

Lancashire Area Based Review

Economic and Educational Context Summary Slide Pack

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.
- A 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.
- The slide pack provides a detailed overview, which will be summarised in a presentation at the first steering group.

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.

Economic Context

Lancashire Enterprise Partnership

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

- Creating local conditions for business growth.
- Raising the profile and visibility of Lancashire.
- Enabling strategic infrastructure development and inward investment.
- Driving business support and innovation.
- Leading supply chain and sector development.
- **Skills for growth.**

40,000 new
homes

50,000 new
jobs

£3bn additional
economic
activity

Lancashire LEP Overview

- 1.46m residents (21% in NW).
- £24.7bn GVA per annum.
- Over 40,000 businesses – predominantly SMEs.
- 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.
- Delivering new transport infrastructure across Preston and South Ribble to unlock growth potential of national significance.
- 17,000 new houses.
- Expected to create 20,000 new jobs; including a dynamic city centre and high value jobs at Warton and Samlesbury Enterprise Zone.
- Key part of the LEP's £1bn growth strategy for the County.

Enterprise Zones

- 150 acres delivered over a 25 year timeframe.
- Overarching framework focused on advanced manufacturing and energy sector with an investor offer of Northern Powerhouse significance.
- **Samlesbury and Warton EZ** - Centre of excellence for high technology manufacturing with aerospace focus. Up to 6,000 jobs.
- **Blackpool Airport EZ** – Key focus on aero-park related activities and energy sector. Up to 3,000 new jobs.
- **Hillhouse EZ** – Technology focus with major strengths in polymers, high value materials and energy. Up to 1,750 new jobs.

Qualifications and Occupations

Qualifications and Occupations

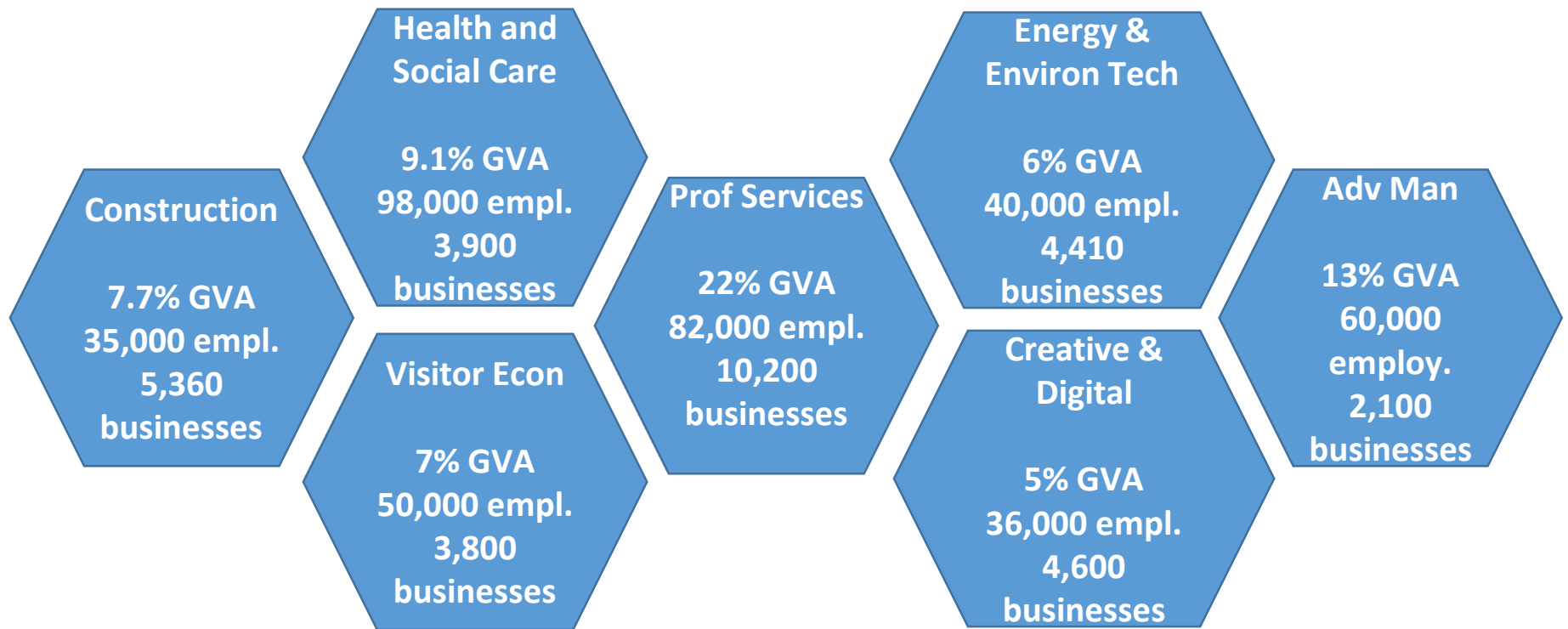
- Starting out with a 'deficit' in areas of Lancashire with poor GSCE achievement rates (Blackpool, Burnley, Pendle and Hyndburn).
- A workforce that is less well qualified than the England minus London average – lagging by 3% at L4+ (32,100 residents)...cold spots in Blackpool, Preston and Pendle.
- Anticipated growth at L4+ and L1 – 'hour glass' with L3 and L2 declining...but at present less highly skilled occupations compared to the NW (-2%) and England minus London (-4%).
- Employers with vacancies reported that 25% were skills shortage vacancies (2% less than England average) – main reasons: lack of applicants with required skills; lack of work experience; motivation & attitude.
- Replacement demand significant compared to net growth...professional occupations highest, but demand across a range of roles at a range of levels.

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.
- Robust relationships with the HE sector should be in place to aid progression / create innovative ways to deliver higher level skills demands (validation or routes to higher level qualifications).
- 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 to enable economic ambitions.

Sectors

Lancashire's Priority Sectors



Sectors

- Significant issues re: ageing workforce and replacement demand in traditional sectors and health and social care.
- Engaging SMEs in workforce planning and developing employees.
- Diversity in STEM related industries.
- Balancing traditional skills with future skills needs (and aligning equipment and technology).
- Understanding of LMI and how this influences young people's and adult's career decisions.
- Employability skills.
- Emerging pathways and innovative approaches to filling skills gaps e.g. advanced practitioner models.

Sectors – 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 sufficient provision to support the growth sectors and high employment sectors in Lancashire, to enable the supply of skilled labour.
- Current employment and forecast demand in these key sectors should be taken into account when developing the curriculum offer.
- Innovation in the curriculum offer – e.g. use of the apprenticeship levy.
- CEIAG should be grounded in local labour market intelligence.

Cross-Functional Learning – Creating a World Class Workforce

- Need for greater cross-sector collaboration to create the world class workforce needed to deliver Lancashire's economic ambition.
- Create the skills-base for the future to ensure residents and businesses can compete for new jobs and markets with greater focus on:
 - Industry 4.0 & disruptive technology
 - High Performance Computing
 - Cyber-physical systems
 - The internet of things
 - Big data.

Educational Context

Lancashire Area Based Review

October 2016

Local Authority Educational Context

Lancashire Common Principles

- As a result of the Area Based Review, the expectation from the local authorities is that:
 - The institutions in our areas, serving our residents and local communities, are sustainable, financially strong and resilient and make efficient and effective use of their resources
 - Institutions are responsive to future demands, policy developments and funding changes
 - Current and future educational needs across the Lancashire area are met, taking account of employer requirements, GCSE attainment, progression pathways and positive destinations
 - Our residents are able to access high quality provision at all levels, with appropriate support mechanisms in place to encourage retention, achievement and progression

Lancashire Key Questions

- Do colleges have plans in place to address future developments, such as regional prosperity and an increase in the 16-18 year old cohort, ensuring there are progression pathways at all levels for all learners, including those at sub-level 2?
- An appropriate and accessible provision offer needs to be in place for residents with no qualifications, as well as those wishing to access provision at higher levels
- How will colleges work with employers to increase the number of Apprenticeships being delivered to 16-18 year olds, to meet future growth aspirations?

Local Context

- 12 Colleges in the Pan-Lancashire area
- Two Foundation Learning providers
- 15 School Sixth Forms (SSF)
- 14 Academies
- EFA 2015/16 allocations:
 - Colleges: 26,792 learners, £131,828,105
 - SSF & Academies: 6,508 learners, £29,554,130
- SFA 2015/16 allocations:
 - Colleges: £59,741,773

Demographics and Deprivation

- Significant issue in parts of the county
 - 7 areas across Pan-Lancashire in top 100 most deprived areas
- From 2016-2025, overall 16-18yr old population projected to increase by 6.56%, which equates to 3,440 young people
- Need for appropriate learning provision at all levels and progression pathways to meet needs of increasing number of residents
- Specific learning provision and support mechanisms for residents in the most disadvantaged and deprived areas

Participation

- Overall, Pan-Lancashire is a net exporter of learners
- Draft DfE 16 and 17 year olds participation figures (March 2016) for the three local authority areas: 90.3% Lancashire, 87.9% Blackpool and 88.6% Blackburn with Darwen, compared to 91.5% nationally
- November 2015 to January 2016 NEET figure for the Pan-Lancashire area is 2,430
- From 2013/14 to 2014/15, Pan-Lancashire resident participation has changed as follows:
 - FE: -878 young people, -3.0%
 - SSF and Academies: -247 young people, -3.8%
 - 19-24 High Needs Learners: +48 learners, +19.4%
 - 16-18 Apprenticeships: +58 learners, +1.4%

Local Learner Outcomes

- Across Pan-Lancashire, outcomes for young people overall are positive although there are areas where improvements need to be made
- 5 A*-C GCSE attainment, with and without English and maths, are variable across the Pan-Lancashire area compared to the national average
- Level 2 and level 3 attainment at 19 is generally above averages but notable gaps exist for those eligible for FSM and those with SEN
- A level and level 3 outcomes are variable when compared to the national average
- 2014/15 achievement rates are generally above national average but improvements required by specific colleges at certain provision levels

High Needs Post 16 Provision

- Improved working relationships with Pan-Lancashire colleges through the FE High Needs Group
- Requirement for more Supported Internships and Supported Apprenticeships
- Specialist local provision will help to enable young people to remain in their local communities

Skills

- Key issue is availability of provision which enables progression into sustainable employment and/or further learning
- Providers to be aware of the LEP growth sectors and how these may inform provision offer
- Need to work with schools to improve LMI and young peoples understanding of the labour market and employability skills

Lancashire 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 high quality provision, with greater collaboration, at all levels which meets local learner and employer needs, increasing participation?
- Offer clear routes and progression pathways from classroom and vocational provision to higher level professional and technical qualifications?
- Provide sufficient provision at lower levels, including supported apprenticeships and appropriate provision for SEND students, that results in sustained progression?
- 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?
- Ensure provision is sufficient to meet demographic projections?
- Provide good quality CEIAG and work related learning, increasing participation and positive destinations?

Skilled and Productive Workforce

How can the FE sector better:

- Collectively increase fit-for-purpose apprenticeship provision at L2/3 and increase availability at higher level and degree?
- Make the FE offer less difficult for employers to navigate and easier to broker the skills solutions they need – particularly SMEs?
- Provide adequate access to specialist provision at L3 and higher levels which is relevant to our sector priorities, taking into consideration access and transport links?
- Contribute to the development of L4+ skills with stronger focus on integrated higher skill programmes with local HE partners to help attract and retain high value workers?
- Ensure specialist provision complements areas of focus for economic growth (including the Enterprise Zones)?
- Take cross sector approaches to embed digital technology and creativity?
- 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, skills levels and aspirations of unemployed adults, vulnerable young people and 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 and engagement in local areas of Lancashire, particularly those that are disadvantaged?
- Provide community learning at accessible venues to enable residents to develop basic and life skills and step onto the 'skills escalator'?
- Provide adequate provision to young people with complex needs, particularly in areas of higher deprivation, to prepare them for sustained employment or supported internships/apprenticeships?

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?
- Engage with schools to ensure the right provision is available to meet learner needs, to maximise sustained participation and progression?
- Maintain their engagement and progress beyond the Area Based Review?