



Lancashire
Enterprise Partnership



LANCASHIRE SKILLS
& EMPLOYMENT HUB

Area Based Review

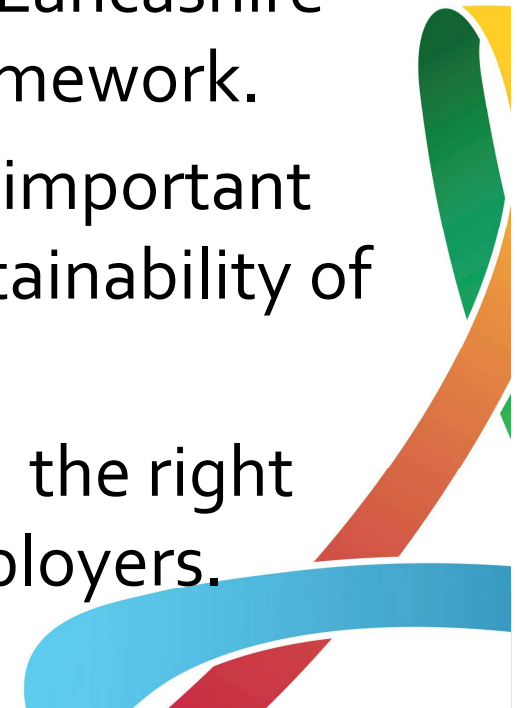
DRAFT





Lancashire Approach

- A working group was established in April 2016 to progress the development of the LEP and Local Authority inputs to the Lancashire ABR.
- Joined up perspective aligned to the Lancashire Skills and Employment Strategic Framework.
- Recognised that structural change is important to ensure the future viability and sustainability of the FE sector.
- The structure must, however, deliver the right offer for Lancashire learners and employers.





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Economic Context





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Lancashire Enterprise Partnership

The LEP is a private-public sector partnership driving economic growth in the Lancashire area.

- Raising the profile and visibility of Lancashire.
- Inward investment and strategic development.
- Business support.
- Supply chain and sector development.
- Skills for growth.

40,000 new
homes

50,000 new
jobs

£3bn additional
economic
activity



Skills and Employment Strategic Framework

FUTURE WORKFORCE

- Inspiring young people.
- Improving employability skills and aligning curriculum.
- Investing in our learning infrastructure.

SKILLED & PRODUCTIVE WORKFORCE

- Apprenticeship growth – routes to higher levels of professional and technical skills.
- Professional / Graduate attraction & retention.
- Workforce planning.
- Leadership and Management / Innovation capacity in SMEs.

INCLUSIVE WORKFORCE

- Enabling an inclusive workforce; supporting unemployed & inactive into work.
- Digital inclusion.
- Incorporating social value into public procurement processes.

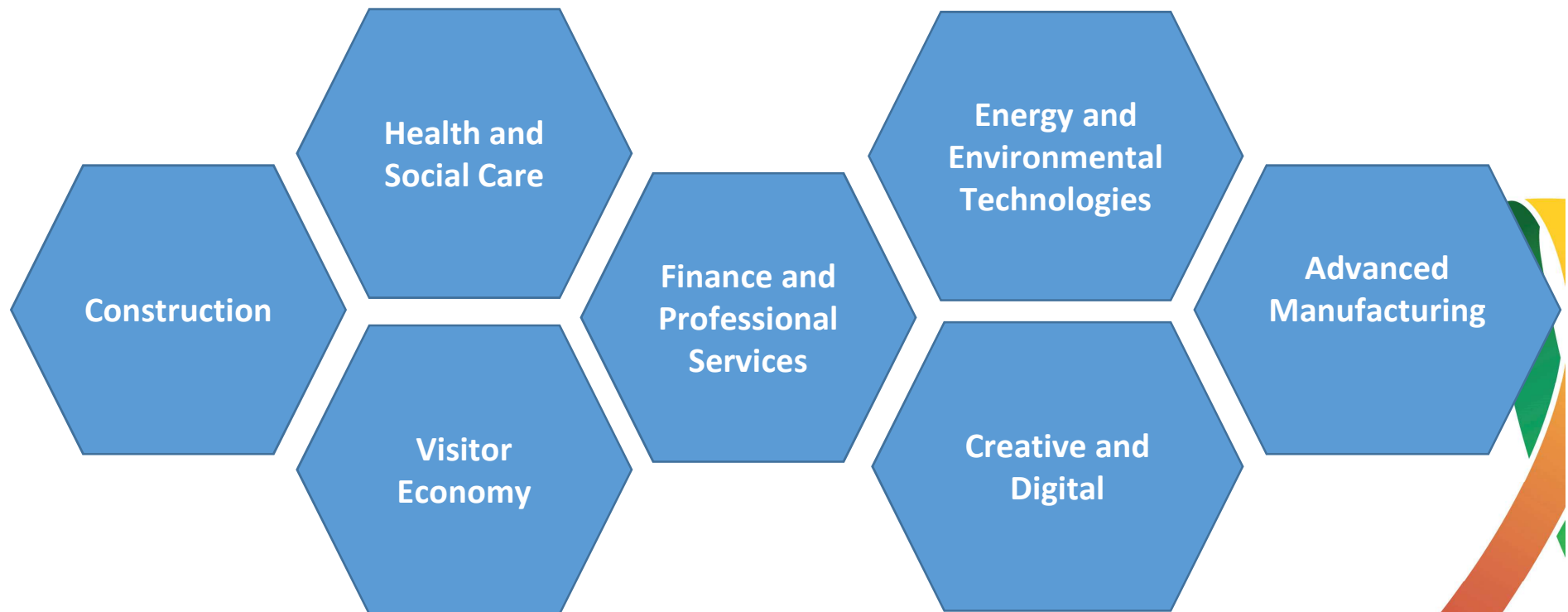
INFORMED APPROACH

- Employer engagement to inform our approach.
- Maintain our evidence base and insight.
- Influence, prioritise and direct the use of funding – maximise impact.
- Connect with other LEPs.



7 Priority Sectors

Sectors with growth potential and/or high replacement demand

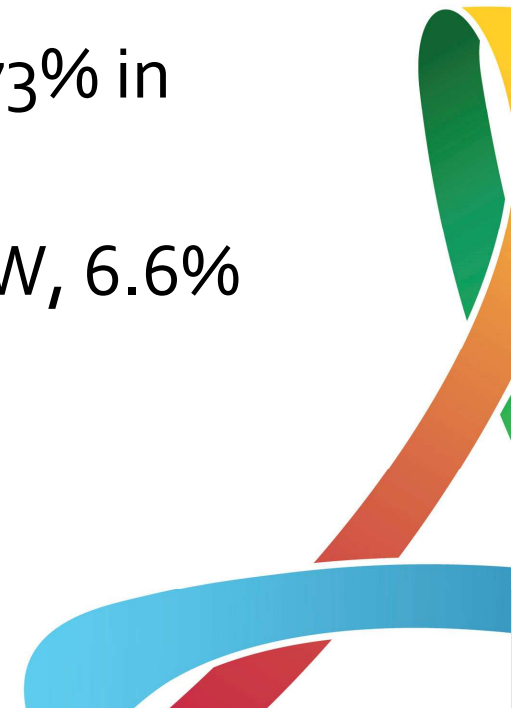




Lancashire LEP Overview

- 1.46m residents (21% in NW).
- £24.7bn GVA per annum.
- Over 40,000 businesses.
- 68% employment rate (69% in NW, 73% in England minus London).
- Unemployment rate 7.5% (7.5% in NW, 6.6% England minus London).

(Skills and Employment Evidence Base, 2015)



City Deal

- Investment of £434 million.
- Improving and expanding transport infrastructure across Preston and South Ribble.
- 17,000 new houses.
- Expected to create 20,000 new jobs; including jobs in the Warton and Salmesbury Enterprise Zone.
- Expected £1bn growth for the County.





- 150 acres - 13,000 jobs -25 year project.
- Overarching energy and advanced manufacturing sector strategy across the four EZs.
- **Warton & Salmesbury** - Centre of excellence for high technology manufacturing. Up to 6,000 jobs.
- **Blackpool Airport** – Energy and environment, food and drink manufacture, digital and creative industries. Up to 3,000 new jobs.
- **Hillhouse** – Chemicals and polymers. Also energy generation and management, low carbon and sustainable industries. Up to 1,750 new jobs.





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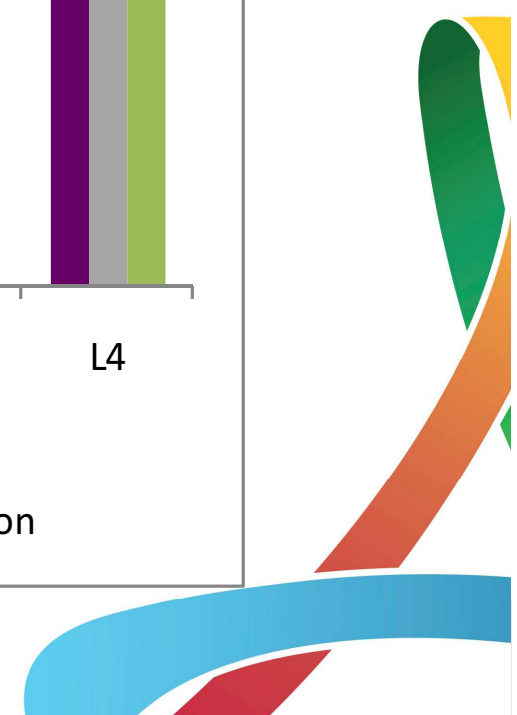
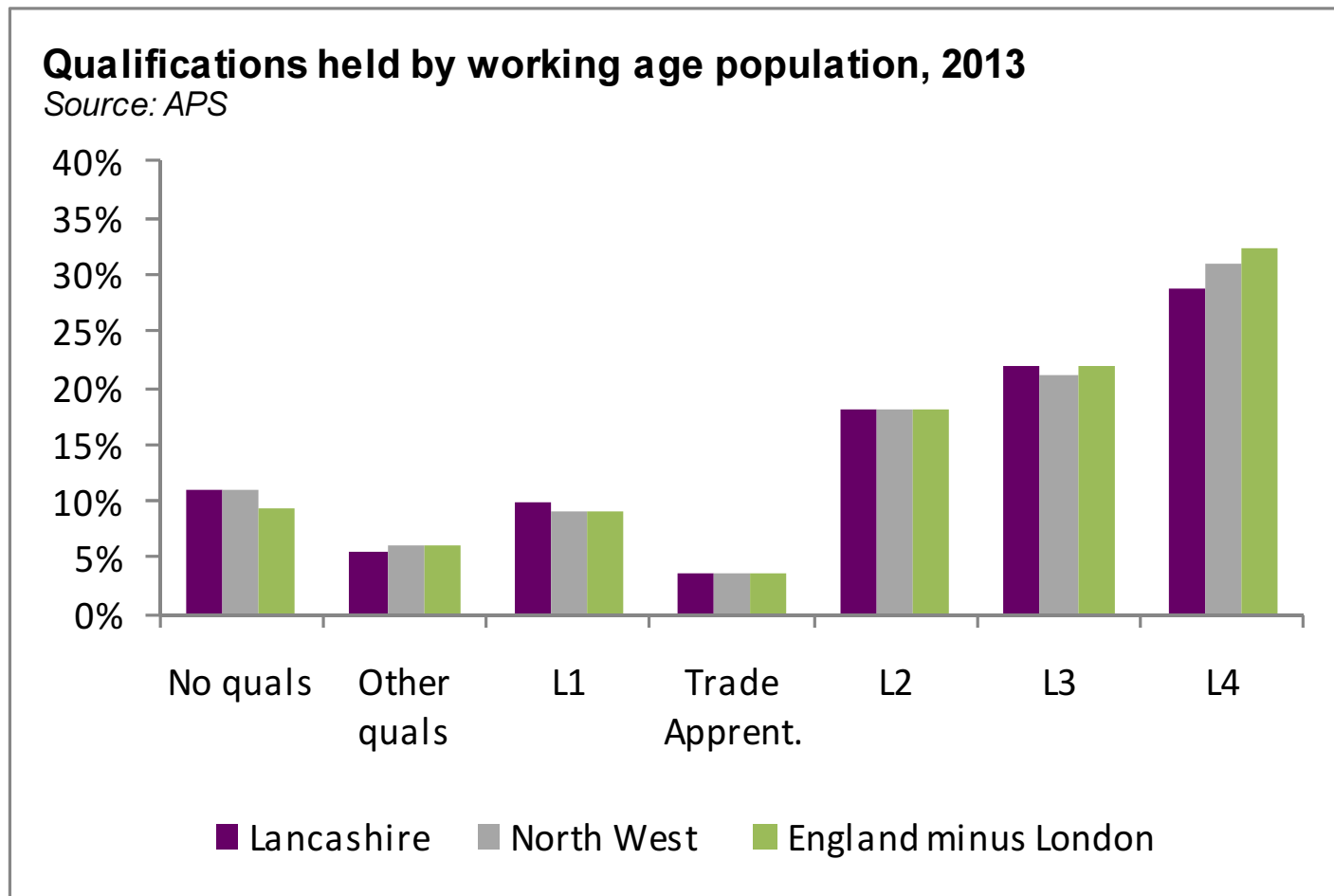
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Qualifications and Occupations



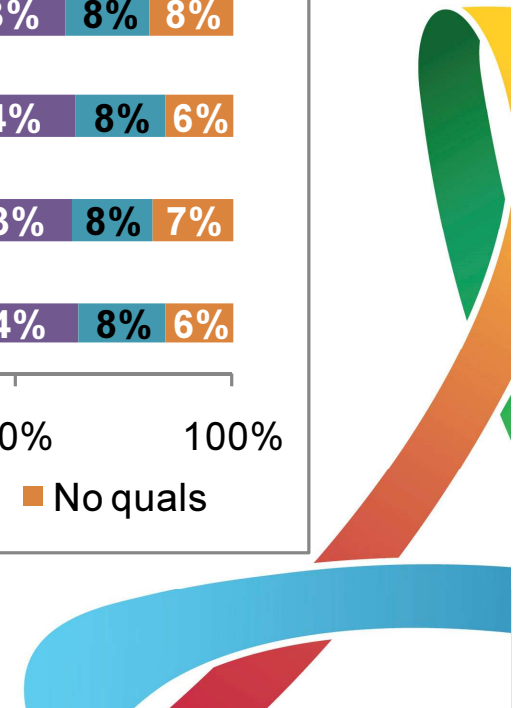
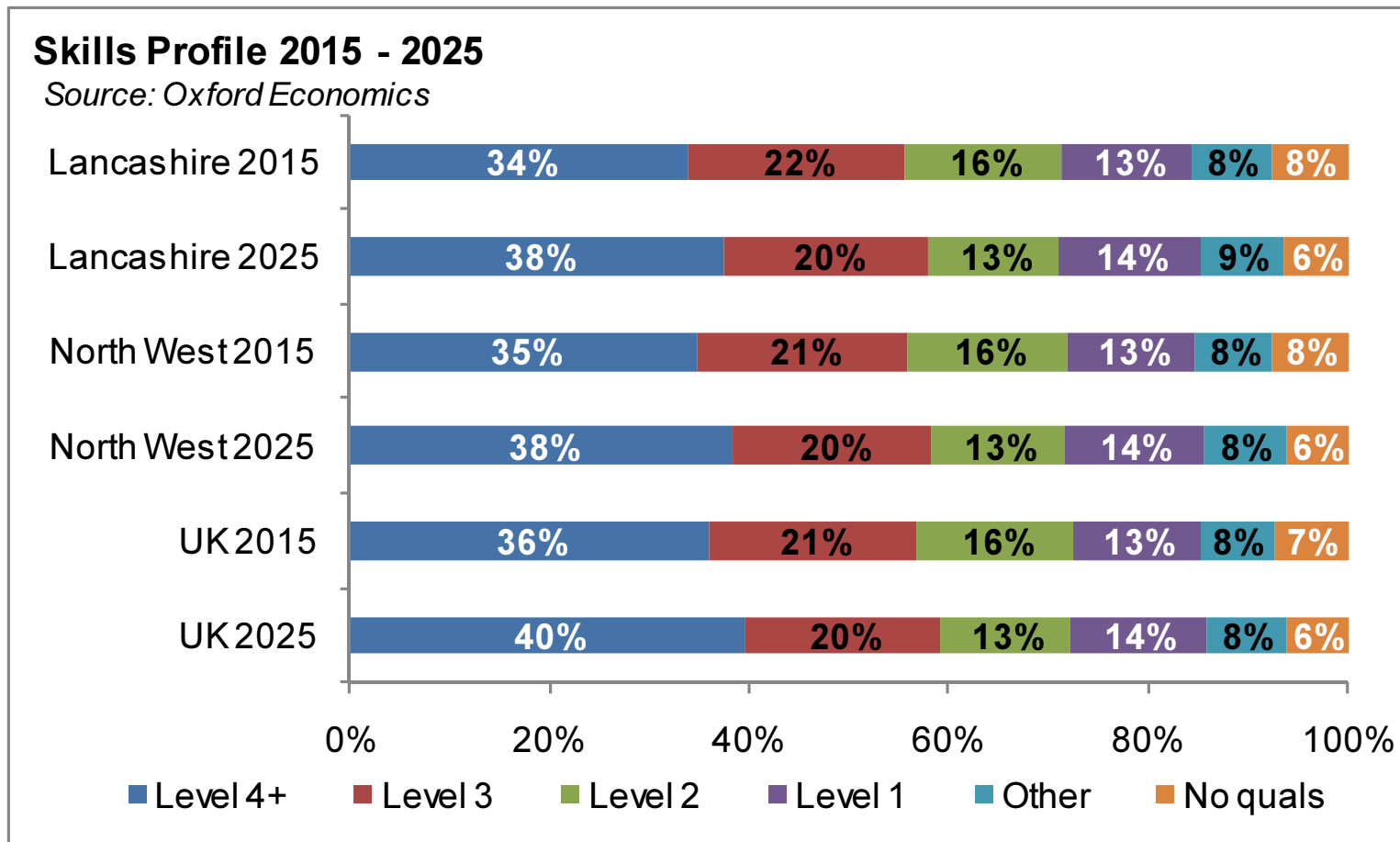


Qualifications Level Profile





Qualification Level Forecast

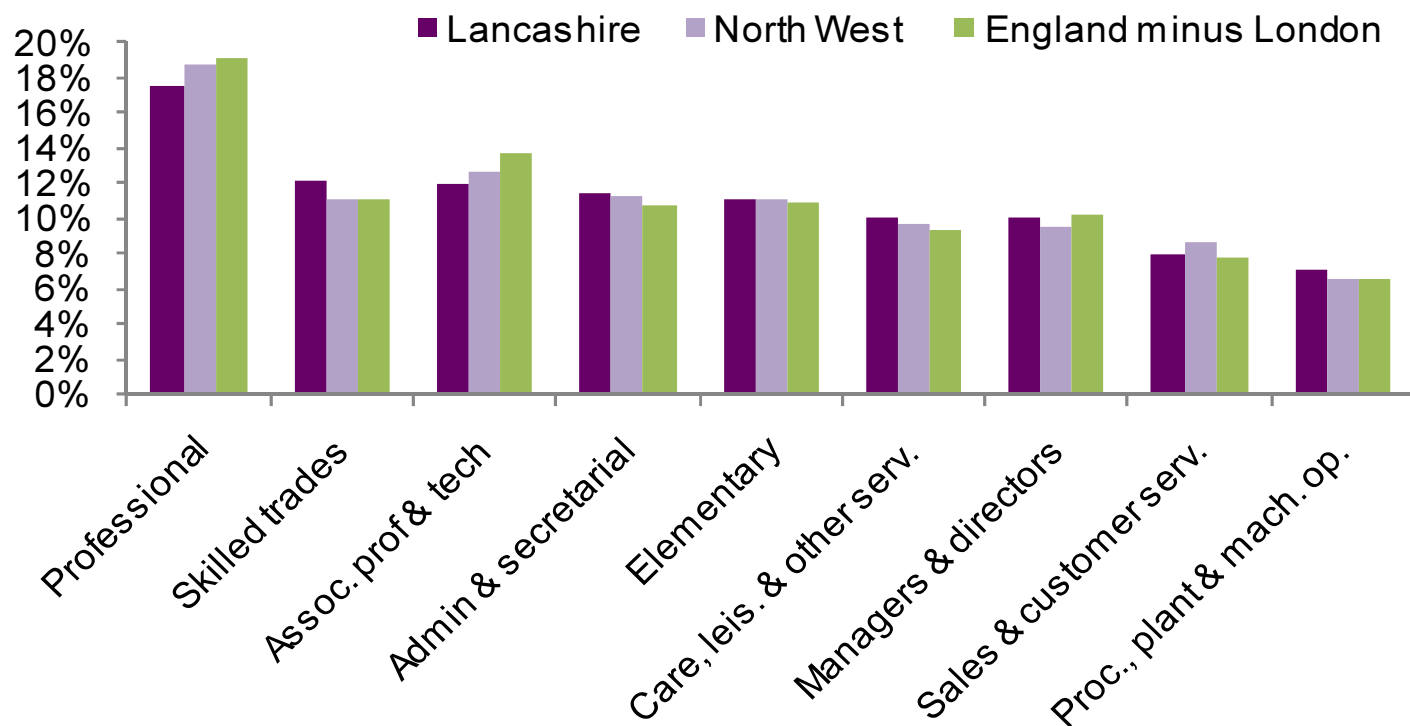




Occupation Profile

Occupational profile of residents in employment, 2014

Source: APS

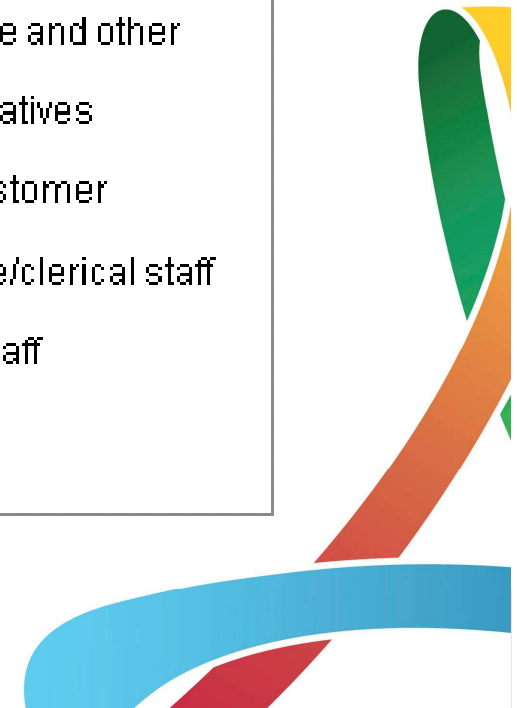
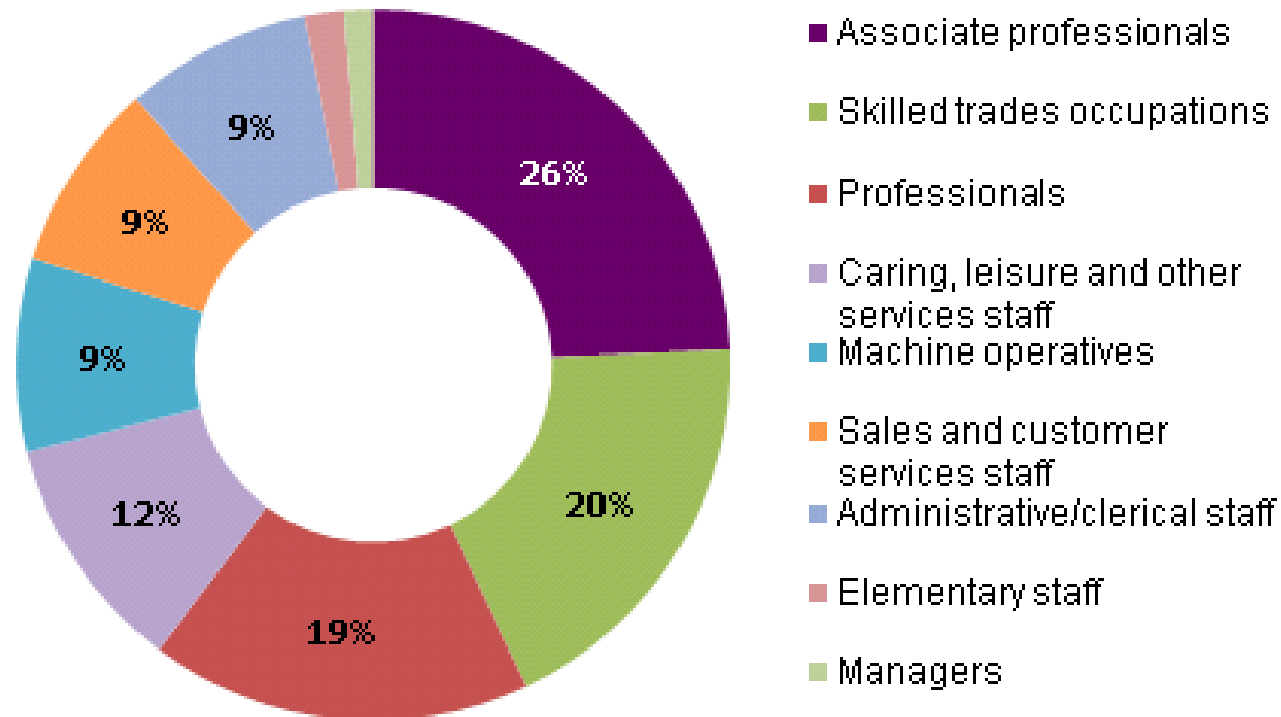




Vacancies by occupation due to skills shortages

Skills Shortage Vacancies by Occupation, 2013

Source: UK Employer Skills Survey





Future Occupational Demand

Lancashire Occupational Demand 2015 - 2025

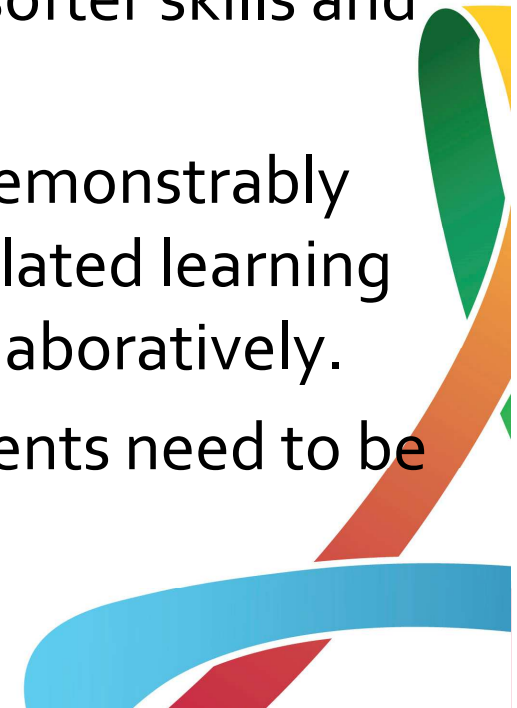
	Employment Growth / Decline		Replacement Demand	
	Total Requirement	Estimated Annual Requirement	Total Requirement	Estimated Annual Requirement
Professional occs.	4,000	400	43,670	4,370
Caring, leisure, other serv.	3,000	300	35,270	3,530
Admin/ secretarial	-5,000	-500	34,020	3,400
Elementary occs.	3,000	300	32,690	3,270
Mangers, directors, senior	4,000	400	30,270	3,030
Skilled trades occs.	2,500	250	29,950	3,000
Associate prof. / technical	2,500	250	27,060	2,710
Process, plant and machine operatives	-1,000	-100	22,190	2,220
Sales / customer service	2,500	250	19,660	1,970

Source: Oxford Economics; ekosgen estimates based on Working Futures



Qualifications and Occupations - Conclusions

- Collectively the FE sector should offer breadth and depth in curriculum to raise the bar at every level, from people gaining their first qualification to people progressing to level 4 and above.
- Curriculum should embed work readiness, softer skills and enterprising skills.
- Shortages and demand forecasts need to demonstrably inform the curriculum offer and the work related learning offer of each provider – individually and collaboratively.
- Employers qualification and skills requirements need to be met now and for the future.





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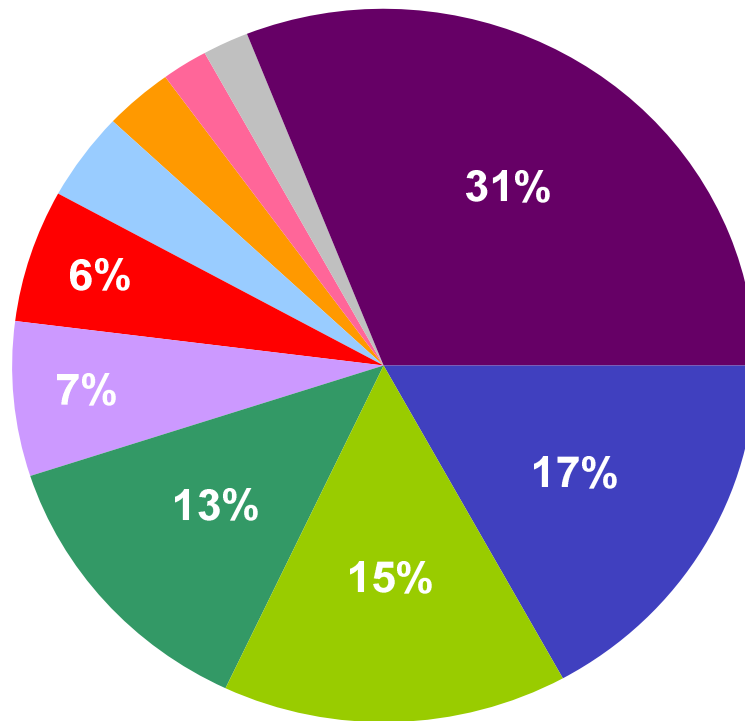
Sectors





Employment by Sector

Lancashire LEP Employment = 617,600



Sectoral employment 2013





Sectoral Representation in Lancashire

Employment Specialisms 2013	No.	Location Quotient
Manufacturing	81,700	1.4
Human health and social work activities	98,300	1.2
Construction	35,300	1.2
Public administration and defence	33,600	1.2
Utilities: Water	5,100	1.2
Wholesale and retail trade	105,800	1.0
Education	57,800	1.0
Accommodation and food service activities	40,800	1.0
Arts, entertainment and recreation	15,000	1.0
Other service activities	11,100	0.9
Utilities: Electricity	2,200	0.9
Administrative and support service activities	39,500	0.8
Professional, scientific and technical activities	34,400	0.8
Transportation and storage	21,500	0.8
Real estate activities	9,100	0.8
Information and communication	14,400	0.7
Financial and insurance activities	10,900	0.6
Mining and quarrying	400	0.6
Agriculture, forestry and fishing	700	0.1
Column Total	617,600	1.0
Source: BRES		

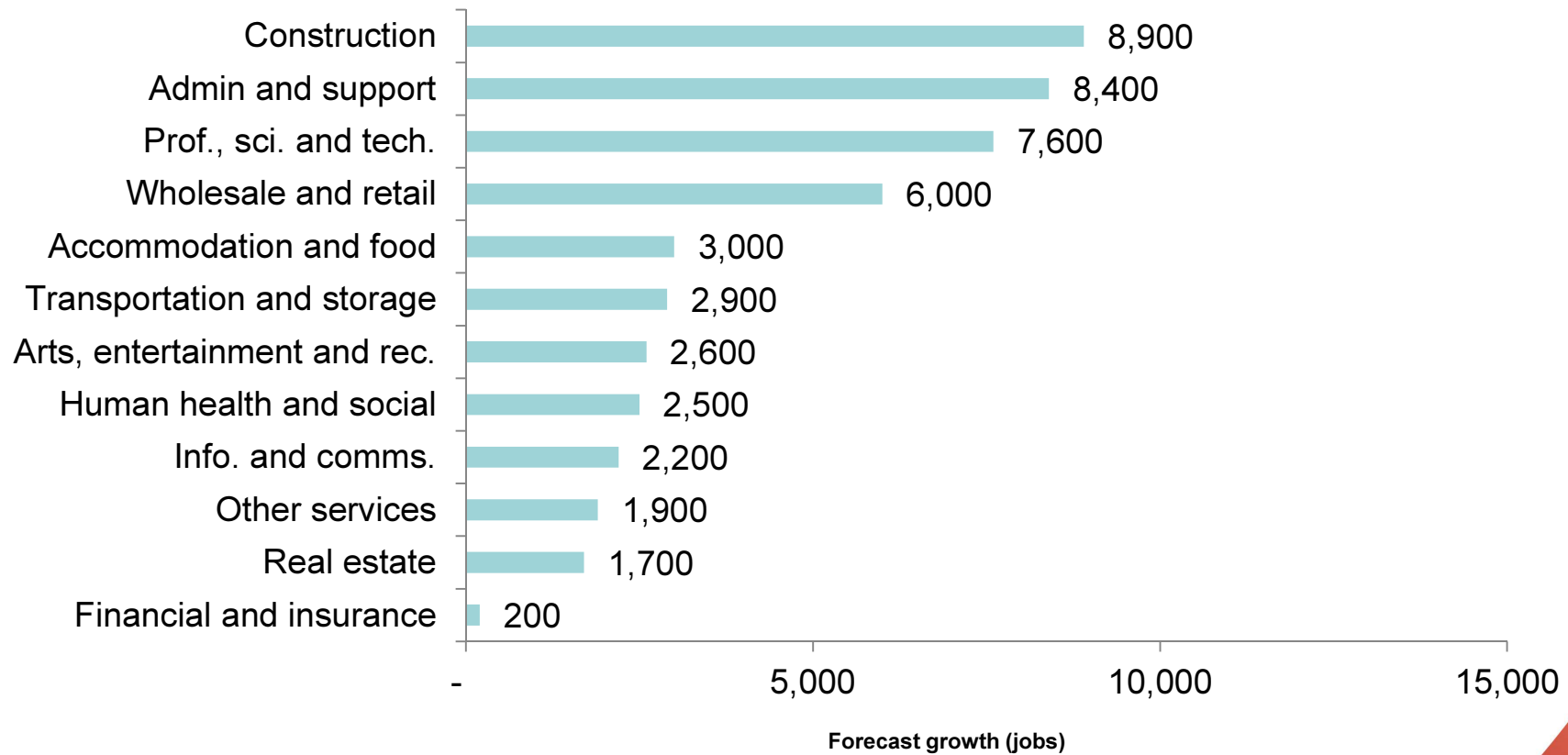




Forecast Jobs Growth by Sector

2015-2025

Source: Oxford Economics



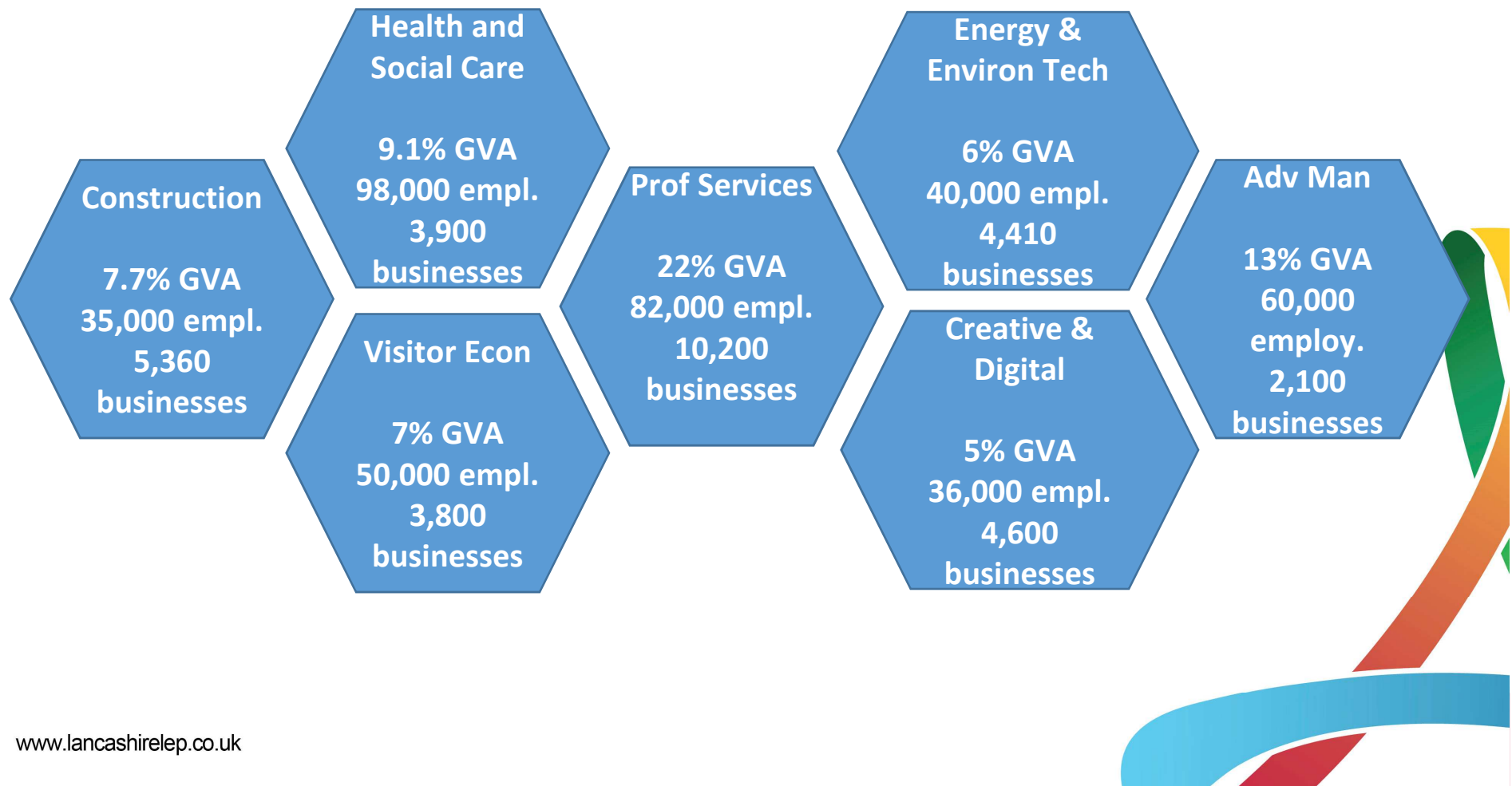


Sectors – Overarching Conclusions

- The FE Sector should promote industries with high replacement and growth demands to young people and promote vocational and academic routes.
- Providers should align programmes aimed at unemployed adults with sectors with high replacement demand.
- Collectively the FE Sector should provide adequate provision to support the growth sectors and high employment sectors in Lancashire, to ensure adequate supply of skilled labour.
- Current employment and forecast demand in these key sectors should be taken into account when developing the curriculum offer.
- CEIAG should be grounded in local labour market intelligence.



Lancashire's Priority Sectors





Advanced Manufacturing

- Predominately male workforce (76%).
- Above average wages.
- High rates of skills shortage vacancies.
- Ageing workforce creating significant replacement demand.
- Main skills required by employers: industry experience, knowledge of machinery, experience in sales, repair and CAD.
- Balancing traditional skills with future skills needs.





Advanced Manufacturing - Conclusions

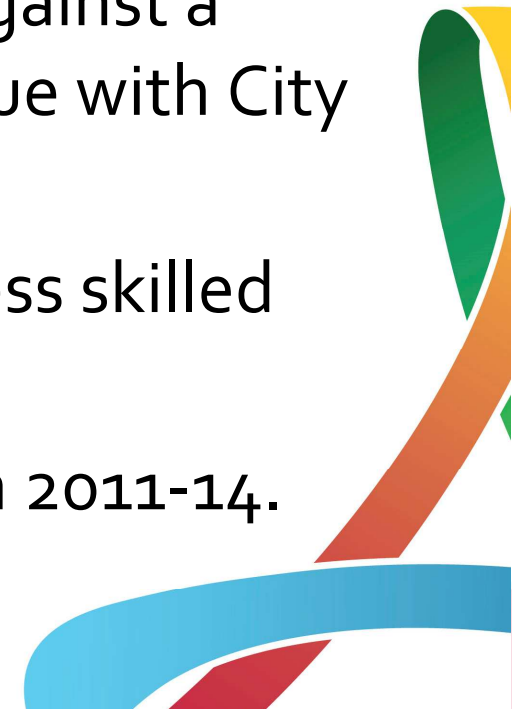
- Future skills needs must be shaped by new technology: automation, additive Manufacturing/3D printing, human-robot collaboration, cyber systems and data analytics, however traditional equipment and skills still required by employers; balance and responsiveness needs to be achieved.
- Tackle diversity – gender balance in STEM related industries.
- Need for a flexible workforce with strong specialist skills in niche areas.
- Inspiring and engaging young people to meet future labour needs.
- Recruiting and retaining a competitive workforce.
- Securing employer investment in training.





Construction

- Predominately male workforce (88%).
- High representation of employees holding an apprenticeship – 19% (average 9% across Lancs).
- Growth in employment in Lancashire against a reduction nationally; forecast to continue with City Deal driving growth in the sector.
- Workforce reduced in last recession – less skilled people available.
- 2015-18 training needs 45% higher than 2011-14.





Construction- Conclusions

- Tackle preconceptions and diversity – gender balance in STEM related industries.
- Up-to-date equipment and technology in our learning infrastructure.
- Increase in need for specific skills, for example using green materials and methods.
- Heightened need across a range of roles and for management skills.



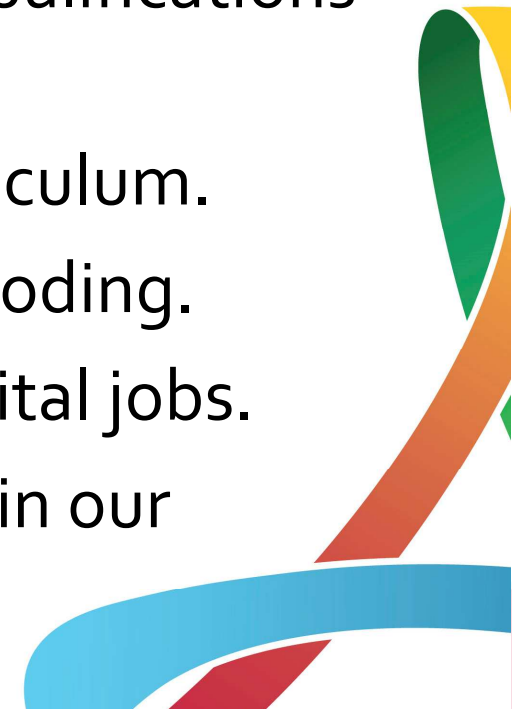
Creative and Digital

- Concentration of IT, software and computer services jobs in Lancashire.
- Prevalence of small and micro businesses.
- Difficult to recruit people with appropriate digital skills.
- Skills gaps are higher than average in advanced IT and software skills.
- Less diverse workforce.
- High levels of demand for graduate labour.



Creative and Digital - Conclusions

- Mismatch of skills demand and supply with the focus needing to be on up-to-date technical ICT training.
- Very difficult for education to keep pace with technological change. Traditional full qualifications may not meet employers needs.
- Embedding digital skills across the curriculum.
- Teaching digital skills as standard e.g. coding.
- Tackle diversity – gender balance in digital jobs.
- Up-to-date equipment and technology in our learning infrastructure.





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Energy and Environmental Technologies

- Predominately male workforce (81%).
- Below average proportion of the workforce have level 4 and above qualifications.
- Ageing workforce creating high replacement demand.
- Shortages of engineers and technicians.



Energy and Environmental Technologies - Conclusions

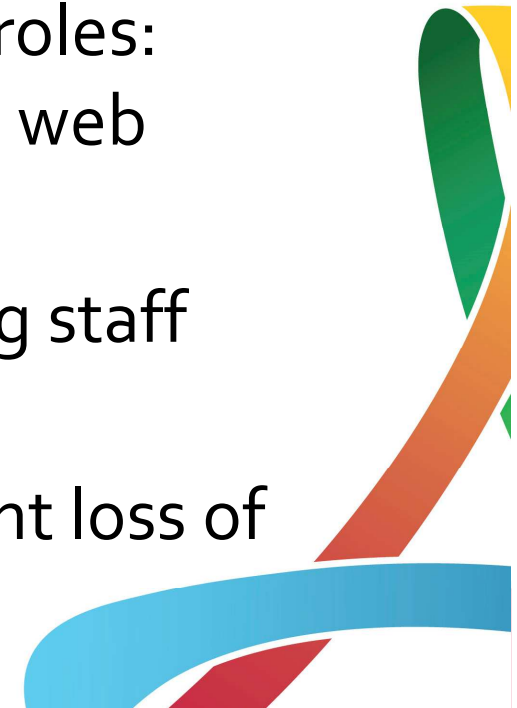
- Increase in people with STEM related qualifications required.
- Tackle diversity – gender balance in STEM related industries.
- Future skills needs for specific technical skills, project management skills and multi-utility skills.
- Up-to-date equipment and technology in our learning infrastructure.
- Increasing needs for specific technical skills.





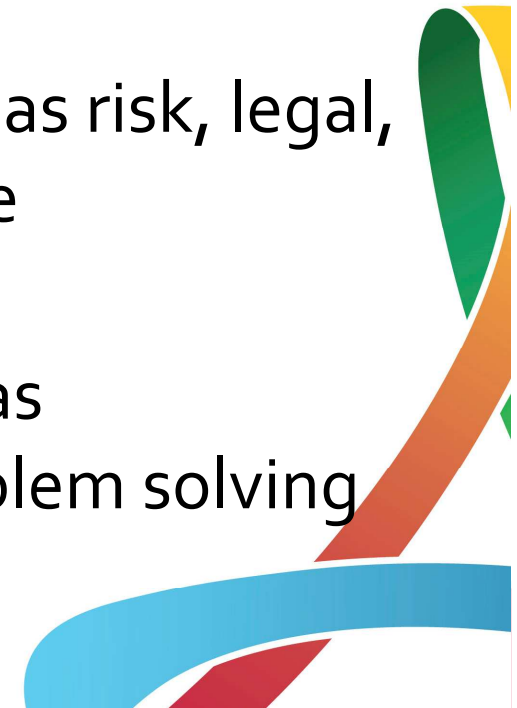
Financial and Professional Services

- High level of full time workers (82% compared to 73%).
- 36% hold a level 4 qual or above.
- 48% of vacancies in computer related roles: programming, software development, web design.
- Shortage of specialists leads to existing staff development.
- Ageing workforce will lead to significant loss of expertise.



Financial and Professional Services - Conclusions

- Future skills needs shaped by digital technology and big data.
- Multi-skilled workforce requirement.
- Technical skills are crucial in areas such as risk, legal, analytical, IT and leadership and change management.
- Work readiness and generic skills such as communication, interpersonal and problem solving highlighted as key for improvement .





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Health and Social Care

- Predominately female (80%).
- Ageing workforce creating hard-to-fill vacancies and skills shortages.
- Low wages.
- High turnover of staff - exceeds the national average.
- Lack of applicants.





Health and Social Care - Conclusions

- Skills gaps in practical skills, problem solving, communication.
- Skills gaps also in management and leadership
- Services responding to an ageing population will require multi-skilled workforce.
- Graduate retention – opportunity to retain graduates in Lancashire.
- Inspiring the next generation to work in the sector.





Visitor Economy

- Transient workforce, part-time, zero hours contracts and low wages.
- 34% under 30 yrs old (compared to 24% Lancs total).
- 17% have no formal quals (11% in Lancs).
- Most commonly reported vacancies: kitchen and catering assistants, chefs and customer service posts.
- 12% of employers report skills gaps, the top being customer service and communication.



Visitor Economy - Conclusions

- Making the sector more attractive and making routes to higher level jobs in the sector clear.
- Employers looking for good customer service, communication skills and the right attitude .
- Leadership and management skills gaps.
- Increasing digital skills requirement.





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LEP Skills Conclusion

**The expectation and vision for
education and skills within Lancashire.**

How can the FE sector better contribute?



Future Workforce

How can the FE sector better:

- Offer a breadth and depth of provision with meets local learner and employer needs?
- Offer clear routes and progression pathways from classroom and vocational provision to higher level professional and technical qualifications?
- Embed employability and enterprising skills, attitudes and behaviours throughout the students educational journey?
- Offer enrichment which contributes to developing a broader skills set?
- Involve employers consistently in curriculum development?





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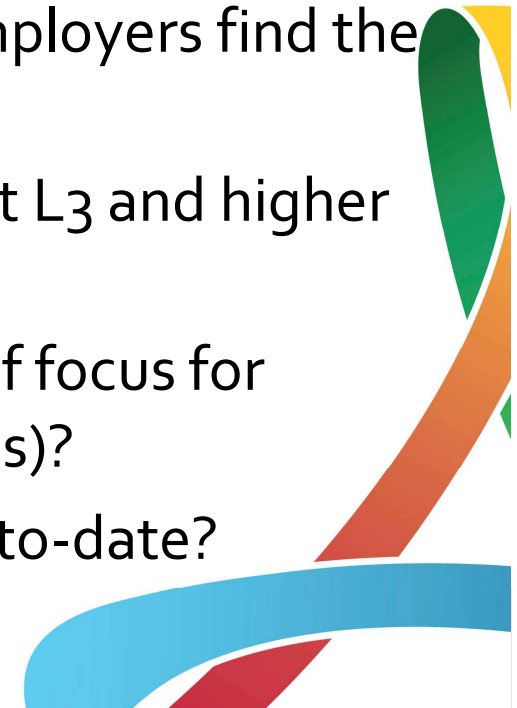


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Skilled and Productive Workforce

How can the FE sector:

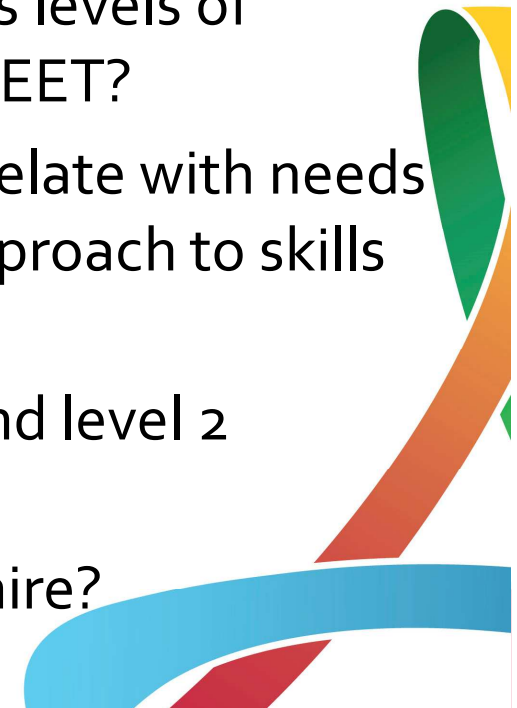
- Collectively increase apprenticeship provision, including availability of higher level and degree?
- Make it easy for employers to engage so that employers find the market less confusing and difficult to navigate?
- Provide *adequate* access to specialist provision at L3 and higher levels which is relevant to our sector priorities?
- Ensure specialist provision complements areas of focus for economic growth (including the Enterprise Zones)?
- Ensure learning facilities and technology are up-to-date?



Inclusive Workforce

How can the FE sector better:

- Apply the concept of a 'skills escalator' so that provision is outcome focused; raising employability and skills levels of unemployed adults and vulnerable adults, and NEET?
- Offer programmes targeted at adults which correlate with needs in the local labour market; with an integrated approach to skills and employment?
- Embed digital skills in foundation level, level 1 and level 2 programmes?
- Ensure adequate access in local areas of Lancashire?



Informed approach

How can the FE sector better:

- Use Labour Market Information to shape curriculum offer and align it to the Lancashire's economic priorities and labour market demands?
- Engage with employers to design their curriculum, enhance the student experience and utilise their industry expertise in teaching and co-delivery?
- Ensure that their provision reflects the broader North West economy?
- Maintain their engagement and progress beyond the Area Based Review?

