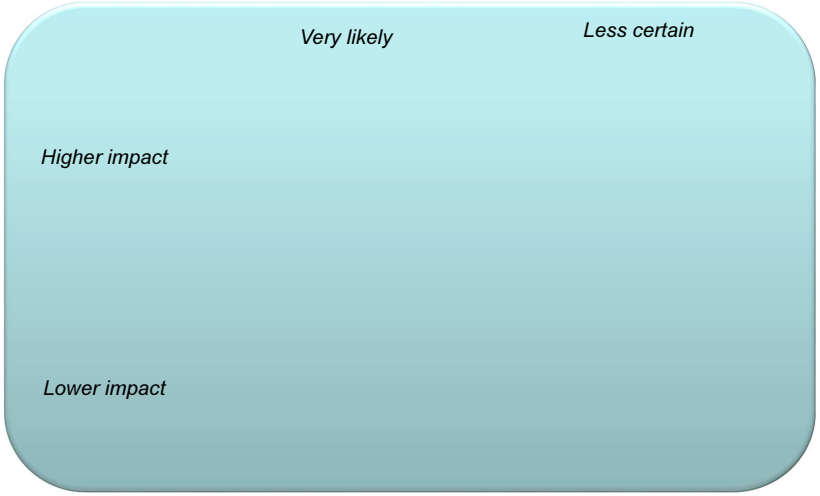
Summary score card for FPS employment & skills



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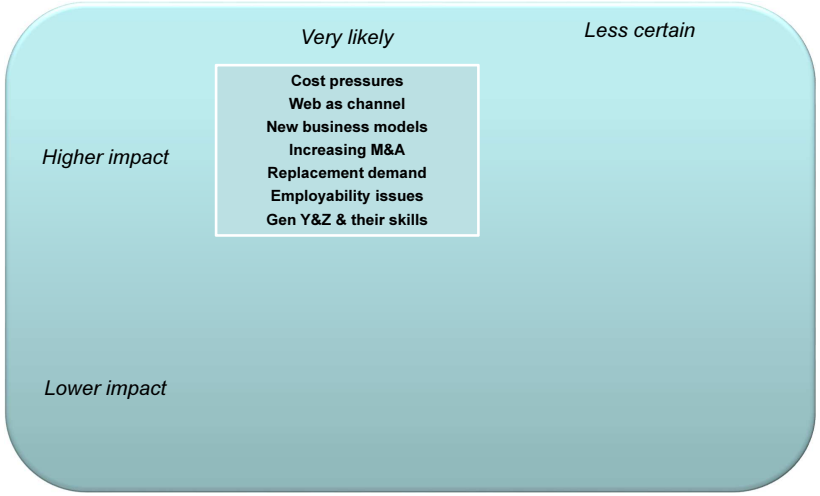
Summary score card for FPS employment & skills



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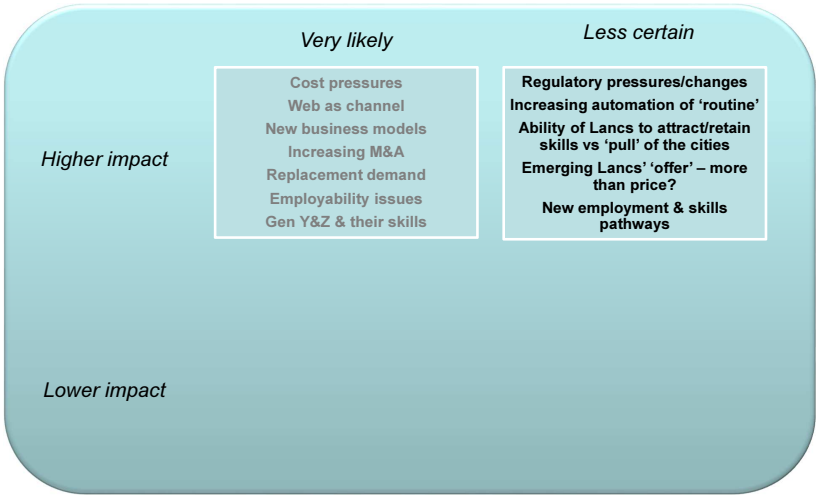

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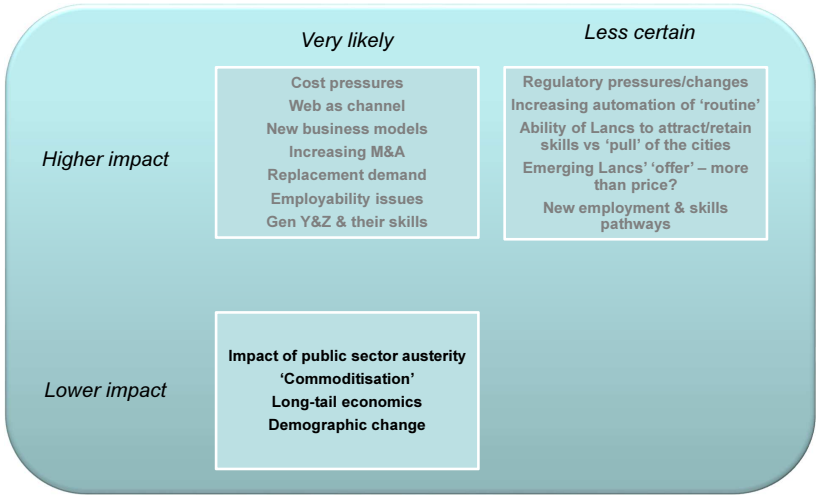
Summary score card for FPS employment & skills



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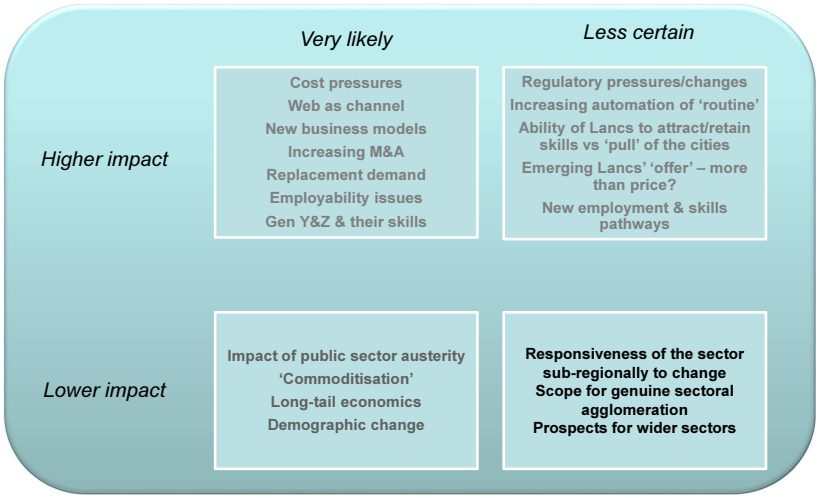

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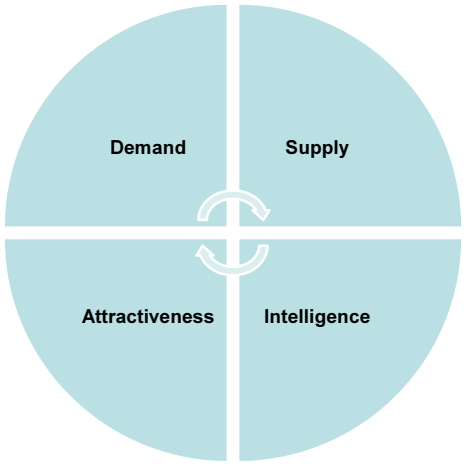
Draft outline action plan – overarching imperatives



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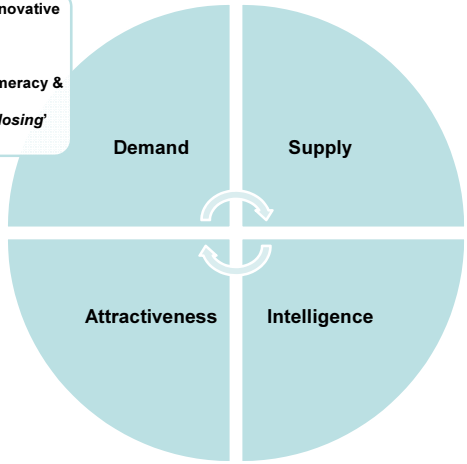
Draft outline action plan – overarching imperatives

- **Flexible, curious, innovative workers**
- **Strong emotional intelligence**
- **Employability – numeracy & literacy**
- ***'As good as we are losing'***



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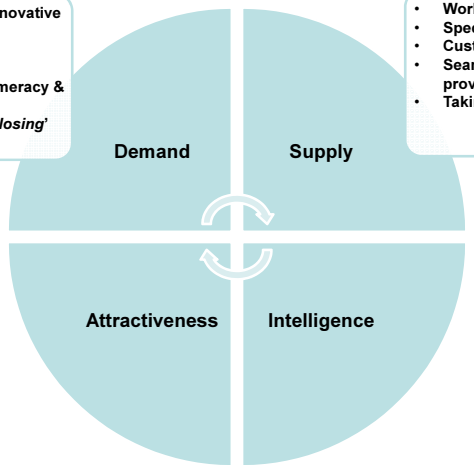
Draft outline action plan – overarching imperatives

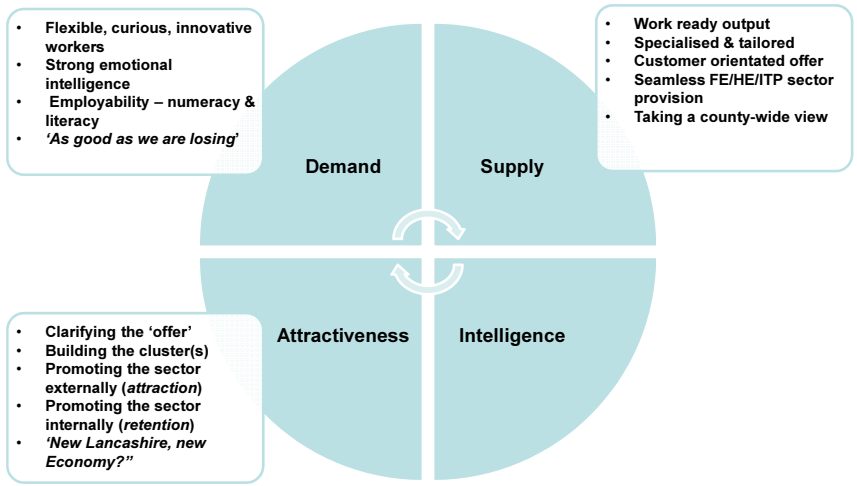
- **Flexible, curious, innovative workers**
- **Strong emotional intelligence**
- **Employability – numeracy & literacy**
- ***'As good as we are losing'***



- **Work ready output**
- **Specialised & tailored**
- **Customer orientated offer**
- **Seamless FE/HE/ITP sector provision**
- **Taking a county-wide view**

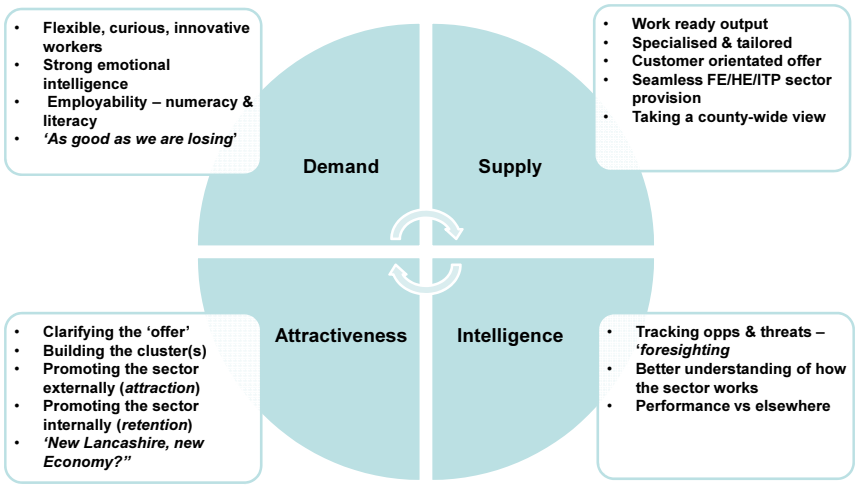
SQW

Draft outline action plan – overarching imperatives



SQW

Draft outline action plan – overarching imperatives



SQW

Action Ideas: Demand

1. Targeted campaign to raise awareness of importance of early succession planning in SMEs/family-owned firms
   - Leadership & Professional Development programme for identified talent across Lancashire
     - Encourage retirees to act as mentors/coaches/advocates
2. County-wide web portal to. . .
   - Co-ordinate increased use of company projects/placements for students – enhancing employability
   - Provide an effective channel for firms to highlight immediate workforce development issues e.g. digital/customer service skills
   - Enable firms to give 'real-time' feedback on proposed changes to course content/new ideas
   - Build a library of content & promote knowledge sharing between firms, providers & accreditors/membership bodies

SQW

Action Ideas: Supply

3. Better FPS-facing careers advice & guidance across all schools
4. Greater specialisation across FE, HE & ITP provision
   - More tailored & bespoke content to meet changing needs of specific employers/jobs
     - Individual providers focusing on doing fewer things better?
     - Increased collaboration with specialist private sector providers?
     - Address current skills gaps & shortages
5. Support shift to online learning – more delivery/content made available via web
6. Enabled access in to the HE base

SQW

Action Ideas: Attraction

7. Develop & promote a coherent message about Lancashire's FPS offer
   - *'Where quality business strive'*
   - Promoting job & career progression opportunities
   - Returners campaign, via Alumni activity
   - Sub-sectoral show-cases to present/sell the 'offer' to students & careers advisors in schools
   - QoL offer emphasised viz-a-viz the cities
8. Programme to increase part-time working & volunteering for Lancashire's school-age students – enhancing employability/work readiness
9. Encourage Lancashire students to exploit existing opportunities e.g. Shell Step & Mountbatten etc.

SQW

Action Ideas: Intelligence

10. Lancashire FPS skills observatory
    - Undertake horizon scanning, review of emerging trends/drivers of change & regulatory shifts etc.
    - Benchmarking and competitor analysis
    - Monitor changing employer needs – better networks, better engagement & stronger relationships between firms, providers & accreditors/membership bodies
    - Comms activity e.g. 'State of the Sector' FPS report

SQW

Draft outline action plan – cross-cutting themes

- *'Lancashire is business friendly'*
- Inspiring & preparing the future workforce to engage with FPS career opportunities
- Better sense of 'who we are' as a sector
- Better coordinated skills & demand
- Tackling gender imbalance & under-representation of hard-to-reach groups

SQW

Draft Action Plan

- ***Develop & promote a more vibrant, dynamic & competitive FPS sector across Lancashire. . .***

1. Targeted campaign to raise awareness of importance of early succession planning
2. County-wide web portal
3. Better FPS-facing careers IAG across all schools
4. Greater specialisation across FE/HE/private provision
5. Support shift to online learning – more delivery/content made available via web
6. Enabled access in to the HE base
7. Develop & promote a coherent message about offer
8. Programme to increase part-time working & volunteering
9. Exploit existing opportunities e.g. Shell Step etc.
10. Lancashire FPS skills observatory

SQW

Discussion

- Do the emerging action ideas look/feel appropriate?
  - On coverage, are they focused on the right issues?
  - Any important gaps?
  - What should the main priorities be?
  - How do these fit with 'existing' activities?
  - How should we best respond to the over-arching message from the workshop re broader growth & development of the sector?
- Implementation
  - How? When? Who? Funding?

SQW

Contact

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SQW

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w. www.sqw.co.uk

SQW

Lancashire
Enterprise Partnership

Lancashire Skills Capital Fund

Round 2

2016 / 17

Expression of Interest Application Form

Please complete and submit this Expression of Interest form in accordance with the **Lancashire Enterprise Partnership Expression of Interest guidance document by 1.00pm on ?????.**
Please return the following:

- **one** electronic copy of the signed and completed Expression of Interest form and the required supporting information submitted to Andy Walker at Lancashire County Council and ensure that it is received by **1:00pm on day month year.** (Please compress files to less than 5Mb. If you have any difficulties sending the email(s) please call 01772 535629 **and**

- In addition applicants must also ensure that the LEP receives **one** hard copy of the signed and completed application form and the required supplementary information at the following address by **1:00pm ??????**

Andy Walker
Head of Business Growth and Innovation
Lancashire County Council

Without exception, we will **not** consider as eligible for the Skills Capital Fund any applicants that fail to submit both an electronic copy and hard copy of a signed and completed Expression of Interest form together with supplementary information in accordance with the submission requirements set out in the **Lancashire Enterprise Partnership Skills Capital Funding guidance document**. Applicants must submit Expressions of Interest and supplementary

financial information using the correct application forms and templates downloaded from the LEP's website.

Section 1: Applicant Contact Information	
Name:	
Address:	
Contact Name and Job Title:	
Contact Telephone:	
Contact Email:	
Delivery Partners (if applicable)**:**	

Section 2: Project Details	
Title of Project:	*maximum 20 words*
Total Project Cost:	£[ ]
Amount of Grant:	£[ ] Percentage [ ] of total project costs
Project Summary:	[a] maximum 100 words
Location of Project:	[b]
Is the project also located within an adjoining LEP area?	**Yes/No** (Delete as applicable) If Yes, state the name of the LEP and summarise the outcome of any dialogue held with the LEP regarding the proposed project. *maximum 200 words*
Has the project previously been considered by the Skills Funding Agency or other funding bodies?	Delete as applicable: **Yes/No** If Yes, state the outcome and any subsequent changes made to the project. *maximum 250 words*
Project Priority (if submitting more than one Expression of Interest):	

Section 3: Benefits to Learners, Employers, Local Community and Supporting

Economic Growth - how the project meets the key priorities of the LEP's Strategic Economic Plan www.lancashirelep.co.uk
Note: In the responses to the questions in this section, it is important to include quantifiable targets and measures, as appropriate, to assist with an objective assessment of the application. Explain how the project meets the key criteria set out in the guidance document. The LEP will score this section under five headings: Benefits to Learners, Benefits to Employers, Supporting Economic Growth, Supporting Apprenticeships, and Collaboration with other projects / existing provision. Applicants are reminded not to exceed the maximum word limit of 750 words and to support their case using robust quantifiable and achievable measures. *Maximum 750 words*

No. of Jobs associated with construction phase (FTE's)	
No. of permanent additional jobs associated with the running of the facilities (FTE's)	
Increased learner capacity once facility is completed. Please detail age group and qualification type.	

Section 4: Estate Need	
Estate Need:	[c] *maximum 250 words*
Floor Area Improved/Rationalised by Project m^2:	Complete Table 1 below to show the area of **the entire estate** in condition A, B, C and D before and after the project [e] Note this table is designed to reflect the **improvement in condition attributable to the Skills Capital Fund project only**. Where estates condition will be improved by an ongoing current project, this improvement should be accounted for in the "before project" column and an explanation provided in the "Floorspace variation" section below. **Table 1: Proposed building condition improvement**

Condition of Estate BEFORE project (m^2 and %)			**Condition of Estate AFTER project (m^2 and %)**			**Change in condition (m^2 and %) of estate as a result of the project**		
	m^2 [1]	%		**m^2** [2]	%		**m^2** [2-1]	%

	A:			A:			A:		
	B:			B:			B:		
	C:			C:			C:		
	D:			D:			D:		
	Total:			**Total:**			**Total:**		

Floorspace variation

[d]

The LEP will be supported by the Skills Funding Agency (the Agency) which will review the floorspace information provided above and check its consistency against previous eMandate returns and capital applications.

In cases where the data supplied above differs from that reported in eMandate and/or previous capital applications submitted to the Agency, the LEP requires clarification and an explanation of potential floor-space anomalies. Complete Table 2 below to confirm how the 'before project' areas and condition categories are derived for this application.

Table 2: Building Condition Variations

Information Source	**Condition Category GIA (m^2)**				
	A	**B**	**C**	**D**	**Total**
eMandate reported position	[]m^2	[]m^2	[]m^2	[]m^2	[]m^2
Pre-project figures reported in capital applications to the Agency	[]m^2	[]m^2	[]m^2	[]m^2	[]m^2
For applicants with approved CCIF projects - Post project figures reported to the Agency	[]m^2	[]m^2	[]m^2	[]m^2	[]m^2
Pre-project figures	[]m^2	[ ]m^2	[]m^2	[]m^2	[]m^2

	reported for this proposed project					

Please explain and justify all variations in the current and historically reported areas and associated condition categories.

Any significant changes should be supported by surveys undertaken by independent qualified surveyors.

Inoperable/Category D Building Condition:	[e] *maximum 100 words*

Section 5: Financial Value for Money and Affordability

Project Funding/ Finance:

[f]

Complete Table 3 below to show how the project is to be funded/ financed.

Table 3: Funding/Financing of Proposed Project

Project funding/financing	Capital cost (£000)
Private sector	£ [ ]
LEP Skills Capital funding	£ [ ]
Applicant contribution (cash reserves)	£ [ ]
Loan finance	£ [ ]
Disposal proceeds	£ [ ]
Other public sector grants	£ [ ]
Other	£ [ ]
Total	**£ [ ]**

Additional comments: for example, if disposal proceeds are to be used, please explain current status of disposal.

Capital Spend Profile:

[g]

Amount of project costs incurred in 2014-15: £[ ]

Amount of project costs incurred in 2015-16: £[ ]

Amount of project costs incurred in 2016-17: £[ ]

Amount of project costs incurred in 2017-18: £[ ]

Value for Money and Efficiency Savings:

Applicants must accompany their Expression of Interest with an investment appraisal (Excel format) for their preferred option **and a base case (do the minimum) option**. Applicants should use the latest version of the Skills Funding Agency's investment appraisal model available on the Agency's website

for this process, including assumptions and supporting guidance notes.

Complete Table 4 below to show the cost and net present value (NPV) of each option:

Table 4: Comparison of Options

Option	Cost (£000)	NPV (£000)
Proposed project		
Base case		

The investment appraisals should include estimates of any premises costs and operating savings arising from the project over a 20-year period.

Complete Table 5 below to show the estimated premises costs and savings over a 20-year period for the proposed project:

Table 5: Premises costs and savings

	Proposed Project Savings/Cost (£000)	**Base Case Savings/Cost (£000)**
Premises costs [1]	£ [ ]	£ [ ]
Premises savings [2]	£ [ ]	£ [ ]
Difference [1-2]	**£ [ ]**	**£ [ ]**

If the costs exceed the savings by more than 5 per cent of the total project cost then explain how the project will enable the applicant to reduce its overall premises costs per square metre over the investment period; or in exceptional cases, for example where the applicant proposes to build additional space to accommodate new provision, why the project is unable to contribute to lower premises costs (£/m^2).

maximum 100 words

Affordability:	Based on the applicant's financial plan, which includes the project, confirm the applicant's financial health grade in: • 2013/14 [Outstanding/Good/Satisfactory/Inadequate] • 2014/15 [Outstanding/Good/Satisfactory/Inadequate] • 2015/16 [Outstanding/Good/Satisfactory/Inadequate] • 2016/17 [Outstanding/Good/Satisfactory/Inadequate]

Section 6: Programme	
Anticipated date for submitting a detailed application to the LEP	
Indicative Programme for Completion:	h *maximum 100 words*

Section 7: Risk	
Risk and Mitigation:	I *maximum 200 words*

Section 8: Declaration	
Declaration:	**I certify that the information provided in this Expression of Interest is complete and correct.** Please delete as appropriate: **This project has not been the subject of a successful capital funding application to the Skills Funding Agency or any other publically funded body.**
Signature (Applicant Chief Executive):	
Print Name:	
Date:	

Before submitting your Expression of Interest ensure you have all the required supporting documentation:

- **one hard copy of the application form, signed and dated**
- **one electronic copy of the application form, signed and dated**
- **Investment Appraisal for proposed project (latest version in Excel format)**
- **Investment Appraisal for base case (latest version in Excel format)**
- **If requesting greater than one-third grant support**
    - **Financial plan and commentary (latest version of financial plan in Excel format)**
    - **Supporting evidence for any third-party project funding**

Lancashire Enterprise Partnership

Skills Capital Fund Round 2 Investment 2016 - 2017

Guidance Note

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1. Introduction

Lancashire Enterprise Partnership (LEP) is now looking to invest in skills capital projects for delivery in 2016-17. This is the second round of a £30m Skills Capital Programme which was secured as part as the Lancashire Growth Deal, whereby the LEP has a direct responsibility for setting the strategic direction for skills capital investment within Lancashire. Round 2 of the programme will seek to allocate the remaining £14m to projects which will improve Lancashire's skills infrastructure. The priorities for investment, as outlined in the prospectus, align firmly with the Lancashire Strategic Economic Plan (SEP). The focus is to invest in state-of-the-art training facilities and equipment which will demonstrably contribute to the economic growth of the county, ensuring Lancashire training providers have the capacity and capability to provide a workforce which is relevant and meets future labour market and business needs.

The skills ambition of the Lancashire Enterprise Partnership is to ensure our future workforce has the skills which will enable businesses to grow. The LEP believes that by taking a strategic approach to the allocation of skills capital funds, investment will be in those facilities that are able to demonstrate a local economic and business need. By investing in state of the art facilities and equipment, Lancashire businesses will not only have access to a skilled workforce entering the labour market, but also access to a more responsive and flexible skills system which can provide up to date training for their existing workforce thus encouraging more investment in training. This will result in improved business performance, job creation, an increase in new businesses starting up and a reduction in unemployed and young people who are NEET (Not in Education, Employment, or Training).

The Prospectus and the application process has been developed in partnership with the Skills Funding Agency (SFA) to advise eligible skills providers and colleges within Lancashire on the key priorities, the application process and the assessment criteria for Round 2 of the Skills Capital Fund for Lancashire.

Applicants are advised to read carefully the Lancashire Skills Capital Fund prospectus, this guidance document and review other strategic documents referenced within this document via the web links before submitting a project at the Expression of Interest stage.

2. Skills Capital Funds Available

A total of £30m Skills Capital Funding (SCF) was available through the Lancashire Growth deal over a two year period. £14m of the funds remain to be allocated for 2016-17 financial year. The LEP has no end-of-year budget flexibility and therefore providers will need to develop projects and grant support applications accordingly. Where demand exceeds available grant support, we will prioritise projects based on overall score, with consideration given to budget implications. Grant funding is currently not available beyond 2016-17 and therefore colleges must ensure sufficient project expenditure within the financial year 2016-17 to draw down the requested level of grant support.

The SCF is available to all skills providers located within the LEP's geographic area on a competitive basis. The LEP recognises that some providers may have more than one project that meets the criteria and, in recognition of this, each eligible provider may submit more than one Expression of Interest. Colleges submitting more than one Expression of Interest need to prioritise the applications clearly. In the first instance the LEP will consider Expressions of Interest that each applicant gives the highest priority, and we will then move on to assess Expressions of Interest given a lower priority, if the budget allocation allows**.**

The minimum project value will normally be £1m for the SCF. However the Lancashire Enterprise Partnership will accept projects below this amount if the project relates to the purchase of equipment. A separate Expression of Interest from will be available for projects below £1m. There is no upper limit on project value. IS THIS OK TO SAY???

We will expect all applicants to maximise their financial contribution to projects through, for example, asset disposals, even if these occur after the project is complete. We will not permit providers to use public funding from other government-funded bodies as part of their private/organisational funding contribution.

Normally, we will expect providers to provide a minimum funding contribution equivalent to two-thirds of project value. That is, for every £1 from SCF, providers should normally invest an additional £2. Where it is not feasible to provide the required match funding, this should be identified at the Expressions of Interest stage.

Applicants unable to meet the minimum funding contributions are required to demonstrate a compelling business case for enhanced public subsidy. A compelling case requires the project to achieve high scores in:

i) the renewal and modernisation of the college estate; and
ii) the benefits to learners, employers, local community and supporting economic growth section.

In the case of the former, this equates to the removal of more than 1,000m^2 or 5% of total floorspace in condition category C/D (whichever is the lesser). Renewal and modernisation is also applicable to purchasing equipment. With respect to point ii) the LEP would typically expect most of the underpinning investment criteria to be met through the provision of, for example:

- A succinct outline of the issue, identified where appropriate by employers and stakeholders, including the Lancashire Enterprise Partnership (LEP), and clear baseline data.
- An explanation of how the project will address the issue, including clear and quantified targets / benefits / measures as appropriate. These should be achievable and the LEP will carry out a sense-check.
- How the applicant will work to achieve these targets / benefits, with clear references to how the project will support this.

3. Overall Eligibility Criteria

To be eligible to make an application to the Lancashire Skills capital Fund, the following criteria must be met.

Applicants must be:

A Further education College or private training provider that is on the Register of Training Organisations **and** have in place a funding agreement with the Skills Funding Agency to deliver education and training for 2016 / 2017 and who are expecting to hold a contract in 2016 /2017.

3.1 Eligible Projects

Projects must be complete and operational by September 20xx, ready for the 201x/1x academic year. DO WE WANT TO INCLUDE THIS?? We will **not** normally consider as eligible sectional completion of parts of larger projects due to be completed beyond this timescale, unless they refer to stand-alone sub-projects that will be fully operational in the required timescale. If colleges have any doubts regarding the potential eligibility of a project, they should discuss this with the LEP.

We will consider eligible the acquisition and refurbishment/remodelling of new freehold space where this can be shown to replace and rationalise space that is in poor/inoperable condition or evidence is provided to demonstrate that the college has insufficient space and is operating efficiently. DO WE WANT THIS IN??We will not normally consider eligible new leasehold acquisition, unless premises are to be held on a new 99-year+ ground lease (that is, at ‘peppercorn’ or very low rent) or, in the case of assignment, unless 50 years of the term remains unexpired.

We will **not** consider as eligible proposals involving work that would normally constitute the usual summer works, or planned maintenance and redecoration.

In all cases, providers must procure consultants and contractors in accordance with European Commission (EC) Procurement Directives.

We will not normally consider as eligible any proposals involving improvement to, or addition of, temporary or modular type buildings.

Colleges that are the subject of merger proposals will be individually eligible where the Skills Minister's formal approval has not already been given at the time of formal launch of this grant allocation process (that is, August 2015). Similar arrangements will apply to any college that may be seeking to redesignate itself as a sixth-form or FE college.????

The LEP reserves the right to delay assessment of application(s) where it is aware of any issues that could impact on the delivery/potential outputs of the capital project for example, but not limited to, where a college may subject to or be undertaking a Structure and Prospects Appraisal with a view to possible dissolution and/or merger with another provider.

4. Applying for Skills Capital Funding

The SCF is available on a competitive basis. The application and assessment process is in two stages:

i) **Stage one**: submission of Expressions of Interest, which the LEP will assess with support from the Skills Funding Agency. The necessary information includes:

- the rationale for the proposed project and the impact/ benefits it will deliver
- an explanation of how the project will meet the needs of the local economy and contribute to the economic ambitions of the Lancashire Strategic Economic Plan
- evidence that the project represents value for money and the necessary matched funding requirements will be met
- evidence that the SCF grant will have been spent **by the end of March 2017** and the project will be open by September 2017. ???
- project priority, if a training organsiations is submitting more than one Expression of Interest.

Successful applicants will proceed to stage two.

ii) **Stage two**: submission and assessment of detailed project proposals leading to the award of a capital grant. At this detailed application stage, colleges will need to submit robust project information. For more information on the submission of detailed applications, please refer to the Lancashire Enterprise Partnership website www.lancashirelep.co.uk

Organisations can complete Expressions of Interest using the Expressions of Interest submission form available from the LEP website ???. The sections in the submission form align with the criteria that the LEP will use to assess which Expressions of Interest proceed to stage two.

We will assess Expressions of Interest only on information submitted in the required format, however it may be validated against financial and estates related information already held by the Agency. The LEP cannot guarantee that it will consider at the assessment stage any information provided which is in addition to that listed above.

The Expression of Interest application form states the permitted words allowed in each section. Colleges **must** adhere to the word limit; we will not consider information provided over and above the word limit. Colleges are advised to provide focused and succinct responses, supported by robust, quantifiable and achievable information (particularly in the benefits to learners, employers, local community and supporting economic growth sections).

To be eligible for the SCF, organisations must meet the following submission requirements:

- Applicants must return **one** electronic copy of the signed and completed Expression of Interest form and the required supporting information submitted to Andy Walker at Lancashire County Council and ensure that it is received by **1:00pm on XXXXXXX.** (Please compress files to less than 5Mb or send several emails. If you have any difficulties sending the email(s) please call Andy Walker **and**

- In addition applicants must also ensure that the Lancashire Enterprise Partnership receives **one** hard copy of the signed and completed application form and the required supplementary information at the following address by **1:00pm on?????:**

Andy Walker

Head of Business Growth and Innovation

Christchurch Precinct

Lancashire County Council

Preston

PR1 8XJ

Without exception, we will **not** consider as eligible for the Skills Capital Fund any applicants that fail to submit both an electronic copy and hard copy of a signed and completed Expression of Interest form together with supplementary information in accordance with the submission requirements set out in this guidance document.

Applicants must submit Expressions of Interest and supplementary financial information using the correct application forms and templates downloaded from the from the LEP's website.

5. Appraisal Criteria

Lancashire Enterprise Partnership will use the following criteria to ensure applications align to local economic growth opportunities and the educational needs of learners as set out in the prospectus.

5.1 Gateway Criteria

As an essential requirement for an application to progress beyond the gateway, all proposed projects submitted for consideration must as a minimum demonstrate to Lancashire Enterprise Partnership's satisfaction that it is:

- Able to meet the eligibility criteria set out in the guidance note at Section 3;
- Provides sufficient information for the application to be assessed, in line with Project Estate need; Project Business Case (Educational and Economic), and Project Funding and Finance sections of the guidance note and application form.

Applicants must address the above two gateway criteria with their application to be considered for grant assessment under the Fund.

Applicants must qualify any assumptions made in terms of learner volumes and quantify any proposed outcomes, including information on how they will be achieved.

Supporting evidence you may wish to include would be for example:

- Any letters of support from employers, including detail on how they will benefit from the proposed project;
- Independent survey reports regarding the need for major maintenance works;
- Appropriate supporting learner feedback from the satisfaction surveys regarding required improvements to the quality of the learning environment;
- Feedback from Ofsted on improvements required to existing learning environments to help improve results
- Clear gap and competitor analysis of how the project will address genuine market opportunities for skills delivery on a Lancashire level;
- Reference to any relevant statistical information and information on current learner performance – success and achievement rates – where appropriate;

5.2 Main Appraisal Criteria

Each Expression of Interest will be assessed on the basis of the information that is provided on the Expression of Interest template. It should not be assumed that those assessing on behalf of the LEP will have any specific knowledge of the provider and its locality.

The LEP will judge the relative strengths of each proposed project against the criteria outlined below. The LEP will be supported by the Skills Funding Agency with its assessments and provide technical assessments relating to estate need, value for money and affordability. Depending on the demand for the SCF and the quality of the Expressions of Interest submitted, the LEP may decide to adopt one or more of

the following: declining some Expressions of Interest, potentially reducing the requested funding allocations to individual projects, and/or exploring opportunities to change funding year profiles.

Stage one – Criteria for assessing Expressions of Interest

The Expressions of Interest against the criteria highlighted below. The Expression of Interest application form provides further guidance.

i. **Project Estate Need** – the proposal should demonstrate the extent to which the project addresses key issues, including:

- Renewal and modernisation of the FE estate through the reduction of floor space in poor/inadequate building condition.
- Renewal and modernisation of equipment to ensure facilities are continuing to provide training relevant to the changing and evolving workplace;
- Rationalisation and Efficiency: improving space which is inefficient and unfit for purpose, reducing operating costs, driving efficiencies and creating space which is versatile, fit for purpose and tolerant to change.
- Relevance to Property Strategy: projects should be driven by the strategic objectives of the college and be part of a clear adopted property strategy for the institution.

ii. **Project Business Case** - **Benefits to Learners, Employers, Local Community and Supporting Economic Growth** – the proposed project needs to be of tangible benefit to learners, employers, local communities and support economic growth. The application needs to explain how the project meets the key criteria as outlined in this document.

The project will be scored according to the extent to which each proposed project will a) benefit learners and b) support economic growth. It is up to each college how it presents the required information, but to a maximum word limit of 750 words.

Within this section, a maximum of three points will be allocated to how the projects will impact upon each / show evidence of:

- Benefits to learners including impact on unemployment and NEETs
- Benefits to employers including evidence of co-investment, sponsorship. Support
- Supporting economic growth including alignment with the LEP priority sectors, evidence of skills shortages
- Supporting apprenticeships in particular demonstrating how the project can increase apprenticeships with a focus on higher level apprenticeships
- Evidence of collaboration or complementarity with other projects and existing provision

iii. **Financial Value for Money and Affordability** – applicants will need to demonstrate that the proposed project represents value for money and that it is affordable.

Organisations need to confirm:

- How they intend to fund the proposed project, for example through loan finance, disposal proceeds and cash reserves.
- That the project has a better net present value (NPV) than an alternative option.
- The anticipated spend profile in the financial years 2016-17 and 2017-18. Applicants need to make this information as accurate and robust as possible, as the LEP will rely on this information when assessing the demand for grant against the amount of grant funding the Agency has available to allocate in 2016-17.
- The efficiency savings that the proposed project will deliver.

Organisations are reminded that if they are unable to meet the minimum two-thirds funding contribution they are required to demonstrate a compelling business case for enhanced public subsidy. A compelling case requires the project:

- To achieve high scores in the benefits to learners, employers, local community and supporting economic growth section. The required scored will be graduated according to the Grant To Value sought
- To achieve no less than 10 points in the financial assessment

Stage two – Criteria for assessing detailed project applications

Organisations that have submitted successful Expressions of Interest will be invited to submit detailed capital applications. If an organisation has sufficiently developed detailed proposals, they may submit a detailed application **alongside** an Expression of Interest. In these circumstances, the LEP will review the Expressions of Interest alongside all other Expressions of Interest and, if successful, the LEP will then review the detailed application. Guidance on the submission of detailed applications will be available on the LEP's website ?????.

6. Prioritisation of Expressions of Interest

To be successful, all Expressions of Interest need to pass the gateway appraisal. Projects will then ranked/prioritised against all projects passing the gateway according to the overall number of points scored against the stage one Expressions of Interest criteria (a - estate need; b - benefits to learners, employers, local community and supporting economic growth; and c - financial value for money and affordability).

The LEP would normally expect successful Expressions of Interest to score highly in the following three areas:

i) Benefits to Learners

ii) Supporting Economic Growth

iii) The estate need section.

There will be a set minimum number of points required for a successful Expression of Interest. As stated above, organisations requesting grant support in excess of one-third will be required to submit a compelling business case with high scores in the three sections listed above.

7. Timescales for the Submission of Skills Capital Funding Applications

The table below summarises the timescales for Expressions of Interest submissions, assessment and approval processes:

WE CAN PUT THIS IN ONCE SAM'S TIMELINE HAS BEEN AGREED

Date	**Action**
xxxxxxx	Deadline for colleges to submit Expressions of Interest for SCF. Deadline for those colleges with sufficiently developed detailed proposals to submit a detailed application for SCF alongside an Expression of Interest.
xxxxxxx	Target date for confirmation and announcement of outcomes of SCF Expressions of Interest and concurrent detailed applications
xxxxxxx	Deadline for submission of detailed applications for the SCF
xxxxxxx	Target date for confirmation and announcement of outcomes of SCF detailed applications submitted xxx.
xxxxxxx	Deadline for submission of SCF detailed applications
xxxxxxx	Target date for confirmation and announcement of outcomes of SCF detailed applications submitted by xxxxx.

Applicants are reminded that all projects must be complete and operational by September 2017, ready for the 2017/18 academic year. This deadline is absolute and will not change.

[Insert Name of Provider] Skills Capital Funding

Application Reference:

Core Project Information		
Title of project		
Project Summary		
Project Priority		
Total Project Cost		
Amount of Grant Requested (£)		
Amount of Grant Requested (%)		Guidance document to state: 30% GTV applicant required to achieve 8 / 15 in economic impact section (3?); 60% GTV=11/15; 80% GTV=13/15. GTV will also impact on financial assessment scores

Project Programme and Spend		
Project Costs Incurred 2014-15	£0	
Project Costs Incurred 2015-16	£0	
Project Costs Incurred 2016-17	£0	
Project Costs Incurred 2017-18	£0	

Estate Gateway		
Project Deliverability		**Green:** Programme clearly indicates project will be ready for September 2017 with minimal risk evident. Amber: Programme indicates readiness for September 2017, but risks apparent which may delay completion up to end December 2017 Red: Programme clearly shows project will not be ready for start of 2017/18 academic year
Eligibility of Project (including costs)		**Green:** Project as presented appears to meet eligibility criteria Amber: Part of project is eligible and minimum project value threshold is still met Red: Project is not eligible for SCF

Estate Need	**Score**	**Comments**
Does the proposal provide evidence that demonstrates a case for investment based on estate need with particular reference to the following:	Assessment	Give clear but brief explanation of rationale for scoring - for example if scored '1' rather than '3' any shortcomings that prevent the case from being compelling need to be clearly explained. Avoid use of shorthand notes and abbreviations
Renewal and modernisation - improvement to condition of estate/ estate rationalisation and efficiency	-	3. Project reduces amount of accommodation in D/C by more than 1,000 m^2 or 5% of total floorspace in D/C (whichever is the lesser) and/or Project reduces amount of floorspace by a minimum of 1,000m2 or 5% of current total floorspace (the latter ensures smaller colleges are not penalised). I WOULD LIKE TO SUGGEST THE PRINCIPLES OF ESTATE RENWAL CAN ALSO APPLY TO AGREED% INCREASE IN MODERNISATION OF EQUIPMENT 1. Project reduces the amount of accommodation in D/C by less than (or equal to) 1,000 m^2 or 5% of total floorspace in D/C (whichever is the lesser) and/or Project reduces the amount of floorspace by i) 999m2 or less or ii) less than 5% of total current floorspace. AGAIN TO APPLY TO EQUIPMENT MODERNISATION OF AGREED %
The project and rationale is clearly articulated in the College Estate Strategy		3. The college provides evidence that the project is in the Estate Strategy and clearly states it as short to medium priority. For non-college providers, applicants can provide evidence through relevant organisational strategic planning documents. 1. Project is referenced in relevant strategy / strategic planning documents but identified as longer term priority of more than 5 years. 0. No reference in relevant documents
Total (out of 6)	**0**	

Financial Assessment	**Score**	**Comments**
Does the proposal provide evidence that demonstrates value for money, with particular reference to the following:	Assessment	Give clear but brief explanation of rationale for risk rating. Avoid use of shorthand notes and abbreviations. FOR THIS SECTION APPLICANT CANNOT SCORE LESS THAN 10 IF FAIL TO ACHIEVE AGREED CUT OFF POINTS IN ECONOMIC BENEFITS SECTION
Net Present Value	0	3: NPV for proposed project is better than base case. 1: NPV for proposed project is equal to base case NPV 0: either no NPV for proposed project/base case or proposed project NPV is worse than base case NPV
College contribution		5= LEP Contribution to project costs is 30% or less; 3= LEP Contribution to project costs is 50% or less; 1= LEP contribution to project costs is 70% or less; 0= LEP contribution to project costs is 100% Marks for this section out of 5. CANNOT CHANGE THE CELL THOUGH!!
Efficiency savings	0	
Risk mitigation	0	**Green: (3)** Good evidence of risk mitigation planning. Key project and finance risks identified. Likelihood and impact recorded for each risk. Mitigation measures recorded. **Amber:** (1) Limited evidence of risk mitigation planning. Key project and finance risks identified but likelihood and impact not recorded for each risk or mitigation measures not recorded. **Red: (0)** Inadequate or no evidence of risk mitigation planning.
Total (out of 14)	**0**	

Benefits to Learners and Supporting Economic Growth	**Scoring guidance**	**Score**	**Comments**
Does the proposal provide evidence that demonstrates the following:			Give clear but brief explanation of rationale for scoring - for example if scored '1' rather than '3' any shortcomings that prevent the case from being compelling need to be clearly explained. Avoid use of shorthand notes and abbreviations
Benefits to Learners: > Impact on unemployment and NEET > Benefits to classroom-based students > Offers pathways and opportunities that engage the educational and training needs of students and support the business and skills requirements of employers and sectors > Improving quality	Compelling evidence = 3 Adequate Evidence = 1 Nil/ inadequate evidence=0	0	3. Compelling evidence provided that demonstrates measurable benefits linked to local plans and priorities. Most of the underpinning investment criteria are met through the provision of, for example: • A succinct outline of the issue, identified where appropriate by employers, stakeholders (including the LEP) and including clear baseline data. • An explanation of how the project will address the issue, including clear and quantified targets / benefits / measures as appropriate. • How the College will work to achieve these targets / benefits, with clear references to how the project will support this. Benefits should be realistic and sense-checked based on knowledge of the College, the local area, and local plans. If these are deemed to be unrealistic (for example a large increase in learner numbers that would require a significant increase in Adult Skills Budget, or unrealistic targets for reducing NEETs, unemployment etc.) then this should be taken account of in the scoring.
Benefits to Employers eg Employer Co-investment; Employer Sponsorship; Employer Support.			3. Employer co-investment = evidence has been provided that one or more employers will coinvest in the proposal; 2 = evidence has been provided that one or more employers will sponsor equipment; 1 = evidence has been provided that one or more employers support the development; 0 = no evidence
Supporting Economic Growth: > Skills shortages / Growth industries > Responsiveness and securing added value for agreed local priorities and action plans > Demonstrates links with plans for tackling specific local issues and challenges. Demonstrates added value / cost reduction or increased impact benefits for the outcomes and priorities set out within these plans and priorities > Other growth measures: including widening participation by creating improved opportunities for learners with learning difficulties and disabilities, offering more flexible routes and opportunities to higher education		0	1. Adequate evidence provided - for example, a narrative of the project impact and benefits and measures outlined that partly meet most of the underpinning evidence. 0. Nil/inadequate evidence provided on how the criteria will be met. For example, evidence that is nil/inadequate will be a predominantly narrative response that meets none or only some of the underpinning evidence.
Supporting Apprenticeships: > Supporting the expansion of 16-18 and 19-24 Apprenticeships, supporting other work place provision, and providing clear routes to higher level training including higher level Apprenticeships			As above
Collaboration with other projects / exisitng provision: Applicants needs to demanstrate that they understand how their project complements / adds value to other provision available or other projects seeking funding through this programme			As above
Total (out of 15)		**0**	
Total (out of 44)	**0**		

ITEM 10

Lancashire Skills Board – 23rd July 2015

European Structural and Investment Fund (ESIF) Pipeline Project Exercise

Report of Andy Walker – Head of Business Growth

Executive Summary

The May the LEP Board received an update report on progress with the 2014-20 ESIF Programme. That report recognised that the ESIF programme was now getting to a stage where projects would begin to move forward through the application and appraisal process and that there was a need to ensure there was a robust and well planned pipeline of Lancashire projects which were strategically aligned with local priorities, which build on other investment and which can delivered the required European outputs for Lancashire.

A recommendation of the LEP was that a pipeline exercise and ESIF event be run to begin to establish the objectives set out above. This exercise ran through June and attract over 100 expressions of interest form local organisations and stakeholders.

This report details those EOI's which relate to Skills and Employability work and suggests how the Skills Board might approach supporting the Lancashire ESIF Partnership in prioritising and driving forward this body of work.

Recommendations

That staff supporting the Skills Board and working as part of the Skills Hub should be requested to:-

1. Re-open the EOI process briefly to ensure that all skills partners have had an opportunity to submit projects.
2. Work with the LEP's Business Support Programme Board to assess and progress Business, SME and Enterprise and Sector Focussed Focused Projects.
3. Considers facility based projects in a process which is aligned with Skills Capital Decisions
4. Looks to encourage a single bid combining the best aspects of the Graduate Retention Programmes
5. Considers how best Client, Location and Community Grant based projects can be taken forward

1. Context

1.1 The recent ESIF pipeline exercise conducted by the LEP is designed to allow Lancashire to understand the match between the availability of European resource and the local ambition to access and make use of those funds.

1.2 Whilst the picture will only be fully complete once we understand the full scope of the outputs the ESIF monies need to deliver, this initial exercise will give a the Skills Board a better sense of the scope of the projects it may want to champion or work with. It is suggested that, with technical support the LEP's Skills Board should be supporting the Lancashire ESIF Partnership by:-

- Determining the viability and eligibility of projects
- Testing the strategic fit of projects with the emerging Skills Strategy and Skills Evidence base
- Defining if projects / project sponsors should be looking to promote their activity as a stand-alone local call, as part of one of the defined SFA opt in activity areas, or needs to be developed to be a consortium bid later in the process
- To recommend to the ESIF partnership when a call should be placed to call forward this activity.

1.3 The main blocks of ESF procurement for Lancashire in the first three years of the programme will be confirmed by DWP shortly and this in itself will create a programme of calls. The challenge will be to establish if these SFA opt-in calls fully deliver on the employment and skills development aspirations of the Local Enterprise Partnership or whether there should be a place to accommodate some of these "bottom-up suggestions".

2. Current ESIF Expressions of Interest

2.1 Combining existing ESIF requirements gathered from Growth Deal projects and others which have come forward through this pipeline exercise we have identified:-

- 102 project pipeline proformas submitted
- £262 million of total ESIF funding requested (ERDF,ESF,EAFRD)
- ERDF £228 million requested as follows:
  - ERDF £163m capital
  - ERDF £64 million revenue
- ESF £34 million requested
- EAFRD £250k requested

2.2 Project pipeline by Thematic Objective:

Funding requested in project pipeline proformas by Thematic Objective:					
	Thematic Objective	**ERDF Capita requested (£m)**	**ERDF Revenue requested (£m)**	**Total ERDF requested (£m)**	**ESF requested (£m)**
TO1:	Promoting research and innovation	17	22	**39**	
TO2:	Enhancing access to, and use and quality of, ICT	0.5	1.4	**1.9**	
TO3:	Enhancing the competitiveness of SMEs	86	25	**111**	
TO4:	Supporting the shift towards a low carbon economy	23	6	**29**	
TO5:	Climate change adaptation, risk prevention and management	8	0	**8**	
TO6:	Preserving / protecting the environment & resource efficiency	27	9	**36**	
TO8:	Promoting Employment & Employability Skills				18
TO9:	Promoting social inclusion / combating poverty		0.6	**0.6**	9
TO10:	Skills Provision				7
	Total	**163**	**64**	**228**	**34**

Match Funding breakdown from project pipeline proformas:				
Funding Profile Total Summary				
Total ESIF (£m)	**Public Sector Match (£m)**	**Proposing Organisation (£m)**	**Private Sector Match (£m)**	**Other (£m)**
262	93	96	245	6

Breakdown of sectors:

Councils - 44 projects
Colleges – 8 projects
Universities – 20 projects
Chambers of Commerce – 3 projects
Training Providers – 5 projects
Developers – 4 projects
Other – 18 projects

Available Funding:

Based on the project pipeline proformas and funds already allocated (e.g. Opt-ins, NW Fund, SFA, Big Lottery, etc) the funding available is as follows:

- ERDF is over-subscribed by £127m
- ESF has £1.2m available
- EAFRD has £3.95m available

This is broken down by Thematic Objective as follows:

	Thematic Objective	ERDF Allocation	ERDF (£m)	ESF Allocation	ESF (£m)	EAFRD Allocation	EAFRD (£m)
TO1	Promoting research and innovation	33	-9				
TO2	Enhancing access to, and use and quality of, ICT	8	6.1				
TO3	Enhancing the competitiveness of SMEs	64	-71				
TO4:	Supporting the shift towards a low carbon economy	21	-14				
TO5:	Climate change adaptation, risk prevention and management	4	-4				
TO6:	Preserving / protecting the environment & resource efficiency	4	-32				
TO8:	Promoting Employment & Employability Skills			26	-11		
TO9:	Promoting social inclusion / combating poverty	2.5	1.9	19	-1.5		
TO10:	Skills Provision			46	14		
	Total	**136.24**	**-127**	**90.82**	**1.2**	**4.2**	**3.95**
(minus sign indicates funding over-subscribed)							

3. Initial Headlines on Skills Projects

3.1 Defining skills projects as those seeking an element of ESF in the funding request for their project or those emanating from a College or training provider, there are potentially 40 EOI's which will into this definition. The Headline commentary and financial ask for each is attached at the end of this document.

3.2 Trying to disaggregate these by broad theme gives the following split:-

Client Group Focused (9)

- Substance and Alcohol Misuse "Recovery College"
- Over 50's fit for life employability and health project
- Ex-offenders Enterprise Skills
- Wellbeing in the workplace
- Non-local authority social housing tenants
- New and Emerging Communities in Preston
- Transforming Lives Consortium
- Veterans in the Community

Graduate Retention(3)

- Graduate Internships (Blackburn College)
- Graduate Enterprise (Lancaster University)
- Graduate Talent for Lancashire (RPL)

Location Focused (3)

- Chorley Employment and Skills Programme
- Morecambe Employment and Skills Programme
- Preston Community led development

Sector Based (9)

- HGV and Logistics Academy
- Digital Health and Social Care
- Construction for Energy
- Energy Training Centre
- Halal Food
- Recycling and Re-use
- Low Carbon
- Food, Farming, Innovation and Technology
- Creative and Media (UCLAN)

Business, SME and Enterprise Focussed (8)

- Business ICT Training Centre (A&RC)
- 3rd Sector Employment and Growth(Bootstrap)
- Business start-up (E4A)
- Leadership and Management (E4A)
- 3rd Sector Business Support (E4A)
- Business Start-Up Support (Orvia)
- Enterprise Support for Young People (Prince's Trust)
- Young Enterprise

Facility Based Projects (8)

- Pennine Lancashire Research Skills and Innovation Centre (B'burn Coll)
- Applied Innovation and Future Skills Centre (B'burn Coll & Council)
- WEC Manufacturing Training Facility
- Blackburn Cathedral further development
- Burnley Knowledge Park
- Simulated Hospital
- Blackburn Creative Hub
- Pennine Lancs. Canals

Community Grants (1)

- Community Grants (E4A)

4. Conclusions and Recommendations

4.1 Given that Lancashire is now committed to both the DWP and SFA opt-in programmes, pushing initial commissions through this route will be the priority for the remainder of the calendar year. In the meantime, it is suggested that staff supporting the Skills Board and working as part of the Skills Hub should:-

- re-open the EOI process briefly to ensure that all skills partners have had an opportunity to submit projects.

- Works with the LEP's Business Support Programme Board to assess and progress Business, SME and Enterprise and Sector Focussed Focused Projects.

- Considers facility based projects in a process which is aligned with Skills Capital Decisions

- Looks to encourage a single bid combining the best aspects of the Graduate Retention Programmes

- Considers how best Client, Location and Community Grant projects can be taken forward

Appendix 1 – ESIF EOI's with an ESF Requirement or Related to the Skill Agenda

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Business ICT Support Service	Accrington and Rossendale College	**0.00**	**0.00**	**0.00**	**0.00**	To establish a Service for SME's to support them in accessing and using ICT and emerging technologies to support business efficiency and growth. This service will include initial consultations; bespoke packages of support; access to hardware and software through an approved supply chain; access to specific training and accreditation in business ICT use; and ongoing technical advice and back up. The focus initially will be on maximising use of superfast fibre broadband, cloud services and reducing risk to service delivery /business continuity due to ITC systems breakdown. The service will be delivered in the workplace, remotely (utilising existing and emerging technology) and in the service's dedicated training suite. It will require both revenue and capital funding. Type of outputs:- • Numbers of SME's engaged • Numbers of SME's taking up new and emerging technologies • Numbers of SME's reporting business efficiencies	Funding amount and profile details not provided Requested ESF, though no ESF TO selected
HGV & Logistics Academy	Accrington and Rossendale College	**0.00**	**0.00**	**0.00**	**0.00**	To establish an HGV and Logistics Academy in Lancashire The Academy will be a partnership with the College and two local logistics companies. The Academy will provide a solution to a key issue facing the Logistics industry – a skills gap in HGV drivers. There is an increasing demand for road haulage – this is exposing issues in the current HGV driver workforce – it is an ageing workforce with limited entry by young people. The Academy will deliver a local talent pipeline to meet demand for qualified HGV drivers. It will require both revenue and capital funding. Types of outputs	ERDF requested, no ERDF TO selected Funding amount and profile details not provided

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						• Numbers engaged in training • Numbers qualifying as HGV drivers • Numbers gaining employment • Growth in logistics companies using Academy services to meet skills gaps	
Lancashire Recovery College	Accrington and Rossendale College	**0.00**	**0.00**	**0.00**	**0.00**	To establish a Recovery College in Lancashire, focusing on a service for Lancashire residents facing substance and alcohol misuse issues. A Recovery College is a new concept in the UK. It is designed to enable people to rebuild their lives - to develop the skills they need for living and working. Recovery Colleges enable people to become experts in their own self-care and develop skills and confidence to manage their own recovery journey. The College will be operated by a partnership of College and two drug / alcohol service providers. It will provide a new service with the aim of supporting people to make sustainable changes in their lifestyles, address issues of social exclusion and move toward employment. Type of outputs:- • Numbers engaged • Numbers showing "distance travelled" in terms of personal and social development • Numbers progressing to further education and training • Numbers progressing to volunteering and employment	Funding amount and profile details not provided
Fit For Life / Fit for Work	Age Concern Central Lancashire / nCompass / TUC	**0.00**	**0.00**	**0.00**	**0.00**	To reach and engage with older people 50 plus across Lancashire wishing to return to work The target to get them Fit for Life / Fit for Work Support healthier lifestyles and a more positive mental well being Examine skills experience and qualifications Examine transferrable skills / Life Skills Support confidence and self esteem building Offer training and opportunities in the workplace / volunteering Engage people in places they feel comfortable in – Pubs / Betting Shops / Barbers – community venues. Offer support and training in community programs and projects Work with our two partner organisations examining mental well being, the issues around benefit changes	Funding amount and profile details not provide

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						and the barriers to engaging in the workplace following long periods of worklessness. Peer to Peer support project. To work in areas of deprivation and engage with the hard to engage communities building up a trust and confidence in the project. Outputs To increase the levels of confidence of older people 50 plus seeking work To increase a healthier physical and Mental well being leading to a healthier workforce To work in partnership with Leisure and Activity providers to increase Health and well being in participants. Train and support older people Work in partnership with partners and local projects offering participants work and volunteer opportunities suitable to increasing their confidence and self esteem Offer peer to peer support project giving participants the opportunity to coach and support their peers with advice and experiential training. To reach and engage with older people 50 plus across Lancashire wishing to return to work The target to get them Fit for Life / Fit for Work Support healthier lifestyles and a more positive mental well being Examine skills experience and qualifications Examine transferrable skills / Life Skills Support confidence and self esteem building Offer training and opportunities in the workplace / volunteering Engage people in places they feel comfortable in – Pubs / Betting Shops / Barbers – community venues. Offer support and training in community programs and projects Work with our two partner organisations examining mental well being, the issues around benefit changes	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						and the barriers to engaging in the workplace following long periods of worklessness. Peer to Peer support project. To work in areas of deprivation and engage with the hard to engage communities building up a trust and confidence in the project. Outputs To increase the levels of confidence of older people 50 plus seeking work To increase a healthier physical and Mental well being leading to a healthier workforce To work in partnership with Leisure and Activity providers to increase Health and well being in participants. Train and support older people Work in partnership with partners and local projects offering participants work and volunteer opportunities suitable to increasing their confidence and self esteem Offer peer to peer support project giving participants the opportunity to coach and support their peers with advice and experiential training. To reach and engage with older people 50 plus across Lancashire wishing to return to work The target to get them Fit for Life / Fit for Work Support healthier lifestyles and a more positive mental well being Examine skills experience and qualifications Examine transferrable skills / Life Skills Support confidence and self esteem building Offer training and opportunities in the workplace / volunteering Engage people in places they feel comfortable in – Pubs / Betting Shops / Barbers – community venues. Offer support and training in community programs and projects Work with our two partner organisations examining mental well being, the issues around benefit changes	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						and the barriers to engaging in the workplace following long periods of worklessness. Peer to Peer support project. To work in areas of deprivation and engage with the hard to engage communities building up a trust and confidence in the project. Outputs To increase the levels of confidence of older people 50 plus seeking work To increase a healthier physical and Mental well being leading to a healthier workforce To work in partnership with Leisure and Activity providers to increase Health and well being in participants. Train and support older people Work in partnership with partners and local projects offering participants work and volunteer opportunities suitable to increasing their confidence and self esteem Offer peer to peer support project giving participants the opportunity to coach and support their peers with advice and experiential training.	
Graduate Internships for Business Growth	Blackburn College	**0.00**	**0.00**	**0.75**	**0.75**	Blackburn College will work with Blackburn with Darwen Borough Council (BwDBC) to create an Internship Programme which will support the development of graduates and undergraduates ready for employment. The project will: • create a partnership Internship model across the Borough supporting employers workforce development and the local economy • work with employers to identify valuable Internship opportunities, providing additional training for employers to ensure a robust recruitment system • provide impartial Matrix standard careers advice to support individuals through the recruitment process • offer 100 internships with employers paying at least the minimum wage. Bursaries will be available for SMEs for their first Internship	Also ticked TO1, 3, 9, 10

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						• provide a dedicated staff support team to work with employers and individuals to ensure placements are benefit all parties, provide mentoring support and evaluate the process The College will work with BwDBC, The Hive and Business Leaders' Network to promote the project and recruit employers. Outputs: • 200 applications • 100 internships • 50 bursaries • 10 jobs created	
Pennine Lancashire Research, Skills and Innovation Centre	Blackburn College	**3.80**	**1.00**	**1.00**	**5.80**	The project will develop and renovate an existing building (currently in Category D of the SfA E-Mandate) into a vibrant and innovative Research, Skills and Innovation Centre. The project will provide SME and business start-up support through: • Creation of research and development facilities to support business start-ups, emerging businesses SMEs and future academic development, particularly in the fields of Environmental Technology, Sustainable Construction and Aerospace • Access to incubation units and business space to support new companies along with business expertise and industry sector support across a range of sectors but primarily environmental technologies, sustainable development and wider STEM industries (advanced manufacturing, science, aerospace, engineering) • Access to mentoring and expert business/industry sector support • Funding application support e.g. Knowledge Transfer Partnerships, Innovate UK Voucher scheme • Conference/meeting facilities including teleconferencing, ICT and reception facilities • Student project support – internships, work experience • Apprenticeship opportunities • Research, development and production/manufacture of prototype Environmental Technologies, particularly Thermo-electrics and sustainable construction	Also ticked TO1, 4, 5, 6, 8, 10

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						Outputs: • At least 20 start-ups • 200 Businesses (established and start-ups) engaged and supported through the Centre • with resources, staff development, expertise, conference facilities, meeting space, video links • 100 jobs created through Centre and business start ups • 200 jobs safeguarded	
Applied Innovation & Future Skills Centre	Blackburn with Darwen Borough Council	**2.50**	**0.00**	**0.50**	**3.00**	This project is a partnership project between Blackburn College, the Education Improvement Partnership and BwDBC. It is intended to provide much needed innovation and incubation space as move-on space to the FabLab in Blackburn Town Centre. It is intended to fill a gap identified by local employers in advanced creative and manufacturing skills particularly in area such as 3-D Printing, CNC machine technology and systems processing. It will be centred on the currently vacant Blakey Moor Centre and soon to be demolished Waves site to create a state of the art facility in additive manufacturing innovation and skills development. Blackburn College is providing a high quality educational and training environment but has no current access to incubation space. This centre is intended to provide an active space where product and business ideas generated in the College and FabLab can be developed, prototyped and support can be provided to patent, commercialise and take to market. It will also provide the base at which industry level skills in innovative technology can be gained which are not currently catered for elsewhere and be part of the eco-system for Blackburn with Darwen to be recognised as the 'capital of making'	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Digital Health Innovation in health and social care transformation	Blackburn with Darwen Borough Council	**1.50**	**0.50**	**0.50**	**2.50**	This proposal is intended to address two issues: (i) Promoting investment and innovation in product and service development particularly in public service applications in the emerging digital health sector; and (ii) Remove a key barrier to economic participation and self-sufficiency, recognising health as an economic determinant and supporting individuals and communities to improve economic activity by addressing health deficiencies and inequalities across the area. In order to achieve this, the proposal aims to: • Align manufacturing assets and capability to support the health and social care transformation agenda underway across Lancashire. • Educate and inform business on emerging opportunities within the public sector. • Harness public sector investment in digital health infrastructure, such as the Health Information Exchange, to support regional economic growth This proposal also complements and supports the Making Every Contact Count (MECC) programme across Lancashire by adopting technology to improve health literacy, and support healthier lifestyles using behaviour change techniques implemented through digital and technological channels. The project will develop and encourage staff to use and promote digital technologies with service users, thereby increasing individual capacity for self-care of physical and mental health needs, increasing personal autonomy and improve social networks by connecting with others. The Lancashire LEP recognises digital health as a developing growth sector within the Strategic Economic Plan and the significant shift from hospital based care to a focus on patient centric diagnosis treatment and monitoring. In line with this, this proposal will link with Blackburn's Fab Lab which was funded by the LEP through the Growth Deal.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
M65 Junction 5 Manufacturing Skills Academy	Blackburn with Darwen Borough Council	**1.20**	**0.00**	**0.80**	**2.00**	The project is located within the Arc of Prosperity at Junction 5 M65 and within the Assisted Area. It is a partnership between Blackburn Council, Blackburn College and WEAC Engineering to develop an onsite manufacturing skills academy which uses the practical skills requirements of WEAC Engineering to drive skills growth in the Engineering and Construction Sectors which are known to have significant skills gaps. The College will provide on site and off site support and see this as a bridge education and industry. ERDF is required in the construction and fit out of a purpose built facility alongside WEAC Engineering's current plant, and ESF will assist with local recruitment and training.	Also ticked TO2,6, 8, 9

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Cathedral Quarter Phase 2	Blackburn with Darwen Borough Council (BwDBC) in Partnership with Maple Grove Developments	**1.10**	**0.00**	**0.00**	**1.10**	The project is the second phase of the Cathedral Quarter Development Masterplan, to improve the competitiveness of SME's and support new employment sectors through the provision of modern Grade A BREEAM Excellent office accommodation with enhanced ICT connectivity. It links to the objective of 'Strategic Development and Investment' in the Lancashire Growth Deal to 'support the delivery of strategic development and infrastructure projects to unlock jobs, investment and economic growth'. The Masterplan includes a pair of office buildings designed by BDP, the first one consisting of 30,000 sq ft is currently being constructed and generating considerable interest as the lettings strategy progresses. This will be completed end of September with the Council taking a 25 year head lease and Legal and General completing the purchase. All infrastructure and public realm costs have been invested on phase 1 ,and the site is 'oven ready' to the be developed for the second office which comprises of 50,000 sq ft of with active ground floor uses. The project will provide investment to support the delivery of strategic development at a sustainable to unlock jobs and economic growth in this regionally important site in the heart of B. An indicative allocation of £35m Growth Deal and £30m ESIF has been made by the LEP to support these objectives. Through the provision of modern office space , the project will support and enhance the competitiveness of SME's in the area in support of Priority Axis 3. It is also focuses on site development to bring derelict and brownfield land into improved condition whether this will unlock employment sites and so deliver economic growth, in support of Priority Axis 6. The outputs will be 50,000 sq ft of new commercial office space and c400 new jobs.	Also ticked TO6

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Construction Skills to support the Energy Sector	Blackpool and The Fylde College	**0.00**	**0.00**	**1.00**	**1.00**	The project will involve the development and delivery of provision to meet employer requirements at L2 and L3 with respect to:- • Preparing prospective well sites for exploration and operation (e.g. access roads, well platforms etc.) • Remediation of land and local environment after wells have been decommissioned • Preparing sites for the installation/maintenance of onshore wind power facilities • Supporting the nuclear de-commissioning programme • Installation and maintenance of environmental technologies to support the improved insulation of buildings, solar power, ground source heat pumps, biomass, anaerobic digesters etc., grey water systems and monitoring and control systems The project will support the sustainable employment of new entrants to the sector and provide opportunities for re-training for people displaced by structural changes in the economy.	Appear to be requesting 65% ESIF Also ticked TO4/6
Blackpool Energy College Training simulator	Blackpool and the Fylde College	**1.25**	**0.10**	**0.00**	**1.35**	Blackpool & The Fylde College has secured £6.2M support from the Lancashire Growth Deal to develop a dedicated Energy campus looking to support the training and development requirements for the full spectrum of energy sector industry across Lancashire , including off shore wind , on and offshore oil and gas, marine and solar energies. The College will also host the UK Onshore Oil and Gas Academy . Work is underway to deliver the college facility at a site in South Blackpool with the target of opening in early 2018 (two sites remain under active consideration with development of both being progressed in parallel with a final decision on location to be taken in Q4 2015. The intention is to equip the new Energy HQ with state of the art bespoke training simulators which will permit detailed simulation of work on Off shore Wind Turbines , other Marine energy generation technologies including wave , tidal stream and tidal barrage technologies , and to provide a range of equipment which would	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						permit training in specialist high specification/ high safety welding . The design construction and installation of the bespoke simulator technology – which Blackpool & the Fylde College have extensive experience of from the successful marine navigation and engineering simulator suite at it's Fleetwood Nautical campus, is outwith the approved Growth Deal funding for the Energy HQ as is the specialist welding hardware- both of which would enhance the range and quality of activity . The provision of this key equipment will enable the College to develop the highly skilled workforce that will be required in the next decades to enable Lancashire to fulfil the objectives within the Lancashire SEP and the Fylde Coast Growth Accelerator in establishing it's position as a leading player within the energy and low carbon sector allowing Lancashire to maximise employment and economic return from this key growth sector . The procurement of the simulators will cost circa £2.75m plus installation and operator training cost of circa £200,000 and will support 5-10 Jobs and train in the region of 200 additional students annually . ERDF funding is specifically sought to enable design and purchase of the bespoke Simulator technology and to train the operatives in programming and servicing the equipment . Match funding will be provided by the Blackpool & the Fylde College and private sector sponsors to be identified .	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
3rd Sector Employment and Growth	Bootstrap Enterprises	**0.00**	**0.00**	**1.56**	**1.56**	This project would support the growth of the Social Enterprise Sector by the creation of 300 full-time (at least 30 hours per week) employment opportunities in Lancashire Social Enterprise, Voluntary and Community Sector Organisations. The jobs created would initially be for 6 months and target unemployed individuals from the most deprived communities of Lancashire, and in particular the under 25s, over 50s and unemployed adults with disabilities, paying at least the Adult Minimum Wage. The project is modelled on the "Future Jobs Fund"(FJF) initiative which between October 2009 and March 2011 provided temporary real work for 105,220 Young People in the UK, of who 43% moved into unsubsidised full-time employment after completing FJF. In the majority of cases those jobs were with the same employer as their FJF job. The key findings of the independent CESI evaluation of Future Jobs were that FJF : • benefited communities, in terms of the expansion of programmes serving communities • transferred benefits to the voluntary sector, charities and social enterprise provided people with a real job with a real wage • engaged employers, many of whom say they are now more likely to employ an unemployed young person • moved people off long-term benefits • raised people's career aspirations, and their levels of relevant training and qualifications The Social Enterprise sector in Lancashire would market the programme with support from One Lancashire and Selnet. Research amongst Selnet membership supports a "Real Wage for Real Work" initiative that would build their and the sector's capacity to deliver increased Social Impact.	Also ticked T03

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Burnley Knowledge Park Phase II	Burnley Borough Council	**2.50**	**0.00**	**0.00**	**2.50**	Burnley Knowledge Park is located adjacent to the Burnley College/UCLAN Campus at Princess Way, close to the Town Centre with good access to the M65 motorway. The first phase, a five acre site, is already underway with Trebor Developments and support from the LEP Growth Deal for an engineering and manufacturing incubator and grow on space. There is also potential for 43,000 sq ft of office space which will be brought forward as commercial developments. Burnley BC owns a further 5.3acres of land to the South West of Phase I site which we aim to open up as a second phase of the Burnley Knowledge Park. The aim of the park would be to provide a continuum of advanced engineering and manufacturing space, approx. 70,000sq ft. Units would be between 5,000 and 20,000 sq foot reflecting the requirements of growing businesses in this sector. Funding is required for on and off site infrastructure including a bridge and flood mitigation measures.	Also ticked TO5 Funding amount and profile details not provided
Chorley Employment Programme	Chorley Council	**0.00**	**0.00**	**0.26**	**0.26**	The Chorley Employment Programme comprises two elements targeting disadvantaged communities to support them into work: Chorley Works and Vulnerable Families Employment Project. Following a successful 12 month pilot, Chorley Works combines an 8 week meaningful work placement either within Chorley Council or a local employer, supported by Chorley Council's Employability Officer with funding available for relevant training to try to maximise the chances of the participant being offered a paid contract with their placement provider. The main aim of the placement is to provide recent work experience for unemployed Chorley residents aged 25+ and claiming Job Seekers Allowance or Universal Credit and aims to increase confidence, build on existing skills and move the participant closer to the work market. A paid position with the placement provider is an added bonus. The following outputs will be achieved: 720 referrals into the scheme 180 people completing an 8 week placement 120 people securing permanent paid employment	Requested ERDF, no ERDF TO ticked Also ticked TO8 - project could be either requested 65% ESIF

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						180 people completing one or more training courses The Vulnerable Families Employment Project aims to build on Lancashire County Council's 'Troubled Families' and 'Working Together with Families' initiatives to provide early help and offer employment support to 84 Chorley parents in identified 'vulnerable families'. The twofold approach aims to provide support and encourage self-improvement and also offers incentives, in the form of food vouchers, for continued engagement with the programme. The support and self-improvement involves taught employability skills, confidence building as well as referrals to accredited training with a view to the participants eventually being referred into the Chorley Works. The incentives are provided at three separate points throughout the project: on initial engagement with the project, on achieving the completion of relevant training and improvements and the subsequent referral to Chorley Works and upon completing an 8 week Chorley Works Placement.	
Co-operating out of Crime	Co-operative and Mutual Solutions Limited	**0.00**	**0.00**	**0.15**	**0.15**	CMS and Partners: Reframing and Creativity for Change will work with ex-offenders on developing enterprise: self-employment and co-operative self-employment. We have worked in and with prisons and probation services for several years and understand the barriers faced by ex-offenders. Self- employment and working in a consortium is an accepted method for ex-offenders to find employment or create their own job. Creativity for change will deliver training courses (Mind Your Own Business) in Prison and will feed CMS with referrals. The MYOB courses are not a funded part of this proposed project. CMS and Reframing will support ex-offenders into self-employment particularly through hydroponic growing of salads, herbs/mushrooms and through catering jobs in restaurants. CMS and Reframing already have experience in doing this in Greater Manchester through a 'kitchen porter' project. Catering jobs for ex-offenders is considered one of the key priorities of the Ministry of Justice/Prison skills and education team. The outputs will be:	Requested ERDF, no ERDF TO ticked and appears to be a skills project Changed to ESF and put in TO9

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						New Businesses created: 15 New Jobs created: 15	
BUSINESS START UP SUPPORT - GET GOING!!	ENTERPRISE4ALL (NORTH WEST) LIMITED	**0.00**	**2.00**	**1.00**	**3.00**	The Business Start Up programme will provide assistance to individuals considering starting a business and operate across all eligible areas of Lancashire. The project will provide one-to-one support in the form of telephone support, business development sessions, one-to-many support through the provision of workshops, start-up tools/materials and post start support in order to improve sustainability and survival. There are two strands of pre and post start support for new enterprises that will directly complement existing local and national programmes. The service will be open to individuals who want to start a business or have started a new business in the last 3 years. Support will be available to individuals whilst they are in the process of creating and starting their businesses, as well as on-going support to the business for up to 36 months from the commencement of trading. The following support will be on offer: Business development sessions – These sessions will be provided on a one-to-one basis with an accredited business advisor. These sessions will be an opportunity for individuals to investigate the viability of their business idea and to formulate their product/service. The development sessions will enable individuals to develop their outline business plan. A training needs analysis will be carried out and will incorporate recommendations for the workshop programme, tailored to the individuals requirements based on their skills level. Workshop programme – Start up Lancashire will also provide a workshop programme developed to address the issues specific to establishing a new business. The workshop programme will incorporate the essentials for individuals to be aware of when starting a business. Including; Business Essentials (legal structure, VAT, bank accounts, business name) Finance Essentials (finance options, becoming investment ready, access to finance programme, profit and loss, cash flow forecasts) Marketing Essentials (branding, marketing tools, targeting customers,	Flexible on match amounts - those included are indicative Also ticked TO9

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						procurement/tendering) Business Planning Essentials (human resources, health and safety, networking). Additional bespoke tailored support can also be provided I addition to the above. Potentially in excess of 1,000 individuals and businesses can benefit from the support and could feed into the BOOST programme for further development.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
COMMUNITY GRANTS FOR SKILLS DEVELOPMENT	ENTERPRISE4ALL (NORTH WEST) LIMITED	**0.00**	**0.00**	**1.00**	**1.00**	The Community Grants for Skills Development will target and work with the advantaged groups from local communities with a view to engaging them training and development and skills provision to move them closer to the Labour Market. We are proposing to co-ordinate and manage a Community Grants Fund to build the capacity and capability of community groups, assist them to offer enhanced targeted services and specifically work to move individuals closer to the Labour market through Volunteering, Non-Accredited Training, Confidence Building etc. Potentially in excess of 1,000 individuals can benefit from the support and help to develop the Skills Attainment Levels across Lancashire. The project can also directly feed into the SFA Opt-In projects through engaging with those who are not engaging with SFA/ DWP services at present.	No match funding percentages have been included. They have stated that part of the match funding has been confirmed but no detail.

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
DEVELOPING & DRIVING TALENT IN THE WORKPLACE	ENTERPRISE4ALL (NORTH WEST) LIMITED	**0.00**	**1.00**	**1.00**	**2.00**	The project will work with employers and employees across Lancashire through the use of innovative tool such as TALENT DYNAMICS as part of their LEADERSHIP & DEVELOPMENT STRATEGY for staff. Understanding the key strengths of individuals and how best they can be utilised as part of a Growth Strategy in the business is key to Business Strategy, Talent Development, Staff Motivation and Succession planning amongst other benefits. The cost of HR services and wider support for employers in continually having to recruit and train staff with the risk of staff leaving/ not getting the best individuals, is a key concern for employers and for the area as a whole given the BRAIN DRAIN issues to other areas from Lancashire from our Graduate Talent Pool. Working with HR specialist and Recruitment agencies we will deliver a programme of recognising and driving Talent Development within SME's to contribute to Productivity increases. Potentially in excess of 1,000 individuals and 500 businesses can benefit from the support and help to directly feed into other elements of the wider BOOST programme.	No match funding percentages have been included. They have stated that part of the match funding has been confirmed but no detail.

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
DEVELOPING HALAL SECTOR GROWTH OPPORTUNITIES IN LANCASHIRE	ENTERPRISE4ALL (NORTH WEST) LIMITED	**0.00**	**1.25**	**1.25**	**2.50**	The project will work with employers in the Food Sector across Lancashire and utilise the skills and expertise of Food Sector representative organisations as well as Universities and Colleges with a view to developing technical support and expertise in Halal Food Production (incl. GM etc.), Halal Marketing, Market scope and Opportunities as well as Training and Developing understanding of the Global business opportunities. There are additional impacts around sustainability, community cohesion etc. that can be incorporated also. The project will further build upon the initial research and support as undertaken by the NWDA & FoodNW to consider the international opportunities in emerging and domestic markets to utilise the developing demand for high quality western produce that is suitably developed and marketed for international and domestic markets. Potentially in excess of 100 businesses can benefit from the support and help to directly feed into other elements of the wider BOOST programme and wider initiatives supported through Chambers of Commerce and UKTI.	No match funding percentages have been included. They have stated that part of the match funding has been confirmed but no detail.

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
WELL BEING IN THE WORKPLACE	ENTERPRISE4ALL (NORTH WEST) LIMITED	**0.00**	**1.00**	**1.00**	**2.00**	The project will work with employers and employees across Lancashire and Health providers to ensure that the impact of a lack of well-being in the workplace and on productivity of businesses and individuals is minimised. Current provision is targeted to working with individuals after they have been diagnosed with problems, yet evidence suggests that earlier intervention can dramatically reduce the likelihood of time off and increase the rate of return back to work. Very little provision currently exists working with employers to provide support to diagnose issues, support and embed good practices in this area. There will be a range of support interventions suitable for employers and employees with flexibility to consider alternative therapies also. Potentially in excess of 1,000 individuals and 500 businesses can benefit from the support and help to directly feed into the DWP Opt-In projects.	No match funding percentages have been included. They have stated that part of the match funding has been confirmed but no detail.

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Enterprise in Reuse	Lancashire County Council Waste Management Group in association with Global Renewables	**0.15**	**0.15**	**0.15**	**0.45**	The Enterprise in Reuse Project will develop and enhance an existing network of community re-use enterprise activity across Lancashire and Blackpool currently valued at approximately £1.5 million pounds. It will support strategic as well as community led interventions to promote social inclusion and address increased resource efficiency through reuse and recycling. In support of Specific Objectives 1 and 2 under Priority Axis 9 and Specific Objective 2 under Priority Axis 6 activities will include but will not be limited to; (a) the development of Community Recycling and Reuse Centres utilising existing Household Waste Recycling Centres, Third Sector organisational premises and were permitted development rights exist; (b) the expansion of mobile reuse and repair shops focusing on priority neighbourhood areas allowing greater access for non-car owners and providing affordable repair services for low income households; (c) the continued provision and expansion of community led bulky waste collection and reuse activity operating under the existing Care and Urgent Needs Support Scheme model which has successfully delivered services across Lancashire and Blackpool from 2014; (d) the establishment and adoption of Repair Café's operated and owned by the local community providing social as well as micro enterprise opportunities for individuals, groups and organisations; (e) the development of a county wide resource and re-use ambassador programme (as an extension of the Lancashire Community Recycling Network) working specifically to foster and broker joint venture economic and enterprise resource opportunities between the private and community sector.The activity outlined above will deliver outputs against	

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						the following indicators;CO1 Number of enterprises receiving support. CO2 Number of new enterprises supported within the programme.CO3 Employment increase within supported enterprises. The project will align with and respond to ERDF activity which;- Animates and builds capacity in targeted areas to mobilise community resources and build upon local assets to mitigate risk of social exclusion and embed improved economic performance.Provides community hub facilities to support social enterprises in targeted areasProvides tailored business support activity. Supports local and community based initiatives that focus on reducing greenhouse gas emissions (through reuse)Supports new and emerging forms of enterprise (including the social economy and social enterprises)Provides support and advice for businesses in the management of reuse and waste reduction.Supports cross boundary working between the network of local enterprise partnerships through a bespoke dissemination event.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
More Positive Together	Lancashire Sport Partnership	**0.00**	**0.00**	**3.00**	**3.00**	There are 27,000 homes within the non-local authority social housing sector within the 20% most deprived neighbourhoods. We have formed a partnership of the Registered Social Landlords across Lancashire with the aim of engaging with tenants of social housing within the most deprived communities. The programme envisages developing a comprehensive training and employment offer to tenants of working age (16-65) across Lancashire designed to enable them to progress on a pathway to self sufficiency. The programme will aim to reach out to those furthest from the labour market with a range of opportunities to get involved in work experience, apprenticeships, volunteering and training which will help them be more prepared for the world of work and/or gain employment. In particular our partners will be able to offer opportunities in the sports, environmental and arts sectors. 2,700 beneficiaries-250 volunteering opportunities-250 Secondment placements-1000 Participants completing courses-500 participants gaining qualifications-300 participants gaining employment-500 Participants entering further learning-1000 Participants gaining other positive outcomes-500 Participants with improved employment situation 6 months/12 months after leaving-20% under 25s beneficiaries-30% over 50s beneficiaries-20% BME beneficiaries	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Lancashire simulated hospital and mobile education unit	Lancashire Teaching Hospitals	**0.00**	**0.00**	**0.80**	**0.80**	'Develop a pan Lancashire widening participation facility comprising of simulated based education that can be used by all partners to engage their communities in understanding the career opportunities available to them and inspiring them to a career in healthcare and the wider NHS in Lancashire '.Specific Development. The proposal would consist of two specific developments to support the delivery of this vision: Simulated Hospital. Mobile Education Unit. These facilities would be used by all partners to: - support schools and Colleges in promoting health care careers to their students and providing learning opportunities to enhance their employment capabilities, skills and knowledge - provide a supportive collaborative network and training facility where students from schools, colleges and local businesses can engage and learn from NHS professionals - provide education events for schools, colleges, local authorities community groups and members of the public - promote awareness of careers and opportunities in the health sector and advertise the availability of careers within the NHS and wider health sector within Lancashire - help raise aspirations potentially leading to a career in health and the care sector across the target group. - deliver practical learning opportunities to inspire target age groups from Primary school upwards. - inform and deliver education aimed at parents and carers to enable them to support their children with future career opportunities. - promote and raise awareness of training opportunities for students such as traineeships, apprenticeships, enrichment programmes and supported applications for further and higher education to a wide range of social groups in Lancashire - use Simulation and practical	Money has been allocated to ESF even though stated ERDF Capital on the form

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						activities to raise the purpose and profile of education, training and development - deliver teaching and training for related industries - engage in collaborative activities with other public services (Police, Fire etc.) for the purpose of education and promotion of public services	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Morecambe Area Action Plan	Lancaster City Council	**2.25**	**0.00**	**0.75**	**3.00**	Morecambe needs to be reinvented as a visitor destination and as an office and service centre with a restored historic townscape through tourism, housing renewal and heritage-led regeneration. The failure of the area to respond fully to economic restructuring in the tourism industry has resulted in pockets of high unemployment in certain areas and high levels of deprivation. An outstanding promenade – being improved as part of a programme of sea defence works - is backed by a townscape of variable quality and lacking identity. The plan acknowledges that the public sector will have an important role in facilitating and managing change but it will ultimately be for the private sector to respond to this platform with investment. EU investment will be concentrated on the strategic anchors and the public and private assets to enable action across the following key opportunities: The seafront headland at the central promenade including the former Bubbles site as a strategic leisure opportunity. Within this area: the key promenade space to be kept open and enhanced. - The Festival Market area for main town centre uses including the complex of buildings with the Platform and Festival Market itself and land to the south and west through to Northumberland Street owned by the City Council. Development here to be properly structured and provide appropriate car parking. - The former Frontierland site bringing forward development to provide good connectivity for pedestrians with the seafront. - The Arndale and area for main town centre use.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Low Carbon Lancashire (LoCaL) Innovation Hub (ESF)	Lancaster University	**0.00**	**0.00**	**0.90**	**0.90**	The Low-Carbon Lancashire (LoCaL) Innovation Hub will support research and innovation and the development of higher level skills in the field of energy and environmental technologies and understanding. Part of the Centre for Global Eco-Innovation it will address leading environmental challenges and builds on a strong and award winning track record of business support for ecoinnovation. The Innovation Hub will: support SME-led eco-innovative R&D delivering new products and services. increase the capacity of businesses for undertaking R&D recover value from waste and reduce green-house gases. create a smart specialisation for eco-innovation encouraging inward investment and clustering of environmental technologies in Lancashire. deliver higher skills training in Low carbon technology & innovation. Climate change and the consequent shift to a low carbon economy are recognised drivers of specific and new environmental skills across a broad range of agricultural, transportation, manufacturing and construction industries. Disruptive rather than incremental innovation will drive the need for technical and management knowledge combined with entrepreneurial/innovation skills to work across global markets. The opportunity for Lancashire is to both bolster economic growth and to promote sustainable long term growth and employment in low carbon goods and services. For example, efficiency of resource use is applicable in all economic sectors. Resource efficiency has been recognised as an important area for achieving sustainability due to the impacts on resource depletion, environmental issues and materials security. Lancashire has the right mix of knowledge, resources skills to bring further investment and growth in the Energy &	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						Environment sector. The recent LEP Strategic ESIF report identified a need for a 25% increase in people with first degrees and 60% in higher level degrees to meet the needs of the sector reflecting the need for in increased demand for high-skilled jobs relative to lower skilled.. It is these higher level skills which the University can assist in providing – particular demand for level 7 and 8 (post-graduate and PhD). Lancaster University is the anchor providing expertise, resource, and demonstration potential. The combined research power of the Lancaster Environment Centre and Centre for Ecology and Hydrology represents one of the largest groups of environment professionals in Europe. It will deliver a 'skills escalator' around low carbon ecoinnovation and include 1) work-based modular training designed to upskill SME managers in ecoinnovation and low carbon management and 2) Level 7 full time or part-time programme leading to a Postgraduate Certificate or Masters qualification in ecoinnovation and low carbon management	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
U-Start (ERDF)	Lancaster University	**0.00**	**1.50**	**0.00**	**1.50**	Collaboration between four Lancashire based HEIs (Lancaster, UCLAN, Edge Hill and Cumbria) to provide a coordinated approach to the development of student and graduate start-ups and sustain new knowledge based enterprises and social enterprises. It is recognised that many students/graduates aspire to self-employment and this project will address the specific needs of graduate entrepreneurs as well as provide significant benefits to the local, regional and national economy. The project will support the creation of circa 150 graduate start-ups, the creation of 150 new jobs and support over 500 students/graduates to develop significantly increased entrepreneurial capabilities and employability skills. This proposal is submitted is collaboration with an ESF project focussed on enterprise skill development. Based upon significant experience in this area each institution will tailor their programme to suit the needs of their student/graduate body and activities will include: Workshop and one-to-one based interventions with aspiring and nascent undergraduate and postgraduate entrepreneurs to support the development of entrepreneurial capabilities and enterprise/employability skills. Targeted intensive one to many and one to one support to students/graduates than can demonstrate strong levels of entrepreneurial intent. U-Start will create a significant pipeline of new start-up businesses from the graduate population to engage with the Lancashire Boost programme. Outputs: Employment increases in supported enterprise (c8) = 150. Number of potential entrepreneurs assisted to be enterprise ready (PS1) = 500. Number of enterprises receiving support (C1) = 250. Number of new enterprise supported (C5) = 150	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
U-Start (ESF)	Lancaster University	**0.00**	**0.00**	**1.00**	**1.00**	Collaboration between four Lancashire based HEIs to provide a coordinated approach to the development of enterprise skills and an entrepreneurial culture in our student and graduate populace. It is recognised that many students/graduates aspire to self-employment and this project will address the specific needs of graduate entrepreneurs as well as provide significant benefits to the local, regional and national economy. The project will support around 500 students/graduates that are at risk of unemployment or underemployment to develop enterprise/social enterprises and commercial awareness skills and raise awareness of self-employment as a viable employment option. It is expected this will lead to over 100 moving into employment of self-employment. Based upon significant experience in this area each institution will tailor their programme to suit the needs of their student/graduate body and activities will include: - Awareness raising activities including a workshop programme to increase exposure of the opportunities that sel-employment presents as a viable employment option. This will include ideation workships and 'sandbox style- innovation environments. - Engagement with Further Education Colleges in the region. It is anticipated that this project will allow the partner HEIs to work closely with feeder colleges in the region to help share good practice of enterprise education and create a culture of entrepreneurial ambition. By engaging with students earlier in their education we would aim to increase the entrepreneurial capacity of the graduate workforce and increase demand for start-up support within Lancashire's universities. This proposal is submitted is collaboration with an ERDF project focussed on supporting	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						student/graduate start-ups. Outputs: Individuals receiving support (ESF) = 500 - Participants completing intervention (ESF) = 400 - Entry into employment (or self-employment) (ESF) = 100 - Sustained employment for 26 weeks (ESF) = 80	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Visitor Economy Skills Development Project	Marketing Lancashire	**0.60**	**0.00**	**0.40**	**1.00**	Blackburn Cathedral are delivering a new residential, office and public facilities including a library and Refectory as part of the Cathedral Quarter Development. This will be a landmark development establishing Lancashire's Cathedral as a beacon for innovative development and regeneration through the world. This is the first residential community constructed by the Church of England around a Cathedral for over 500 years. The Visitor potential is enormous and with a new hotel and gardens also being delivered by Maple Grove as part of the wider development the area has real potential for contributing both to the development of the visitor economy and supporting Blackburn Town Centre as a focus for economic growth. The project is the next ambitious phase of development which includes the conversion of the provision of the refectory as a food and hospitality skills academy potentially headed by a notable Lancashire Chef and the delivery of a quality restaurant operation in the style of the Jamie Oliver 15. This will also support the development of the Cathedral's events strategy which at the moment relies on outside catering. Plans for the Crypt include much needed Conference facilities for the town, exhibition space to showcase the Cathedral's treasures which include the Blackburn Pax, one of only 11 in the country and the only one still in its original place of worship. There will also be opportunity to attract complementary visiting collections from other museums and Cathedrals plus additional visitor facilities with the potential to attract national and international events. The Project and contributes and supports the Quality of Life and the Lancashire Visitor Economy Strategy which focuses on Lancashire's quality Food Offer as a driver for Visitor Growth. The	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						project will also support the development of the new marketing strategy and PR around the new cultural narrative for Lancashire and is a real opportunity. The project also supports the development of Blackburn Town Centre as a hub for Economic Growth giving much needed amenity and facilities to support the attraction of inward investment into new developments and change the image and perception of both the town and Lancashire. A fundraising strategy is well developed and an HLF bid is being prepared for the Crypt. The request is for ESIF ERDF for fit out and LEP Growth Deal for approximately £500,000 to support the capital costs of the refectory and the Crypt and as part of the overall project cost of £2.5 million. £400k ESF for training and skills development.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Kapda Lancashire Partnership	Mid Pennine Arts	**0.00**	**0.10**	**0.10**	**0.20**	This partnership project will bring together a network of heritage and contemporary cultural institutions in a programme of intercultural exchange with partners in India and Pakistan. This will be a three-year programme with a particular focus on celebrating the anniversary of independence in 2017. It will engage substantial diaspora communities in Preston, Blackburn and elsewhere in Pennine Lancashire. Through research, innovative artist residencies and commissions in our museums and elsewhere, it will build a body of new intercultural knowledge and experience shared by a cohort of key professionals across our twin cultural sectors, and will raise the profile of Lancashire as a cultural destination for distinctive creative work of international significance. Outputs will be likely to include (with indicative levels): Employment initiatives 15, Marketing initiatives and products 6, Research initiatives 6, Social inclusion initiatives 6, Participants engaged from BME communities 3,000, SMEs strengthened and made more competitive 10, Outputs will include a variety of others to be confirmed. This is an ambitious programme which can make a significant contribution to Lancashire's strategic profile and its appeal to inward investment.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Food and Farming innovation and Technology Centre	Myerscough College	**2.00**	**0.00**	**0.00**	**2.00**	The Food and Farming Innovation and Technology Centre (FFIT) will be developed at Myerscough College. It will create a centre of excellence and innovation to lead the development and adoption of precision farming techniques within the livestock and grassland sectors, the first nationally and which will help deliver the national Agri-Tech Strategy, one of the "great eight" technologies highlighted in the Government's Industrial Strategy. It will also support the development of local food production. The FFIT will be a state of art innovation centre comprising: Specialist research, teaching, demonstration, equipment and product development facilities - Livestock demonstration centre and associated facilities - Anaerobic digester and associated slurry storage. The project will support smart specialisation by addressing skills shortages, training needs and technology transfer within the agriculture and food production industries, enabling Lancashire's producers to compete more effectively in the global market place whilst responding to environmental pressures and climate change. Key outputs will include: 5,054 learners including 1682 apprenticeships, directly benefiting from the new facilities - 13 direct jobs created at the FFIT - 100 additional employers to be engaged.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Building Local Assets & Skills within the third sector to promote social inclusion and combat poverty.	One Lancashire	**0.00**	**0.00**	**1.09**	**1.09**	This project will support the enabling infrastructure to use an asset based community development approach to continue its transformation and growth. We will invest in developing the knowledge and skills of the existing third sector workforce (both paid and unpaid) and will support the sector to recruit, train and support new volunteers. We will concentrate our support on those charities, social enterprises and other not for profit organsiations, who are supporting people facing social inclusion and poverty in the at risk categories mentioned above. We will work closely and ensure that our approach complements and adds value to the Big Lottery Fund Opt Ins and the Transforming Lives programme. It is a pan Lancashire approach covering Blackpool, BwD and Lancashire County and involving the main enabling infrastructure, namely LACVS and the six individual CVSs, Chorley VCF Network, Community Futures, SELNET, Volunteer Centre Blackpool Wyre & Fylde and Young Lancashire. How? • Through the provision of high quality information, advice and guidance and training support to volunteers and staff within frontline third sector organisation • Through focused work to increase the number of volunteers (especially from those at risk of exclusion and out of the labour market) and increase the number of volunteering opportunities • Through work to skill and empower communities to identify and create solutions to address local need • Through information and advice and training to allow third sector organisations to access other sources of funding for their organisations to promote social inclusion and combat poverty Outputs • information, advice and guidance to 3000 residents each year to encourage them to volunteer and get involved in their communities • support for 1000+ volunteer involving organisations each year • creation of 200+ new volunteering opportunities each year. • 1-2-1 support to build the knowledge and skills of the	Divided funding equally between TO8 & TO9 as this not divided up in the proforma

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						third sector workforce supporting 2500 third sector organisations each year. • 200 training sessions per year to 1600+ volunteers/staff to improve their knowledge and skills.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Business Start Up Support	Orvia/Enterprise Lancashire	**0.00**	**1.50**	**1.00**	**2.50**	The Business Start Up programme will provide assistance to individuals considering starting a business and focus on, and provide encouragement to, those who wouldn't necessarily see themselves as entrepreneurial or have the abilities to start up a business. It will include fledgling business less than 3 years trading and operate across all eligible areas of Lancashire. The project will raise awareness of the opportunities of self-employment and provide one-to-one tailored support to individuals, guidance on business planning taking into consideration individuals' financial circumstances and provide specific workshops on business related topics and issues to consider when embarking on business formation. The workshops, available to all eligible clients will be highly interactive and therefore provide peer group learning for delegates. Currently there is no 'generic' start up programme available locally or nationally so our programme will fill the current 'gap' and demand in provision and provide a 'feed' into growth programmes. The following pre start support will be on offer: • Attendance at an awareness session to provide overview of starting in business • Meeting with an accredited adviser to review viability, address any skills gaps, referral to relevant workshops Attend workshops as identified: • Business Essentials (legal structure, VAT, bank accounts, business name) • Finance (finance options, profit and loss, cash flow forecasts) • Marketing (market research, branding, marketing channels, targeting customers, procurement/tendering) • Business Planning (human resources, health and safety, networking). • Tailored one to one meetings with adviser to further assist business start up Existing/newly trading businesses; • Initial diagnostic meeting with adviser to review issues and identify any skills needs (TNA)	Divided funding equally between 2 ESF Thematic Objectives as this not divided up in the proforma

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						• Access to above workshops and 'next level – building on the basics' workshops eg Advanced Social Media, Selling Skills – closing the deal • Bespoke one to one support as required to assist survivability and growth Potentially in excess of 1,000 individuals and businesses can benefit from the support. Research shows that most businesses will first establish themselves prior to considering growth (with time periods varying according to business owner and sector). Therefore we will add value to the local and national 'growth programmes' such as Boost and Business Growth Service by preparing the client for their next growth phase.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Blackburn Creative Workhub	Placeshakers CIC	**1.20**	**0.10**	**0.05**	**1.35**	Blackburn Creative Workhub will provide a centre of affordable work spaces, offices and studios as well as exhibition and commercial space for new graduates, start-ups and existing businesses to rent and receive 18 months' worth of business support and development training. Proposed Outcomes • A town centre venue/workspace for local creative, digital and new media professionals (Lancashire LEP priority business sector) • The Workhub will contribute to the improved and revised vision for Blackburn town centre and raise its profile as a town centre of making excellence • The Workhub will be a catalyst for the regeneration of Blackburn Town Centre • Increase student figures by providing the post graduate incentive of further training, business support and skills development • Increase student retention in Blackburn and potentially Lancashire (if the model is extended and/or rolled out) • Attract other sources of investment • Build a network of creative leaders who will share knowledge and skills by developing exchange visits and partnerships through the university networks, Creative Hive and Creative Lancashire • Strengthen business models in the creative industries and helping them to diversify their income streams, including by encouraging private giving • Creating equal opportunities to enter the creative workforce Proposed Outputs (Year 1) • Enterprises receiving support – 25 • New enterprises created – 15 • Employment increase – 20 • Site redevelopment – At least 1	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Preston Community-Led Local Development	Preston City Council	**0.00**	**0.60**	**0.90**	**1.50**	The project will develop a community-based hub from which a range of employability training and learning activities will run. The centre and its services will be based in an area of high socio-economic deprivation and will be targeted towards residents who are the furthest away from the employment market. It will link with and provide pathways to learning providers and local employers as a means of reducing the barriers to employment for disadvantaged groups. The project will address the skills gap in the area as a result of low educational attainment and will facilitate access to basic functional skills training and more vocational training and apprenticeships. It will build the capacity of the local community by introducing leadership and peer support programmes that address digital inclusion, financial resilience, social enterprise and economic growth, as well as supporting enterprise and job creation activities. The project will add value and contribute to existing initiatives such as the City Deal Employment and Skills Strategy, Inner East Preston Neighbourhood Plan protection of assets policy and the Big Local Regeneration Plan. The project area will specifically target the wards of Fishwick and St Matthews but will include residents from other deprived wards within Preston.	600K is ERDF - currently allocated as ESF. Need to amend spreadsheet to include ERDF under TO9
Graduate talent for Lancashire's growth sectors	Regenerate Pennine Lancashire	**0.00**	**0.00**	**1.00**	**1.00**	To help SMEs recruit, develop and retain Lancashire's finest talent. We will: 1. Use BOOST to identify and engage businesses who will benefit from graduate talent in their workforce. 2. Contact undergraduates from all disciplines in their final year of study. 3. Work with the National Careers Service to pre-screen and support graduates through the application process. 4. With employers, shortlist and run an assessment centre to recruit the best of the best onto an annual programme. 5. Guarantee a 12 month placement with a SME in the LEP priority sectors. 6. Secure a training partner to provide a bespoke	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						business orientated training and development programme with 'top up' units as required by employers. 7. Provide mentors, support for work place supervisors and networking events for participants to learn from each other and business leaders. 8. Provide a £1,000 contribution to offset costs incurred by SMEs who have not taken on a graduate in the last 12 months. 9. Require SMEs to pay a salary equivalent to £15,000 p.a. Outputs • 90 participants – under-graduates receive IAG and recruitment support. o 90 inactive participants. o 60 participants under 24 years old. • 30 graduates recruited. • 20 work place supervisors trained. • 22 graduates moved into employment by end of project.	

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Pennine Lancashire Canal Infrastructure Project	Regenerate Pennine Lancashire	**1.00**	**0.00**	**0.25**	**1.50**	This project is for the upgrade of the physical infrastructure of the Leeds Liverpool canal in Pennine Lancashire, whilst providing training and work opportunities for the communities who live along-side the canal representing some of the most disadvantaged communities in Lancashire. Nearly 30% of the projects identified in the Pennine Lancashire Heritage Investment Strategy (draft) are directly contiguous with the Canal. The impact and success of these heritage growth projects (such as the Weavers Triangle and Brierfield Mill) are negatively affected by the poor condition and connectivity of the canal. P In addition the poor condition of the canal environment negatively affects the canals performance as a driver of tourism and contributor to the visitor economy. The project will: • Where necessary, improve the condition of the towpath allowing accessibility for all. There are considerable stretches of the towpath which are of a very poor standard. • Reinstate the canal wall where appropriate • Improve the environment around the canal and promote biodiversity • Other limited interventions to sites contiguous to the canal which present barriers to growth • Provide heritage refurbishment and construction skills to those in disadvantaged areas (including NEETS and the long term unemployed) • Provide work opportunities for to those in disadvantaged areas (including NEETS and the long term unemployed) • Project will address those areas within the urban boundaries and the rural stretches which link urban centres. • Create the conditions for growth in tourism, visitor economy, nearby employment sites and encourage investment in adjacent growth sites	ESF funding divided between TO9 & TO 10

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Breaking the Cycle	Sahara in Preston	**0.00**	**0.00**	**0.10**	**0.10**	We propose running an Employability Project for 30 Black and Asian women each year for 5 years. (150 women over the 5 year period) The women, who would benefit from the project, live in areas of high social deprivation and often due to family circumstances have limited literacy skills and lack confidence. They can be regarded as being as far from the job market as it is possible to be. The Project will involve; Intensive English Course to bring participants up to English as a Second Language Level 2/3 Numeracy training to develop basic numeracy skills Computer skills, giving participants skills levels needed for the next stage of the Project. Employability and confidence building skills, enabling women to understand what employers require, search for jobs, request applications form, produce CVs and prepare themselves for interview. Women will learn how British Society works so that they have good background knowledge of civil life and can fit into the workplace Benefits of volunteering to develop additional skills Each course would involve classroom tuition and work carried in the participants own time. The anticipated outcomes are 150 women developing employability skills and 70% of participants each year finding employment or becoming self -employed.	No match funding identified

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
The Prince's Trust: Steps for Success	The Prince's Trust	**0.00**	**0.19**	**1.66**	**1.85**	With the support of ESIF, The Prince's Trust is proposing to deliver an integrated pathway of programmes supporting young people into a range of positive outcomes. Tailored to individual needs, our flexible offer, comprising our Fairbridge, Get Started, xl, Get Into and Enterprise personal development and employability programmes will offer young people different entry points and progression pathways into appropriate education, training and employment outcomes that are suitable to their individual needs and interests. Briefly summarised; Enterprise programme: Support and funding to help young people explore their enterprise ideas and start their own business Get Started: Short courses that engage and develop young people through activities like sport and the arts Get into: Short courses that develop young people's skills in a specific sector, including work experience placements and support into jobs Fairbridge programme: An individually tailored programme combining one-to-one support and group activities for young people with multiple and complex needs who are furthest from the labour market xl programme: Clubs for young people aged 13-19 at risk of underachievement or exclusion from school. Development Awards: Cash awards of up to £500 to help young people overcome barriers to education, employment or training. Added value: The Prince's Trust Team Programme which is funded through the EFA and SFA has capacity to support young people aged 16 – 25 in Lancashire. Last year, over 430 young people were supported through the programme. Type/level of outputs - 1,194 young people engaged (based on 14/15 Trust data) - 77% participants progressing into employment, education, volunteering or training upon leaving (based on 14/15 Trust data)	ESF funding divided between TO8 & TO9 50% match only relates to ERDF, no ESF match identified

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Transforming Lives: Strengthening Communities	Transforming Lives Consortium	**0.50**	**0.00**	**5.00**	**5.50**	ERDF - The refurbishment of two buildings centrally located in West and East Lancashire to provide Volunteer Academies of Excellence. The centres will provide training for volunteers to deliver community support and self-care stepped down from adult and children's social care interventions. ESF - A full package of accredited training working alongside practical placements in community locality teams will be developed. A matching service will provide appropriate placements and ongoing support to maximise volunteering outcomes which in turn will take pressure off an increasingly stretched public sector. As the model develops it is anticipated that as well as step down there would be a significant preventation of "step up" and that demand would start to shift from high cost to more cost effective levels. Once fully trained volunteers will then be deployed into locality teams volunteering alongside our locality workforce. They will be monitored and supported by BwDBC and other public sector partners to ensure full support is given and risks are appropriately managed particularly around safeguarding. Volunteers will be recruited from the communities they live in plus prominent businesses and local organisations will be approached to support the programme under a corporate social investment model. The project will complement and provide added value to the Big Lottery Building Better Opportunities programmes/projects by providing volunteering opportunities as a 'next step' for beneficiaries of that scheme. Expected outputs: No of beneficiaries 1500 No of those unemployed 1350 No of those employed 150 No of volunteering training programmes 96	£5m ESF funding allocated between TO8, TO9, TO10 ERDF activity ineligible - 500K

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Spark Programme, Creative and Media Industries	UCLan	**0.00**	**0.00**	**0.50**	**0.50**	Spark will be a unique industry led 'finishing school' for Creative Industries focused on filling identified skills gaps of employers in the region. It will provide industry scenario simulation, CPD and recruitment resources to employers. Spark will offer training for residents of Lancashire in specific areas where there are job shortages in fields like: Future Media, Script Writing, Media Production Management, Digital Software Development and Outside Broadcasting. Latest research by the sector skills council Creative Skillset, has revealed a need for universities to bridge the gap between education and the workplace. Current on-going consultation with local creative employers has highlighted the need for graduates to be equipped with transferable business skills in addition to the technical skills. The Spark programme would draw on expertise across Digital, Journalism and Media and Art, Design and Performance, creating a centre for excellence for creative and media skills and providing real world industry experience to increase employability and close industry skills gaps. Creative employers have also expressed the need for a more diverse workforce. Spark intends to create alternative routes into the creative industries to move non-graduates from sectors such as retail and leisure into a high growth sector. Spark will provide opportunities for women and BME new entrants achieving NVQ level 4 and above. Outputs: Higher level skills postgraduate media programme: 100 Higher level skills shorter programmes: 120	Industry match funding not confirmed

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
Return, Belong, Prosper	Veterans in Communities	**0.00**	**0.00**	**1.00**	**1.00**	Veterans in Communities recognise thousands of ex-service personnel return home as different people to those who left. Many no longer 'belong' and although highly skilled, they return to communities of high unemployment, low wage economy and limited prospects. Outreach work identifies leavers from armed and uniformed services requiring varying levels of support, from signposting and information to complex and therapeutic interventions to mitigate against issues around alcohol, mental health, worklessness, social exclusion, and poor health and wellbeing. All services are designed to empower participants to re-join mainstream society through - Psychological support - Peer support - Development of personal skills - Social inclusion activities Available when mainstream provision is not; our outreach service is Lancashire wide providing education, diversions, distractions and activities for mental health, alcohol and drug problems. Once graduating from 'not able' to recovering the project will expand existing social enterprise activities offering work experience, social interaction, preparation for employment or support in starting a business. Established in September 2012 Veterans in Communities has more than 200 members with a 57% annual increase in numbers. Of these 50% become regular service users, with 91% engaging, becoming more socially included within the community, and improving health and wellbeing. 43% become more employable and work ready.	
currently unknown	Young Enterprise	**0.00**	**0.00**	**1.00**	**1.00**	Enterprise and Financial Education unlocks the potential of young people by improving their creativity, productivity and business acumen. It teaches them how to be productive and entrepreneurial, and nurtures key skills to lay the foundations for successful periods of transition and success in themselves. Young Enterprise believes that all young people should	Lead organisation not specified

A. Project	B. Organisation	TOTAL ERDF Capital (£m)	TOTAL ERDF Revenue (£m)	TOTAL ESF Revenue (£m)	TOTAL ERDF & ESF & EAFRD (£m)	F. Project Summary	Comments
						leave education fully equipped in the following key skills and attitudes: communication; teamwork; Financial capability; Confidence; Organisation; problem-solving; Initiative creativity; and resilience. Whether direct delivery or through advice, support or training for 'trusted intermediaries' (teachers, key specialists, volunteers), a curriculum that harnesses enterprise and financial education can help build a learning platform that can then provide a vehicle to deliver a long-term sustainable skills strategy. Our proposed project, delivered in partnership with identified organisations, will create a Learner Journey which engages young people who are and at risk of becoming NEET. We will target delivery in all areas of the region. Combining YE's expertise in employability skills development – delivered through bespoke Masterclass events – e.g. modules taken from learn to earn, personal economics, followed by Tenner – and ultimately Company Programme and our partners direct support with young people with specific needs, we will create an holistic package of support that equips young people with the right skills to reach their goals. Expected outputs: • 75% of young people reporting an increase in key employability skills • 95% of YP engaging in at least one masterclass • 80% of young people being signposted onto relevant agencies • 75% of NEET re-engaging with training / education • 75% reported improvement in YP participation rates from Teachers	

Skills Away Day

Suggested Agenda

1.	Welcome and Introductions	8am
2.	Lancashire LEP Priorities Martin Kelly/Andy Walker	8.05am
3.	City Deal Skills Plan John McCreadie, Ekosgen	9.00 am
4.	Advanced Manufacturing Skills Action Plan Lauren Newby, Regenereris	9.20am
5.	Finance and Professional Services Skills Action Plan Simon Pringle, SQW	9.40am
	Break	*10.00am*
6.	Draft Strategy David Brennan	10.15am
7.	Communications Strategy Andy Walker	11.30am
	Lunch	*12am*