Lancashire
Enterprise Partnership

LEP - Skills and Employment Advisory Panel

Thursday, 9th June, 2022 in Teams Virtual Meeting - Teams, at 8.30 am

Agenda

Part I (Items Publicly Available)

1. **Welcome and Apologies for Absence**

2. **Declaration of Interests**

3. **Minutes of the Meeting held on 23 February 2022 and Matters Arising** (Pages 1 - 12)

4. **Up-date from the Lancashire Skills & Employment Hub and partners** (Pages 13 - 30)

5. **Food and Agriculture Study** (Pages 31 - 156)
   (Cassie Holden, Amion Consulting)

6. **Local Skills Improvement Plan** (Pages 157 - 292)
   (Babs Murphy, CEO, N&W Lancashire Chamber of Commerce and Geoff Mason, Policy Manager, N&W Lancashire Chamber of Commerce)

7. **Transition from ESIF to USKPF**
   (Presentation from Andy Walker and Dr Michele Lawty-Jones)

8. **Reporting to the Lancashire Enterprise Partnership**

9. **Any Other Business**

10. **Date of Next Meeting**
    The next meeting is scheduled for Thursday 1 September at 8:30am. The meeting will take place via Teams.

Lancashire
Enterprise Partnership

LEP - Skills and Employment Advisory Panel

Minutes of the Meeting held on Wednesday, 23rd February, 2022 at 8.00 am at the Zoom Virtual Meeting - Zoom

Present

Amanda Melton CBE

Mark Allanson
Cllr Karen Buckley
Peter Caney
Neil Conlon
Ruth England
Edwina Grant OBE
Gareth Lindsay
Nicola Mortimer
Kate Quinn
Alison Robinson
Bev Robinson OBE
Wendy Robinson
Stephen Sykes

Observers

Stephen Jones, Head of FE Territorial Team, ESFA
Heather Murray, Senior Partnership Manager Lancashire, DWP

In Attendance

Kerry Harrison, Lancashire Digital Skills Partnership Coordinator
Dr Michele Lawty-Jones, Lancashire Skills and Employment Hub Director
Geoff Mason, Policy Manager, N&W Lancashire Chamber of Commerce
Lisa Moizer, Lancashire Skills and Employment Hub Coordinator
Denise Park, CEO, Blackburn with Darwen Unitary Authority
Garth Harbison, Democratic Services Officer, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair welcomed as a new member of the Panel Councillor Karen Buckley, Leader of Fylde Council, representing the Lancashire Leaders Group. Councillor Buckley was replacing Councillor Mark Townsend.

The Panel was informed that Lindsay Campbell, who represented the hospitality sector, had resigned from the Panel. A replacement would need to be found as the hospitality sector was an important sector in Lancashire.

The Chair, Amanda Melton CBE, informed that she would be retiring later in the year.

Apologies were received from Liz Tapner.

2. Declaration of Interests

None were disclosed.

3. Minutes of the meeting held on 10 November 2021 and Matters Arising

Resolved: That the minutes of the meeting held on 10 November 2021 are confirmed as an accurate record.

4. Up-date from the Lancashire Skills & Employment Hub and partners

Michele Lawty-Jones, Director of the Lancashire Skills and Employment Hub, presented an update from the Lancashire Skills and Employment Hub and partners. The update was structured against the strategic themes and priorities outlined in the Lancashire Skills and Employment Strategic Framework 2021 and provided an update since the last meeting of the Panel.

Highlights from the report were as follows:

- Regarding Careers Hubs, action plans had been agreed with 12 business networks across Lancashire. Positive relationships had emerged with these networks. Business networks were encouraging their members to sign up to the Lancashire Skills Pledge. This was resulting in an increase of Skills Pledges with a particular focus on 'Become an Enterprise Advisor' and 'Give an Hour' to support encounters in schools.
- The Cornerstone Employer Group, which was a group of businesses Lancashire wide, was agreeing its commitment plan around the Careers Hub.
- In terms of Technical Education, the Careers Hub had successfully secured funding through the Careers and Enterprise Company for a project to be delivered in this academic year. The aim of the project was to raise the profile of apprenticeships.
- The Institute of Technology (IoT) submission to the DfE from Lancashire's consortium of colleges and universities had been successful and was now in the pre-award stage.
- There was a whole host of digital activity going on to enable young people to develop their skills and gain careers insight. The TeenTech Live Festival was due to start. The Cyber Girls First event had been postponed until 23 March. There was a BAE Systems' sponsored programme with InnovateHer and Create Education which was delivering events for staff and young people. There was a Hub Incubation Project which was aimed at testing and evaluating the impact of careers activities. The digital Advantage 2021/22 programme would focus on delivering digital skills with industry experts to 70 young people with SEND, care-experienced students and young carers, in schools, colleges and alternative provision settings across Lancashire.

- The Adult Skills Forum continued to meet regularly with providers across Lancashire. The forum shared good practice and highlighted opportunities for participants, such as Skills Bootcamps and apprenticeship training.
- The pre-launch guidance had been issued for the UK Shared Prosperity Fund. This indicated that the Skills and Employment programmes would commence in 2024.
- The Northwest Skills Academy was also delivering a Retrofit Skills Bootcamp across Lancashire as an extension of a contract held with GMCA. This was in addition to the HGV Bootcamps launched early in January.
- Regarding Social Value and the Preston Western Distributor, the project team had continued the successful delivery of their social value programme despite operating in very difficult operating conditions due to the Covid-19 pandemic.
- To support the objectives in the Apprenticeship Action Plan, the Skills Hub was sponsoring the inaugural Lancashire Apprenticeship Awards alongside Blackpool and Fylde College, Porsche and VEKA. The awards were being held on 31 March.
- The national apprenticeship week would take place week commencing 7 February. The Lancashire Skills Hub would be promoting the Lancashire Apprenticeship Service and Skills Pledge over the course of the week and would be highlighting partners and stakeholders' activities.
- The launch event for the Lancashire Cyber Alliance took place on 22 February at UCLAN's Engineering and Innovation Centre.
- In terms of Healthy Workplaces, the ESF funded Building Blocks project had already engaged with 19 SMEs and delivered to 97 employees with 59 people undertaking a Workplace Health Champion course. The project aimed to support the mental health and wellbeing of the employees in Lancashire businesses.
- The Skills Hub was in the process of refreshing the Evidence Base and had received just under 50 responses from stakeholders to a survey which asked how the Evidence Base should be developed and be presented going forward.
- The Lancashire Enterprise Partnership and the Lancashire Skills Hub had taken delivery of Cambridge Econometrics' Local Economy Forecasting Model for Lancashire and its districts.
- A Food and Agriculture Sector Study had been commissioned utilising remaining Skills Advisory Panel funds.
- The Lancashire Skills Pledge had continued to grow across all metrics, with the number of businesses registering up 23.2% to 181 businesses.

Resolved: The Skills and Employment Advisory Panel noted the update report from the Lancashire Skills and Employment Hub and partners.

5. National Skills Fund: Skills Bootcamps for 2022/23

The report presented informed the panel that Digital Bootcamps were piloted in Lancashire and Greater Manchester through the Fast Track Digital Workforce Fund, in partnership with the Department for Digital, Culture, Media, and Sport

(DCMS). The model was driven by employers, with employer-provider collaborations developing 12+ week bootcamp programmes, which provided intensive training to fast track unemployed residents into hard to fill digital jobs.

The model was adopted and adapted by the Department for Education (DfE) under the National Skills Fund, with pilots taking place locally and in several other areas across the country. The DfE model had an increased focus on guaranteed interviews and progression into employment or within the workplace. Following devolved pilots, Skills Bootcamps were rolled out nationally through a national procurement process focusing on digital and construction, and subsequently HGV training.

The DfE had recognised the benefits of balancing locally driven procurement processes with national procurement and had invited LEPs and MCAs to submit proposals for devolved grant funding for financial year 2022/23. Local consultation had been undertaken to build a pipeline of ideas for Skills Bootcamps, building on the success in Lancashire to-date, with a view to submitting a proposal to the DfE by the deadline of 15 February to secure funds for Lancashire.

Whilst Lancashire had worked in collaboration with Greater Manchester Combined Authority (GMCA) to-date, expertise had been built up through proactive engagement in the procurement of provision and project management, and more recently Skills Bootcamps had been procured and contracted locally, providing a springboard to scale up a programme that was driven locally.

It was unclear when the DfE would get back to Lancashire regarding the submitted proposal but hopefully it be around mid-March. To formulate the proposal Lancashire had ran an event with partners to get what people's ideas were and share what the difference was between the local and national procurement process, and what the DfE was looking for. The bid submitted by Lancashire was around £2.6m. If the bid was successful there would need to be a Lancashire procurement process.

The panel was informed that the DfE had changed the funding model slightly. It was still in 3 parts where you received 50% upfront based on projected numbers. There would then be a middle payment which would be adjusted for the actual numbers. There would then be 20% held back at the end until the person was in a job. This increased the incentive to get that person into a job.

Comments and questions raise were as follows:

- It was pointed out that Lancashire had a lot with success with the DfE in the past in terms of delivery and that Lancashire would likely be successful with its proposal. It was only a question of how much Lancashire would receive from the DfE.
- In terms of interest, there was a lot of partners engaged in the consultation who returned ideas. The biggest job was selling the understanding of what a Skills Bootcamp was and how it could benefit an individual. By delivering locally there was a better chance of selling a cohesive offer and for

partners to support each other.

- It was stated that the timescales set by government for development of proposals and delivery was currently challenging, with a number of examples including the LSIP and Strategic Development Fund. There was concern over the short time for delivery of the fund. It was also noted that it was currently difficult to engage adults in skills development.
- The panel enquired what the target audience was for Skills Bootcamps in terms of recruits. The target audience was mixed and depended on the Skills Bootcamp. It had to be an open offer and entry requirements were very different. It was up to the Skills Bootcamps to set their entry requirements.
- The level of jobs coming through the Skills Bootcamps was very mixed, but all are positioned at Level 3 and above.
- It was felt that programmes like Skills Bootcamps should be aimed at people who have not had the benefit of a university education. Individuals who were unemployed could come to Skills Bootcamps and their benefits would not be affected.
- The problem with the new funding model was that it disadvantaged new industry led groups as there was no upfront funding to develop the course content.
- One of the main issues that Skills Bootcamps are aimed at is aligning the skills of unemployed people with the skills that employers needed. Many of the Skills Bootcamps were engaged with the unemployed and disadvantaged people.

Resolved: The Skills and Employment Advisory Panel considered the opportunity to secure grant funds for Skills Bootcamp delivery in Lancashire and proposed to the LEP Board that grant funds were accepted should the application to the DfE be successful, subject to review of the grant funding offer and the terms and conditions by the Chief Executive and Section 151 Officer and any related procurement considerations.

6. Levelling Up For Lancashire

Denise Park, Chief Executive of Blackburn with Darwen Council, gave a presentation to the panel on Levelling Up For Lancashire.

Leaders in Lancashire recognised the potential to do more to strengthen Lancashire's place leadership and to speak with one voice.

Lancashire had a distinct and diverse urban, rural and coastal geography. It was home to 1.5 million people, 55,000 businesses and a £34.1 billion economy.

Lancashire had a granular robust evidence base, including bespoke compound impacts of Covid-19 and legacy structural inequalities developed.

Lancashire had a major and unique contribution to make to the UK economy. It had to work with policy makers to realise the full potential and ensure specific issues and opportunities were clearly set out.

Council Leaders had made a historic pledge to work together to deliver a bold vision to benefit the people of Lancashire. There was an emerging, overarching vision and strategic plan setting the collective, long-term ambition for Lancashire in 2050. There was close collaborative work to develop a set of ambitious and forward thinking proposals. It was important to create a single narrative and unified, influential voice for Lancashire. There were detailed devolution asks in development for funding, powers and flexibilities from Government. These focused on the priority themes in the Lancashire 2050 Strategic Plan.

There were 11 sub-regions benefitting from devolution deals and more emerging, the majority, but not all, within a mayoral combined authority governance. New unitary councils were being created with the potential for devolution opportunities.

At a strategic level, Lancashire needed to find a way to present its case and advocate for its residents and businesses with the same level of authority and influence. The Government had reiterated commitment to devolution and 9 initial 'County Deals' which sought to widen devolution beyond the large city regions.

Council Leaders had been engaged in successful local negotiations to shape Lancashire's priorities and establish the principles of governance to shape and oversee delivery of a subsequent county deal / devolution in Lancashire.

The next step would include the development of those principles in response to the Levelling Up White Paper.

The Levelling Up White Paper had announced further details on empowering local decision making including a new, flexible framework and four key principles underpinning devolution.

Lancashire had considered various models to date including (Mayoral) Combined Authority, Economic Prosperity Board, Joint Statutory Committee, upper tier/district voting and consultative committee. Leaders had established a set of core principles, currently subject to formal decisions of all 15 councils. Those principles were well aligned to the White Paper covering effective leadership, sensible geography, flexibility and appropriate accountability.

The Lancashire principles included Leader representation and would be initially chaired by LCC as accountable body seeking to maintain council sovereignty without imposing governance or reducing local decision making.

The new deal for a greater Lancashire had 4 key themes:

- Economic growth and investment
- Transport, connectivity and infrastructure
- Early years, education, adult skills and employment
- Environment, climate change and housing quality

In terms of the Levelling Up White Paper, initial reactions were that the 12 policy objectives were well aligned to Lancashire priorities. The devolution menu helped shape Lancashire's ask and offer. Specific announcements included the £5bn National Cyber Force, North West Space Agency Hub, 2 new hospitals, the Institute of Technology and devolved spending. Government was committed to having regional directors for levelling up. Lancashire had to have a significant development and delivery pipeline.

Regarding the next steps, Lancashire Leaders were considering the White Paper implications and options. The development of the overarching strategic plan, Lancashire 2050, had to be driven forward. Engagement had to be commenced with Government on devolution and a county deal focused on the 4 priority themes. It was important to develop and implement a governance model for Lancashire's place leadership including a role and voice for business and education.

In terms of timelines the Lancashire 2050 vision would continue to be developed into the spring/summer of 2022 in terms of ambition, thematic priority areas and engagement plans. There would governance and devolution appraisal and development and there would be engagement with HM Government. There would be ministerial visits, a Levelling Up Director appointment and Local Levelling Up Panels would be established.

In autumn 2022 there would be stakeholder engagement and consultation on the Lancashire 2050 vision. Devolution and county deal proposals as well as governance arrangements would be developed to final drafts.

In winter 2022 and into 2023 the Lancashire 2050 Strategic Plan would be finalised, adopted and launched. There would be potential shadow arrangements in place to support the formal delivery in spring 2023.

Comments and questions raised were as follows:

- The panel was happy to see the alignment of the Lancashire 2050 Strategy with National Government. This would make the strategy easier to deliver.
- The panel enquired about what the likely timeline for putting the strategy in place would be. The timeline would hopefully be 12 to 18 months depending on Government capacity and receiving agreement. There were a lot of policy decisions that were needed and information around future funding.
- The question of how far Lancashire still had to go in terms of the strategy and what in what areas had good headway been made was raised. It was felt it would be useful to reshare some of the IER evidence. A lot of the work on the Independent Economic Review needed to be refreshed and the impact of the pandemic on Lancashire's young people had to be looked at and what was needed going forward.
- It was noted that there were different needs in various parts of Lancashire and how different people's expectations were met. It was still early days for the strategy and the needs of different areas was being looked at. Lancashire was a very diverse county and there were concerns with housing quality across the board.
- Praise was given for getting 15 local authority leaders to agree on the strategy but there was concern about where the voice of the people of Lancashire would feature. Individual local authorities did resident consultations. This was important to find out what the people of Lancashire wanted. It was vital to support learners and residents in deprived areas but it was also important to invest in the affluent areas.
- The Lancashire 2050 Strategy Plan was about building relationships.
- It was important to bear in mind that there were 3 Local Government

reorganisations underway.

- It was noted that the next informal meeting would have a focus on the development of Lancashire 2050, with the anticipation that the committee would have a role in developing the theme relating to early years, education, adult skills and employment.

Resolved: The Skills and Employment Advisory Panel noted the presentation.

7. Local Skills Improvement Plan: Early Findings

The Chair welcomed Geoff Mason, North & Western Lancashire Chamber of Commerce, to the meeting.

The Local Skills Improvement Plan (LSIP) came out of the Skills White Paper from January 2021 with the intention of putting employers right at the heart of decisions made with regards to skills provision in their local areas. Lancashire was one of only 8 trailblazers in England to do this.

The programme ran alongside the Strategic Development Fund programmes that were going through colleges at the moment. The work on the LSIP was due to finish on 31 March 2022. Then a report would be sent the DfE.

The Employers Skills Survey went out in the autumn of 2021. There had been over 1,000 responses to the survey. There had been disparity across the county in terms of responses.

The programme had been running focus groups and all of these groups had been finished by the end of January 2022. These groups had provided information on how skills gaps were affecting businesses and what solutions could resolve them.

A lot of roundtables had been ran recently with a number of stakeholders and local colleges as well as partnering with some of the local employer representative bodies.

There had been a group of roadshows ran at a number of different colleges including Myerscough, Burnley, Blackburn, Lancaster and Morecambe, and West Lancashire in partnership with the Lancashire Skills and Employment Hub.

Surveys had also been ran to employees and the unemployed. There had been over 500 responses to these surveys. This would give an initial look into some of the issues employees and the unemployed find.

There was also a training provision survey which looked at who employers skilled their staff and where they sourced it.

The Skills Survey results had just been completed. The survey results were sat with the data analysis team. The team would also help with the production of the report.

Some of the general issues that had come out of the various focus groups were as follows:

- There were concerns about the levels of literacy of people coming out of the education system.
- There were issues over some of the courses being too long and generic. There was a suggestion for shorter, modular skills training.
- There were difficulties in attracting young people into the so called 'dirty' industries like manufacturing and construction.
- There had been discussions around making the Apprenticeship Levy more flexible and include more non-apprenticeship skills training.
- One issue that had come from employers and providers was that trainers had been too long out of industry. It was vital to keep up with current working practices.

Work was continuing with providers around findings and to discuss what could be done in the short term.

Work was ongoing with organisations such as the DWP and the Prison Service to maximise opportunities for those outside of the current workforce.

Further opportunities were being looked at to utilise the LSIP methodologies.

Lancashire's LSIP was one of only eight trailblazers and was waiting on a national roll out of LSIPs. LSIPs did feature in the recently published Levelling Up White Paper. A national roll out of LSIPs was expected around autumn 2022.

It was vital to keep up the strong stakeholder work that was happening especially with providers and the rolling out of some of the recommendations. It was important to keep the brand of the Lancashire LSIP going with the marketing and promotion of the brand. A lot of this depended on what funding was available from the DfE.

There was currently a Skills and Post-16 Education bill in progressing through government, which included a legislative framework for having a LSIP available in all areas of England. This would hopefully provide a skills system that would help Lancashire be genuinely productive.

Comments and questions raised were as follows:

- It was noted that the Health and Social Care Sector were the second highest respondents from the services sector and had given good feedback. There had been a regular focus group on Health and Social Care as well.
- The panel enquired if there were any insights that had been given about people not wanting to come into particular skills areas because of the employment offer. It was important to make some industries more attractive for young people, as well as their parents and teachers. There had to be a culture change and work had to be done with employers.
- The Lancashire LSIP provided employer insights to support the bid for

funds from DfE for the Skills Bootcamps.

Resolved: That the Skills and Employment Advisory Panel noted the report.

8. Reporting to the Lancashire Enterprise Partnership Board

Regarding Skills Bootcamp delivery in Lancashire, the Skills and Employment Advisory Panel would propose to the LEP Board that grant funds were accepted should the application to DfE be successful, subject to review of the grant funding offer and the terms and conditions by the Chief Executive and Section 151 Officer and any related procurement considerations.

The panel would recommend to the LEP Board acceptance of the grant funding offer from CEC once received, subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer and support the extension of the contract with Inspira.

The panel would recommend to the LEP Board that they approve the acceptance of the grant from DCMS, should it be approved, subject to the review of the final grant offer and associated terms and conditions by the LEP Chief Executive and Section 151 Officer.

The LEP Board would be informed about the discussion of Levelling Up and devolution in Lancashire at the April meeting of the Skills and Employment Advisory Panel.

9. Any Other Business

The Skills and Employment Advisory Panel was informed that the IoT was at the pre-award stage and fortnightly meetings were being held by the DfE. This would likely be a six month process.

It was felt that it would be a useful, substantive item for a future meeting of the Panel.

10. Programme of Meetings 2022/2023

Resolved: The Skills and Employment Advisory Panel agreed the following dates that completed the 2022/23 programme of meetings:

Formal Meetings held via Zoom

Thursday 9 June 2022, 8:30am – 10:30am

Thursday 1 September 2022, 8:30am – 10:30am

Thursday 8 December 2022, 8:30am – 10:30am

Thursday 2 March 2023, 8:30am – 10:30am

Informal Meetings

Thursday 21 April 2022, 9:30am – 12:30pm

Thursday 10 November 2022, 9:30am – 12:30am

11. Exclusion of the Press and Public

Resolved: That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

12. Grant Renewals

The report presented confirmed that funding had been allocated by the DfE to the Careers and Enterprise Company (CEC) for the national network of Careers Hubs and Enterprise Adviser Networks. Details regarding KPIs and targets were currently being negotiated. The Skills Hub was currently awaiting the Grant Funding Agreement for the Lancashire Careers Hub and Enterprise Adviser Network. It was anticipated that the funds would enable the continuation of the current model which supported all 156 schools and colleges across Lancashire to deliver excellent careers provision. This was raised to enable a recommendation to the LEP Board to be made to accept the grant offer once received and to commit to the same level of match funding as previous years.

The report also confirmed that a business case had been submitted to the Department for Digital, Culture, Media and Sport (DCMS) for funds for the Lancashire Digital Skills Partnership (LDSP). The report outlined the approach to sustaining the LDSP and the regional coordinator locally, with a phasing out of funds from the DCMS in the 2022/2023 financial year.

Resolved: That the Skills and Employment Advisory Pane:;

1. Recommended to the LEP Board acceptance of the grant funding offer from the CEC once received, subject to review of the final grant offer and associated terms and conditions by the Chief Executive and Section 151 Officer and support the extension of the contract with Inspira.

2. Recommended to the LEP Board that they approve the acceptance of the grant from DCMS, should it be approved, subject to review of the final

grant offer and associated terms and conditions by the LEP Chief Executive and Section 151 Officer.

LEP – Sub Committee

LEP - Skills and Employment Advisory Panel

Private and Confidential: NO

Date: Thursday, 9 June 2022

Up-date from the Lancashire Skills & Employment Hub and partners

Report Author: Dr Michele Lawty-Jones, Director of the Lancashire Skills & Employment Hub, michele.lawty-jones@lancashirelep.co.uk

Executive Summary

This paper provides an overview of activity since the last formal committee meeting in February 2022.

Recommendation

The committee are asked to note the update.

Background and Advice

The update from the Lancashire Skills and Employment Hub and partners is structured against the strategic themes and priorities outlined in the Lancashire Skills and Employment Strategic Framework 2021 and provides an update on activity since the last committee meeting.

	Future Workforce: working with education and business to establish a talent pipeline and future workforce that meets the current and future demands of the local labour market.
Priority 1	**Careers Hub: Excellent careers provision underpinned by Labour Market Intelligence (LMI)**
Careers Hub and Enterprise Adviser Network The Careers Hub has been working proactively with the Business Networks through the partnership actions plans which has resulted in an increase in the number of businesses signing up to the Lancashire Skills Pledges and pledges to 'Become an Enterprise Adviser' and 'Give an Hour'. As a result, several Enterprise Advisers have been recruited with the percentage of schools matched increasing from 83% to 93%, and a drop from 21 to 11 vacancies, with 5 in the pipeline who are undertaking DBS checks. Enterprise Adviser networking events have been held, with a focus on sharing best practice in relation to the strategic role of an Enterprise Adviser.	

The Cornerstone Employer Group, which is chaired by Peter Caney, BAE Systems will be participating in a pilot with the Careers and Enterprise Company testing the effectiveness of standards for employers engaging with schools. The aim of the employer standards is to highlight best practice and the key steps for work with schools and the benefits to businesses of all sizes.

	Careers Hub Total 2021/22 (Based on CEC data)	
	Target %	Actual %
EA's matched to schools	98%	93%
Gatsby BM 1	80%	80%
Gatsby BM 5	Sustained Progress Baseline July 21- 63%	76%
Gatsby BM 6	Sustained Progress Baseline July 21– 36%	50%
Average BM's	5	5.75

Performance against targets is recovering following the negative impact of COVID-19. The Careers Hub team has seen an increase in careers provision, including employer encounters during the summer term. To be fully on target for the academic year, just 3 Enterprise Advisers need to be recruited. The average across the 8 Benchmarks for Lancashire Careers Hub at the end of the Spring Term was 5.75 (target of 5) and continues to perform above the national average. The Careers Hub Lead for Lancashire has been involved in a number of national 'sharing best practice' opportunities, including a roundtable with the DfE regarding how the Careers Hub is aligned with strategic priorities and delivered in Lancashire in partnership with authorities and agencies across the area.

Effective Transitions Project

The JP Morgan funded project has now commenced, which aims to test the impact of Extended Work Experience and Enhanced Information, Advice and Guidance (IAG) on disadvantaged young people's aspirations, attitudes to learning and transition from school to post 16 provision. All participating schools have been recruited and the procured provider for the Extended Work Experience (EBP NW) is now working with the schools to match young people to placements. The framework for Enhanced IAG has been agreed with participating schools and grant funding agreements are in the process of being signed to release funds to the schools to enable the delivery of activity.

Mentoring and coaching training for school staff is being arranged through Lancashire Adult Learning to enhance the project's effectiveness.

Prioity 2	**Technical Education Vision: roll out of T levels & progression pathways to higher technical qualifications**

T Level Rollout

Communities of practice for T Level routeways, now managed through The Lancashire Colleges (TLC) following the transition from the Skills Hub to TLC, continue to meet regularly. Evaluations of the Gatsby Foundation Routes Ready Project across the 5 geographical areas taking part will be available shortly, with good practice from Lancashire featuring in the drafts**.** All of Lancashire's colleges are now delivering T Levels or have plans to deliver by 2024.

A new T Level is being developed nationally in Cyber Security. The Digital Skills Partnership Lead has shared a consultation on the content of the T Level with relevant partners in Lancashire, for their input to the development of the qualification.

Apprenticeships and Technical Education Project
Funds secured from the Careers and Enterprise Company are enabling the Lancashire Work Based Learning Forum to deliver this project this term to targeted schools (based on Gatsby Benchmark data), focusing on girls in Year 9. Ten target schools have signed up and are being onboarded and several employer volunteers have committed to support the delivery of the project. The project will test activities which aim to improve knowledge, aspirations and attitudes to technical education routes, with a focus on construction, engineering, and advanced manufacturing.

Institute of Technology
The IoT submission to the DfE from Lancashire's consortium of colleges and universities across Lancashire has been successful and is now in the pre-award stage. The IoT will focus on the development of Higher Technical Qualifications across a range of priority sectors including digital and cyber. Negotiations with the DfE are continuing as to the start date of delivery, as Lancashire is in a prime position to deliver some of the first starts for this wave of IoTs.

Occupational Traineeships – Fashion and Textiles
The Skills Hub is working with the UK Fashion and Textiles industry body, Blackburn College, DWP and other partners, along with 11 local employers, to trial an Occupational Traineeship for 16-24 year olds in fashion and textiles. There is an acute shortage of workers in the textile industries for roles such as machinists, pattern cutters and designers. The new course will commence in September 2022. All participants will have a work placement and be offered an interview at the end of the 12-week course, leading to a fashion and textile qualification.

Priority 3	**Digital Workforce of the future**

TeenTech Live
The TeenTech Live Festival has come to a close with good feedback from parents and young people who took part. A particular highlight was the Coding for Games Masterclasses which took place during the Easter Holidays. We are waiting for TeenTech to confirm participation numbers. Planning has started for an in-person event next year in early March.

Cyber Girls First
The long awaited in-person event took place at the Winter Gardens in March. There were several excellent speakers including local businesses Code Galaxy and Koeber alongside representatives from GCHQ and JP Morgan. The schools from Blackpool and Fleetwood have given great feedback with students commenting that they "didn't realise there were jobs like that."

BAE Systems' sponsored programme with InnovateHer and Create Education
This £300 000 programme has been extended until Christmas to ensure all activity can take place as originally planned, following disruption caused by Omicron.

Create Education have now recruited 52 schools against a target of 50 and have run numerous CPD sessions for staff, alongside activities in school for young people. InnovateHer activity is also making good progress with 15 schools now actively engaged against a target of 20. Activities have included inspirational assemblies with female role models from digital industries.

Hub Incubation Project: Digital Futures

The Lancashire Careers Hub and LDSP (Lancashire Digital Skills Partnership) have secured research and evaluation funds through the Careers and Enterprise Company under their Hub Incubation programme which is aimed at testing and evaluating the impact of careers activities.

The project in Lancashire, Digital Futures aims to increase the take-up of Computer Science GCSE amongst girls through the delivery of high quality, locally tailored STEM related careers activities delivered at varying intensities, which will in turn increase the number of young females entering the digital workforce.

This project had a slow start due to the contracting and GDPR processes with the Careers and Enterprise Company, however the 8 schools involved in the project are now signed up and the majority have signed their MoUs and Data Sharing Agreements. Data collection processes are in place and activities are underway. An extension has been secured for the programme until early 2023.

Digital Advantage
The 2021/22 programme is focused on delivering digital skills with industry experts to 70 young people with special educational needs and disability (SEND), care-experienced students and young carers, in schools, colleges and in alternative provision settings across Lancashire.

To date two out of the seven institutions have completed the programme and the other five are timetabled between now and the end of the academic year. The Digital Advantage graduation event is set to take place at County Hall in Preston on the 13 July 2022. The programme is match funded in collaboration with Future U (Uni Connects in Lancashire).

Priority 4	**Supporting Young People who are NEET to reengage with learning and work**

Partnership Working
The Skills Hub has continued to work with new projects in the area which focus on prevention of NEET or support young people who are already NEET. One such project is the Spire project working out of St John's Minster in Preston. The Strategic Partnership Manager for Adults has linked the project with the local job clubs to support recruitment to the project.

ESF Moving On Project
The ESF funded Moving On project has now reached 1,179 young people in its second phase. As a larger than expected proportion of young people have progressed into further learning than originally planned, the ESFA has agreed amendments to the contract to fund more of these outcomes. This is primarily due to the choices young people have made during the pandemic: to return to learning rather than seek work immediately. The project is due to stop starts in December 2022 / January 2023 to enable participants to complete activity before the closure of the project. The transition to UKSPF is on the agenda for the meeting, however there is a risk that there will be less provision available to young people at risk of or NEET as the transition takes place.

Plans are underway to move the relevant non-ESF funded elements of the Opportunities Map, which provided an overview of NEET provision, to Escalate.

Strategic Meetings

The Lancashire Youth Steering Group and the Post-16 Officers Group (with local authority representatives) continue to meet, sharing practice in NEET prevention and supporting local authorities to build NEET strategies, working with the Careers Hub and the Skills Hub. The current focus is on activities funded through ESF to support 15 and 16 year olds in or out of school, to determine the extent of provision which will be lost in 2023. A small amount of funds have also been secured from the Careers and Enterprise Company to support tracking activity which will be targeted at young people in Lancashire and Blackpool who do not have a secure post-16 destination, and for a pilot in Blackpool to target the Elective Home Educated – funds will be transferred to the corresponding authorities to enable delivery. Lessons learnt will be collated to inform future strategies.

	**Inclusive Workforce:** supporting unemployed and inactive residents into sustainable employment, driving up digital skills and embedding social value to 'level up' areas of Lancashire and accelerate inclusive growth.
Priority 1	**Boost employability & skills of unemployed & inactive, & support journey into work, particularly in disadvantaged areas**

ESF Projects

Many of the ESF projects continue to deliver and are generally meeting most of the outputs to the required contract values. Up to the end of March 2022 these projects have engaged with 24,295 adults with 8,134 participants progressing into a positive destination. This percentage will increase as participants complete the programmes of support. The table below shows the current end dates of the live Inclusive Workforce ESF projects. Activity is underway to support the transition from ESF to UKSPF through a working group with the 15 Local Authorities. A separate item on the agenda will focus on UKSPF.

Project	Accountable Body	Brief Description		Last Learner Starts
More Positive Together	Active Lancashire	Aims to help the residents of our most deprived neighbourhoods to improve their skills and employability.	1.4 Furthest away from the labour market	20.09.2023
Age of Opportunity	Selnet	Supports those that are 50+ and unemployed or economically inactive with low skills and barriers such as poor health, lack of confidence, outdated skills, and caring responsibilities.	1.4 Furthest away from the labour market	31.12.2022
Changing Futures	Selnet	Supports those that are unemployed or economically inactive. Focus on most at risk of social exclusion including: people from BAME communities; with physical or mental health problems; with learning difficulties.	1.4 Furthest away from the labour market	31.12.2022
Invest in Youth	Selnet	Brings young people (18-24) closer to economic activity, addressing barriers, and supporting job preparation and job search.	1.4 Furthest away from the labour market	31.12.2022
Community Grants	WEA	Small grants of up to £20,000 for projects that engage hard to reach people at a grass roots level – targeted towards community-based organisations.	1.4 Furthest away from the labour market	01.05.2022
Action for Jobs	Community CVS	Aims to target the most deprived parts of Lancashire (e.g. Blackpool, Preston, Blackburn with Darwen, Burnley, Hyndburn and Pendle) and work with those furthest away from the labour market to help them move towards and into work.	1.4 Furthest away from the labour market	31.03.2023
MPT Steps	Active Lancashire	This project aims to improve the employability of unemployed people, so that they can compete effectively in the labour market.	1.1 Supports those closer to the labour market	20.09.2023
Skills Support for the Unemployed	PeoplePlus	Targets unemployed and disadvantaged who are relatively close to the labour market.	1.1 Supports those closer to the labour market	31.12.2022

The Adult Skills Forum

The Adult Skills Forum continues to meet with an average attendance of 30 members from a range of partner agencies. The group shares good practice and highlights opportunities for participants, such as Skills Bootcamps and apprenticeship training.

Guest speakers are invited to present at each meeting and recent speakers included:

- DWP representatives who presented the 'Way to Work' campaign. Way to Work aims to work in partnership with employers to get 500,000 jobseekers across the UK into work by the end of June.
- The Ethnic Minority and Gypsy, Roma and Traveller Achievement Service which provides support to Lancashire schools, families and communities to enable pupils from ethnic minority backgrounds, particularly the most vulnerable, to fully embrace the educational opportunities available in Lancashire and achieve their potential.
- The Lancashire BME Network updated the forum on the Community Renewal Fund EQUALISER PROJECT which is operating between Dec 2021 – June 2022. The aim of the project is to deliver high intensity and sustained information, advice and guidance (IAG) as well as practical support for eligible unemployed individuals (Black, Asian or Minority Ethnic).

Refugees

The Skills Hub continues to work with delivery partners to offer support to refugees entering Lancashire, working in partnership with the team in Lancashire County Council. This work has included the promotion of www.unitedforukraine.org.uk/ a new website which aims to match employers supportive of Ukrainian nationals with those wishing to work in the North of England. The site also provides a wide range of information on further support available. The Skills Hub team has also offered support and signposting opportunities for Hong Kong Overseas Nationals.

Escalate

Escalate, the online referral tool, has been accessed over 5,092 times since its inception and continues to gain positive feedback from referral agencies. The DWP Restart offer has now been included onto the system and the Skills Hub Team will also be looking to include offers to NEET young people which will be transferred from the Lancashire Opportunities Map.

Plan for Jobs

The Work and Health Programme has been extended by 23 months, enabling new referrals until October 2024. The programme is also taking a percentage of long term unemployed mandated participants (around 10%). Up to the 16th May 2022 the programme had received 5,066 referrals and has progressed 2,407 of these into a job outcome (47%).

JETS, delivered by Ingeus, has been extended until December 2022. This focuses on people who have been unemployed less than 12 months. Up to the end of September the JETS programme has supported 7,551 participants of which 4,460 have progressed into work (59%).

Since the start of the **Restart** programme 12 months ago, there have been over 6,600 referrals made from DWP with 45% of these progressing into starts. This has exceeded the profiled number of starts with over 20% of these participants progressing into employment. Strong relationships have been formed with mainstream delivery partners which supports wider training opportunities for customers.

Priority 2	Sector specific initiatives targeted at areas with labour market demand

Skills Bootcamps

Following the paper presented at the last meeting, the Skills Hub was successful in securing £1.3m from the Department for Education (DfE) to commission locally-driven Wave 3 Skills Bootcamps. The Skills Bootcamps will support Lancashire employers to address skills shortages and enable unemployed people and those looking to pivot career to gain higher value and sustainable employment.

A consultation event with providers, employers and stakeholders was held on the 19th April, which supported the development of the submission to DfE.

Following confirmation of funds from DfE a market engagement was held, followed by the launch of a procurement process, support by the LCC procurement and legal teams. The ITT covers the following areas – it is unlikely all areas will be funded however submissions will be ranked, so that if further funding is received in year or for future years further Skills Bootcamps can be initiated.

- Medical engineering
- Pathway to accelerated Apprenticeships in Care
- Data Analyst
- Software Developer
- Project Management
- Tech Service Desk
- Software Development
- Cyber Security
- Digital Marketing
- Additive Manufacturing
- Green Power
- Retrofit
- Hybrid & Electrical Vehicle Maintenance
- ElecTech Power Electronics machine and Drives (PEMD)
- ElecTech – Cyber
- ElecTech – General
- IoT Technician
- Process Control
- BIM

To support the delivery of this programme the Skills Hub are in the process of recruiting both a Project Manager and a Project Co-ordinator, which will be funded through the Skills Bootcamp funds allocated for management and administration.

Sector Based Work Academies

The Skills Hub Team have trialled two Health Care Roadshow events which aimed to bring together local businesses who are struggling to recruit, local providers who can assist with pre-employment training and those looking for work in the Care sector.

The first event was held at Fedcap's offices in Preston City centre. The event was attended by 14 businesses and four partners, there were over 400 vacancies available for people to apply for. Over 65 people attended and feedback from the businesses included: excellent venue and location, helpful staff and great networking opportunity.

The second event was held at the Care Academy in Blackpool town centre. There were over 20 businesses in attendance, however only 12 people attended on the day for information. This was disappointing and further conversations will take place with partners before further events are planned. This highlights the difficulty in attracting unemployed people to Health and Social Care vacancies.

Priority 3	**Raise digital inclusion**

Digital Inclusion Networks

Kerry Harrison is continuing to support local networks focused on Digital Inclusion including:

- ICS Digital Readiness for Regulated Care Providers
- ICS Digital Inclusion Community of Practice
- Digital Inclusion Network in Blackburn with Darwen
- Blackpool Pride of Place Digital Steering Group

In conjunction with Creative Lancashire, Lancashire Libraries and a range of other partners, a bid was submitted to a London 2012 legacy fund focused on community action – Spirit of 2012. The aim was to supercharge existing Digital Champions networks across Lancashire to support digital skills development. Unfortunately, the bid was not successful but there is a desire to continue this work regardless and Creative Lancashire will be bringing together a group of interested partners.

Priority 4	**Embed social value in commissioning, procurement and planning processes**

Growth Deal – Social Value Impact

The LEP has successfully embedded Social Value within their key infrastructure investment programmes through the adoption of a LEP wide Social Value Framework. The framework utilises the National Themes Outcomes and Measures (TOMs) to embed social value within the procurement, monitoring and evaluation of projects across the LEP's project and programme portfolio.

The impact of the adoption of this approach can be seen at programme and project level. The Growth Deal programme has generated a total of £54.1 million of cumulative added social value up until the end of the last reporting period to December 2021. The table below provides a detailed breakdown of social value delivered across the framework metrics:

Future Workforce

Metric	**To date**	**Indicative Social Value**
Hours volunteered to support learning and education through curriculum links, careers and STEM activity.	571	£88,770
Number of work experience placements for 15-18 year olds at Lancashire schools and colleges	236	£39,817
Number of undergraduate project placements offered to Lancashire's Universities (weeks)	111	£18,727
Number of graduate internships for graduates living in Lancashire (weeks)	132	£22,271

Inclusive Workforce

Metric	**To date**	**Indicative Social Value**

Number of local people (FTE) employed on contract through construction phase activity (limited project level data available)	365	£10,630,698
Number of work placements or trails offered to unemployed Lancashire residents (weeks)	338	£57,027
Working days committed from business volunteers to mentor NEET ('not in education, employment or training') young people (16-18 year olds).	54	£47,484
Number of employment opportunities offered to Lancashire residents that are unemployed or at a disadvantage.	45	£921,645

Skilled & Productive Workforce

Metric	To date	Indicative Social Value
Number of apprenticeships (16-18 year old and Adults).	638	£7,433,746
Commitment to workforce planning and investment in training of employees (weeks)	1050	£300,793
Investment in leadership skills (weeks)	5512	£1,579,022

Metric	To date	Indicative Social Value
Community based projects driven by the local communities in which the project is based.	196	£39,048
Procurement of local Lancashire based supply chain through the contract (limited project level data available)		£34,356,169
Procurement and commissioning of local SMEs and social enterprises / third sector organisations (limited project level data available)		£2,763,315

Lancashire Central Development

The scale of the proposed development at the Lancashire Central site presents significant employment potential both in terms of construction and business generation. Both planning and economic policy recognise this and seek to maximise opportunities for local jobs growth, skills development and social value.

It is estimated that around 2,600 full-time equivalent (FTE) person years of construction employment could be supported, both on-site and off-site in the construction supply chain. Based on a development period of approximately 8 years, this equates to an average of around 300 FTE temporary construction jobs each year. These construction jobs will comprise of on-site along with off-site pre-fabrication and supply chain roles through the various tiers of the supply chain.

The Skills Hub are currently working with LCC and Maple Grove Developments to agree a site wide Employment and Skills Statement which will inform the development of phase specific Employment and Skills Plans aligned to the strategic priorities outlined in the Lancashire Employment and Skills Strategic Framework.

	**Skilled & Productive Workforce:** working with business to drive up skills in Lancashire's workforce to boost productivity, in-line with the needs of Lancashire's growth pillars.
Priority 1	**Technical Education Vision: Apprenticeships aligned with business needs, alongside growth in higher level and degree Apprenticeships**

Apprenticeship Action Plan
To support the objectives in the Apprenticeship Action Plan and the promotion of Health and Social Career opportunities, the Skills Hub is sponsoring the Equality & Diversity award at the NHS Health and Care Apprenticeship Awards 2022. This category is for the apprentice who demonstrates dedication and determination despite having barriers to learning. The awards are being held at the Stanley House Hotel on Friday 17th June 2022.

Launch of the Lancashire Apprenticeship Service
The Skills Hub has brought partners together to form an umbrella service called the Lancashire Apprenticeship Service. Four projects which work to support businesses to provide good quality Apprenticeships are now collaborating to offer a cohesive service. The branded service was launched in March, with a dedicated website lancashireapprenticeships.org/ and communications campaign which was supported with £8k of funding from the LEP. The website hosts localised resources to support business and whichever route they take they will be offered support from partners within the service:

Lancashire Skills Pledge
One door approach for businesses to engage with and get recognition for their commitment to our priority pledges including 'Take on an Apprentice' and 'Become an Apprenticeship Ambassador'.

Lancashire Engaging Apprentices Project (LEAP) delivered by UCLan and a consortium of colleges. Part-funded by the European Social Fund this project delivers a targeted mix of support, training and development for apprentices and their workplace mentors employed in the Lancashire SME workforce.

Lancashire Levy Transfer Network delivered by Lancashire Work Based Learning Forum. The network supports businesses to donate and receive levy, offering wrap around support to the business to use Apprenticeship training for current staff and/or recruitment. This part funded through the ESF LEAP project.

To date over £900,000 of Apprenticeship Levy funds have been pledged, for other Lancashire businesses to apply for to cover their apprenticeship training costs. 30 organisations have registered for levy transfer opportunities and the network has been successful in supporting the transfer of over £89,000 of apprenticeship levy funds to date with a further £553,000 in the process of being applied for.

Lancashire Young Apprenticeship Grant
The Skills Hub was successful in acquiring c£350k of Lancashire County Council Economic Recovery Grant funding to launch an 18-month Apprenticeship grant scheme for Small to Medium Enterprises (SMEs) in our priority sectors. SMEs will receive £3,000 if they recruit and retain an apprentice for three months. This must be the first time they have recruited an apprentice or the first time in two years, and the apprenticeship must be 16-24 years old.

The £3,000 grant is the equivalent to the now ended Government's apprenticeship grant scheme, albeit targeted towards identified priorities for recovery post pandemic in Lancashire. The scheme will support 100 grants and fund a new role to coordinate the project. This role has been successfully filled, and the successful person aims to commence the role at the end of June.

The Skills Hub will report to the Board on the progress and success of the grant scheme going forward.

Priority 2	**Reskilling & Upskilling the current workforce – with focus on digital skills to support technology adoption and the growth pillars**

ESF Provision

The Skills Hub continues to work with providers to ensure that employer facing provision meets the current and future needs of businesses. From the start of the ESF provision until the end of March 2022 the projects have engaged with over 3,200 Businesses and supported/upskilled over 18,500 employees.

As per the Inclusive Workforce section, the table below shows the current end dates of the live Skilled and Productive Workforce ESF projects. Activity is underway to support the transition from ESF to UKSPF through a working group with the 15 Local Authorities. There is a risk that there will be gaps in provision, as UKSPF People and Skills provision which is non-voluntary and community can only be delivered in the third year of the programme (April 2024 to March 2025). The Multiply programme is able to boost numeracy in employees. A separate item on the agenda will focus on UKSPF and Multiply.

Skills Support for the Workforce	The Growth Company	Upskilling in the workplace in-line with company training needs analysis and support for individuals at risk of redundancy	2.1 Skills for Growth	Last start date for shorter programmes30/11/22 Last date for longer programmes31/08/2022
Leading Lancashire	UCLan	Leadership and management training for the Lancashire workforce, enabling people to develop their skills through training, coaching and support	2.1 Skills for Growth	31/09/2023
LEAP	UCLan	Support, training and development for apprentices and their workplace mentors employed in the Lancashire SME workforce. Support for the Lancashire Levy Transfer Network	2.1 Skills for Growth	01/09/2023
Upskilling the Health and Social Care Workforce	Community CVS	Holistic training solution to meet the skills needs of the VCFSE organisations in	2.1 Skills for Growth	01/10/2023

		health and Social Care based on a diagnostic		
Building Successful Futures	PHX	Practical training courses to develop the skills and career prospects of employed people, particularly within SMEs and micro businesses, to enable them to progress from entry level job roles	2.1 Skills for Growth	31/10/2023
Business Health Matters (Workplace Health Champions)	Active Lancashire	Fully funded basic skills training and accredited Level 2 and 3 Workplace Health Champion training to employees in SMEs. The project supports local businesses in improving the physical and mental health of their employees so that staff are happier, healthier and more resilient	2.1 Skills for Growth	Basic Skills - 11/09/2023, Level 2 - 30/11/23 Level 3 - 01/11/2023
Upskilling Lancashire	UCLan	Free advice and support to SMEs to increase the skills and capabilities of their workforce. Identifying training needs and skills gaps to achieve future growth and strategic objectives within businesses, complemented by capacity building, work placements, degree apprenticeships and identifying appropriate training and skills support	2.2 Skills for Growth	Businesses 30/09/2022
STELa	The Lancashire Colleges	Aims to increase the number of businesses that are engaged in Technical Education through work experience opportunities, industrial placements and/or apprenticeships, or from getting involved in curriculum development and delivery	2.2 Skills for Growth	Businesses 01/06/2022

Employer Skills Forum
The Employer Skills Forum continues to meet to share good practice and highlight skills support offers for businesses, including ESF provision and the Lancashire Apprenticeship Service.

The Strategic Project Manager continues to work closely with BOOST and partners, contributing to regular meetings so that business advisers are kept fully up to date with the skills offer for the workforce.

Embrace Digital Lancashire
This Community Renewal Fund project designed to support businesses, organisations and charities to choose the right software/platforms for them covering productivity, marketing, cloud accounting and e-commerce is being well received. The programme has been extended until the summer. Upcoming events are detailed here: https://www.eventbrite.co.uk/o/embrace-digital-lancashire-33732565553

Lancashire Cyber Alliance (LCA)
The LCA successfully held their launch event at the EIC UCLAN in March. The event received lots of positive feedback. The speakers were excellent including representatives from The Lancashire Cyber Foundry, Lancaster University, CapsLock – commercial Cyber bootcamp, Mitigate Cyber and GCHQ. A recording of the event can be found here: https://lancashirecyber.org/ Future events are planned for the autumn.

Priority 3	**Leadership & Management capacity in SMEs**

Within the ESIF programme several of the projects deliver training focused on Leadership and Management, including Team Leading, access to leadership and management qualifications/units from Level 3 to Level 7 and other qualifications and bespoke programmes to support Leaders and Managers in their roles. One of the ESF programmes in Lancashire is Leading Lancashire delivered by UCLan and their partners. See link to a case study:
https://www.uclan.ac.uk/articles/business/joys-of-learning-leading-lancs

Priority 4	**Healthy Workplaces**

Building Blocks
The ESF funded 'Building Blocks' project, part of the Business Health Matters initiative, aims to support the mental health and wellbeing of the employees in Lancashire businesses. The project delivers basic skills training, level 2 and level 3 Workplace Health Champion qualifications to employees in SME's across Lancashire. A case study for the programme can be viewed here:
The Salon at Maxy Farm Leads the Way with their own Health Champions! (businesshealthmatters.org.uk)

Informed Approach: taking an evidence based approach to identifying the skills and employment issues facing Lancashire's businesses and industries, prioritising and influencing locally and nationally, and working with partners to identify best practice.

Evidence Base
The open-source Evidence Base page on the Skills Hub website has received over 800 visits, from the start of Feb 2022 until the end of April 2022. The evidence base will continue to evolve in line with stakeholder feedback over the coming months. The Evidence Base page can be viewed here:
https://www.lancashireskillshub.co.uk/our-people/evidence-base/

EMSI Burning Glass Vacancy Data

The LEP and the Skills Hub have taken delivery of EMSI Burning Glass' Analyst Tool which includes access to an improved overview of job posting analytics. This has taken place after the previous vendor was acquired by EMSI. The new job posting analytics enables the Skills Hub to control more thoroughly for duplicate job postings, whilst utilising duplicates to compute a relative posting intensity score, to give a proxy of how hard employers are trying to recruit workers. The analyst tool also models the occupations of workers in Lancashire, by applying national and regional patterns of occupations of workers in each sector to Lancashire's own sectors. In this way the Skills Hub are able to be better informed about the breakdown of occupations that Lancashire workers are likely to work in based on the sectors that they work in, at a more granular level than is available in published data – making reliable estimates of over 800 occupations available at a district authority level.

Careers Information Advice and Guidance Resources
The Skills Hub and Careers Hub are in the process of refreshing the Labour Market Intelligence (LMI) for careers information advice and guidance that is hosted on the evidence base and have procured the services of agency Made By Mason to do the design work. The design concepts are based on the responses received from over 1,200 young people in Lancashire who were surveyed in April and following this a focus group which was held on the 18th May 2022 to get feedback on the three shortlisted design ideas from young people. All data analysis is complete, and the resources are now in development. It is expected that the Skills Hub will be able to launch the resources at the Lancashire Careers Hub Conference 23rd June 2022.

Food and Agriculture Sector Study
A Food and Agriculture Sector Study has been commissioned utilising remaining Skills Advisory Panel funds. The study, which is being undertaken by Amion Consulting, aims to provide labour market intelligence by sub sector and by travel to work area and will draw in the findings from the LSIP and SDF trailblazers in relation to employer's skills and employment challenges.

The SIC codes making up the sector were agreed with the Food and Agriculture Sector Group to provide the parameters for the study. The final report is expected in advance of the June 2022 committee meeting – at the time of writing, all data analysis and the literature view had been completed, pending some minor tweaks following the final steering group.

UK Shared Prosperity Fund (UKSPF)
Guidance and a prospectus was launched for the UKSPF, including outlines of the expectation of DLUHC with respect to local authority's investment plans, and how they need be evidenced. In response to this, the Skills Hub compiled an interactive online dashboard showing up to 20 different metrics that DLUHC outlined as proxies for how in need an area is of levelling up.

This dashboard was constructed in such a way to ensure that local authorities could see how they fared against the national median score across these 20 metrics, but also to understand more closely how the challenges in their local authority district might align with similar challenges in neighbouring districts – to foster cross boundary collaboration and raise the idea of jointly procuring to solve common issues. The dashboard can be accessed here:
https://app.powerbi.com/view?r=eyJrIjoiNWNjYjY3OTMtNDYwMy00ZDJkLTg5ZTItZTRlOGEzNjhhNGI1IiwidCI6IjlmNjgzZTI2LWQ4YjktNDYwOS05ZWM0LWUxYTM2ZTRiYjRkMiIsImMiOjh9&pageName=ReportSectione10cc38de1eca36caec1

Multiply: Improving Adult Numeracy Skills
Complementary to UKSPF, guidance and provisional allocations were also released for Multiply, with funds allocated to upper tier local authorities. Multiply is designed to provide support for upper tier

local authorities to improve the level of adult numeracy in their areas, in order to boost people's ability to use maths in their daily life and enable adults to achieve a formal qualification.

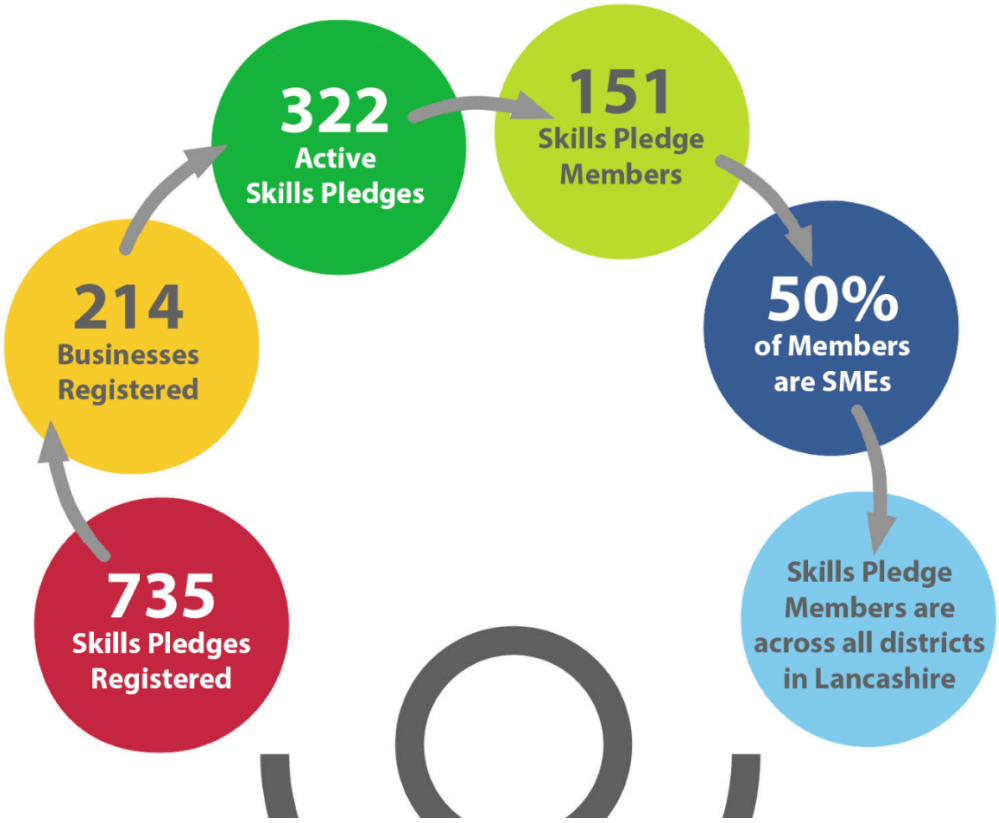
The Skills Hub have been working together with the authorities who are due to receive an allocation of Multiply funding to scope out an evidence base that might help to understand the scale of need across Lancashire, whether this be in particular districts, communities or other demographics, and have also run a consultation event with providers and stakeholders to consult on priorities, methods of engagement and innovative means of delivery.

The Lancashire Skills Hub have drawn upon evidence by think tanks, and publicly available data concerning falling participation in adult numeracy courses in the last 10 years, understanding the percentage of people with no formal qualifications by area, gender and age, and drawing upon evidence from employer surveys. This evidence points toward a growing need for this kind of support in Lancashire in contrast with the national average.

This data, combined with information gleaned in the consultation, will be used to inform the type of provision, and where the resource is directed towards.

Cross Cutting Tools

Skills Pledge
The Lancashire Skills Pledge provides businesses with one door to find out more about Lancashire's key skills and training initiatives. The Skills Pledge also provides recognition to businesses, private, public and third sector, who inspire, recruit and upskill the people of Lancashire.



Since the last update, the Lancashire Skills Pledge has continued to grow across all metrics, with the number of businesses registering up 18.2% to 214 businesses. The 214 businesses registered their interest in 735 pledges, up 21% since the last update.

The number of active skills pledges has increased by 21.5% to 322 pledges, and there are now 151 Skills Pledge Members, an increase of 18.8% since February 2022. Considering individual pledges, the most common is 'Give an Hour', which 104 Pledge Members pledge to, an increase of 20% since February 2022. Take on an Apprentice now has 77 pledges, an increase of 20.3% since February. Of those Active Pledges, around 2/3rds (210) are pledges from Pledge Members who were already undertaking these kinds of activities and are now able to receive recognition for this via the Skills Pledge.

The Lancashire Skills Pledge launched a dedicated LinkedIn page this year and now has a growing social media presence, with 263 (+108%) followers to date, and posts by the page creating 1,300 impressions in the last 30 days. Please follow the page: Lancashire Skills Pledge LinkedIn page

www.SkillsforWork.info

The Skills for Work microsite was launched in July 2020, to enable Lancashire residents to access support if furloughed, facing redundancy, looking for work or 16-25. The furlough has been replaced with 'working and want to learn new skills or upskill' and content of the website is reviewed to ensure that it remains current. As of the 17th May 2022, the website has received 18,653 views, with in excess of 5,600 views to the 16-24 page. There were also over 3,200 external links clicked through to support on partner sites.

Twitter
Since February 2022, the Lancashire Skills Hub Twitter profile has gained 126 new followers, with a total of 3,263 followers. Since February 2022, this twitter profile has received almost 50,000 impressions.

List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate

N/A

Lancashire
Enterprise Partnership

Lancashire Skills and Employment Advisory Panel

Private and Confidential: No

Thursday 9th June 2022

Food and Agriculture Study

Report Author: Cassie Holden, Associate Director, AMION Consulting

Executive Summary

As per the Lancashire Skills and Employment Hub update at the last committee meeting, a Food and Agriculture Sector Study has been commissioned utilising Skills Advisory Panel funds.

Regarding background, the Food and Agriculture sector, which was introduced as a growth pillar as part of the development of the LEP's Strategic Economic Framework, has not benefited from a deep dive as has been undertaken in other sectors. The study, which has been undertaken by AMION Consulting, aims to provide labour market intelligence by sub sector and by travel to work area and draws in the findings from the Local Skills Improvement Plan (LSIP) and Strategic Development Fund (SDF) trailblazers in relation to employer's skills and employment challenges. The study also draws on opportunities and challenges to the sector resulting from industrial digitalisation and net zero.

The LEP's Food and Agriculture Sector Group has supported the study and agreed the scope of the Standard Industrial Classification (SIC) codes, providing the parameters for the study. The report describes the sector in Lancashire, with a focus on skills and employment opportunities and challenges. Information will support the development of dedicated careers pages on the Start in Lancashire careers platform, mirroring the information and video clips provided for other growth pillars.

The draft report is provided in the pack, and a presentation will be provided at the meeting regarding the headlines and recommendations.

Recommendation

Committee members are asked to note the draft Food and Agriculture Study and provide comment on the draft report and recommendations.

AMION CONSULTING

Lancashire Local Enterprise Partnership

Food and Agriculture study

Draft Final Report

May 2022

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Lancashire Local Enterprise Partnership

Food and Agriculture study

Draft Final Report

May 2022

Reviewed and approved by: Signature(s):	G. P. Russell
Name(s):	Graham Russell
Job Title(s):	Chief Executive
Date:	May 2022

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Executive Summary

Introduction

This Executive Summary provides an overview of the findings of research undertaken to provide labour market information (LMI) for the Food and Agriculture sector in Lancashire. The sector definition used in the study covers agriculture and fishing; food processing (manufacturing); food wholesale and retail; and food and drink services, in order to reflect local understanding of the sector and broadly align with the definition used by Defra and the Food and Drink Sector Council.

The Food and Agriculture sector has been identified by Lancashire Local Enterprise Partnership (LEP) as one of six Pillars of Growth, as a result of the Gross Value Added (GVA) and employment contribution which it makes to the Lancashire economy. The sector is going through significant labour market change, both as a result of the on-going impact of the UK's exit from the European Union (EU) on the availability of EU workers, and also due to longer-term drivers including digitalisation, automation and the adoption of new technologies; decarbonisation and the drive for sustainability; and a desire for increased productivity within the Food and Agriculture sector.

The Shape of the Sector in Lancashire

With economic output of over £2bn and over 70,000 people in employment, the Food and Agriculture sector is more important to the Lancashire economy than is the case regionally or nationally, accounting for 6.8% of total GVA. The food manufacturing sub-sector is particularly important in Lancashire, accounting for over 40% of total sector output, whilst the food services sector accounts for over half of all employment. The business base is very diverse, with the vast majority being microbusinesses employing fewer than ten people, whilst there are a small number of very large manufacturing, distribution and retail businesses.

The Food and Agriculture sector is important across all of Lancashire's 'Travel to Work Areas' (TTWAs), making up around 10% of employment in all areas. In absolute terms, Preston, Chorley and South Ribble TTWA has the largest number of workers, but in relative terms the sector is most significant in West Lancashire, where it accounts for around 20% of all employment. West Lancashire has also seen the fastest jobs growth since 2010.

Productivity (GVA per job) in the Food and Agriculture sector varies considerably between the different sub-sectors, ranging from c. £60,000 per job in the wholesale and manufacturing sub-sectors, to under £20,000 per job in retail and food services. On average, sector productivity is estimated to be higher in Lancashire than is the case regionally or nationally – reflecting the greater concentration of employment in the food manufacturing sub-sector. However, productivity levels are below the Lancashire economy average.

The sector accounts for an increasing proportion of Lancashire's exports, with the value of food and live animal exports increasing by 4.8% between 2018 and 2020, whilst overall export values fell by 14.4%. The EU remains the main destination for Lancashire's Food and Agriculture exports, and is also the most important source of imports.

The Lancashire Workforce and Skills Needs

The distinctions between the Food and Agriculture sub-sectors are also clear when looking at the sector workforce. On average, the sector has a young workforce, with over one-third of workers aged 24 and under; however this is largely due to the very high level of young workers in the food services sub-sector. There is a much older workforce in the food manufacturing and particularly the agriculture and farming sub-sectors.

Many of the job roles in the sector require limited qualifications and training beyond a general level of education, and over half of workers in the sector have qualifications at Level 2 or below. Combined with low productivity levels, this results in below average earnings in most of the sector's key occupations, which include farmers and farm workers; food processing workers; kitchen staff, chefs and cooks; and waiters and waitresses, bar staff and coffee shop workers.

In recent years, there has been a shift towards occupations at Skill Levels 3 and 4 (equivalent to A-levels and degree-level qualifications) and the share of 'mid-skill' roles has fallen. Many of the key occupations are likely to see increased automation in future years, which may raise productivity at the expense of employment if workers are not able to acquire the new skills needed to adapt to the changing requirements of their role.

In line with apprenticeship and further education (FE) provision more generally, the number of Food and Agriculture-related apprenticeship starts and FE starts in Lancashire has fallen over the past three years, which may reflect the impact of the pandemic on employers' ability and willingness to invest in staff training. The bulk of provision is at level 2, particularly in hospitality and catering.

Vacancy numbers recorded for the sector recovered strongly in 2021, with the food services sub-sector accounting for two-thirds of all those posted online. The most commonly advertised jobs are for kitchen and catering assistants, and chefs.

Research undertaken for the Local Skills Improvement Plan identified a wide range of skills needs. Farming and agriculture businesses were more likely to identify skills needs relating to net zero, and to highlight barriers which make investment in training difficult. Food manufacturing businesses had greater need for importing and exporting skills, and expected greater need for net zero-related skills in future. Food services businesses had greater need for digital and marketing skills and particularly highlighted the need for soft skills such as customer service and communications skills.

Outlook and Labour Market Implications

Economic projections produced for Lancashire LEP indicate that the value of the Food and Agriculture sector in Lancashire will continue to grow over the next 15 years, with over 10,000 additional jobs expected to be created. This jobs growth will be concentrated in the food services sub-sector, with skills and training needs continuing to arise from retirements and churn within the labour market (replacement demand) across the other sub-sectors.

The very competitive UK labour market presents short-term skills and recruitment challenges for the sector, particularly given the need to recruit seasonal and casual workers. In the longer-term, skills needs relating to net zero, digital and new ways of working need to be built into the

curriculum both for new entrants to the sector, as well as being available to existing workers looking to upskill.

There will be a need to manage the impact of automation and increased use of digital and other technologies within the sector, to enable those most directly affected to adapt and move into new roles as some existing ones become redundant. Maximising the productivity benefits of this shift whilst minimising the negative effects on individuals is likely to be an important policy priority in future.

Key messages

Key messages from the analysis include:

Businesses

- Businesses need to be aware of the drivers affecting their sector, in particular the response required to the net zero agenda and potential impact of automation. Awareness raising by trusted partners is required on an on-going basis to persuade businesses to engage proactively with future change.
- Networks and employer collaborations provide an effective means of bringing employers facing similar challenges together to share learning and identify solutions. The Ag Net Zero model has been successful in engaging agricultural employers with low carbon challenges and new ways of working.
- Skills needs and priorities vary considerably between employers in the different Food and Agriculture sub-sectors, reflecting the diversity of the sector. Ensuring employers are able to shape training provision to their specific needs, rather than having to accept a 'one size fits all' model of training provision, is likely to be more relevant, cost effective and therefore attractive for employers.

Workforce

- Many of those working in the sector have relatively low levels of skills and formal qualifications. Support will be required to help existing workers adapt to change within the sector and ensure they can sustain their employment as employer needs change.
- A number of Lancashire's major employers have well-established progression routes in place, to support employees to move from entry level roles to supervisory and management positions. Similar pathways are needed across all parts of the sector, to increase its attractiveness in a competitive labour market.
- Although the majority of job roles do not require higher level skills, there are pockets of extremely high-tech and innovative activity within Lancashire's Food and Agriculture sector which require highly-skilled workers. These roles should be highlighted to illustrate the diversity of opportunities which the sector provides to potential new recruits.

Education Providers

- Structural changes within the labour market are changing employer skills requirements within the Food and Agriculture sector, with digital and environmental skills needs

increasing across all sub-sectors. Specific skills needs vary considerably across sub-sectors and occupations. Education providers will need to work closely with employers to ensure their provision continues to equip learners with the skills they need for the future.

- Responsibility for engaging potential new recruits in Food and Agriculture-related learning is jointly shared by education providers, employers and policy-makers. Providing case studies to illustrate the opportunities offered by the sector, and how education and training can lead to fulfilling and rewarding careers, is one way to engage the future workforce.

Policy-makers

- Lancashire LEP has recognised the importance of the Food and Agriculture sector by identifying it as one of six Growth Pillars. Providing this enhanced status for the sector will help to signal the opportunities which it provides for Lancashire residents.
- The LEP's 'horizon scanning' work on drivers of labour market change has identified industrial digitalisation as one of the key trends affecting the Lancashire labour market. Evidence from the strategic context and literature review highlights how this labour market trend will impact on Food and Agriculture businesses and workers. The LEP and its partners need to continue to raise awareness and support workers, businesses and education providers to adapt to this fundamental change.

Lancashire Food and Agriculture Sector Summary:

Nearly **71,000 workers**, up 6.5% from 2010

Over **8,000 businesses**, of which over 40% are in the food services sub-sector

11,600 jobs in agriculture, 1.8% of the total

(1.6% nationally)

£2bn generated for the Lancashire economy (6.8% of total output)

7.9% growth in GVA 2010-2021 (-2.4% nationally)

Productive food manufacturing sector (£57,000 per job)

A **young food services workforce** but older manufacturing and agricultural workers

Low skills levels amongst the existing workforce

Growing **demand for digital and environment**-related skills

1 The Food and Agriculture Labour Market Information study

1.1 Introduction

In January 2022, AMION Consulting were commissioned by the Lancashire Local Enterprise Partnership's (LEP) Skills and Employment Hub to produce local Labour Market Information (LMI) to help partners and stakeholders understand the Food and Agriculture sector in Lancashire.

This report sets out findings of the research, drawing on data from a range of local and national sources (including the recent Local Skills Improvement Plan (LSIP) research) as well as research undertaken on the drivers of the sector in Lancashire and beyond. It provides an overview of the sector in Lancashire and sets out the skills implications of key drivers and local growth trends affecting the sector.

1.2 Background

Lancashire is one of the largest local economies in the North of England with a population of over 1.5m people. Lancashire's economy generates over £34bn in Gross Value Added through 52,000 businesses. The Lancashire LEP geography covers the Lancashire County Council, Blackburn with Darwen and Blackpool local authority areas.

The Lancashire Skills and Employment Advisory Panel (formerly the Lancashire Skills and Employment Board), which supports the work of the LEP and Lancashire's local authorities, is responsible for identifying skills and employment priorities within the LEP area.

The Lancashire Skills and Employment Strategic Framework, first published in February 2016 and refreshed in January 2021, provides a framework for public investment in skills and employment activities in the County. The Framework outlines priorities for investment in skills and employment, to best address need. The Strategic Framework highlights four strategic themes for Lancashire:

- **Future Workforce -** Lancashire's continued prosperity depends upon having a workforce that is fit for the future. This theme sets out how education and business can work together to establish a talent pipeline and future workforce that meets the current and future demands of the local labour market.
- **Skilled and Productive Workforce -** The county's diverse industries all require skilled employees, so as a county Lancashire needs to invest heavily in developing people's skills, including those associated with net zero and industrial digitalisation. This theme is about working with business to drive up skills in Lancashire's workforce to boost productivity, in-line with the needs of Lancashire's growth pillars (including the Food and Agriculture sector).
- **Inclusive Workforce -** For Lancashire's economy to succeed, and for businesses to grow, it is important that there are adequate opportunities for all Lancastrians who are

unemployed, or not in education or training. This theme is about supporting unemployed and economically inactive residents into sustainable employment, driving up digital skills and embedding social value to 'level up' areas of Lancashire and accelerate inclusive growth.

- **An Informed Approach** – an understanding of the different skills needs and priorities of Lancashire's industries is vital when making strategic plans or future investment decisions. This theme is about taking an evidence based approach to identifying the skills and employment issues facing Lancashire's businesses and industries, prioritising and influencing locally and nationally, and working with partners to identify best practice.

The development of the LEP's Strategic Economic Framework has resulted in a review of the 'priority sectors' and Food and Agriculture has been identified as one of six Growth Pillars.

This LMI study has been commissioned to provide the information required to understand Lancashire's Food and Agriculture sector, including key sub-sectors, and variations at Travel to Work level. It uses data on the numbers of businesses, types of employment, nature of employment and skills and employment challenges to form a full picture of the sector within Lancashire. It also includes some business case studies to illustrate the range of businesses and activities which make up the sector in Lancashire.

1.3 Report Structure

This report has been prepared to provide LMI which provides a picture of the sector and its sub-sectors, and Lancashire and Travel to Work Area (TTWA) level. It is structured as follows:

- Section 2 provides an overview of the sector definition used in the study, and sets out the strategic and policy context within which Lancashire's Food and Agriculture sector operates;
- Section 3 sets out data on the current size of the sector in Lancashire – the value of economic output (Gross Value Added or GVA), number of businesses, scale of employment, productivity levels and international trade;
- Section 4 provides data on the workforce, earnings, potential automation, education and skills provision and employer skills needs;
- Section 5 considers the future for the sector in Lancashire – through forecasts of GVA and employment growth, and expectations of changing skills needs informed by the literature review;
- Section 6 of the report provides conclusions and recommendations.

2 An Overview of the Sector and Strategic Context

Key points

- The sector definition used in the LMI research covers agriculture and fishing; food processing (manufacturing); food wholesale and retail; and food and drink services. This broadly aligns with the definition used by Defra and the Food and Drink Sector Council. There is overlap with the definition of the Visitor Economy used by the Tourism, Culture and Place Sector Group, with regard to food and drink services.
- Nationally, the Food and Drink Sector Council has set out plans for the sector to become more productive, more innovative and more sustainable, with higher skilled workers, higher levels of exports and which provides healthy and affordable food.
- Government policy recognises the need for increased investment in higher-level technical qualifications to drive productivity across the economy. The importance of people being able to access training and learning throughout their working lives, to adapt to changing employer and economy skills needs, is also recognised.
- In Lancashire, the Food and Agriculture sector has been identified by the LEP as one of six Pillars of Growth, as a result of the GVA and employment contribution which it makes to the Lancashire economy. The Lancashire Recovery Plan highlights the strength of the food production and agriculture sectors and sets out a plan to strengthen local supply chains.
- Drivers including digitalisation, automation and the adoption of new technologies; decarbonisation and the drive for sustainability; and a desire for increased productivity within the Food and Agriculture sector all have significant implications for skills needs and investment within the sector. Changing consumer demands including growing health awareness; and demand for high quality, locally sourced products also require a different set of skills amongst the Food and Agriculture workforce. Lancashire's Food and Agriculture sector will need to respond to these drivers if it is to continue making its existing important contribution to the local economy.

2.1 Sector definition

The first task for the LMI study was to agree a definition of the Food and Agriculture sector which:

- reflects local understanding of the sector,
- aligns as far as possible with existing definitions in use by other organisations, and
- can be used to undertake the analysis of existing data sources (i.e. was defined in Standard Industry Classification (SIC) code terms).

Following a discussion with the Steering Group and a review of other Food and Agriculture sector studies, an initial definition was discussed with and refined by the Food and Agriculture Sector Group. The definition agreed for the study encompasses[1]:

- ***Agriculture and fishing*** – including crop and animal production, hunting and related service activities; fishing and aquaculture; activities of agricultural holding companies; and renting and leasing of agricultural machinery and equipment. Forestry is excluded from the definition to ensure alignment with definition used by Defra. However, it is not always possible to exclude forestry data from the analysis.
- ***Food processing*** – including the manufacture of food products; and manufacture of beverages.
- ***Wholesale of food and agricultural products*** – including wholesale of agricultural raw materials and live animals; wholesale of agricultural machinery, equipment and supplies; and wholesale of food, beverages and tobacco; the activities of agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods; and agents involved in the sale of food, beverages and tobacco.
- ***Retail sale of food, beverages and tobacco*** – in specialised stores.
- ***Food service*** - Food and beverage service activities, including in restaurants; take-aways; event catering; and bars.

This definition means that elements of the packaging, logistics and professional services sectors which are closely connected to the Food and Agriculture sector are not covered by the data analysis included in the report. Whilst these are an important part of the Food and Agriculture supply chain, it is not possible (using the official datasets) to separate out the parts of these sectors which are linked to Food and Agriculture from wider e.g. logistics activity. The definition also excludes veterinary activities, as agricultural-related veterinary activities cannot be disaggregated from the wider veterinary sector.

The inclusion of the food services sub-sector aligns with the definition used by the Food and Drink Council, and with partners' understanding of the Food and Agriculture sector in Lancashire. This sub-sector is also included within the Visitor Economy sector definition used in Lancashire, and falls within the remit of the Tourism, Culture and Place Sector Group. This overlap is not an issue when analysing data at sector level, and reflects the realities of relationships between sub-sectors. However, it does mean that data from this report should not be aggregated with data on the visitor economy sector, because of the risk of double-counting e.g. employment and business numbers.

The data used in this report comes from a number of official and commercial sources, not all of which can be disaggregated to exactly align with the definition agreed. Where analysis is undertaken using a different sector definition, this is made clear in the text.

[1] The full list of SIC codes is set out in Appendix 1.

2.2 Strategic Context for the Food and Agriculture Sector

2.2.1 *Introduction*

The Food and Agriculture sector is integral to a number of sectors in the UK's economy including retail, hospitality and tourism. It has a role to play across a wide range of policy objectives, including building a sustainable economic system, improving the health of the UK's population, and helping the recovery from the Covid-19 pandemic. This section provides a summary[2] of the main national policy priorities and local plans to which the Food and Agriculture sector contributes; and key findings from a review of existing literature and studies that have been undertaken to assess the future trends in the Food and Agriculture sector. The findings of the literature review feed into the analysis of future skills needs and sector priorities included in section 5 of the report.

2.2.2 *National Food and Agriculture Strategic Context*

The **Food and Drink Sector Council** (FDSC) is a formal industry-led partnership with Government which aims to increase the productivity and sustainability of the UK's Food and Agriculture sectors. Its focus is on cross-industry challenges and opportunities, providing a strategic view on behalf of the overall industry. The Council's strategy, **Feeding the Future: Working together to build the National Food Strategy** (October 2021) sets out the vision for the UK's food industry vision for 2030 which is to create a "*thriving UK farm-to-fork food sector that is innovative, collaborative and globally competitive that provides fantastic, affordable food sustainably and to the highest standards. Also a food sector that supports healthier diets and encourages better choices and offers exciting business and employment opportunities throughout the food chain*".

The Strategy sets out objectives which private companies, industry bodies and the government all have a part to play in achieving:

- a more productive, highly skilled food and drink sector,
- a food and drink sector that is more innovative,
- a food and drink sector that trades with ease at home and abroad,
- a sustainable food and drink sector for the future,
- a food and drink sector that provides healthy and affordable food for all, and
- a food and drink sector that works in partnership with government on the big issues.

The strategy sets out a range of targets, including increasing sector Gross Value Added (GVA) by one-third by 2030; embedding, attracting and skilling more people throughout the food and drink sector; and offering opportunities for everyone in the industry to gain a qualification by 2030, so the workforce and industry has the skills needed for digitalisation, decarbonisation, sustainability and the circular economy. The strategy seeks to increase levels of expenditure on Research and

[2] The more detailed analysis on which this summary is based is included in Appendix 2.

Development (R&D) and increase the value of exports; as well as setting sustainability targets linked to reducing food waste and carbon emissions, and maximising recycling.

The FDSC also published a **Covid-19 Recovery Plan** in July 2020 with the aim of rebuilding the food industry and renewing the food system post-pandemic. The Covid-19 crisis reinforced both the strength and the fragility of the UK's food system and industry, with increased sales for retailers, and the farmers, producers and manufacturers that supply them, whilst businesses in hospitality, restaurants and catering, and those that supply them, saw their sales decline as a result of the public health measures imposed by Government. The Plan outlines the key elements of transformation which have occurred at rapid pace during the pandemic and which have longer-term implications for the sector: changing consumer and customer behaviour; channels and routes to market; product ranges; costs and margins; export and import profiles: and ways of working.

The FDSC's skills report, **Preparing for a changing workforce: A food and drink supply chain approach to skills (October 2019)**, highlighted the pre-pandemic challenges in recruiting to roles within the sector, and the expected shortfall in labour and skills availability arising from changing migration patterns. The report outlines how creating highly skilled, well-paid and home-grown talent is critical to realising the potential of the UK's food industry and emphasises the need for sector-led solutions to upskill and attract talent, combined with related government activities, particularly the ongoing reforms to technical education.

The agriculture part of the Food and Agriculture sector is undergoing considerable change following the UK's exit from the EU and therefore the end of the application of the Common Agricultural Policy (CAP). The Government has set out its vision of creating a "*more dynamic, self-reliant agriculture industry*", where farmers play a vital role in "*protecting the countryside, while providing world class food, plants and trees*" **(Farming for the future, February 2020)**. The '**Path to Sustainable Farming: Agricultural Transition Plan 2021-2024' (November 2020)** sets out how farmers will be supported as the sector moves towards a system of payments for improving the environment, improving animal health and welfare, and reducing carbon emissions, including through support for investment in new technology, improved productivity and for new entrants to the industry.

The **Agricultural Productivity Working Group** (APWG) was established to identify how, working in partnership, industry and government could unlock greater productivity growth across the sector. The APWG's vision is "*for a world-leading, competitive and sustainable agriculture and horticulture industry that can meet consumer demands for high quality products at every price point*". The APWG's Working Group report concentrates on the "scourge of low productivity growth" and recommends overhauling current innovation and knowledge channels and systems by increasing the uptake of agricultural skills and training and driving infrastructure and policy support.

The two-part **National Food Strategy** urges a once-in-a-lifetime opportunity to reshape the food system in the wake of the Covid-19 pandemic and the EU Exit transition. The Strategy contains recommendations to address the major issues facing the food system including climate change, biodiversity loss, land use, diet-related disease, health inequality, food security and trade.

The Strategy aims to ensure the UK'S food system:

- delivers safe, healthy, affordable food, regardless of where people live or how much they earn;
- i robust in the face of future shocks;
- restores and enhances the natural environment for the next generation in this country;
- is built upon a resilient, sustainable and humane agriculture sector;
- is a thriving contributor to urban and rural economies, delivering well paid jobs and supporting innovative producers and manufacturers across the country; and
- delivers all this in an efficient and cost-effective way.

The impact on human health of a poor diet eclipses the damaging effect of smoking. The Department of Health and Social Care's policy paper, **Tackling obesity: empowering adults and children to live healthier lives** (published in July 2020) and the British Medical Association's **Strategy for Improving the nation's diet: Action for a healthier future** both highlight that the quality of the nation's diet remains a key public health issue, with obesity related diseases costing the NHS in excess of £6bn per year. Action for a healthier future highlights the need to create healthier food environments; encourage healthy eating patterns; and introduce UK wide reformulation targets to reduce calorie, fat, saturated fat, salt and added sugar levels. The Food and Agriculture sector has a key role to play in addressing these challenges.

2.2.3 *National Skills, Economic Growth and Innovation Strategic Context*

The Department for Education's **Skills for Jobs strategy: Lifelong Learning for Opportunity and Growth**, published in January 2021, outlines how the government seeks to reform further education to ensure that sectors such as Food and Agriculture can access the skills they need. The strategy puts employers at the heart of the system so that education and training delivered meets skills gaps and drives productivity improvements. The strategy highlights a number of interventions which are relevant to the Food and Agriculture sector, including:

- investing in higher-level technical qualifications that provide a valuable alternative to a university degree; and
- making sure people can access training and learning flexibly throughout their lives and are well-informed about what is on offer through great careers support.

The government's **Build back better: our Plan for Growth** was prepared in response to the Covid-19 pandemic and the UK's exit from the EU and replaces the UK's Industrial Strategy. It seeks to deliver growth by levelling up the UK, supporting the transition to net zero, and supporting the vision for a Global Britain. The plan highlights the importance of infrastructure, skills and innovation as the foundation of recovery and growth across the economy. The UK's deficit compared to international comparators on technical and basic adult skills is noted, with the government committing to "building an apprenticeship revolution", to ensure that they better meet the skills needs of employers. The Plan also commits to a significant uplift in R&D investment.

Building on the Plan for Growth, **The UK Innovation Strategy: Leading the future by creating it**, sets out the government's long-term plan for delivering innovation-led growth. Its primary objective is to boost private sector investment across the whole of the UK, creating the right conditions for all businesses to innovate and giving them the confidence to invest. The link between innovation and the Food and Agriculture industry is continuously made throughout the strategy, acknowledging how the sector can support the government's objectives.

Most recently, the impact of poor health on economic outcomes has been highlighted in **Levelling Up the United Kingdom,** the Government's Levelling Up White Paper. The White Paper highlights the importance of poor diet and lack of access to healthy food in determining healthy life expectancy, with significant inequalities across the UK. Areas with poorer health outcomes have a higher proportion of economically inactive people, and lower levels of income and wellbeing than other areas, demonstrating the close link between food, health and economic prosperity.

2.2.4 *National Net Zero Context*

The Government has made a legal commitment to reduce the UK's carbon emissions to net zero by 2050 and pledged to ensure that 30% of land is protected for nature by 2030. The farming sector itself will have to become carbon neutral, something the National Farmers' Union has already committed to.

The Department for Business, Energy and Industrial Strategy's (BEIS) **Industrial Decarbonisation Strategy** (March 2021) set out the government's strategy to accelerate the green transformation in industry aiming to reduce emissions by around two thirds by 2035. The Strategy outlines the core role decarbonising UK industry and manufacturing plays as part of the government's ambitious plan for the green industrial revolution. The government's **Net Zero Strategy: Build Back Greener** outlines the delivery pathway across multiple sectors within the UK economy to achieve the government's net zero carbon budget by 2050, whilst the Department for Business, Energy and Industrial Strategy's **Clean growth strategy: Leading the way to a low carbon future** (October 2017) sets the government's growth agenda while cutting greenhouse gas emissions.

The **UK Food and Drink Industry's Plan for Success** demonstrates that the sector is ready and willing to deliver economic growth, healthier consumption, environmental benefits and higher-skilled jobs that will benefit every community. The **'Achieving Net Zero': The Food and Drink Federation handbook** outlines how the FDF, and the food sector can address the challenge of Net Zero, and provides practical guidance for food and drink manufacturers, particularly those at the early stages of developing their climate strategy. The UK Government has already developed an **Industrial Decarbonization and Energy Efficiency roadmap for the food and drink manufacturing sector**, outlining time-bound actions to be taken in relation to heat electrification, biomass and heat recovery[3].

Recognising the impact of the Food and Agricultural industries as a major contributor to the UK's waste and landfill issue, the government has announced the introduction of a plastic packaging tax from April 2022, set at £200 per tonne on plastic packaging which does not meet a minimum threshold of at least 30% recycled content. The **UK's Plastics Pact** brings together businesses in

[3] As the roadmap was published in 2015, it is aligned with the nation's previous climate target of an 80% reduction in net emissions by 2050, against a 1990 baseline, rather than the current net zero target.

the industry to tackle the level of plastic waste in the across the food and drink industry and supply chain in the UK. In the **Roadmap to 2025: The UK Plastics Pact**, a framework is created for all businesses to deliver ambitious reduction targets, including eliminating problematic or unnecessary single-use packaging through redesign, innovation or reuse; and ensuring that 70% of plastics packaging effectively recycled or composted

2.2.5 *Local Policy Context*

The **Greater Lancashire Plan** is being developed by partners and will set out an agreed vision, ambition and long-term strategic priorities for Lancashire. The Plan could provide the foundation for any future devolution deal with Government. The Plan builds on existing priorities for Lancashire, many of which are relevant to the Food and Agriculture sector. The Food and Agriculture sector has an important role in helping to achieve these priorities, such as tackling climate change and building on clean growth opportunities.

The Greater Lancashire Plan builds on the draft LEP Strategic Framework and the Lancashire Recovery Plan – **Redefining Lancashire** (2020) – which sets out both immediate priorities to help the Lancashire economy recover from the impact of COVID-19, and longer term strategic ambitions for Lancashire. Recognising the relative importance of the food manufacturing sector, the Recovery Plan proposes a response programme focused on Lancashire's prime sectors, which encompasses business growth, job creation, skills and employment. It also highlights the importance of the food services sectors to Lancashire's Visitor Economy, with the food 'offer' a crucial part of attracting and encouraging tourists back to the area post-COVID, particularly supporting rural areas and town centres.

The development of the **Lancashire Local Industrial Strategy** was paused due to the pandemic, and the evidence base is now being used to inform the Greater Lancashire Plan. This highlights the key challenges and opportunities which cut across all parts of the Lancashire economy, including the need to adapt to automation and digital transformation; the urgency of addressing climate change and achieving net zero economic growth; and the importance of ensuring that opportunities are 'levelled up' within Lancashire, with all people able to access the skills, training and employment opportunities they need to live a secure and comfortable life. Again, the Food and Agriculture sector, as a major employer and major contributor to the Lancashire economy, as a key role to play in meeting these challenges.

Lancashire LEP is developing a 10-year **Internationalisation Strategy and Export Plan** to drive up the number of Lancashire companies involved in international trade, attract greater levels of inward investment and promote Lancashire on the international stage. A number of Food and Agriculture-related opportunities have been identified, along with the contribution that the sector makes to the visitor experience and attracting overseas tourists to Lancashire.

2.3 Key drivers identified from the literature review

2.3.1 *Introduction*

Understanding the drivers of Lancashire's Food and Agriculture sector is key to understanding the direction skills and employment providers need to take to best address local and national need. A key part of the Lancashire Skills and Employment Strategic Framework is forward-looking to ensure future prosperity and creating a workforce and industries that are fit for the future. To inform our approach to gathering and analysing the LMI available from official datasets, a review of the literature relating to the Food and Agriculture sector drivers has been undertaken. A summary is provided here, with more detail in Appendix 3.

2.3.2 *Sustainability, Net Zero Carbon and the circular economy*

The global food system has a huge environmental impact and is a significant contributor to the current climate crisis. Food and drink production accounts for between 14-30% of global greenhouse gas emissions, generates waste and pollution, and contributes to the degradation of natural resources such as air, water and soil quality, wildlife and biodiversity.

The food manufacturing is the UK's largest manufacturing sector, and in 2019 was responsible for 165 million tonnes of carbon emissions, or c.17% of the UK's carbon footprint. Although greenhouse gas emissions are generated at all stages of the food supply chain, the majority of emissions (80-86%) are associated with food production and agriculture. The impact of food transportation on the environment and climate change is also significant, with the UK heavily dependent on imported food.

Food waste and food packaging also have major environmental impacts. In the UK approximately 30% of all food produced is wasted along various stages of the food supply chain with 9.5 million tonnes of household food waste a year, and the food that is sent to landfill produces methane - a powerful greenhouse gas that contributes to climate change. The food and drink sector is also responsible for over 100,000 tonnes of packaging waste each year.

Given this position, the Food and Agriculture sector has the potential to make a significant contribution to the transition to net zero. As it remains one of the highest energy users in the UK there are real opportunities to cut costs, energy use and carbon emissions. In Lancashire, there has been a 33% decline in industrial carbon dioxide emissions since 2010. However, agricultural carbon dioxide emissions have increased over the same period.

The Food and Drink Federation recommends that more is done to "harness the benefits of a circular economy" through future policies on innovation and resource efficiency. Innovation in production techniques and packaging materials and a move to minimise energy use will require new ways of working in Lancashire's Food and Agriculture sector. Implementing new approaches requires people to be re-skilled and up-skilled, and is likely to change the pattern of demand for workers within the sector.

2.3.3 *Technology, Automation and Industrial Digitalisation*

The COVID-19 crisis meant that the Food and Agriculture sector (along with many others) had to adapt at pace to significant change. Whilst many parts of the sector did this successfully, the pandemic highlighted the vulnerabilities of the sector and accelerated demands on digital infrastructure, to support the move to new ways of working.

Digitalisation, or the adoption of digital technologies and incorporation of digital information by industries, is vital for improving productivity in the Food and Agriculture sector, as in many others. Digitalisation means access to more timely, granular and high-quality data which helps businesses respond faster and better to customer needs, supply chain requirements and challenges.

In the UK, overall productivity has remained flat over the past decade. In 2020, Defra reported that the UK's agriculture is three times less efficient than other sectors of the UK economy, with the underlying rate of productivity growth near zero throughout the past decade. In part this reflects the effects of intensive farming, with soil degradation calculated in 2010 to cost the economy £1.2 billion every year.

A £24 million package by government to boost Agri-Tech is indicative of the need for change – and government's support of new technologies. Defra has estimated that digitalisation and automation could raise productivity growth on a global basis by as much as 0.8 to 1.4 percent annually, with digital technologies providing firms with new tools to design, produce and sell goods and services. Alongside investment in technologies, complementary investment in skills and factors such as software and data are necessary to reap the benefits of digitalisation (e.g. van Ark, 2016; Brynjolfsson and McAfee, 2011), with considerable evidence that productivity benefits of digital adoption are significantly thwarted by skill and occupational shortages. Ensuring workers have an opportunity to acquire and upgrade the skills needed to thrive in an increasingly digitally focused Food and Agriculture sector is therefore very important if productivity gains are to be realised.

2.3.4 *Changing Consumer Demands*

Change within the sector is also being stimulated by changing consumer demands. Recent research undertaken in Lancashire by Sustain, the alliance for better food and farming, and The Ashden Trust[4], has highlighted the concentration of the UK food supply chain, with twelve supermarket groups accounting for 90% of the £200bn annual food retail spend. Centralised and complex food supply chains mean there is a disconnect between growers and consumers, with farmers often having just one route to market, over which they have very little control and little ability to secure increased value in return for higher quality produce.

Within this context, there is some evidence of growth in demand for locally sourced, higher quality food products, both for consumers to purchase direct and in demand from the food services sector (although the current squeeze on living standards means that value remains a priority for many consumers). This is creating an opportunity for the development of local food systems and the growth of producer-processors, although the Sustain report highlights numerous barriers to change including finance, local infrastructure, a need for marketing advice and

[4] A tale of two counties – Strengthening local food cultures through mapping supply chains in East Susses and Lancashire, Sustain, March 2022

support, and established marketplaces. There are also skills implications for producers who wish to move into processing and directly selling their products.

There is also evidence of a change in the nature of products which consumers wish to buy, with a move towards healthier options, organic produce, and plant-based alternatives to meat and dairy.

3 Lancashire's Food and Agriculture sector

Key points

- The Food and Agriculture sector is relatively more important to the Lancashire economy than is the case regionally or nationally, accounting for 6.8% of total GVA, and worth over £2bn to Lancashire in 2021. Over 40% of this total (£875m) is accounted for by the food manufacturing sub-sector.
- There are 8,060 businesses in the sector in Lancashire, accounting for nearly 15% of all businesses in Lancashire, again higher than the regional and national position. The vast majority of businesses (86.4%) are microbusinesses employing fewer than 10 people, with only c.100 employing more than 50 workers.
- Over 70,000 people are employed in the Food and Agriculture sector in Lancashire, 10.8% of total employment. This is higher than the proportion of employment regionally or nationally, although employment in the sector has grown more slowly in Lancashire over the past ten years (+6.5%) than at the regional or national level (+10.4% and +17.5% respectively).
- Nearly half of workers in the Lancashire's Food and Agriculture sector are employed in the food services sub-sector, although the sub-sector's share of the sector total is lower than is the case nationally. Lancashire has a larger proportion of its Food and Agriculture employment in the food manufacturing sub-sector – 2.2% of total employment, compared to 1.3% nationally.
- The largest number of Food and Agriculture sector workers in Lancashire are based in the Preston, Chorley and South Ribble TTWA; however in relative terms the sector is largest in West Lancashire, where it accounts for around 20% of all employment. West Lancashire has also seen the fastest growth since 2010.
- Productivity (GVA per job) in the Food and Agriculture sector is estimated to be higher in Lancashire than is the case regionally or nationally – reflecting the greater concentration of employment in the food manufacturing sub-sector, where productivity tends to be higher than in food services. However, productivity levels are below the Lancashire economy average.
- The sector accounts for an increasing proportion of Lancashire's exports, with the value of food and live animal exports increasing by 4.8% between 2018 and 2020, whilst overall export values fell by 14.4%. The EU remains the main destination for Lancashire's Food and Agriculture exports, and is also the most important source of imports.

3.1 Introduction

Establishing an economic baseline for Lancashire's Food and Agriculture sector is an essential component of understanding the future of the sector. The baseline analysis presented in this section has been carried out at three spatial levels: Lancashire LEP area, Travel to Work Area (TTWA) and local authority level[5]. Trends over time have been analysed and compared to the regional (North West) and national position.

3.2 The Sector's Economic Output

3.2.1 *A note on the sector definition*

Data on GVA is available from a number of sources, including the Office for National Statistics (ONS) as well as forecasting companies including Cambridge Econometrics. We have chosen to use the Cambridge Econometrics GVA data, so that the analysis of current GVA levels aligns with the forecasts for the sector presented in section 5.

Unfortunately, GVA data is not available for the precise sub-sectors included in our Food and Agriculture sector definition from any of these sources (at Lancashire and TTWA level). The Cambridge Econometrics data includes GVA data for the following sub-sectors: agriculture, forestry and fishing; food manufacturing; and food services, but not for food wholesale or food retail, which are aggregated with the wider wholesale and retail sectors. To estimate the GVA generated by the food wholesale and food retail sub-sectors, we reviewed the share of employment in these sectors which was accounted for by the Food and Agriculture sector (at Lancashire and national level) and the share of GVA within these sub-sectors accounted for by Food and Agriculture (data only available at national level). Nationally, the GVA proportion was lower than the employment proportion (implying that GVA per job in food whole and food retail is lower than the GVA per job in the wider wholesale and retail sectors). Applying the Lancashire employment proportion to the GVA total is therefore likely to over-estimate the share of GVA in these sub-sectors which is accounted for by the Food and Agriculture sector. We have therefore applied the national GVA share – 5% of retail GVA is assumed to arise from the food retail sector; and 15.8% of wholesale GVA is assumed to arise from food and agriculture wholesale.

3.2.2 *Current position and recent trends*

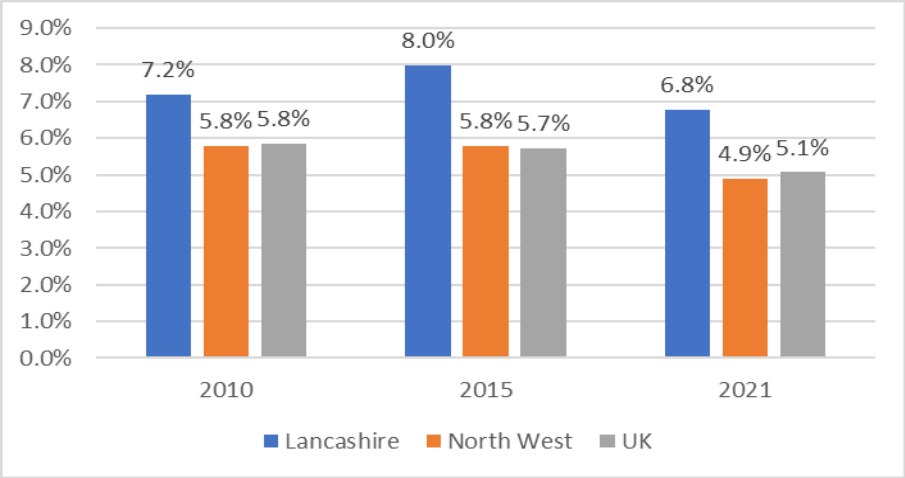
In 2021, the Food and Agriculture sector in Lancashire was estimated to be worth £2,061 million (Cambridge Econometrics data) and represented 6.8% of the LEP area's GVA. This exceeds the proportion of total economic activity represented by the sector regionally and nationally with Food and Agriculture accounting for 4.9% of total GVA in the North West and 5.1% across the UK. Between 2010 and 2021, the value of the Food and Agriculture sector in Lancashire increased by 7.9% whilst it shrunk within the North West and nationally by 6.2% and 2.4% respectively.

[5] Local authority data is included in Appendix 4.

Table 3.1: Food and Agriculture sector GVA (£m, 2018 prices)								
	2010		2015		2021		Change 2010 – 2021 (%)	
	No.	%	No.	%	No.	%	No.	%
Lancashire LEP area	1,911	7.2%	2,308	8.0%	2,061	6.8%	150	7.9%
North West	8,429	5.8%	9,194	5.8%	7,908	4.9%	-521	-6.2%
UK	85,043	5.8%	93,041	5.7%	83,004	5.1%	-2,039	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

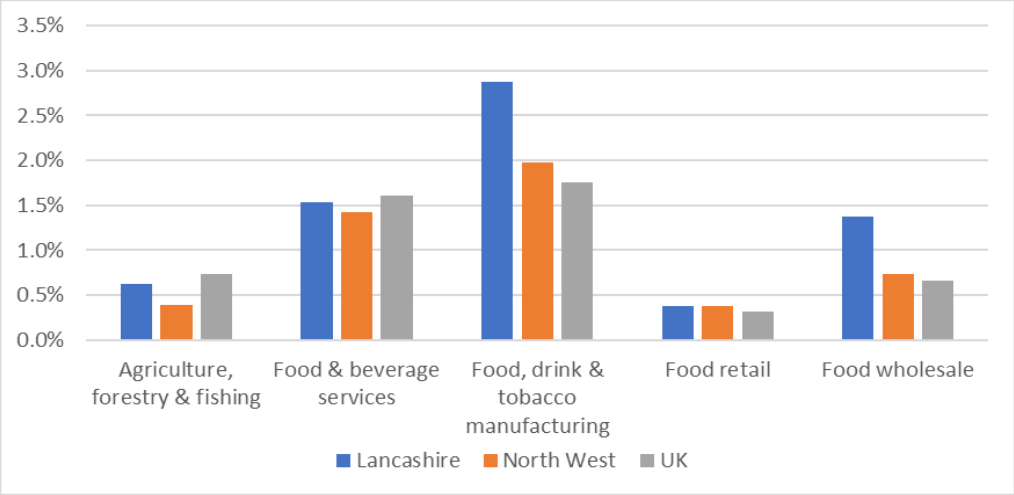
Figure 3.1: GVA in Food and Agriculture sector, as a percentage of total GVA



Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

In GVA terms, the largest sub-sector in Lancashire is food, drink and tobacco manufacturing. In 2021, the value of GVA from this sub-sector was £875m, or 42% of total food and agriculture GVA. This represents 2.9% of total GVA in the LEP area in 2021, a higher proportion than in the North West (2.0%) and UK (1.8%), indicating the importance of the food processing sector in Lancashire.

Figure 3.2: GVA in Food and Agriculture sub-sectors, as a percentage of total GVA, 2021



Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

The travel to work area (TTWA) with the largest Food and Agriculture sector in Lancashire in GVA terms is Preston, Chorley and South Ribble, where estimated sector GVA was over £521 million in 2021, followed by Blackpool, Fylde and Wyre at £462 million.

Between 2010 and 2021, the largest growth in Food and Agriculture sector GVA was in Burnley and Pendle, with an increase of 20.6%. The sector also experienced high growth in West Lancashire (15.7%) and Lancaster (15.6%) whilst GVA for the sector fell by 5.6% in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley.

Table 3.2: Food and Agriculture sector GVA by TTWA (£m, 2018 prices)

	2010	2015	2021	Change 2010 – 2021 (%)
Preston, Chorley and South Ribble	461	577	521	13.1%
Blackpool, Fylde and Wyre	444	552	462	4.1%
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	450	536	425	-5.6%
West Lancashire	240	304	278	15.7%
Burnley and Pendle	204	268	246	20.6%
Lancaster and Morecambe	111	143	129	15.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

3.3 The Business Base

3.3.1 *Lancashire LEP Area*

In 2021, there were 8,060 businesses in the Food and Agriculture sector in Lancashire as a whole, accounting for 14.9% of all businesses. This is a higher proportion of the business base in Lancashire than the regional and national figures of 12.7% and 11.3% respectively. Lancashire's Food and Agriculture sector is made up of a majority of micro-sized businesses (86.4%) employing 0-9 people. Just under 1,000 (995) of the total business base are small businesses employing 10-49 people (12.3%) and 85 are medium-sized employing 50-249 people (1.1%). Only around 15 Food and Agriculture businesses in Lancashire (0.2%) employ more than 250 people.

Table 3.3: Business size in Food and Agriculture in Lancashire, 2021

	Micro (0 to 9)	**Small (10 to 49)**	**Medium-sized (50 to 249)**	**Large (250+)**
Food and Agriculture businesses (No.)	6,965	995	85	15
Proportion of F&A businesses	86.4%	12.3%	1.1%	0.2%
All Lancashire businesses	47,750	5,230	920	195
Proportion of Lancashire businesses (No.)	88.3%	9.7%	1.7%	0.4%

Source: UK Business Counts, ONS

Case Study: Huntapac Produce Ltd

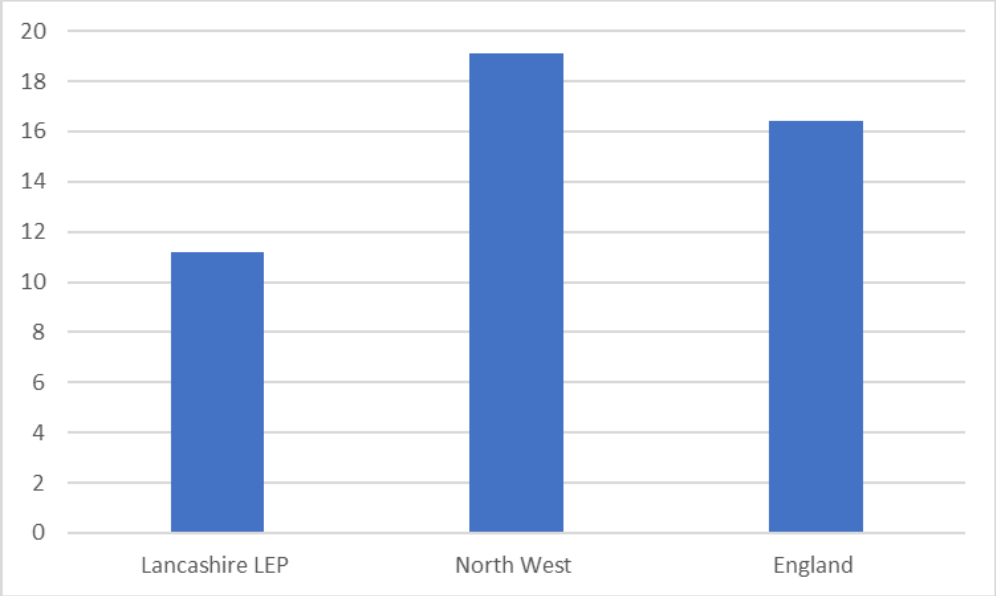
Huntapac Produce Ltd is a family firm based in West Lancashire, which grows, washes and packs root vegetables, brassicas and salads. The transport side of the business distributes them to major supermarkets, independent retailers, wholesalers, food service, caterers and food manufacturing businesses across the UK, as well as providing transport services for external customers. The company employs some 500 people, and operates round the clock, with farms in all parts of the country to ensure produce is available throughout the year.

The company has a commitment to high quality produce and creating a productive, supportive and fair working environment, investing in development, training and career opportunities for all staff. The company continues to develop new and exciting uses for its root vegetables, including the development of its own brand of hand cooked vegetable crisps, approved by the Vegan and Vegetarian Societies and providing customers with a healthier alternative to traditional crisps.

Source: www.huntapac.co.uk

Since 2010, the number of businesses in the Food and Agriculture in Lancashire has grown by 11.2%, a slower rate of increase than has been seen regionally and nationally (+19.1% and +16.4% respectively), as shown in Figure 3.3.

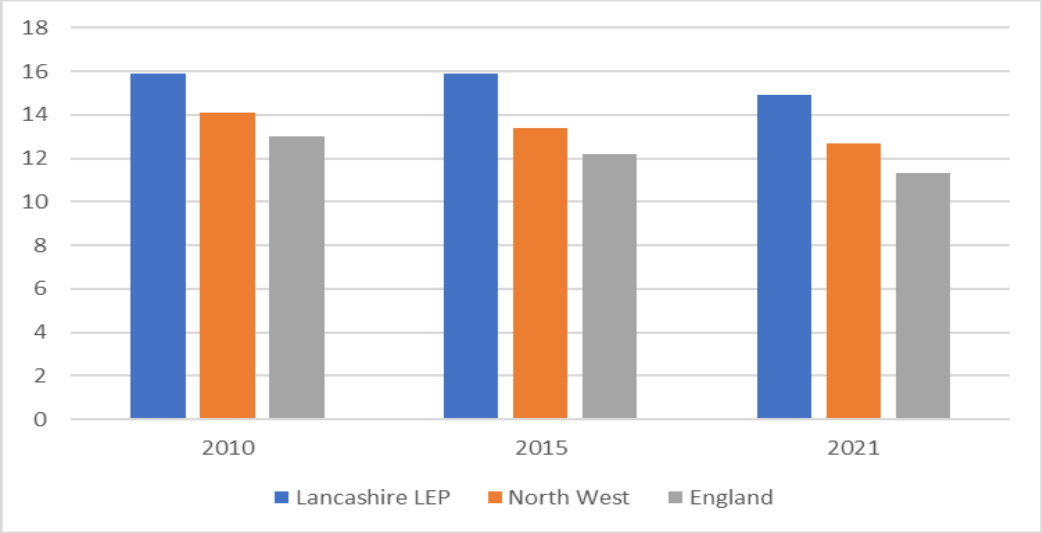
Figure 3.3: Percentage growth in the number of Food and Agriculture businesses, 2010-2021



Source: UK Business Counts, ONS

Figure 3.4 shows how the proportion of total businesses which are accounted for by the Food and Agriculture sector has changed since 2010. Nationally, regionally and in Lancashire as a whole, the proportion of the business base which are in the Food and Agriculture sector has declined. The number fell by 6.3% in Lancashire from 2010 to 2020. However, this was a smaller decline than in the North West and England (-9.9% and -13.1% respectively).

Figure 3.4: Percentage of the business base which are Food and Agriculture sector businesses



Source: UK Business Counts, ONS

A more detailed sub-sector breakdown of businesses within Lancashire's Food and Agriculture sector is provided within Table 3.4, showing business counts by sub-sector, together with the share of total Food and Agriculture sector businesses. Over 40% of businesses are in the food and drink services sub-sector (including event catering), with the other most common sub-sectors all within the agriculture sub-sector.

Table 3.4: Businesses in Food and Agriculture sub-sectors in Lancashire, 2021

Food and Agriculture sub-sector	No. of businesses	% of Food and Agriculture sector businesses
Restaurants and mobile food service activities	2,160	26.8%
Beverage serving activities	960	11.9%
Raising of horses and other equines	670	8.3%
Raising of sheep and goats	530	6.6%
Raising of dairy cattle	330	4.1%
Event catering activities	290	3.6%
Growing of cereals (except rice), leguminous crops and oil seeds	280	3.5%
Raising of other cattle and buffaloes	245	3.0%
Growing of vegetables and melons, roots and tubers	240	3.0%
Mixed farming	225	2.8%

Source: UK Business Counts, ONS

3.3.1 *Travel To Work Area analysis*

The number of businesses in the Food and Agriculture sectors within each TTWA is shown in Table 3.5 alongside the percentage growth from 2010 to 2020. The table shows that all TTWAs experienced positive growth in the number of Food and Agriculture businesses except West

Lancashire. Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valle TTWA experienced the fastest growth during the period, with an increase of 16.2%.

Table 3.5: Food and Agriculture businesses in Lancashire TTWAs, 2021

	2010	2015	2020	% change
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	1,795	1,170	2,085	16.2%
Blackpool, Fylde and Wyre	1,630	1,715	1,785	9.5%
Preston, Chorley and South Ribble	1,470	1,640	1,705	16.0%
Lancaster and Morecambe	830	880	905	9.0%
Burnley and Pendle	685	755	770	12.4%
West Lancashire	805	815	760	-5.6%

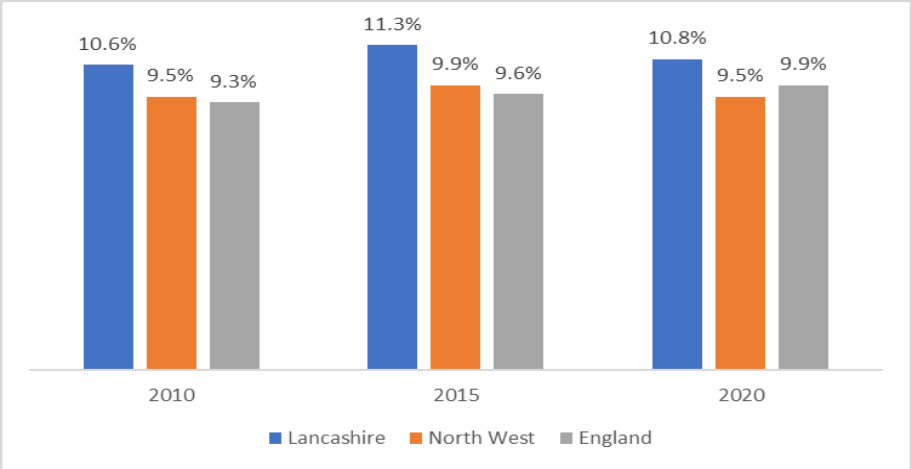
Source: UK Business Counts, ONS

3.4 Employment

3.4.1 *Lancashire LEP Area*

In total, the Food and Agriculture sector employed 70,945 people in Lancashire in 2020 (a further 85 are employed in forestry and 1,500 in the veterinary activities sector). Figure 3.5 shows employment in the Food and Agriculture sector as a share of total employment for Lancashire and its regional and national counterparts from 2010-2020. In 2020, the Food and Agriculture sector represented 10.8% of the total employment in Lancashire, above the regional and national level. In comparison, the Food and Agriculture sector represents 9.5% and 9.9% of total employment in the North West and nationally.

Figure 3.5: Employment in Food and Agriculture Sector as a percentage of Total Employment

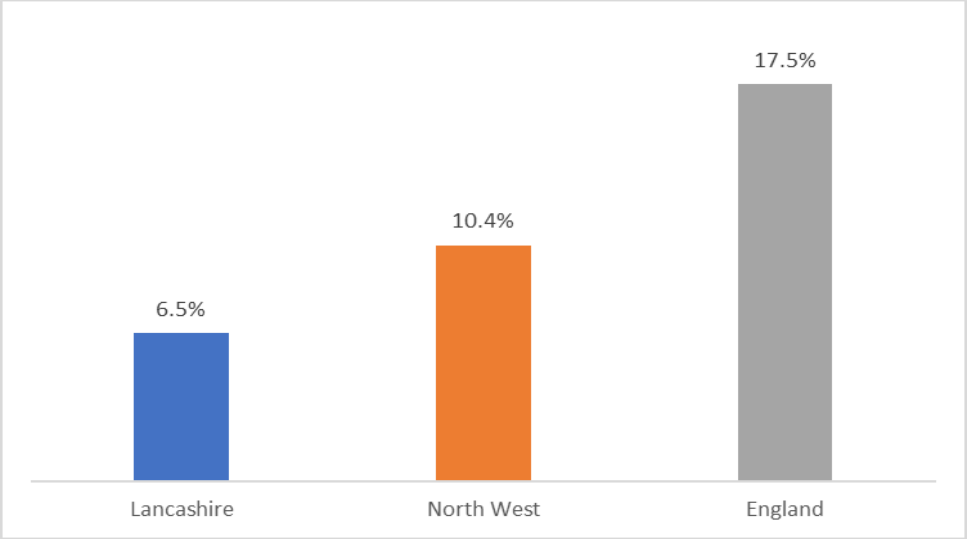


Source: Business Register and Employment Survey, Employment Analysis, ONS

Although Lancashire has a higher proportion of total employment in the Food and Agriculture sector than is the case regionally or nationally, growth in employment in the Food and Agriculture sector over the last ten years has lagged behind the comparator areas, as shown in Figure 3.6.

Employment in the Food and Agriculture sector grew by 10.4% and 17.5% in the North West and England respectively, but only by 6.5% in Lancashire.

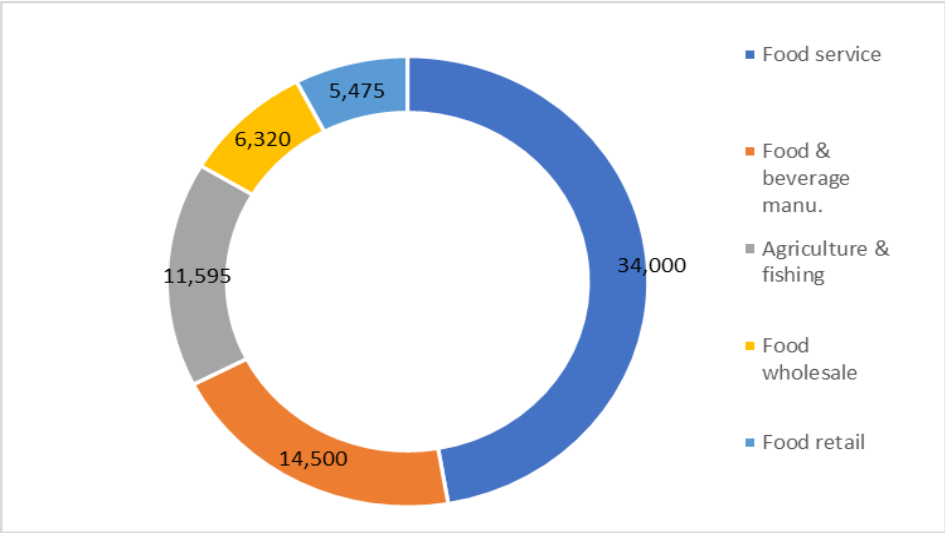
Figure 3.6: Growth in the Food and Agriculture sector (2010-2020)



Source: Business Register and Employment Survey, Employment Analysis, ONS

Figure 3.7 shows total employment in Lancashire, split into subsectors. The food service subsector employs the highest proportion of Food and Agriculture workers - 34,000 people, almost half (48%) of the total. As a share of the total employment in Lancashire, the food service subsector represents 5.2%.

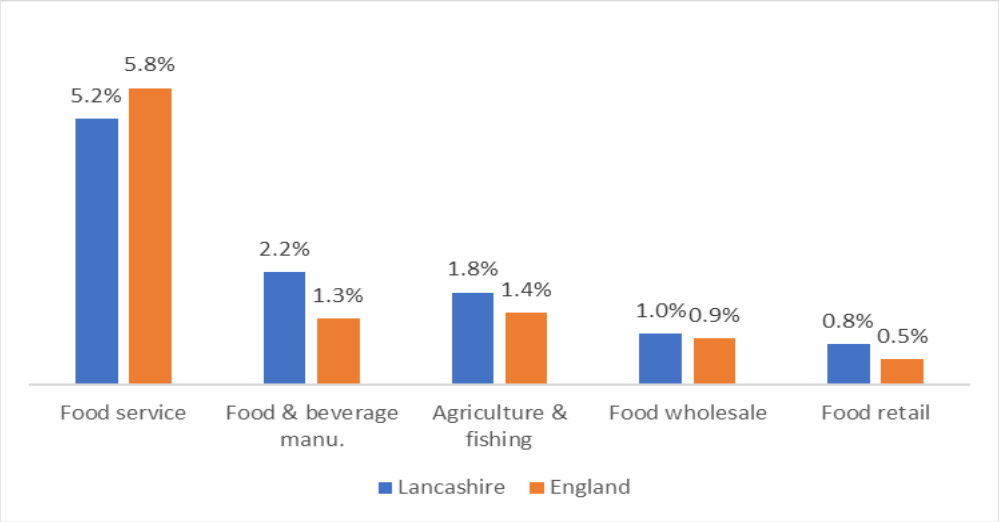
Figure 3.7: Employment in Agriculture and Food Sub-Sectors



Source: Business Register and Employment Survey, Employment Analysis, ONS

Figure 3.8 highlights the importance of the five key subsectors identified above when compared to the national picture. As a share of total employment the proportion of employment in Lancashire's Food and Beverage Manufacturing, Agriculture and Fishing, Food Wholesale and Food Retail subsectors is above the national average.

Figure 3.8: Employment in Agriculture and Food Sub-sectors, 2020



Source: Business Register and Employment Survey, Employment Analysis, ONS

Further analysis of the Food and Agriculture sectors at a 4-digit SIC code level highlights the importance of a number of subsectors within Lancashire. Table 3.6 shows the twelve top sub-sectors in Lancashire in terms of number of people employed and the proportion of total Food and Agriculture sector employment. These twelve sub-sectors account for 80% of all Lancashire's Food and Agriculture employment.

Table 3.6: Employment in Food and Drink sub-sectors in Lancashire, 2020

Food and Agricultural sub-sectors	Employment	% of Food and Agriculture sector employment
Restaurants and mobile food service activities	17,000	23.9%
Beverage serving activities	12,000	16.9%
Agriculture excluding support activities*	11,000	15.5%
Event catering activities	3,000	4.2%
Non-specialised wholesale of food, beverages and tobacco	2,500	3.5%
Processing and preserving of meat	2,250	3.2%
Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	1,750	2.5%
Retail sale of meat and meat products in specialised stores	1,500	2.1%
Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	1,500	2.1%
Other processing and preserving of fruit and vegetables	1,250	1.8%
Manufacture of bread; manufacture of fresh pastry goods and cakes	1,250	1.8%
Manufacture of prepared meals and dishes	1,250	1.8%

**Agricultural employment data is gathered through DEFRA / Scottish Executive and is not broken down by type of agriculture*

Source: Business Register and Employment Survey, Employment Analysis, ONS

Case Study: **Burton's Biscuits / Fox's Biscuits – Fox's Burton's Companies (FBC) UK**

Burton's Biscuit Company is a leading British biscuit manufacturer, the second-biggest supplier of biscuits in the UK and a major exporter globally. One of its major manufacturing facilities is located in Blackpool, producing Maryland cookies, as well as soft baked cookies for Mars and other small and large chocolate biscuit bars. The company also produces Jammie Dodgers – 500 are eaten every minute in the UK!

Another biscuit manufacturer, Fox's Biscuits, has one of its two major UK sites at Wesham in Fylde, with the other at Batley in Yorkshire. Fox's Biscuits are also exported globally with its main markets in Europe, North America, and Asia. The business is known for biscuits such as Rocky, Classic, Echo, Crunch Creams and Party Rings. The company also makes own brand biscuit products for a number of supermarkets and makes Farley's Rusks for Heinz. Fox's bakes six billion biscuits per year.

In March 2022, the two organisations integrated to form a new biscuit company called Fox's Burton's Companies (FBC) UK.

Source: www.burtonsbiscuits.com, www.foxs-biscuits.co.uk

A location quotient has been calculated for the sub-sectors to highlight employment concentrations in Lancashire. Location quotients (LQ) analysis is used to quantify how concentrated a particular industry is in a region, compared to the national average and can reveal what makes a particular region 'unique'. A LQ>1 shows a greater concentration of employment in Lancashire than in England as a whole. Figure 3.9 shows the sub-sectors with greatest employment concentrations in Lancashire when compared to the national average. The proportion of employment in the manufacture of prepared animal feeds is nearly three times the national level.

Figure 3.9: Sub-sectors with greatest employment concentration, 2020, UK concentration = 1

Source: Business Register and Employment Survey, Employment Analysis, ONS

***Case Study:* GA Pet Food Partners, Leyland**

GA Pet Food Partners is Europe's leading manufacturer of own label premium dry pet foods. The company is involved in all stages of pet food production, from new product development and testing, to manufacturing, packaging, storage and dispatch. From the company's beginnings on a 2,500 acre arable farm in 1992, GA Pet Food Partners has grown to become a company which employs over 800 people, sells over 80,000 tonnes of dry pet food each year and exports to 50 countries.

The company's Research and Development team work with the Nutrition, Production, and Quality teams, using their animal biology and nutrition knowledge, to develop new products which provide better nutrition for pets and meet the needs of the company's partners.

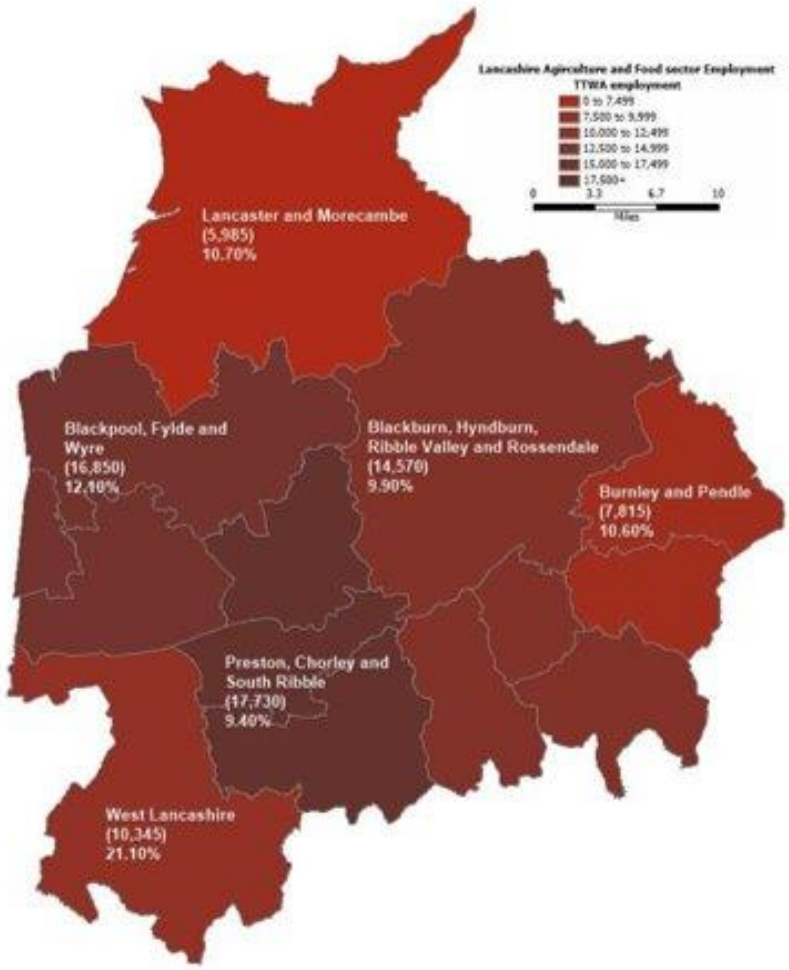
GA Pet Food Partners is committed to minimising its environmental impact. The company has invested £9 million in a state-of-the-art odour abatement system, with five large bio-beds that scrub the air clean before releasing it back into the atmosphere and recycles 98% of waste generated on-site.

Source: www.ga-petfoodpartners.co.uk

3.4.2 *Travel to Work Area Analysis*

Figure 3.10 maps the employment in the Food and Agriculture sector in each of Lancashire's six TTWAs, showing that the largest number of employees is in the Preston, Chorley and South Ribble TTWA. However, in relative terms, the sector accounts for the largest proportion of total employment in West Lancashire – 21.1% of the total.

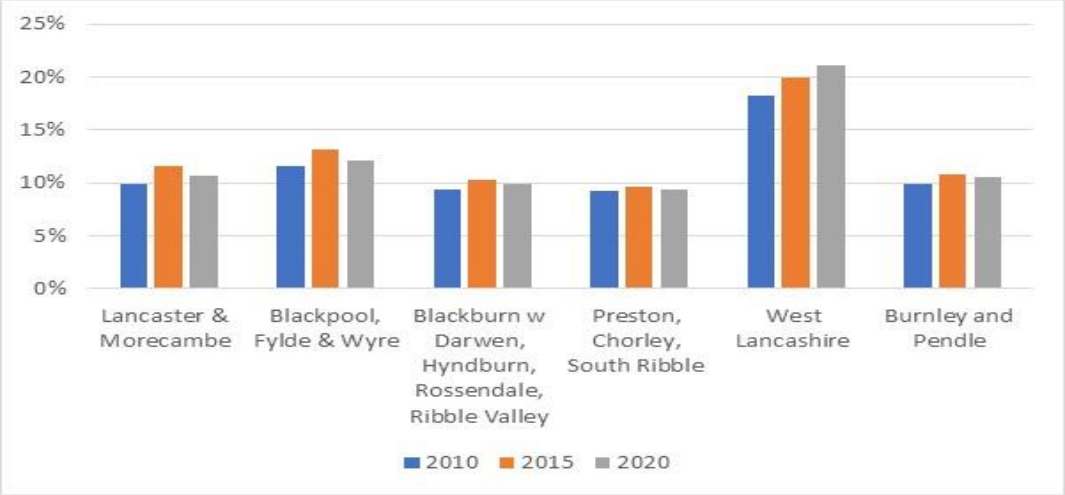
Figure 3.10: Food and Agriculture sector employment, by TTWA, 2020



Source: Business Register and Employment Survey, Employment Analysis, ONS

Figure 3.11 shows the percentage of people employed in the Food and Agriculture sector each TTWA as a proportion of total employment for 2010, 2015 and 2020. West Lancashire is the only area which has seen a consistent increase in the proportion of employment in the Food and Agriculture sector.

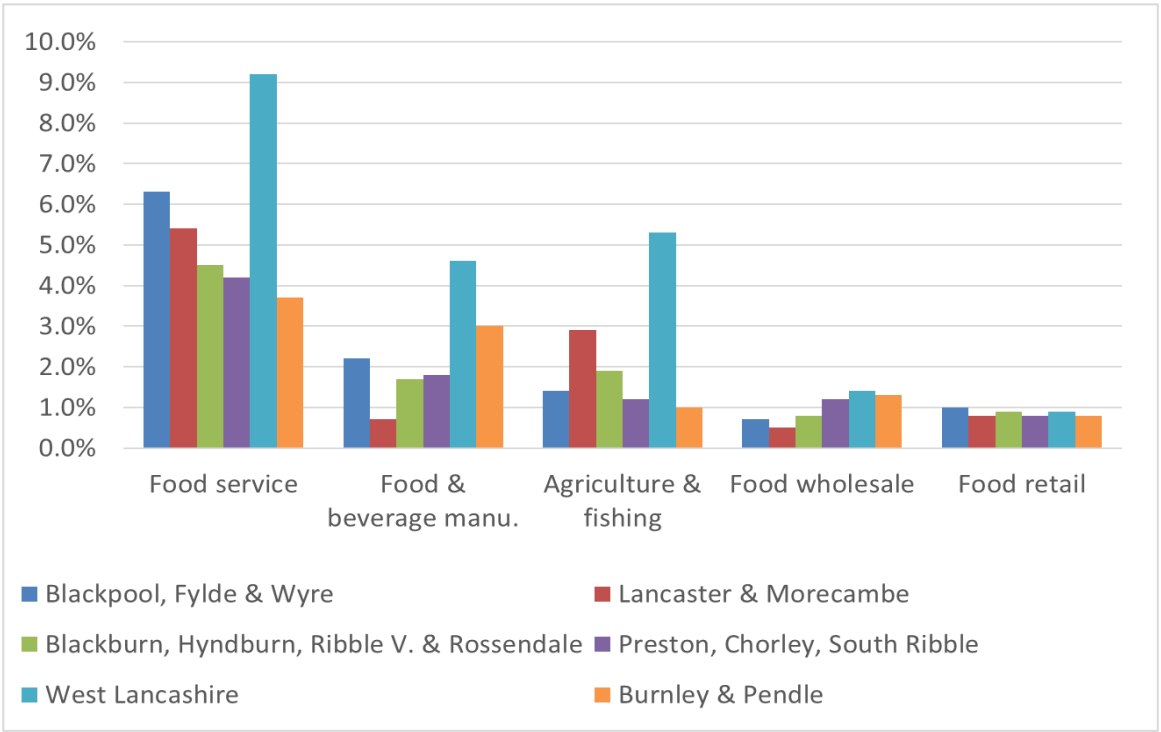
Figure 3.11: Employment in Food and Agriculture Sector as % of Total Employment



Source: Business Register and Employment Survey, Employment Analysis, ONS

Figure 3.12 show the share of employment in each TTWA, split into the Food and Agriculture subsectors. The food service subsector employs the highest proportion of people in every TTWA. The relative importance of the Food and Agriculture sector to West Lancashire is evident from the chart.

Figure 3.12: Employment in Food and Agriculture sub-sectors as a percentage of total employment, by TTWA



Source: Business Register and Employment Survey, Employment Analysis, ONS

Case Study: **Northcote Luxury Hotel and Michelin Star Restaurant**

Northcote is a multi-award winning hotel and Michelin Star restaurant situated on the edge of the Ribble Valley. The restaurant was awarded a Michelin Star in 1996 and has retained it for more than 25 years. It creates local dishes based on regional ingredients and has close relationship with numerous local biodynamic and organic suppliers. The hotel also sources as much produce as possible from its on-site kitchen garden.

During the Covid-19 lockdowns when the restaurant was unable to open normally, Northcote was one of the first hotels to introduce pre-prepared meal boxes, with the kitchen team working to create an 'at home' dining experience of the same quality for customers as the usual restaurant service. Over 10,000 gourmet boxes were sold, raising the hotel's profile, generating positive customer feedback and helping to retain the staff team throughout the disruption caused by the pandemic.

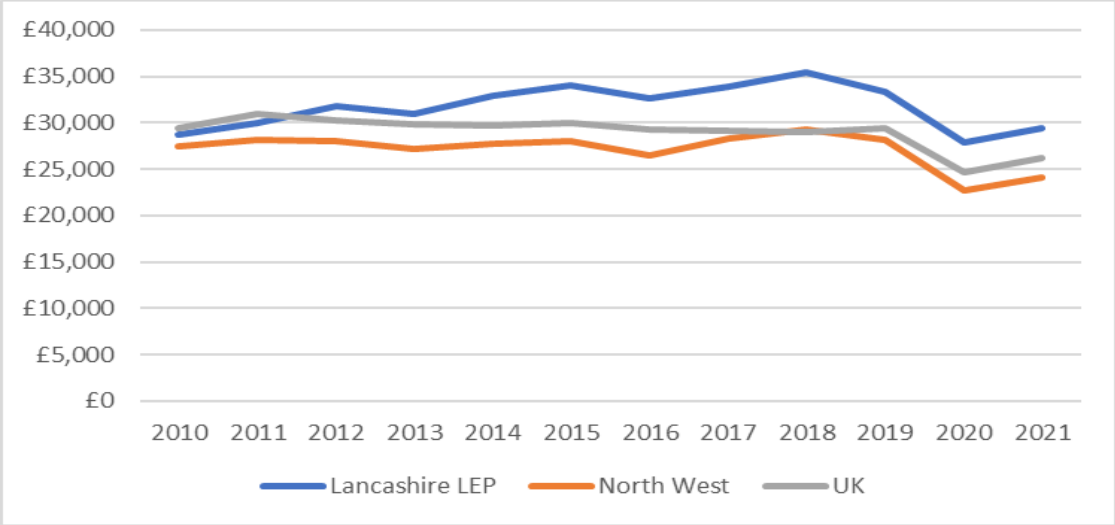
Source: www.northcote.com

3.5 Productivity

3.5.1 *Productivity*

In 2021, the Food and Agriculture sector in Lancashire was estimated to have GVA per job (productivity estimate) of £29,456, higher than the estimate for the North West (£24,128) and UK (£26,270). However, this level of productivity is lower than the Lancashire LEP average across all sectors - £41,866. Between 2010 and 2021, productivity in the Food and Agriculture sector is estimated to have increased by 2.7% in Lancashire LEP whilst it fell by 12.3% and 10.7% in the North West and UK respectively. All areas experienced a fall in productivity between 2019 and 2020, which is likely to reflect the impact of the COVID-19 pandemic on sector output, although in Lancashire this trend appears to pre-date the pandemic.

Figure 3.13: Food and Agriculture sector productivity levels, 2010-2021 (£, 2018 prices)



Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

3.5.2 *Productivity by sub-sector and TTWA*

Productivity levels vary considerably between sub-sectors (see Table 3.7), with GVA per job in the food wholesale sub-sector over four times as high as in food and beverage services. It is the relative productivity of the food wholesale sub-sector (160% of the UK average) which leads to Lancashire's overall high productivity in the Food and Agriculture sector – in all other sub-sectors, productivity is lower than the UK average.

As shown in Table 3.8, productivity in the food wholesale sub-sector has risen rapidly since 2010, the GVA nearly doubling from £31,000 to £61,000 per job in that time. Productivity has also increased in the food retail and agriculture, forestry and fishing sub-sectors. This is likely to reflect increased automation and use of technology across these sub-sectors. In contrast, the food and beverage services sector has seen a fall in productivity levels (with the 2021 data likely to be affected by the impact of the restrictions on activity affecting the sub-sector at that time).

Table 3.7: Food and Agriculture sub-sector GVA per job, 2021 (£, 2018 prices)

	Lancashire	North West	UK	Lancashire as % of UK
Food wholesale (estimated)	£61,652	£37,045	£38,519	160.1%
Food, drink & tobacco manufacturing	£57,203	£58,091	£63,310	90.4%
Agriculture, forestry & fishing	£25,427	£22,295	£32,196	79.0%
Food retail (estimated)	£19,207	£19,747	£20,319	94.5%
Food & beverage services	£13,484	£12,664	£14,604	92.3%
Food and Agriculture sector overall	£29,456	£24,128	£26,270	112.1%
All sector economy average	£41,866	£42,896	£46,396	90.2%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table 3.8: Food and Agriculture sector GVA per employment, Lancashire (£, 2018 prices)

	2010	2015	2021	Change 2010 – 2021 (%)
Food wholesale (estimated)	£31,606	£50,656	£61,652	95.1%
Food retail (estimated)	£14,912	£14,016	£19,207	28.8%
Agriculture, forestry & fishing	£20,011	£30,433	£25,427	27.1%
Food, drink & tobacco manufacturing	£57,870	£67,966	£57,203	-1.2%
Food & beverage services	£20,198	£21,375	£13,484	-33.2%
Food and Agriculture sector overall	£28,691	£34,085	£29,456	2.7%
All sector economy average	£38,207	£42,113	£41,866	9.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Case Study: **James Hall & Co. Ltd**

James Hall & Co. Ltd specialises in the wholesale distribution of groceries and is one of Lancashire's largest employers, with over 800 staff working at the company's distribution site at Bowland View on the outskirts of Preston, and 4,200 staff in total. The Lancashire-based family business is SPAR UK's wholesaler and distributor for the north of England and provides over 600 SPAR stores with bakery goods, fresh cakes, pies and sandwiches and Asian cuisine from Lancashire based production sites. Its Clayton Park production facility in Accrington supplies pies to football clubs including Liverpool, Everton, Oldham Athletic, Rochdale, Preston North End and Accrington Stanley.

The company employs staff in a wide variety of roles, from retail and driving, and provides learning and development opportunities to help colleagues progress in their careers. Apprentices are supported across areas including manufacturing, retail and leadership and management, and the in-house Leadership Academy supports shop floor workers to progress into supervisory and management roles. There is a Management Trainee Programme open to undergraduate and post-graduate students.

Source: www.jameshall.co.uk

These sub-sector differences impact on productivity at the TTWA level (see Table 3.9). In 2021, the Food and Agriculture sector in Burnley and Pendle was estimated to have the highest level of productivity with GVA of £33,236 per job, whilst Lancaster and Morecambe had the lowest (£22,596). This reflects the sub-sectoral make-up of the Food and Agriculture sector in each TTWA, with the highly productive food wholesale sub-sector accounting for 31% of total sectoral employment in Burnley and Pendle, compared to just 7% in Lancaster and Morecambe.

Table 3.9: Food and Agriculture sector GVA per job (£, 2018 prices)

	2010	2015	2021	Change 2010 – 2021 (%)
Burnley and Pendle	£30,710	£36,492	£33,236	8.2%
Preston, Chorley and South Ribble	£27,211	£33,593	£30,907	13.6%
Blackburn w. Darwen, Hyndburn, Rossendale, Ribble Valley	£30,879	£36,073	£30,720	-0.5%
West Lancashire	£29,092	£36,451	£30,520	4.9%
Blackpool, Fylde and Wyre	£28,750	£32,837	£27,185	-5.4%
Lancaster and Morecambe	£23,057	£27,008	£22,596	-2.0%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

3.6 International Trade

3.6.1 *A note on the data*

Data on international trade in goods is available at Lancashire level from HM Revenue & Customs. The 'food and live animals' category relates to the agriculture, forestry & fishing and food, drink & tobacco manufacturing sub-sectors within the Food and Agriculture sector.

3.6.2 *Exports*

In 2020, food and live animal exports from Lancashire were worth £305 million which represented 6.2% of total Lancashire exports[6] (ONS). This is a higher proportion of total Lancashire exports than the proportion of GVA (3.6%) or employment (3.1%) accounted for by the agriculture, forestry & fishing and food, drink & tobacco manufacturing sub-sectors in 2020[7]. This demonstrates the sector's relative exporting strength in Lancashire. Between 2018 and 2020, the value of food and live animals exports from Lancashire increased by 4.8%, whilst the value of total exports from Lancashire fell by 14.4%, highlighting the increasingly important contribution of the sector to Lancashire's export earnings.

3.6.3 *Imports*

In 2020, food and live animals imports to Lancashire were worth £480 million, representing 8.9% of total Lancashire imports. Although the value of food and live animal imports fell by 27% between 2018 and 2020, the value of imports still exceeded exports by £175 million, resulting in a Balance of Trade deficit for this category of trade.

3.6.4 *Trade patterns*

Food and live animal exports to the EU were worth £223 million in 2020, with the EU accounting for 73.1% of Lancashire's total food and live animal exports (compared to 51.0% of all Lancashire's exports). The EU was the source of 84.8% of Lancashire's total food and live animal imports (£407 million), compared to 54.0% of all Lancashire's exports, showing the importance of the EU as both a market and supply chain for Lancashire's Food and Agriculture sector. Whilst there was a Balance of Trade deficit with the EU (£184 million), there was a small trade surplus with non-EU countries (£9 million).

[6] Regional trade in goods statistics disaggregated by smaller geographical areas: 2020 - GOV.UK (www.gov.uk)

[7] Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table 3.10: Food and Agriculture sector – contribution to Lancashire's international trade, £m				
	2018	**2019**	**2020**	**Change (%)**
Food & live animals - exports	291	301	305	4.8%
Food & live animals - imports	658	555	480	-27.1%
Food & live animals – Balance of Trade	-367	-254	-175	-52.3%
Lancashire total - exports	5,740	5,243	4,916	-14.4%
Lancashire total - imports	6,658	6,195	5,380	-19.2%
Lancashire total – Balance of Trade	-918	-961	-464	-49.5%
Food & live animals – exports as % of total Lancashire exports	5.1%	5.7%	6.2%	22.4%
Food & live animals – imports as % of total Lancashire imports	9.9%	9.0%	8.9%	-9.7%

Source: UK Regional Trade in Goods Statistics, HM Revenue & Customs

Case Study: **Cheese Matters**

Based in Garstang, Cheese Matters is a small specialist company which supports high quality cheese producers in Lancashire and beyond to develop relationships with international customers and grow export sales.

The team provides support to cheese producers by undertaking company assessments to check if exporting is a suitable goal, helping prepare the producer to export, e.g. through developing the correct documentation, identifying the best route to market, and supporting them to complete the sale with their new overseas customer. The company also acts for international customers, helping them find the right product for their business, through Cheese Matters' network of heritage and speciality producers.

The company was recently awarded the Queens Award for Enterprise, having seen 80% growth in exports between 2018 and 2021.

Source: www.cheesematters.co.uk

4 Workforce, Education and Skills Needs

Key Points

- The Food and Agriculture sector workforce in Lancashire is, on average, younger than the sector workforce nationally, and younger than the Lancashire workforce as a whole, with over one-third of workers aged 24 and under – particularly those working in the food services sub-sector.
- Many of the job roles in the sector are considered to be at 'Skill Level 1', requiring limited qualifications and training beyond a general level of education. The proportion of jobs at 'Skill Level 2' has fallen in recent years, whilst there was a shift towards occupations at Skill Levels 3 and 4. The most common occupations in the sector in Lancashire include waiters and waitresses; farmers; kitchen and catering assistants; cooks; and bar staff.
- This age and occupational profile is reflected in the qualifications held by the Lancashire workforce, which are lower than those held by their national counterparts. Over half have qualifications at Level 2 or below.
- Low levels of qualifications and a relatively low-skilled occupational profile are reflected in below average earnings across all Food and Agriculture sub-sectors (national data). Earnings in the Food Services sub-sector are particularly low, with median full-time gross earnings below £20,000 per annum. Earnings in the sector's most common occupations are below the national mean and median averages.
- Many of the key occupations are at a high risk of automation. This will support higher productivity, but workers will need new skills to adapt to the changing requirements of their role, and there could be in job losses in the most vulnerable occupations.
- The number of apprenticeships relevant to the sector delivered in Lancashire has fallen over the past three years, although there was an upturn in agriculture apprenticeships (and Further Education provision) in 2020. The bulk of provision is at level 2, particularly in hospitality and catering. Myerscough College dominates provision related to agriculture, horticulture and animal care, with a broader range of providers active in delivering hospitality and catering training.
- Vacancy numbers (counted through monitoring of online job advertisements) recovered strongly in 2021, with the food and beverage services sub-sector accounting for two-thirds of all those posted online. The most commonly advertised jobs are for kitchen and catering assistants, and chefs.
- Research undertaken for the Local Skills Improvement Plan identified a wide range of skills needs. Farming and agriculture businesses were more likely to identify skills needs relating to net zero, and to highlight barriers which make investment in training difficult. Food manufacturing businesses had greater need for importing and exporting skills, and expected greater need for net zero-related skills in future. Food services businesses had greater need for digital and marketing skills and particularly highlighted the need for soft skills such as customer service and communications skills.

4.1 The Food and Agriculture Sector Workforce

4.1.1 *A note on the data source*

The Annual Population Survey (APS) is a sample survey of the population, which provides information on employment, unemployment and economic activity, amongst other topics. In contrast to the business and employment data presented in section 3, the APS is gathered from individuals, who are surveyed in their home rather than at their place of work. The data presented in this section is therefore not directly comparable to the information included in section 3, and therefore no numbers are included in this section. It does, however, provide useful contextual data on the make-up of the workforce in Lancashire's Food and Agriculture sector, and how this compares to the sector workforce nationally, and the wider Lancashire workforce.

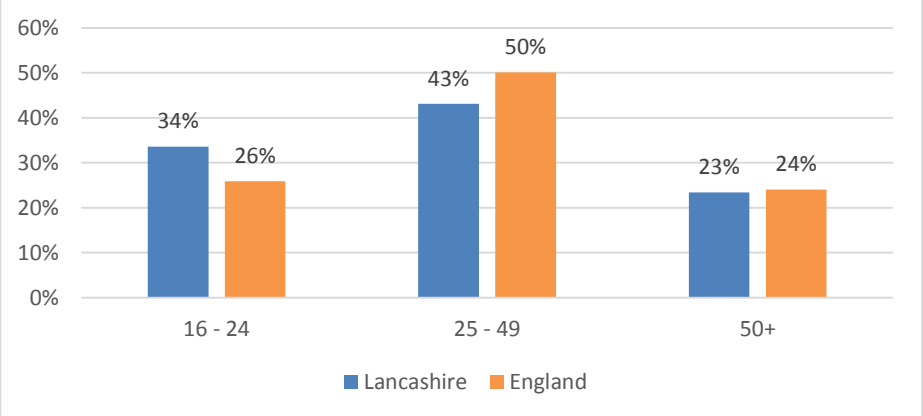
4.1.2 *Age, Sex and Ethnicity of the Workforce*

The Food and Agriculture workforce in Lancashire is relatively young, compared to the national sector workforce and to the Lancashire (employed) workforce as a whole. Over one third of the workforce in Lancashire's Food and Agriculture sector are aged 16 to 24 (34%), compared to around one quarter in the sector nationally (26%). The largest proportion of the Food and Agriculture sector workforce in Lancashire is aged 25 to 49 (43%), lower than the proportion of the sector in England as a whole (50%). The proportions aged over 50 were roughly similar.

The proportion of workers aged 16-24 is much higher in the Food and Agriculture sector than in Lancashire's overall workforce (34% compared to 13%), whilst the proportion aged over 50 is much lower (23% compared to 35%). This is due to the food services sub-sector, where young workers account for 56% of all employment and only 10% are aged over 50. This contrasts with the agriculture and food manufacturing sub-sectors, which have an older workforce.

In Lancashire, males and females each account for 50% of the sector workforce. Nationally, a higher proportion of the sector workforce is male than female (54% compared to 46%). The proportion of non-white workers in the Food and Agriculture sector in Lancashire (16%) is higher than the proportion of the total Lancashire employed workforce which is non-white (10%).

Figure 4.1: Food and Agriculture sector workforce proportions by age, 2021 (%)

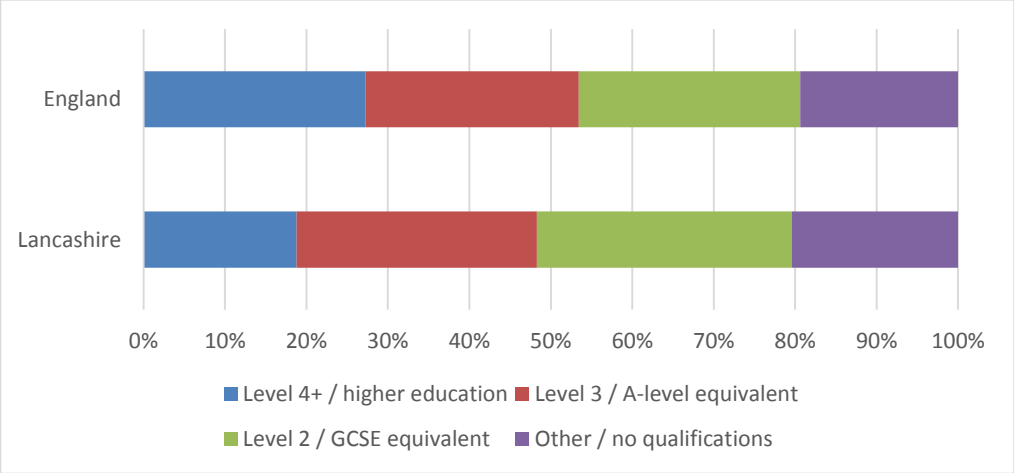


Source: Annual Population Survey, 2017 and 2021, ONS Analysis

4.1.3 *Qualification Levels*

The data shows that Lancashire's Food and Agriculture workforce is less well-qualified than the national sector workforce. Just 19% of workers in Lancashire's Food and Agriculture sector have qualifications at Level 4 or above (higher education, degree or equivalent). This compares to 27% of the sector workforce in England. Over half (51%) have qualifications at Level 2 or below (GCSE or equivalent) compared to 46% nationally.

Figure 4.2: Food and Agriculture sector workforce by highest level of qualification, 2021 (%)



4.1.4 *Occupations*

Occupations can be grouped by 'skill level', reflecting the level of qualifications and training required to undertake the role. Skill Level 1 equates with the competence associated with a general education, and jobs may require a short period of training, e.g. catering assistants. Skill Level 2 occupations also requires a general education, but typically have a longer period of work-related training or work experience, e.g. machine operators. Skill Level 3 roles require a body of knowledge associated with a period of post-compulsory education but not normally to degree level, and include technical and skilled trades roles, such as skilled agricultural workers. Roles classed as Skill Level 4 require a degree or equivalent period of relevant work experience, and can be considered professional or managerial roles.

In 2021, Skill Level 1 (Elementary Occupations) accounted for nearly half (48%) of the sector workforce in Lancashire, and 47% in the sector nationally. The profile of occupations by Skill Level in Lancashire in the Food and Agriculture sector is similar to that of the sector across England with 18% of the sector's workforce in Lancashire in Skill Level 4 roles (Managers, Directors And Senior Officials, and Professional Occupations) compared to 19% in England. Between 2017 and 2021, there was a shift towards occupations at Skill Levels 3 and 4, whilst the number of roles at Skill Level 2 fell from 16% of the total, to 7%. This reflects the 'hollowing out' of the labour market with increased demand for highly skilled and unskilled workers, and a fall in the number of opportunities for those with relatively low level qualifications.

The most common occupations (by 4-digit SOC code) in the Food and Agriculture sub-sectors in Lancashire in 2021 include:

- ***Agriculture, forestry and fishing:*** Farmers; farm workers;
- ***Food manufacturing:*** Food process operatives; kitchen and catering assistants; drivers and other transport operatives;
- ***Food wholesale:*** Warehouse workers; drivers;
- ***Food retail:*** Sales and retail assistants; coffee shop workers; and
- ***Food and beverage services:*** Waiters and waitresses; cooks; bar staff; kitchen and catering assistants; chefs; and coffee shop workers.

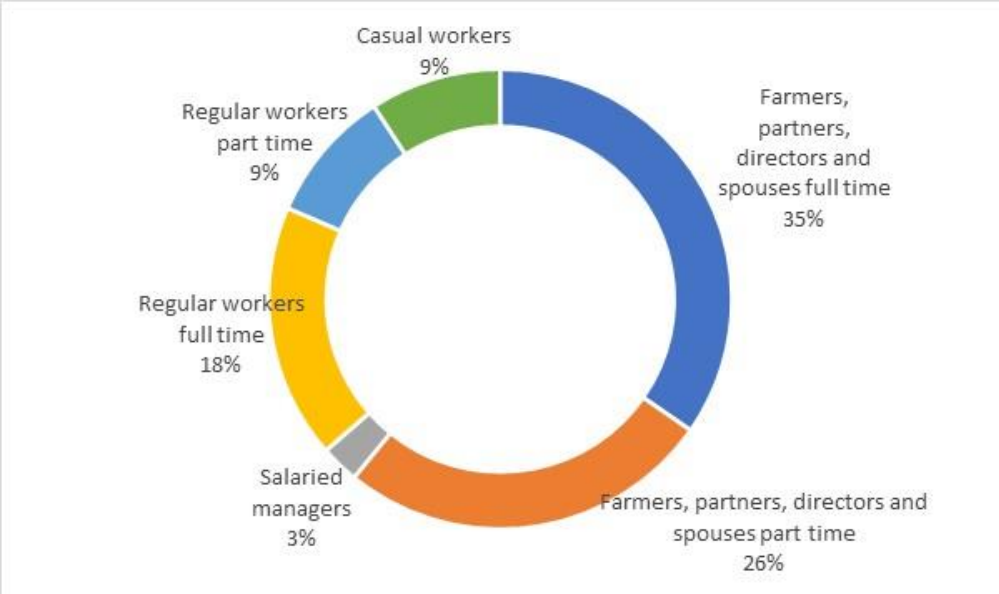
This is very similar to the largest workforce occupations within the sector in England as a whole, which include kitchen and catering assistants, waiters and waitresses, chefs, and bar staff.

4.1.5 *The Agricultural Workforce*

Additional data is available from Defra on the make-up of the agricultural workforce[8]. Figure 4.3 shows that c. 60% of the workforce are farmers, their partners, directors and spouses, working either full- or part-time. A further 27% are regular workers, with 9% employed on a casual basis.

National data[9] shows that the vast majority of managers and non-family workers in agriculture are male. Agriculture has an ageing workforce with around 40% of farm 'holdings' headed by someone aged over 65. Female agricultural workers are more likely to work part-time than male workers.

Figure 4.3: The Agriculture Workforce in Lancashire, % of total (2016)



Source: Defra, Structure of the Agricultural Industry

[8] This data is only produced at Lancashire level on an irregular basis – the most recent data is from 2016 although 2021 data is due to be published during 2022.
[9] Agricultural labour in England and the UK, Defra, 2016

Case Study: **Flavourfresh Salads**

Flavourfresh Salads are a leading British commercial grower of tomatoes, strawberries, blackberries and blueberries. Based in West Lancashire where the high levels of light, mild temperatures and flat open land create a beneficial micro-climate, the company's state of the art facilities enable the production of the highest quality fruit. The company supplies to major supermarkets including Booths, Morrisons, ASDA, Marks and Spencer, Waitrose and Partners and the Co-op.

New Product Development and innovation are a key priority at Flavourfresh salads, with new trial varieties planted, grown and refined each year. The development process considers flavour, fruit quality, shelf life, disease-resistance and yield potential, and it can take on average up to four years from the first test to products being available in stores following full commercial production.

The company seeks to minimise its impact on the environment, for example through its own Combined Heat and Power plants, maintaining night-time greenhouse temperatures through the use of rainwater heated using the CO2 generated on site, and re-circulating nitrate-rich water to ensure it does not enter local water courses. A range of high-tech production methods are used, including computerised monitoring of water, humidity, light levels and temperature. Robotic harvesting technology, developed by agri-tech start-up company Xihelm, is being piloted to harvest the company's tomatoes.

Source: flavourfresh.com

4.2 Sector and Occupation Earnings

4.2.1 *A note on the data source*

Data on earnings is available from ONS' Annual Survey of Hours and Earnings (ASHE). This provides very detailed data on average (mean and median) earnings by sector and by occupation. The national data for each Food and Agriculture sub-sector is presented here[10], along with national data for some of the most common occupations.

4.2.2 *Earnings by Sub-Sector*

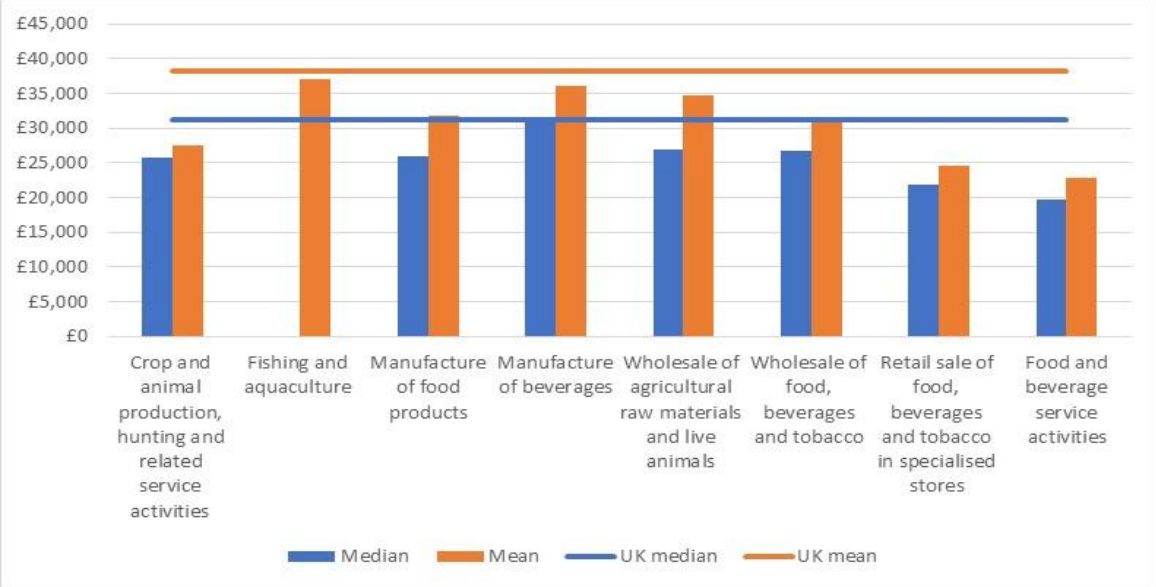
Figure 4.4 provides data on the annual gross earnings of full-time workers in the Food and Agriculture sub-sectors. Both the mean and the median earnings are provided. Within every sector, people are employed in a range of occupations, some of which are senior / require high levels of skills and qualifications and therefore tend to be well-paid, whilst others are more routine, require relatively few qualifications and are therefore less well-paid. Presenting the sub-sector average can be misleading as these nuances are lost.

The median figure in the chart below shows the earnings of the person at the mid-point of the earnings range within each sub-sector. The mean figure can be distorted by the presence of a small number of very well-paid individuals which acts to drag the mean average upwards.

[10] Although regional data is available for some sectors / occupations, due to the survey sample size it is much less reliable than the national data.

As shown in Figure 4.4, mean earnings are highest (nationally) in fishing and aquaculture, manufacture of beverages and wholesale of agricultural raw materials, although all are lower than mean earnings across the economy as a whole. Median earnings are highest in the manufacture of beverages, where they are only very slightly lower than median earnings in the economy as a whole. In general, the Food and Agriculture sector is a low-paid sector, with earnings in the food and beverage sub-sector particularly low.

Figure 4.4: Annual pay - Gross (£) - For full-time employees in the Food and Agriculture sector, UK, 2021

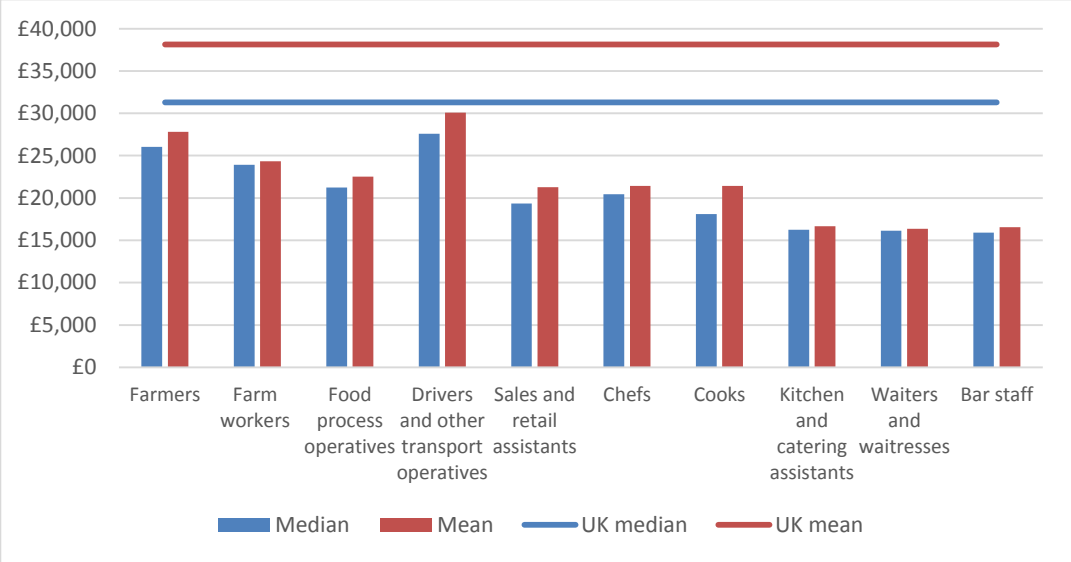


Source: Annual Survey of Hours and Earnings, 2021, ONS

4.2.3 *Earnings by Occupation*

Annual earnings for those working in the most common Food and Agriculture sector occupations are below the UK average, with median earnings for kitchen and catering assistants, waiters and waitresses and bar staff only just over half the UK median.

Figure 4.5: Annual pay - Gross (£) - For full-time employees in the most common Food and Agriculture occupations, UK, 2021



Source: Annual Survey of Hours and Earnings, 2021, ONS

4.3 Automation

4.3.1 *Background*

One of the key drivers of change across all parts of the labour market is the trend towards greater levels of automation, as technological development means that tasks currently done by workers can increasingly be delivered through technology, including computer programs, algorithms, or even robots. As the Levelling Up White Paper notes[11], automation is a key driver of economic growth as it makes production more efficient, reduces costs and increases output. However if not carefully managed, it may have serious implications for workers whose jobs are most at risk from automation.

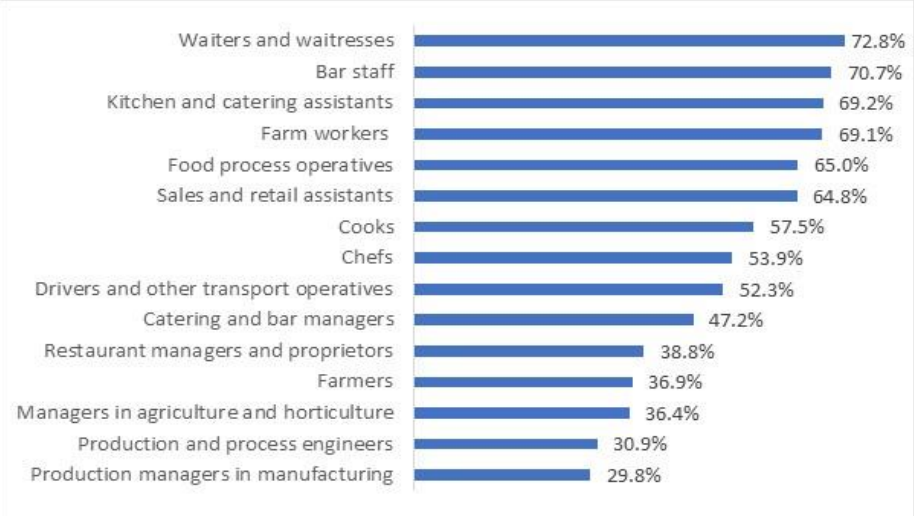
The Office for National Statistics has undertaken research[12] to identify these jobs, based on an analysis of the tasks performed in each occupation, and the probability that some of these tasks could be replaced through automation. Note that this does not imply that the jobs will disappear – but that their nature will change and there is a risk of reduced levels of employment. Jobs most at risk are those which involve a high percentage of routine and repetitive tasks, which can be relatively easily replicated through artificial intelligence or a machine. Lower-skilled jobs therefore tend to be most at risk from automation, whilst those where specialist skills or personal service are required are less at risk.

[11] Levelling up the United Kingdom, DLHUC, February 2022
[12] The probability of automation in England: 2011 and 2017, ONS, 2019

4.3.2 *Automation in the Food and Agriculture Sector*

There are already numerous examples of automation within the food and agriculture sector, such as the introduction of self-service checkouts in supermarkets. Looking at the most common occupations identified in 4.14, as well as some higher skilled occupations in the sector, Figure 4.6 illustrates the estimated risk of automation:

Figure 4.6: Jobs at risk of automation in the Food and Agriculture sector



Source: ONS, 2019

Case Study: **Booths**

Booths is a family owned and operated independent supermarket with 27 stores across the North of England (mostly in Lancashire) and its headquarters in Ribbleton, Preston.

Booths is committed to sourcing products locally and seasonally from the counties it serves, and its approach to retailing has earned the company multiple awards and recognition as the UK's leading regional supermarket.

Booths has taken a number of steps to reduce the environmental impact of its operations, including introducing less harmful packaging materials, removing single use plastic cutlery and plastic produce bags from its stores, and providing electric vehicle (EV) charging points. Used coffee grounds from the stores and cafes are recycled into 'coffee logs' which can used on wood burners, stoves and open fires.

Source: www.booths.co.uk

4.4 Current Education and Training Provision

This section of the report provides information the current provision of education and training relevant to the Food and Agriculture sector. The data covers education and training delivered in Lancashire and may therefore include some courses undertaken by learners who are not resident in Lancashire.

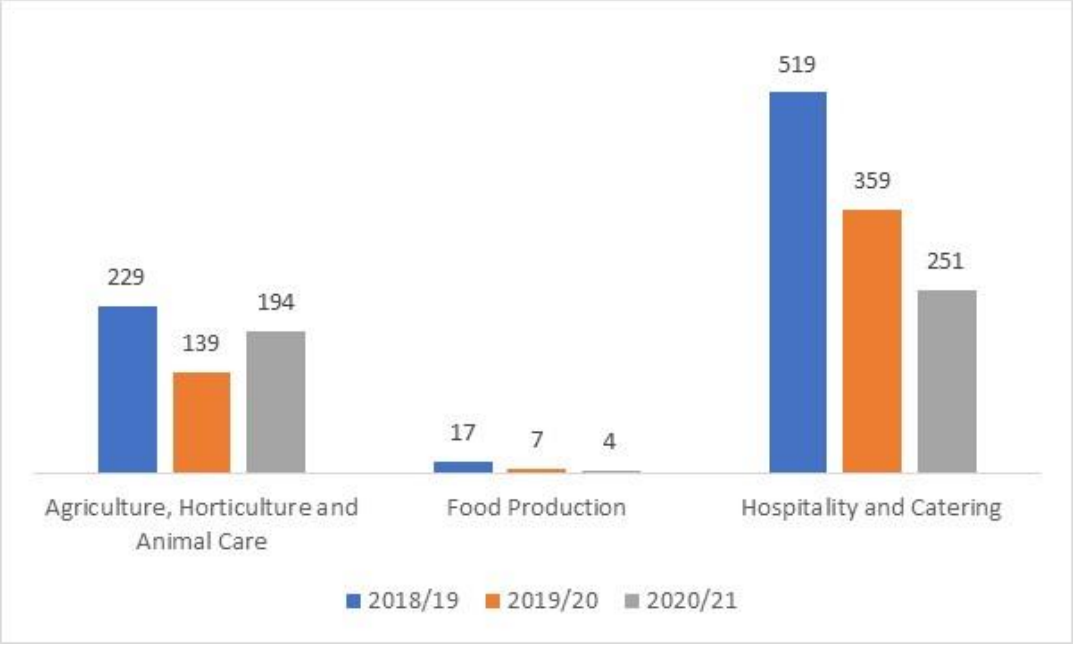
4.4.1 *Apprenticeship provision*

In total, 1,720 apprenticeships relevant to the Food and Agriculture sector were delivered in Lancashire from 2018 to 2021. This includes:

- Agriculture, Horticulture and Animal Care apprenticeships,
- Manufacturing Technologies apprenticeships most relevant to food and drinks manufacturing (including Baker; Brewer; Fishmonger; and Food Manufacture), and
- Hospitality and Catering apprenticeships within the Retail and Commercial Enterprise subject area.

As shown in Figure 4.7, in each year, Hospitality and Catering courses attracted the highest number of apprentices with 1,129 (65.6%) of all Food and Agriculture-related apprenticeships in this subject area. Since 2018/19, the number of apprenticeships relevant to the Food and Agriculture sector has declined by 41.2%. This is likely to reflect the impact of the Covid-19 pandemic on both employers and educational institutions, although it is notable that there was an increase in agriculture, horticulture and animal care apprenticeships in Lancashire in 2020/21.

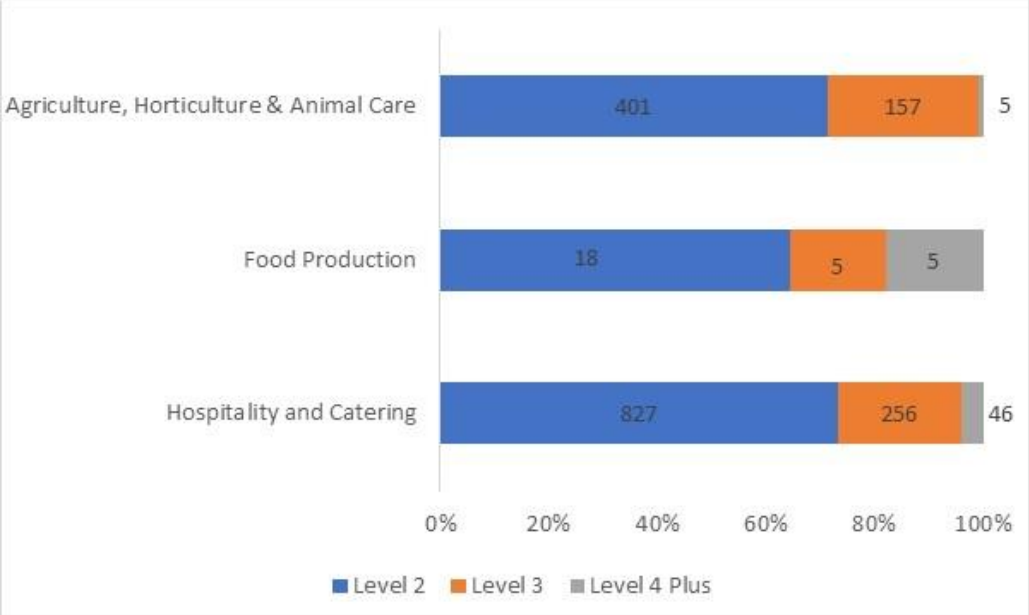
Figure 4.7: Food and Agriculture-related apprenticeship provision in Lancashire, 2018/19-2020/21



Source: ESFA Datacube

The majority of the apprenticeships undertaken were at Level 2, with 1,246 (72.4%) of all apprenticeships during these years completed at this level. Just under one-quarter (24%, 418) of apprenticeships delivered in Lancashire were at Level 3 and 56 Level 4 apprenticeships were delivered.

Figure 4.8: Food and Agriculture-related apprenticeship provision in Lancashire by level, 2018/19-2020/21

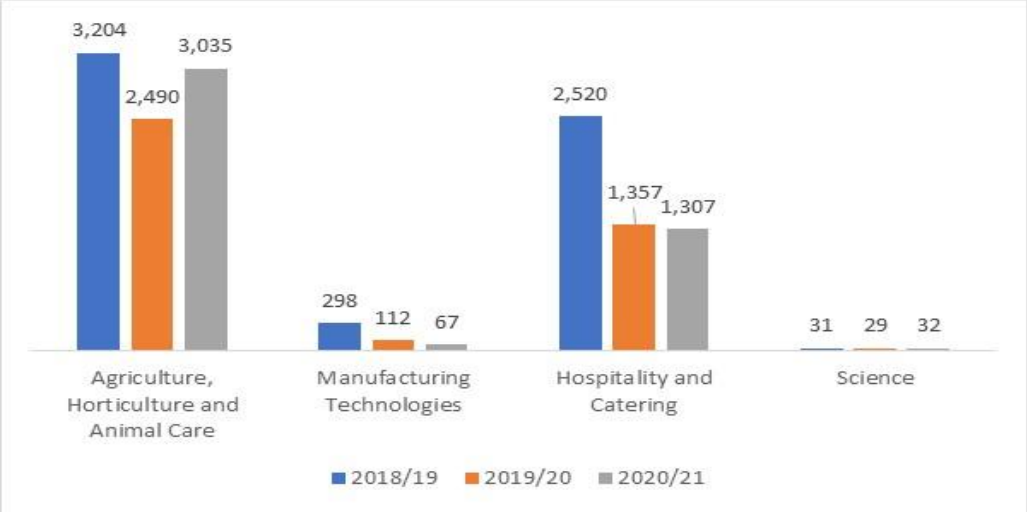


Source: ESFA Datacube

4.4.2 *Further Education provision*

Looking at FE provision more broadly, in 2020/21 there were 4,441 further education courses relating to the Food and Agriculture sector delivered within Lancashire. Agriculture, horticulture and animal care accounted for nearly 70% of all provision. This incorporated courses relating to agriculture, horticulture, and forestry; animal care and veterinary science; and environmental conservation. As with the apprenticeship data, whilst the number of manufacturing technologies and hospitality and catering courses declined across the 2018/19-2020/21 period, agriculture, horticulture and animal care saw an increase in provision during 2020/21. In total, starts relevant to the sector fell by 26.6% between 2018/19-2020/21 – compared to 23.3% across all subject areas.

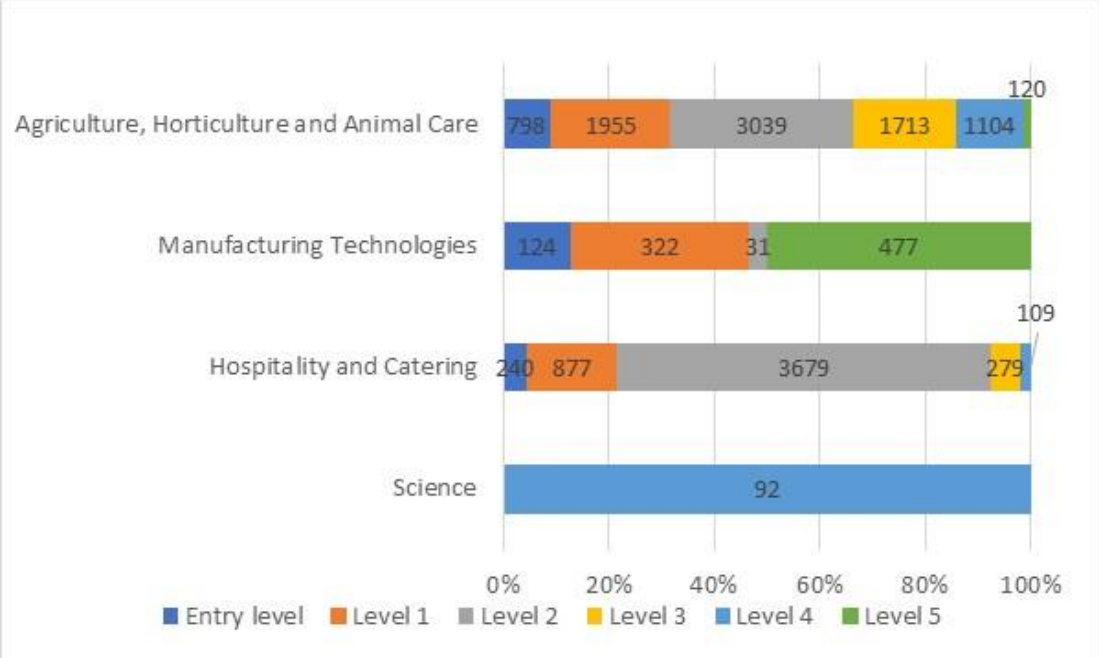
Figure 4.9: Food and Agriculture-related FE provision in Lancashire, 2018/19-2020/21



Source: ESFA Datacube

For the period 2018/19-2020/21, 49% of the further education provision related to the Food and Agriculture sector delivered in Lancashire was at Level 2, although this varied across subject area. For example, while 68% of Manufacturing Technologies provision and 71% of Hospitality and Catering provision was at Level 2, science-based courses related to the Food and Agriculture sector in Lancashire tended to be at a higher qualification level (Level 4 and 5 exclusively) and one-third of all Agriculture, Horticulture and Animal Care provision was at Level 3 or above.

Figure 4.10: Food and Agriculture-related FE provision in Lancashire by level, 2018/19-2020/21

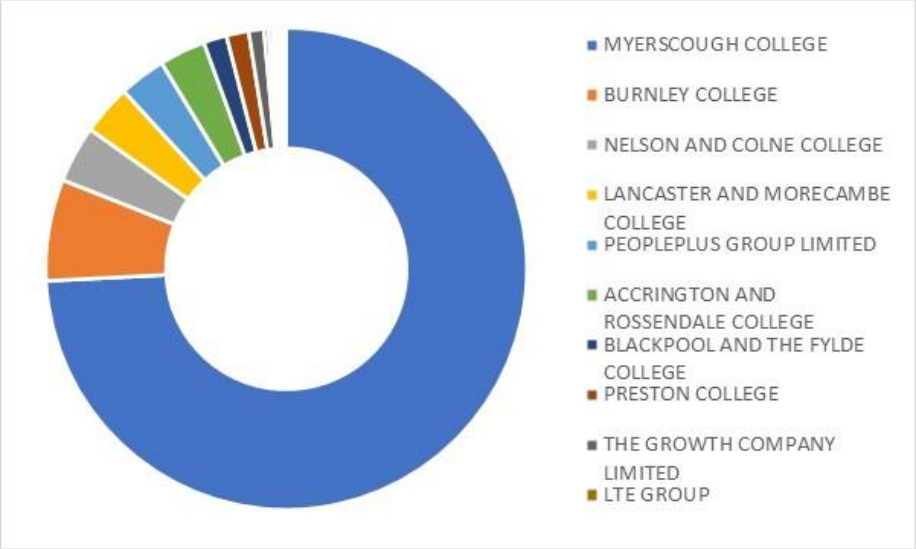


Source: ESFA Datacube

4.4.3 *Further Education Providers*

In total, 37 FE providers deliver Food and Agriculture-related education and training in Lancashire. Nineteen providers deliver Agriculture, Horticulture and Animal Care courses, but three-quarters of total provision is through Myerscough College.

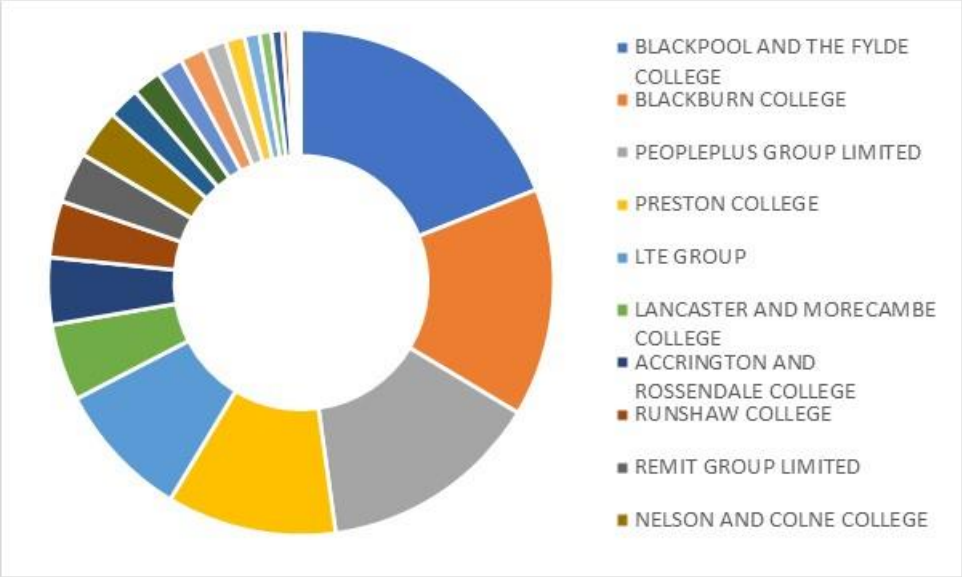
Figure 4.11: Agriculture, Horticulture and Animal Care FE provision in Lancashire by provider, 2018/19-2020/21



Source: ESFA Datacube

Delivery of Hospitality and Catering provision is much more evenly distributed across 29 providers, although the three largest account for nearly half of all provision, as shown in Figure 4.12.

Figure 4.12: Hospitality and Catering FE provision in Lancashire by provider, 2018/19-2020/21



Source: ESFA Datacube

4.4.4 *Delivery of Higher Education through Further Education providers*

Five FE providers deliver Higher Education provision which is relevant to the Food and Agriculture sector in Lancashire, although again Myerscough College is the dominant provider. Over the 2018/19- 2020/21 period, 1,305 HE qualifications have been delivered, of which 1,222 related to Agriculture, Horticulture and Animal Care. The only other significant provider of relevant HE in FE is Blackpool and the Fylde College, which delivered 65 Foundation Degrees and 32 BA(Hons) Degrees in Hospitality and Events Management over the same period.

4.4.5 *Higher Education provision through Lancashire's Universities*

Data on higher education provision from the Higher Education Statistics Agency (HESA) has been analysed, to identify relevant provision at Lancaster University, the University of Central Lancashire and Edge Hill University[13].

Analysis shows that across the UK, there were nearly 18,500 students enrolled on Agriculture, Food and Related Studies HE programmes in 2020/21. Provision is dominated by six providers who account for over half of total provision:

- Harper Adams University;
- SRUC (Scotland's Rural College);
- Hartpury University;
- Nottingham Trent University;
- University College Birmingham, and
- Royal Agricultural University.

Only 40 students are recorded as being enrolled on relevant programmes in Lancashire's universities in 2020/21 (numbers are rounded to the nearest five), of which 30 were studying Food Sciences and ten were studying Food and Beverage Production. No Animal Science, Agricultural Science, Agriculture, or Rural Estate Management provision is recorded in Lancashire on HESA's datasets.

Although there is relatively little relevant degree provision within Lancashire's Universities, there is relevant research expertise within the Higher Education sector, including the Centre for Global Eco-Innovation at Lancaster University.

Case Study: **Centre for Global Eco-Innovation**

Lancaster University's Centre for Global Eco-Innovation was established in 2012. It has four core themes – net zero carbon; nature-based solutions; circular solutions; and enabling eco-innovation – and is leading on a range of research projects related to the Food and Agriculture sectors. These projects are focused on increasing food security, sustainability, improving the resilience of the food industry to climate change and boosting

[13] The University of Cumbria's Lancaster campus does not deliver relevant provision.

productivity and the nutritional quality of food. Relevant research projects undertaken at the centre include:

- **Eco-I North** - A £14m R&D support project open to businesses across England's North West. The programme has a distinctive model for interdisciplinary research and seeks to support low carbon business innovations within Lancashire. A key theme of the project is food and resource efficiency.
- **Rurban Revolution** - An interdisciplinary project focused on urban greening and food growing. Rurban Revolution brings together expertise in ecosystems, psychology, plant sciences and supply chains from Lancaster University, Cranfield University and University of Liverpool. In particular, the project focuses on healthy and sustainable diets by improving availability, access and consumption of fruit and vegetables, food production in terms of quantity, quality and safety and the resilience of the UK food system.
- **Soil-Value –** A 5-year EPSRC funded fellowship focused on understanding the delivery of soil food, water and carbon services across the UK, improving resilience to climate change and investigating future land drivers, and how to enhance soil's services.
- **CropBooster-P –** A project that brings together plant scientists, food system researchers and stakeholders to identify the priorities and opportunities for improving the sustainability, productivity and nutritional quality of the food system by improving crops.

Lancaster University is also running a Food and Agriculture Innovation Catalyst programme, focussed on Lancashire businesses in the sector who are seeking innovative approaches to improve environmental sustainability. The Innovation Catalyst model brings together businesses with shared issues to develop effective long-term solutions that capture greater value for them and for the region.

Source: *www.lancaster.ac.uk/global-eco-innovation/*, *www.lancaster.ac.uk/business/innovation-catalyst-lancashire/index.php*

Case Study: **ARID AGRITECH**

ARID AGRITECH is developing innovative techniques to help drive the growth of crops grown under cover. The company designs and supplies products to meet the needs of individual crops based on cutting edge crop science and exhaustive global field trials. The approach uses individual light 'recipes' to tackle a range of challenges including managing pests, pesticide breakdown rates, improving crop yields and growing more sustainable crops.

The company is based in Lancaster University's Environment Centre, and has worked closely with researchers at the University over many years. It has funded and supervised a number of PhD and Masters students to take forward research on the role of light in crop production, and is using that knowledge to undertake grower-led trials of the innovative technology with producers in Turkey and the Middle East.

Source: www.aridagritec.net

4.5 Vacancies and Recruitment

4.5.1 *A National Overview*

Robust and comparable data on vacancies, hard-to-fill vacancies and skills shortages is available from the national Employer Skills Survey (ESS). However, the sector definitions used are very broad, with agriculture grouped with energy and utilities, no breakdown of the manufacturing sector by type of product manufactured, and food services included in a broader 'hotels and restaurants' classification.

Although this does not align with the sector definition agreed for this study, the ESS data does provide a guide to potential labour market challenges within the Food and Agriculture sub-sectors. The data reflects the pre-pandemic position, and indicates that businesses within the food services sub-sector (part of the Hotels and Restaurants sector on the chart below) are most likely to have recruited recently, to have a current vacancy and to have a hard-to-fill vacancy. This position is likely to have worsened given the demand for labour since COVID-19 restrictions were eased.

However, manufacturing businesses were more likely to report having a skill shortage vacancy, i.e. a position which cannot be filled due to a lack of applicants with the required skills / qualifications.

Figure 4.13: Recruitment, vacancy and skills shortages challenges by broad sector, England, 2019

Source: Employer Skills Survey, 2019

4.5.2 *Job Vacancies in Lancashire*

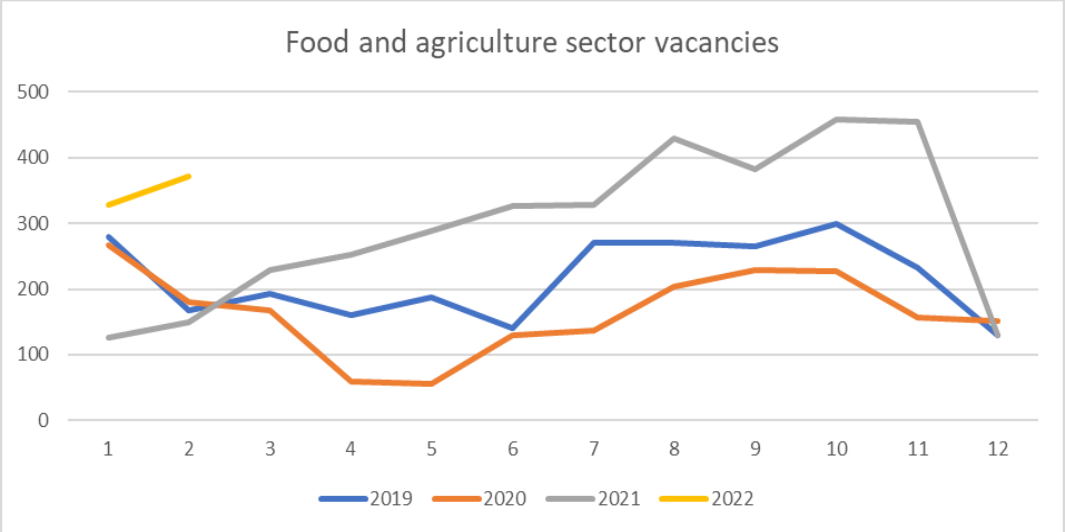
Lancashire Skills and Employment Hub has access to data on vacancies gathered by Burning Glass, an analytics software company which provides real-time data on labour market trends by tracking and analysing online job adverts. Data from Burning Glass shows the number of Lancashire-based

vacancies posted each month. Vacancies are categorised by occupation, and by sector where possible, although only one-third of vacancies are coded by sector. The data is not comprehensive as it only captures vacancies which are advertised online (which is more common for some sectors / occupations than others), but it can be used to track trends over time.

Based on the sector definition agreed for the Food and Agriculture sector LMI study (see Appendix 1), 3,556 vacancies in the Food and Agriculture sector in Lancashire were posted online in 2021, an average of 297 vacancies per month. This represented 1.9% of all vacancies posted online in Lancashire in 2021, and 5.6% of all vacancies which were coded to a specific sector.

The annual number of vacancies posted for the Food and Agriculture sector has fluctuated considerably over the past three years, reflecting the impact of the pandemic on the labour market and recruitment patterns. The number of vacancies posted in the sector was around 20% lower in 2020 than in 2019, and then rose by 80% between 2020 and 2021. Data from the start of 2022 suggests the number of vacancies has continued to rise.

Figure 4.14: Food and Agriculture sector vacancies posted online, by month, Lancashire



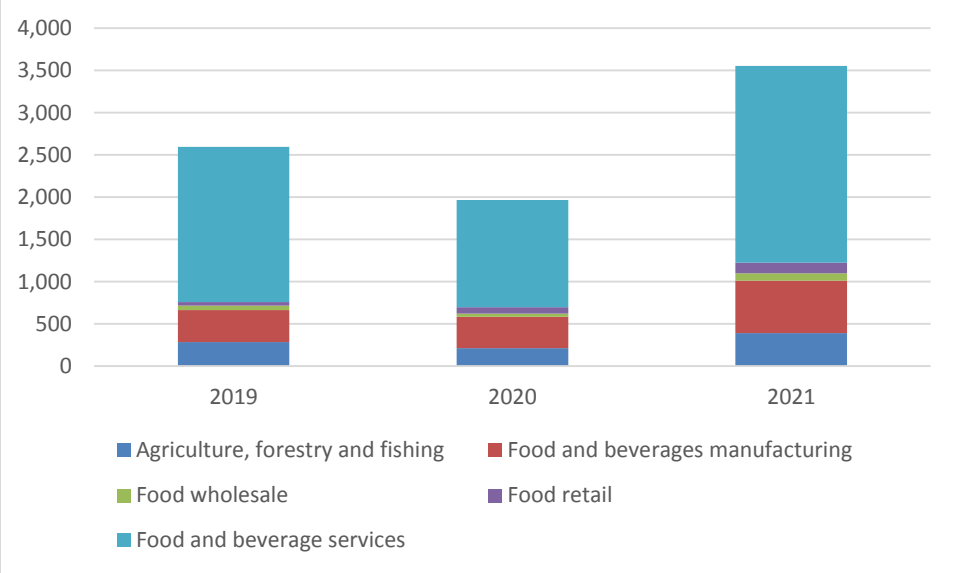
Source: Burning Glass data, 2022

The sub-sector with the highest number of vacancies in Lancashire was food and beverage services which saw 2,332 vacancies posted online in 2021, representing 65.6% of all Food and Agriculture sector vacancies, and nearly twice as many as in 2020, reflecting a significant increase in demand for workers as the hospitality sector re-opened after the Covid-19 restrictions. The second highest number of vacancies was in the food and beverage manufacturing sector, which accounted for 17.5% of the sector total.

Table 4.1: Food and Agriculture sub-sector vacancies, no. and % of sector total							
	2019		2020		2021		Change 2019 – 2021
	No.	%	No.	%	No.	%	
Agriculture, forestry & fishing	283	10.9%	212	10.8%	391	11.0%	+108 (38.2%)
Food & beverage manufacturing	380	14.6%	371	18.9%	621	17.5%	+241 (63.4%)
Food wholesale	55	2.1%	39	2.0%	87	2.4%	+32 (58.2%)
Food retail	40	1.5%	77	3.9%	125	3.5%	+85 (212.5%)
Food & beverage services	1,839	70.8%	1,267	64.4%	2,332	65.6%	+493 (26.8%)
Total	**2,597**		**1,966**		**3,556**		**+959 (36.9%)**

Source: Burning Glass data, 2022

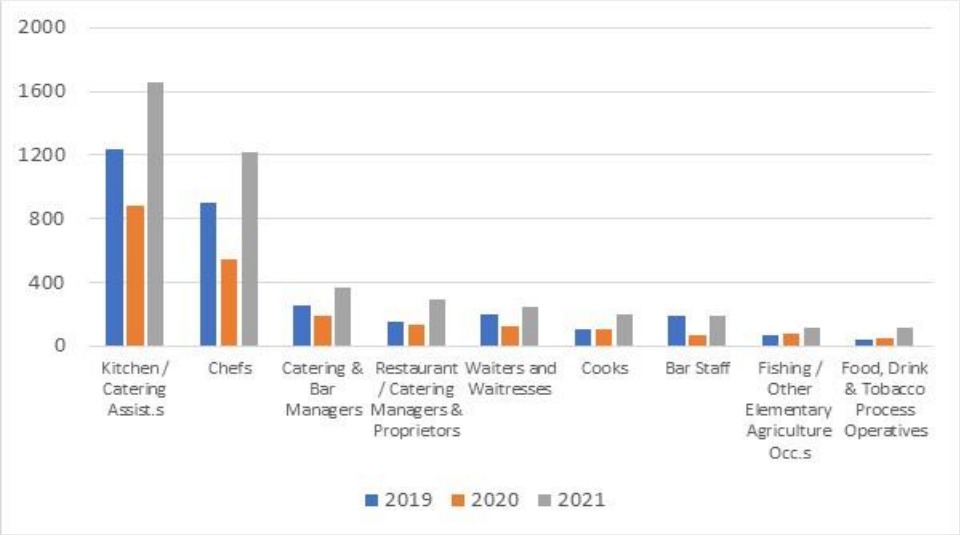
Figure 4.15: Sub-sector breakdown of Food and Agriculture sector vacancies posted online in Lancashire, 2019-2021



Source: Burning Glass data, 2022

The Burning Glass data also provides a breakdown of the number of vacancies by occupational (SOC) code in Lancashire, with vacancies posted in the food and agricultural sector in 2021 including 1,652 Kitchen and catering assistants (0.88% of total vacancies posted online in Lancashire), 1,219 Chefs (0.65%), 248 Waiters and waitresses (0.13%), 52 Farm workers (0.03%) and 21 Farmers (0.01%). It is worth noting that the number of vacancies within the agricultural sector is likely to be higher, with recruitment often completed informally or offline.

Figure 4.16: Vacancies for key Food and Agriculture sector occupations posted online in Lancashire, 2019-2021



Source: Burning Glass data, 2022

4.5.3 *Recruitment in Lancashire*

Data gathered from Food and Agriculture employers in Lancashire as part of the LSIP research (see section 4.6.1 below) provides useful insights into recruitment patterns in the county, as shown in Table 4.2. The most common source of recruitment across all sectors in Lancashire was from Industry (44%), followed by Apprentices (43%) and University graduates (39%). The most common source of recruits for the farming and agriculture sector is Apprentices (36%), with greater recruitment of GCSE school leavers (28%) than across all sectors. Sources for the manufacturing sector (which includes food and beverage manufacturing) are similar to the levels across all sectors, with Industry (55%) and Apprentices (51%) the most common source of new recruits. For the hospitality sector, there is a greater reliance on younger / lower skilled individuals, such as A-level school leavers (43%), GCSE school leavers (42%) and University (42%), which is in line with the profile of the sector's workforce – see Section 4.1.

Table 4.2: Sources of recruitment, Lancashire

	All sectors	Farming & agriculture	Manufacturing (inc. food & drink)	Hospitality
Industry	44%	28%	55%	38%
Apprentices	43%	36%	51%	31%
University	39%	20%	32%	42%
School leaver - A Level	33%	24%	28%	43%
Competitors	32%	24%	30%	29%
School leaver - GCSE	27%	28%	28%	42%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

4.6 Skills Needs in Lancashire – Local Skills Improvement Plan research

4.6.1 *Background*

The Government has introduced Local Skills Improvement Plans (LSIPs) to give employers a stronger voice in shaping local skills provision. Employers and their representative organisations are being asked to lead research on behalf of FE providers, local leaders and other stakeholders to ensure that employers are at the heart of defining local skills needs.

Lancashire was selected to be one of eight LSIP trailblazers, with North & Western Lancashire Chamber of Commerce and East Lancashire Chamber leading an extensive programme of engagement and research to identify the skills requirements of Lancashire's business community, now and for the future. A wide-ranging research programme involved surveys, focus groups, one to one interviews, roundtable discussions and roadshows and provides a wealth of valuable data including on:

- Employer skills gaps – 970 employer survey responses to sector-specific skills needs questions, including 25 from farming and agriculture employers and 25 from food and drink manufacturers. There were also 65 responses from the hospitality sub-sector, but these did not include questions on sector-specific skills needs;
- Employer barriers to upskilling / re-skilling – 318 employer survey responses;
- Employee upskilling / re-skilling survey – 569 individual responses; and
- Unemployed upskilling / re-skilling survey – 201 individual responses.

4.6.2 *Overall findings*

The main findings from the LSIP research include:

- increasing shortages in essential technical skills in the county which apply to the majority of sectors (two thirds of employers surveyed said that their sector is suffering from a shortage of qualified individuals);
- a commitment to training amongst employers (the majority of employers hire people they expect to have to train with the vast majority of training provided in-house by employers);
- the importance of sector 'image' when recruiting new workers (employers highlighted problems in attracting young people into perceived 'dirty' industries including, amongst others, manufacturing, farming and agriculture and transport and distribution);
- employer concerns about the aptitude for technical roles amongst those leaving the education system; and
- the range of factors which impact on recruitment and retention (including low wage levels, unsociable hours and lack of progression which are seen as contributing towards difficulties in hiring and retaining staff in the farming & agriculture and health & social care sectors).

4.6.3 *Skills Needs in the Food and Agriculture Sector*

The LSIP surveys gathered data on employers' current and future need for both cross-cutting and sector-specific skills. This provides a useful understanding of the relative importance of generic skills to each sub-sector, as well as their very specific skills requirements.

Farming and Agriculture Sub-Sector Skills Needs

Twenty-five respondents from the farming and agriculture sub-sector identified a series of current and future skills needs, as shown in Table 4.3. Compared to the other Food and Agriculture sub-sectors and businesses as a whole, farming and agriculture respondents were:

- more likely to highlight current and future skills needs relating to net zero, particularly waste management / minimisation and carbon offsetting; and
- less likely to expect an increase in digital and marketing skills needs.

Table 4.3: Sub-Sector Skills Needs - Farming and agriculture

Type		Skills Need and % of respondents identifying
Current skills needs	Sector specific	Driving qualification (28%); Environmental planning (24%); Manual handling (24%)
	Digital and marketing	Networking and Relationship Building (20%); Social Media (20%).
	Importing and exporting	N/a – do not export (28%); Shipping (24%), Customs Procedures (20%) and Documentation (16%)
	Net zero	Waste Management / Minimisation (48%); Understanding Net Zero v Carbon Neutrality (40%); Energy Efficiency & Energy Management (36%); Environmental Management Systems (32%); Measuring carbon emissions (32%)
	Sales	Customer retention (16%)
	Other	Quality Assurance (28%); procurement (20%); supply chain (20%)
Future skills needs	Sector specific	Disease management (20%); Animal husbandry (20%); Driving (20%); Environmental planning (20%); Farm chemicals (20%)
	Digital and marketing	Crisis management (16%); SEO (16%); Strategic Communications (16%); Strategic Marketing (16%)
	Importing and exporting	Regulatory Compliance (20%) and Customs Procedures (16%).
	Net zero	Carbon offsetting (48%); Innovation (develop low carbon products or services) (44%); Decarbonisation (36%); Measuring carbon emissions (36%); Waste Management/Minimisation (36%)
	Sales	Customer retention (20%)
	Other	Procurement/Supply Chain (20%): Quality assurance (20%)

Number of farming and agriculture respondents = 25
Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Food and Drink Manufacturing Sub-Sector Skills Needs

Amongst the 166 manufacturing employers that responded to the survey, 25 were food and drink manufacturers. Table 4.4 shows the sector-specific skills needs that they identified. Data on the cross-cutting skills (marked with an asterisk in the table below) is only available for 'all manufacturing' businesses (excluding advanced manufacturing). Compared to the other Food and Agriculture sub-sectors and businesses as a whole, food and drink manufacturing respondents were:

- less likely to highlight skills needs related to digital and marketing skills;
- more likely to identify current skills needs relating to importing and exporting; and
- more likely to identify increasing skills needs relating to net zero.

Table 4.4: Sub-Sector Skills Needs – Food and drink manufacturing / all manufacturing

Type		Skills Need and % of respondents identifying
Current skills needs	Sector specific	Food Science (32%), Machine Operating (32%), Quality Control (28%) and Process Controls (24%).
	Digital and marketing*	Social media (12%), digital marketing (10%), e-commerce (10%) and Search Engine Optimisation (SEO) (10%).
	Importing and exporting*	Customs procedures (25%); shipping (21%); documentation (17%); N/a – do not export (11%)
	Net zero*	Energy Efficiency & Energy Management (14%); Waste Management/Minimisation (14%); Regulatory compliance/Duty of care (12%)
	Sales*	Lead generation / Business Development (16%); Sales Management (12%)
	Other*	Project Management (16%); Leadership & Management (14%); Computer skills – Excel (13%); Health and Safety (11%); Quality Assurance (11%)
Future skills needs	Sector specific	New Product Development Processing (40%), Procurement / supply chain (36%), Food Science (32%), Lean Management (28%), and Machine Operating (28%).
	Digital and marketing*	Content marketing (12%); social media (11%); advertising (10%); e-commerce (10%)
	Importing and exporting*	Customs procedures (14%); international sales (14%); shipping (14%);
	Net zero *	Carbon offsetting (28%); Understanding Net Zero v Carbon Neutrality (23%); Waste Management/Minimisation (21%); Measuring carbon emissions (20%)
	Sales*	Lead generation / Business Development (18%); Technical Sales (16%); Sales Management (14%)
	Other*	Leadership & Management (14%); Procurement/Supply Chain (13%); Project Management (12%)

Number of food and drink manufacturing respondents = 25
**Data not available for food and drink manufacturing sub-sector only; data included is for all manufacturing (excluding advanced manufacturing), n = 166*
Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Hospitality Sub-Sector Skills Needs

There were 65 respondents to the skills needs survey from the hospitality sector[14]. The survey did not ask about the sector-specific skills needs of hospitality businesses, but does provide useful data on cross-cutting skills needs within the sub-sector. Compared to the other Food and Agriculture sub-sectors and businesses as a whole, hospitality respondents were:

- more likely to identify current skills needs relating to digital and marketing;
- less likely to identify skills needs relating to importing and exporting; and
- less likely to expect that skills needs relating to net zero will increase in future.

Table 4.5: Sub-Sector Skills Needs – Hospitality sub-sector

Type		Skills Need and % of respondents identifying
Current skills needs	Sector specific	*Not available*
	Digital and marketing	Social media (35%); advertising (34%); content marketing (25%)
	Importing and exporting	N/a – do not export (48%); methods of payment (12%)
	Net zero	Waste Management / Minimisation (22%); Energy Efficiency & Energy Management(20%); Supply chain management and collaboration (20%); Understanding Net Zero v Carbon Neutrality (20%)
	Sales	Lead generation / Business Development (23%); Customer retention (18%); Sales Management (18%); Business Contracting (17%)
	Other	Leadership & Management (26%); Health and Safety (23%); Computer skills – Excel (20%); Food Hygiene (20%)
Future skills needs	Sector specific	*Not available*
	Digital and marketing	Event Management (14%), Social Media (14%) and Crisis Management (11%)
	Importing and exporting	Languages (12%)
	Net zero	Carbon offsetting (15%); Energy Efficiency & Energy Management (15%); Understanding Net Zero v Carbon Neutrality (14%); Waste Management/Minimisation (14%)
	Sales	Business Contracting (9%); Customer retention (9%)
	Other	Computer skills – Word (12%); Leadership & Management (12%)

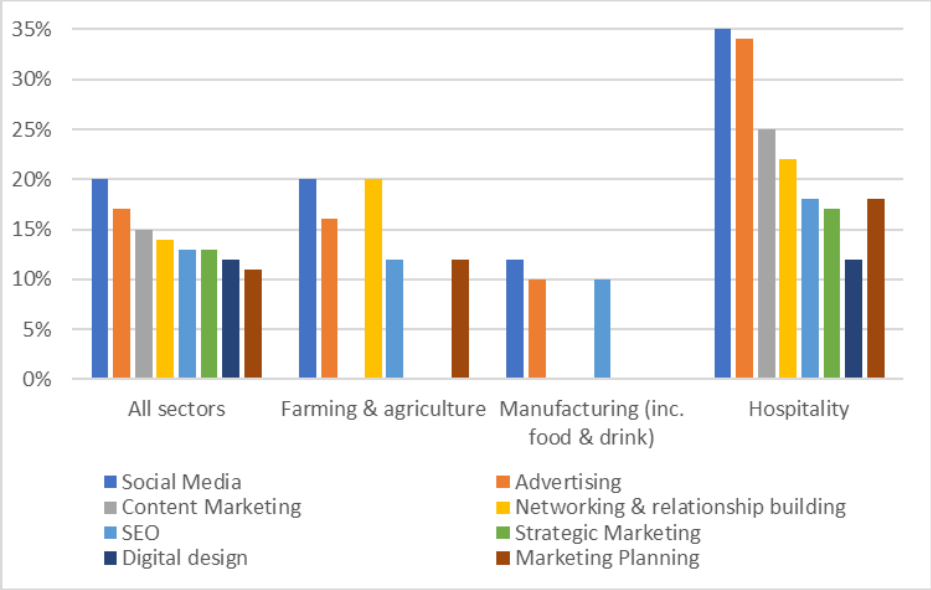
Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

[14] The sub-sector definition includes accommodation in addition to food and beverage services, so does not align exactly with the sub-sector as included in the food and agriculture sector study.

Digital and Marketing Skills Needs

The LSIP survey asked businesses about their digital and marketing skills needs. As shown in Figure 4.17 and Table 4.6, there was considerable variation in the digital skills requirements identified across the Food and Agriculture sub-sectors, with hospitality businesses having higher digital and marketing skills requirements. The hospitality sector was much more likely to highlight a need for social media and advertising skills, whilst farming and agriculture businesses highlighted the importance of networking and relationship building, and manufacturing businesses less likely in general to identify digital or marketing skills needs.

Figure 4.17: Digital and marketing skills needed by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.6: Digital and marketing skills needs by sub-sector

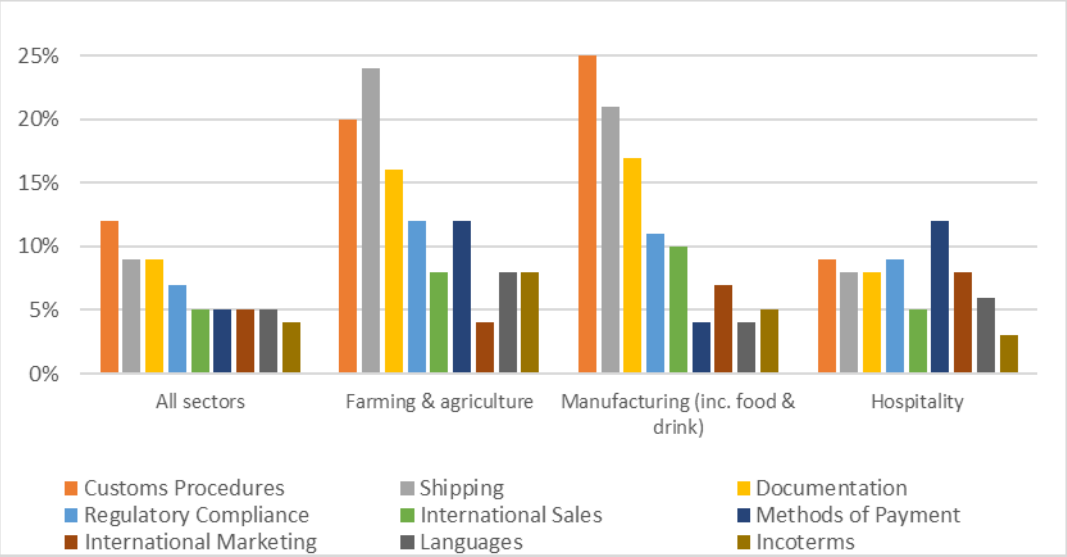
	All sectors, n=969	**Farming & agriculture,** n=25	**Manufacturing (inc. food & drink manuf.),** n=166	**Hospitality,** n=61
Social Media	20%	20%	12%	35%
Advertising	17%	16%	10%	34%
Content Marketing	15%			25%
Networking & relationship building	14%	20%		22%
SEO	13%	12%	10%	18%
Strategic Marketing	13%			17%
Digital design	12%			12%
Marketing Planning	11%	12%		18%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Importing and Exporting Skills Needs

The LSIP survey also asked businesses about their importing and exporting skills needs. As shown in Figure 4.18 and Table 4.7, there was considerable variation in the importing and exporting skills requirements across the Food and Agriculture sub-sectors, with importing and exporting skills requirements generally higher for manufacturing and farming and agricultural businesses than those in the hospitality sector and the average across all businesses surveyed. The farming and agriculture and manufacturing sectors had high demand for shipping, customs procedures and documentation skills, whilst the hospitality sector had greater demand for methods of payment skills.

Figure 4.18: Importing and exporting skills needed by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.7: Importing and exporting skills needs by sub-sector

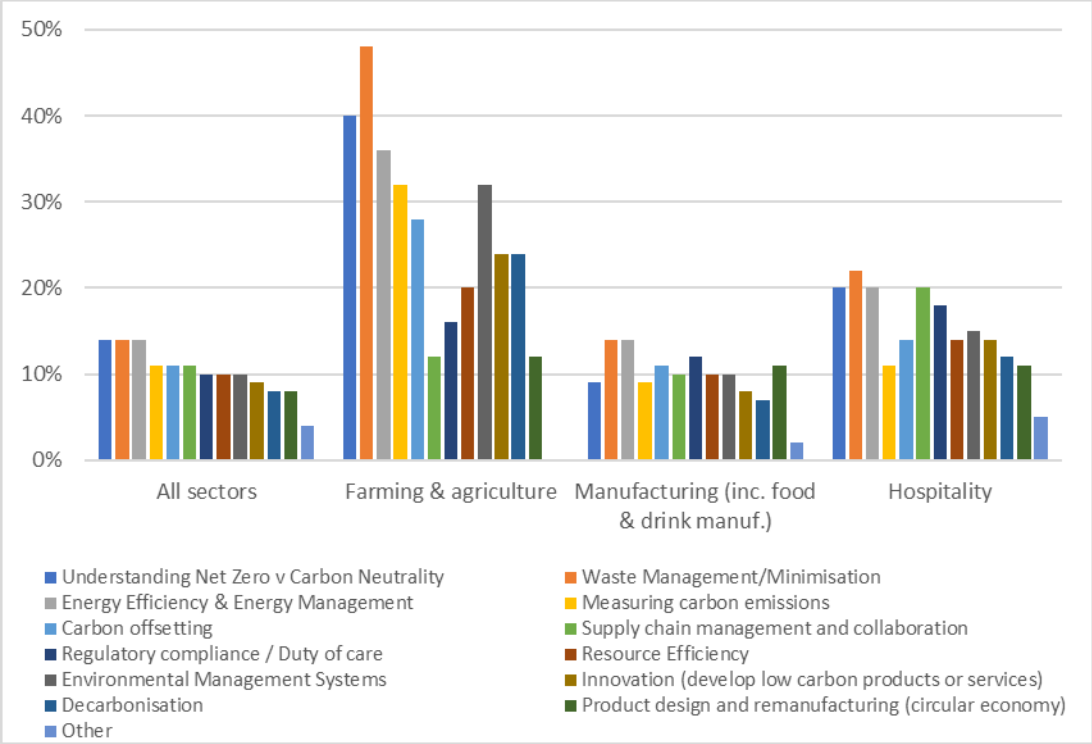
	All sectors, n=969	**Farming & agriculture,** n=25	**Manufacturing (inc. food & drink manuf.),** n=166	**Hospitality,** n=61
Customs Procedures	12%	20%	25%	9%
Shipping	9%	24%	21%	8%
Documentation	9%	16%	17%	8%
Regulatory Compliance	7%	12%	11%	9%
International Sales	5%	8%	10%	5%
Methods of Payment	5%	12%	4%	12%
International Marketing	5%	4%	7%	8%
Languages	5%	8%	4%	6%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Net Zero Skills Needs

The LSIP survey asked businesses about their skills needs in relation to the transition to Net Zero. As shown by Figure 4.19 and Table 4.8, there was again considerable variation in the demand for net zero skills across the Food and Agriculture sub-sectors, with net zero skills requirements generally higher for farming and agricultural businesses. The farming and agriculture sector had particularly high demand for waste management / minimisation, understanding Net Zero v Carbon Neutrality, and Energy Efficiency & Energy Management skills. The greatest requirements within the manufacturing sector were for Waste Management / Minimisation and Energy Efficiency & Energy Management, with the hospitality sector having similar net zero skills requirements including supply chain management and collaboration.

Figure 4.19: Net zero skills needed by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.8: Net zero skills needs by sub-sector

	All sectors, n=969	Farming & agric., n=25	Manuf. (inc. food & drink), n=166	Hosp., n=61
Understanding Net Zero v Carbon Neutrality	14%	40%	9%	20%
Waste Management/Minimisation	14%	48%	14%	22%
Energy Efficiency & Energy Management	14%	36%	14%	20%
Measuring carbon emissions	11%	32%	9%	11%
Carbon offsetting	11%	28%	11%	14%
Supply chain management and collaboration	11%	12%	10%	20%
Regulatory compliance / Duty of care	10%	16%	12%	18%
Resource Efficiency	10%	20%	10%	14%
Environmental Management Systems	10%	32%	10%	15%
Innovation (develop low carbon products or services)	9%	24%	8%	14%
Decarbonisation	8%	24%	7%	12%
Product design and remanufacturing (circular economy)	8%	12%	11%	11%
Other	4%		2%	5%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Case Study: **Myerscough College Ag Net Zero Challenge**

Myerscough College has led a project to engage and upskill Lancashire's farmers in relation to net zero, as part of a wider £8.4m programme to upskill workers to meet the needs of a low carbon economy. The Ag Net Zero Challenge is funded through the Department for Education's Strategic Development Fund. The Fund has piloted new approaches and allowed The Lancashire Colleges to implement and test new collaborative ways of working with each other to develop new curriculum, establish specialist skills demonstrator centres across the county and to deliver the skills local businesses need.

The agricultural element, led by Myerscough College, has involved establishing a new Farmer Network, running roadshows and workshops. Over £450,000 capital investment has been made in new technology and the latest farm machinery to demonstrate new ways of working and show how these can reduce carbon emissions, improve safety and raise productivity. Carbon audits have been undertaken with ten case study farms, with support provided to help them understand how they could reduce their carbon footprint.

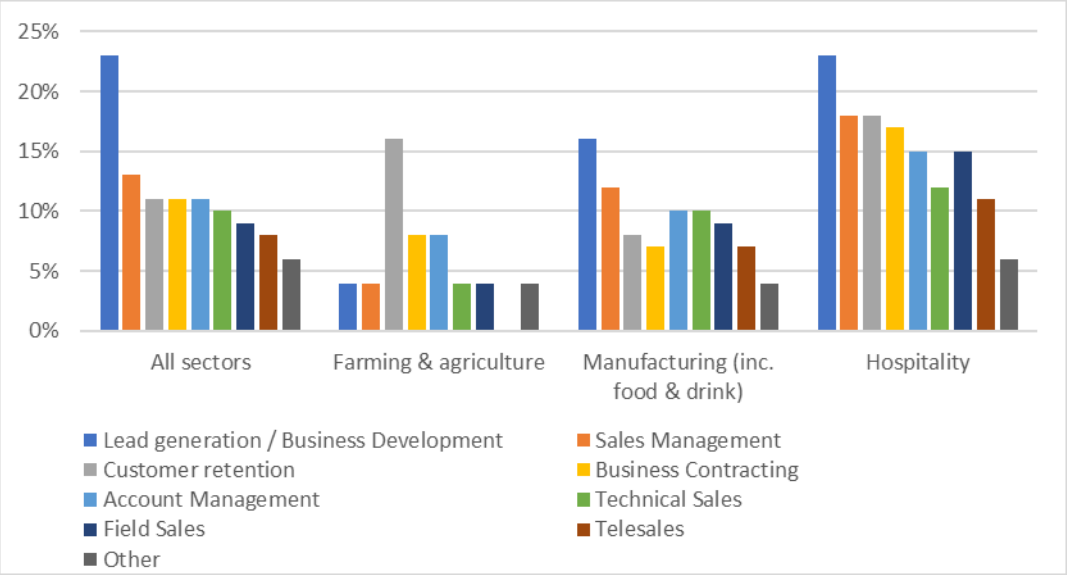
The farming community has responded well to the information provided and farmers have been keen to hear about how they could implement low carbon ways of working. Within the network developed through the Ag Net Zero Challenge, farmers are sharing ideas and looking to collaborate on the shared challenges that they face.

Source: www.myerscough.ac.uk

Sales Skills Needs

The survey asked businesses about their skills needs in relation to sales skills. Demand for sales skills was greater for businesses in the hospitality sector. The hospitality sector had particularly high demand for lead generation / business development, sales management, and customer retention skills – exceeding the average across all businesses surveyed. The greatest requirements within the manufacturing sector was for lead generation / business development skills, whilst customer retention was the most important sales skill for the farming and agriculture sector from the businesses surveyed. This data is presented within Figure 4.20 and Table 4.9.

Figure 4.20: Sales skills needed by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.9: Sales skills needs by sub-sector

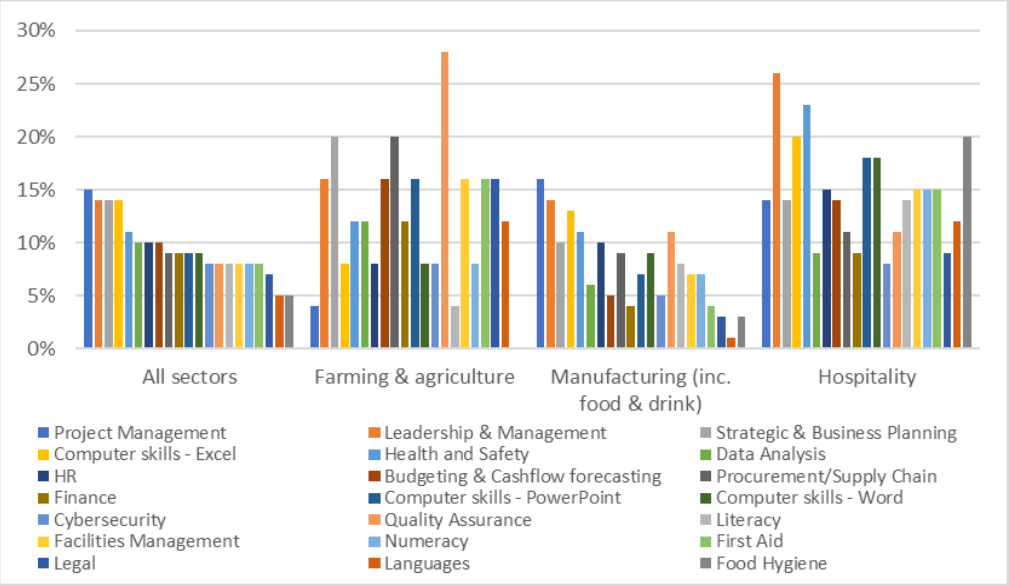
	All sectors, n=969	**Farming & agriculture,** n=25	**Manufacturing (inc. food & drink),** n=166	**Hospitality,** n=61
Lead generation / Business Development	23%	4%	16%	23%
Sales Management	13%	4%	12%	18%
Customer retention	11%	16%	8%	18%
Business Contracting	11%	8%	7%	17%
Account Management	11%	8%	10%	15%
Technical Sales	10%	4%	10%	12%
Field Sales	9%	4%	9%	15%
Telesales	8%		7%	11%
Other	6%	4%	4%	6%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Other skills

The LSIP research also asked employers about other skills requirements within their businesses. As shown by Figure 4.21 and Table 4.10, there was wide variation in the skills requirements across the Food and Agriculture sub-sectors. In particular, the farming and agriculture sub-sector had higher demand for quality assurance, strategic and business planning, and procurement / supply chain skills than the average across all businesses surveyed. The manufacturing sector had the greatest demand for project management and leadership & management skills, whilst businesses in the hospitality sector reported its greatest skills needs in relation to leadership & management and health and safety skills.

Figure 4.21: Other skills needed by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.10: Other skills needs by sub-sector

	All sectors, n=969	**Farming & agriculture,** n=25	**Manufacturing (inc. food & drink manuf.),** n=166	**Hospitality,** n=61
Project Management	15%	4%	16%	14%
Leadership & Management	14%	16%	14%	26%
Strategic & Business Planning	14%	20%	10%	14%
Computer skills - Excel	14%	8%	13%	20%
Health and Safety	11%	12%	11%	23%
Data Analysis	10%	12%	6%	9%
HR	10%	8%	10%	15%
Budgeting & Cashflow forecasting	10%	16%	5%	14%
Procurement/Supply Chain	9%	20%	9%	11%
Finance	9%	12%	4%	9%

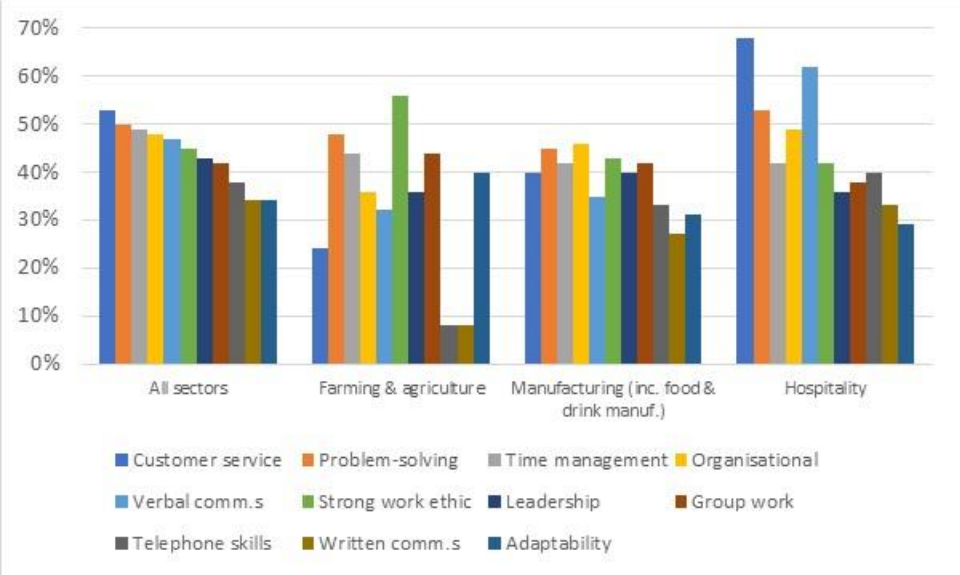
Computer skills - PowerPoint	9%	16%	7%	18%
Computer skills - Word	9%	8%	9%	18%
Cybersecurity	8%	8%	5%	8%
Quality Assurance	8%	28%	11%	11%
Literacy	8%	4%	8%	14%
Facilities Management	8%	16%	7%	15%
Numeracy	8%	8%	7%	15%
First Aid	8%	16%	4%	15%
Legal	7%	16%	3%	9%
Languages	5%	12%	1%	12%
Food Hygiene	5%		3%	20%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Soft Skills Needs

The LSIP survey also asked businesses about the 'soft skills' needed within their sector. As shown in Figure 4.22 and Table 4.11, there was considerable variation in the soft skills identified across the Food and Agriculture sub-sectors, with hospitality businesses much more likely to highlight customer services and verbal communications skills, whilst farming and agriculture businesses highlighted the importance of a strong work ethic and adaptability, and manufacturing businesses highlighting organisational and problem-solving skills as the most important.

Figure 4.22: Soft skills needed by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.11: Soft skills needs by sub-sector				
	All sectors, n=969	**Farming & agriculture,** n=25	**Manufacturing (inc. food & drink manuf.),** n=166	**Hospitality,** n=61
Customer service	53%	24%	40%	68%
Problem-solving	50%	48%	45%	53%
Time management	49%	44%	42%	42%
Organisational skills	48%	36%	46%	49%
Verbal communications	47%	32%	35%	62%
Strong work ethic	45%	56%	43%	42%
Leadership	43%	36%	40%	36%
Group work	42%	44%	42%	38%
Telephone skills	38%	8%	33%	40%
Written communications	34%	8%	27%	33%
Adaptability	34%	40%	31%	29%

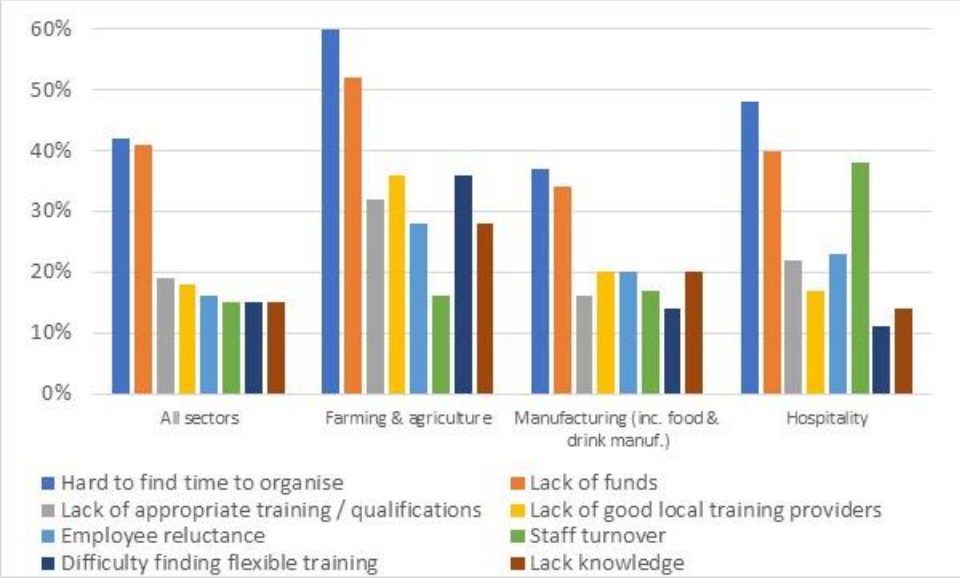
Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Barriers to Training

The LSIP research also asked employers about barriers which make investment in training difficult. As shown in Figure 4.23, the barriers identified varied considerably:

- Farming and agriculture businesses were more likely to cite all the barriers (other than staff turnover), with a lack of time and lack of funds particular challenges
- Manufacturing businesses had slightly lower barriers overall but were more likely to say they lacked knowledge about training opportunities, there was a lack of good local training providers, and that employees were reluctant to train
- Levels of staff turnover was a particular barrier for hospitality businesses, along with finding time to organise training

Figure 4.23: Barriers which make training investment difficult, by sub-sector



Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

Table 4.12: Barriers to investing in training, by sub-sector

	All sectors, n=969	**Farming & agriculture,** n=25	**Manufacturing (inc. food & drink manuf.),** n=166	**Hospitality,** n=61
Hard to find time to organise	42%	60%	37%	48%
Lack of funds	41%	52%	34%	40%
Lack of appropriate training / qualifications	19%	32%	16%	22%
Lack of good local training providers	18%	36%	20%	17%
Employee reluctance	16%	28%	20%	23%
Staff turnover	15%	16%	17%	38%
Difficulty finding flexible training	15%	36%	14%	11%
Lack knowledge	15%	28%	20%	14%
Lack of provision (e.g. courses full)	7%	8%	8%	9%
Staff now fully proficient	7%	-	8%	11%
Training not a management priority	6%	4%	8%	3%
Decisions taken at head office	3%	-	3%	5%

Source: Lancashire LSIP ANNEX 3 – Data Analysis Reports, March 2022

5 The Future of the Sector in Lancashire

Key points

- The value of the Food and Agriculture sector in Lancashire is expected to continue to grow over the next 15 years, and will continue to account for a greater share of the Lancashire economy than is the case regionally or nationally.
- Just over 10,000 additional jobs are expected to be created – with all of the absolute growth coming from the food services sub-sector. Retirements and churn within the labour market mean that jobs will continue to arise across all sub-sectors, even when no absolute growth is forecast.
- The sector faces short-term skills and recruitment challenges given the very competitive UK labour market. In the longer-term, skills needs relating to net zero, digital and new ways of working need to be built into the curriculum for potential new entrants to the sector, as well as being available to existing workers looking to upskill.
- The impact of automation and a move towards more productive ways of working, is likely to drive up overall productivity levels (and therefore earnings) within the sector. However, whilst these are positive benefits, the negative impact of these changes will be borne by those whose jobs become redundant, unless they can be supported and encouraged to re-train and upskill.
- Maximising the benefits of this shift whilst minimising the negative effects on individuals is likely to be an important policy priority in future, in Food and Agriculture as in other sectors.

5.1 GVA and Employment Forecasts

5.1.1 *GVA forecasts*

In 2036, the food and agriculture sector in Lancashire is estimated to be worth £2,847 million[15] which would represent 7.3% of the county's total Gross Value Added (GVA). This would exceed the proportion of total economic activity forecast to be represented by the sector regionally and nationally at 5.4% of total GVA in the North West and 5.5% across the UK, highlighting its significance to the county. Between 2021 and 2036, the value of the food and agriculture sector in Lancashire is forecast to increase by 38.1%, compared to increases of 43.2% in the North West and 40.5% nationally.

[15] Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table 5.1: Food and Agriculture sector forecast GVA (£m, 2018 prices)					
	2021	2026	2031	2036	Change 2021 - 2036 (%)
Lancashire	2,061	2,389	2,616	2,847	38.1%
North West	7,908	97,407	107,005	116,654	43.2%
UK	83,004	9,391	10,352	11,322	40.5%

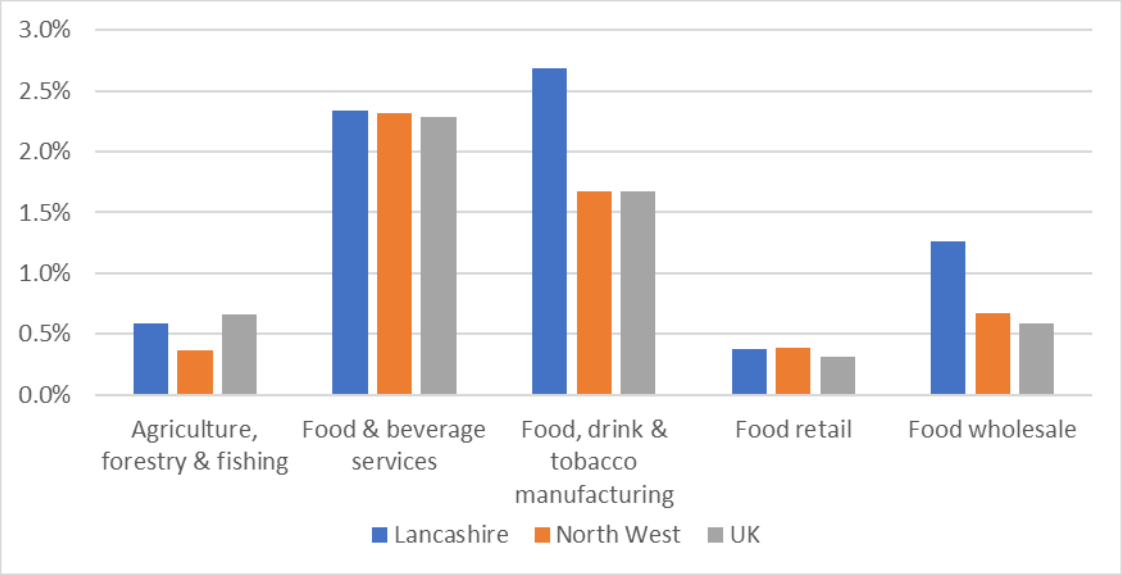
Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table 5.2: Food and Agriculture sector proportion of total GVA (%)				
	2021	2026	2031	2036
Lancashire	6.8%	7.1%	7.2%	7.3%
North West	4.9%	5.2%	5.3%	5.4%
UK	5.1%	5.3%	5.4%	5.5%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

At the sub-sector level within Food and Agriculture, the largest sector in Lancashire is forecast to be food, drink and tobacco manufacturing, which is forecast to be worth £1,054 million in 2036, representing 2.7% of the LEP area's total GVA, exceeding the proportion in the North West (1.7%) and UK (1.7%), demonstrating the relative significance of the sector which is expected to persist over the next fifteen years.

Figure 5.1: Food and Agriculture sub-sectors as a % of total forecast GVA, 2036



Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

By 2036, the TTWA with the largest Food and Agriculture sector in Lancashire is expected to remain as Preston, Chorley and South Ribble with an estimated sector GVA of £716 million in 2036, followed by Blackpool, Fylde and Wyre at £638 million. Between 2021 and 2036, the Food and Agriculture sector is estimated to experience growth across all of Lancashire's TTWAs with the largest growth in GVA forecast to occur in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley, at a rate of 39.7%.

Table 5.3: Food and Agriculture sector forecast GVA by TTWA (£m, 2018 prices)					
	2021	2026	2031	2036	Change 2021 – 2036 (%)
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	425	494	544	594	39.7%
Blackpool, Fylde and Wyre	462	539	588	638	38.1%
Burnley and Pendle	246	279	305	331	34.5%
Lancaster	129	153	166	180	39.7%
Preston, Chorley and South Ribble	521	601	658	716	37.3%
West Lancashire	278	322	355	388	39.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

5.1.2 *Employment forecasts*

In 2036, the Food and Agriculture sector in Lancashire is forecast to employ 80,609 people which would represent 10.4% of the county's total employment. This would exceed the proportion of employment forecast to be represented by the sector regionally and nationally at 9.7% of total employment in the North West and 9.9% across the UK. Between 2021 and 2036, the level of employment in the Food and Agriculture sector in Lancashire is forecast to increase by 15.2%. This is below the forecast increases of 20.8% and 19.9% in the North West and UK respectively, but equates to an additional 10,600 jobs in the sector in Lancashire over a 15 year period.

Table 5.4: Food and Agriculture sector forecast employment					
	2021	2026	2031	2036	Change 2021 - 2036 (%)
Lancashire	69,980	74,176	77,623	80,609	15.2%
North West	327,749	354,218	376,363	395,845	20.8%
UK	3,159,592	3,391,167	3,598,722	3,786,837	19.9%

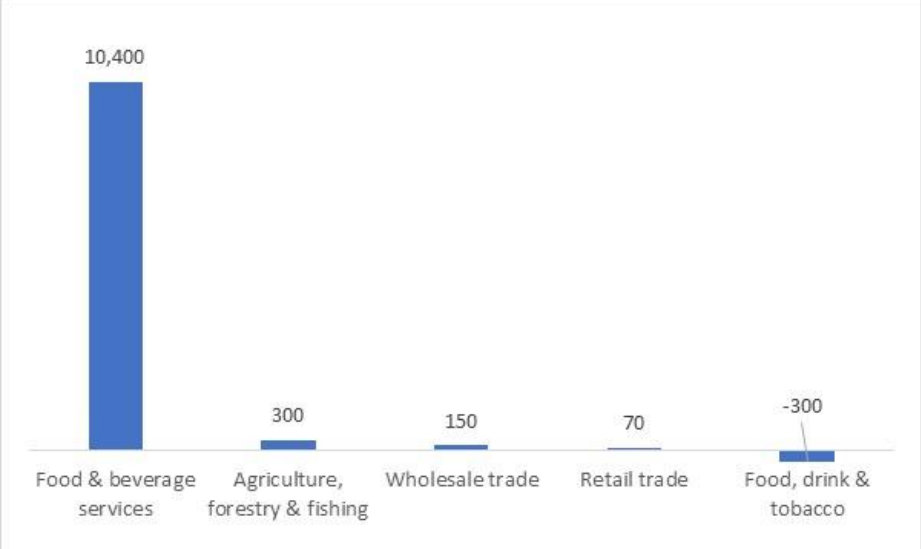
Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table 5.5: Food and Agriculture sector proportion of total employment (%)				
	2021	2026	2031	2036
Lancashire	9.6%	10.0%	10.2%	10.4%
North West	8.7%	9.1%	9.4%	9.7%
UK	9.0%	9.3%	9.6%	9.9%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

At the sub-sector level, virtually all of the forecast employment growth will arise in the food and beverage services sub-sector, which is forecast to employ 44,900 people in 2036, an increase from 34,500 in 2021. This represents 5.8% of total employment in Lancashire, which is still expected to be below the proportion in the North West (6.2%) and UK (6.3%).

Figure 5.2: Expected change in Food and Agriculture sub-sector employment, 2021-2036



Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projection

By 2036, the TTWA with the largest employment in the Food and Agriculture sector in Lancashire is expected to be Preston, Chorley and South Ribble with 19,506 employees in 2036, followed by Blackpool, Fylde and Wyre with 18,977 employees. Between 2021 and 2036, employment in the Food and Agriculture sector is estimated grow across all of Lancashire's TTWAs with the largest percentage employment growth forecast to occur in West Lancashire at a rate of 20.6%, and the largest absolute increase in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley.

Table 5.6: Food and Agriculture sector forecast employment by TTWA

	2021	2026	2031	2036	Change 2021 – 2036
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	13,848	14,912	15,797	16,558	2,710
Blackpool, Fylde and Wyre	17,000	17,825	18,458	18,977	1,980
Burnley and Pendle	7,403	7,807	8,136	8,417	1,010
Lancaster and Morecambe	5,695	5,901	6,055	6,177	480
Preston, Chorley and South Ribble	16,862	17,926	18,781	19,506	2,650
West Lancashire	9,104	9,849	10,459	10,983	1,880

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projection

5.1.3 *Replacement demand*

As well as understanding how employment is expected to grow in absolute terms, those planning future skills provision need to understand the likely level of replacement demand; that is, the extent to which existing workers will move out of job roles due to retirement, migration and

occupational mobility. This is generally a much bigger driver of skills and training provision than is 'expansion demand' i.e. jobs growth.

Data on replacement demand is not available at sector level, but the Cambridge Econometrics model provides some estimates at 2-digit occupational level. This indicates that:

- for skilled agricultural trades (farmers), replacement demand is likely to be five times greater than demand due to jobs growth (as the ageing workforce retires and needs to be replaced);
- for the 'other skilled trades' category (which includes chefs, cooks, bakers, butchers etc) no absolute growth in employment numbers is forecast, but replacement demand is expected to be significant, with 10,000 opportunities (not all related to the Food and Agriculture sector) arising over the 15 year period; and
- similarly for sales occupations (including retail assistants), process and plant occupations (including food process operatives), elementary service occupations (including bar staff, waiters and waitresses), no absolute growth in employment numbers is forecast, but replacement demand is expected to be significant.

5.2 Implications for Future Skills Needs

The sector forecasts provide a context for the understanding of future skills needs. These are also informed by the drivers affecting the sector, as outlined in the strategic context and literature review. The implications for future skills needs are summarised in Table 5.7.

Table 5.7: Food and Agriculture sector – future skills needs

Issue – wider labour market	Implications for the Food and Agriculture sector
Highly competitive domestic labour market at the current time due to: • Loss of EU workers post-Brexit • Greater restrictions on overseas workers under new immigration controls • Smaller workforce post-Covid after increased economic inactivity	Particularly impacting on the Food and Agriculture sector given lower than average wages, some negative perceptions about career opportunities within the sector and the sector's need to recruit seasonal / casual workers on a regular basis. Indicates a need to develop clear career pathways to encourage ambitious individuals to enter the sector; and work to address negative perceptions of the sector to make it a more attractive option for workers on a short-term basis. More creative approaches to meeting seasonal workforce needs may be required in the longer-term, e.g. a shift towards greater use of technology to undertake seasonal tasks.
Longer-term 'hollowing out' of the labour market with a shift across the economy to higher and low skilled jobs, and a loss of medium-skilled positions.	The loss of 'mid-skill' jobs is already clear in the Lancashire data, and much of the expected jobs growth is likely to be in lower-skilled roles within the food services sub-sector.

Table 5.7: Food and Agriculture sector – future skills needs	
Issue – wider labour market	**Implications for the Food and Agriculture sector**
Impact of automation and increased use of digital technologies	Skills support will be needed to help those in jobs at most risk from automation to adapt to their changing roles, and develop the digital skills they need to maintain employment. Continued engagement with employers will also be required to ensure that even low-skilled / low-paid jobs within the sector still offer 'good' work – defined by the CIPD as offering fair reward; work-life balance; development opportunities; a supportive environment; ensuring the employee voice is heard; and supporting mental and physical health.
Issue – Food and Agriculture drivers	**Implications for the Food and Agriculture sector**
Changing consumer demands are affecting what the sector produces and how, and the level of service associated with non-domestic food consumption: • Growing focus on healthy food • Provenance, quality and local products • Continued shift of spending towards eating out / buying in	Food producers will increasingly need to re-formulate products in response to changing regulations and consumer demand – indicating a need for R&D, innovation and nutrition skills, as well as changes to production methods. Demand for 'artisan' food is expected to continue to grow, creating opportunities for small-scale specialist producers who can produce high quality and distinctive products. This may also create opportunities for providers of services and specialist advice to food businesses. Greater eating out indicates a continued need for customer service skills, as well as food preparation skills. Increased 'eating in' of food delivered from restaurants as well as traditional take-aways indicates a new market which restaurant staff will need to serve, plus the need for digital and marketing skills to promote the offer. Transportation of food deliveries may be an area where increased automation reduces demand for human delivery drivers.
Increased focus on environmental impacts and sustainability: • Environmentally-friendly production • Drive for increased productivity – innovative approaches; more with less	Food growers and producers will increasingly require their workforce to have skills relating to environmentally-friendly production, which could encompass a wide range of specific technical skills. An understanding of the carbon footprint and how to reduce carbon emissions and waste is likely to be required across a wide range of Food and Agriculture activities. Driving up productivity in the sector will require new approaches and ways of working, with investment R&D and innovation requiring skilled workers who can both develop and implement new techniques.

Table 5.7: Food and Agriculture sector – future skills needs	
Issue – wider labour market	**Implications for the Food and Agriculture sector**
A changing policy and regulatory environment: • Agricultural Transition Plan 2021-2024 • New immigration regime	Food and Agriculture sector businesses will need to adapt to the changing policy and regulatory environment which will affect the sector in coming years. This will require leadership and management skills to help workers adapt to and respond positively to change.

There will be a need to adapt the existing curriculum to reflect these changes, and ensure that both new entrants and existing workers have the opportunity to enhance their skills in response to changing business needs.

6 Conclusions and Key Messages

6.1 Conclusions

The Food and Agriculture sector is a vital part of Lancashire's economy, which contributes:

- **Significant numbers of jobs**, particularly job roles which are suitable for young people and new entrants / returners to the labour market. The customer services skills required in the food services sub-sector are transferable to many other parts of the economy.
- **GVA**, contributing £2bn per annum or around 7% of Lancashire's total economic output. Many of the growers and food manufacturing businesses serve a national market, and the food services sub-sector is part of Lancashire's wider visitor economy, creating an attractive place to visit and spend time and money.
- **Exports**, which have increased in value despite the turbulence caused by the UK's exit from the European Union. Many of the larger manufacturing businesses serve international markets and their brands are familiar around the world.
- **Innovation** and the opportunity to contribute to solving global challenges including climate change, plastic pollution and water shortages. Producers and growers in Lancashire are seeking new ways of working to reduce their impact on the environment, whilst cutting edge R&D being undertaken in partnership with Lancashire's Universities has the potential to transform production methods both here and overseas, driving up productivity and driving down waste.

The sector is currently subject to significant short-term turbulence which is causing issues for employers around recruitment and retention, whilst longer-term structural shifts have implications for skills and labour needs. Section 6.2 highlights key messages for businesses, the workforce, education providers and policy-makers.

6.2 Key messages

Key messages from the analysis include:

Businesses

- Businesses need to be aware of the drivers affecting the sector, in particular the response required to the net zero agenda and the potential impact of automation on their competitiveness and operations. On-going awareness raising by trusted partners is required, to persuade businesses to engage proactively with future change.
- Networks and employer collaborations provide an effective means of bringing together employers facing similar challenges to share learning and identify solutions. The Ag Net Zero model has been successful in engaging agricultural employers with low carbon challenges and new ways of working.

- Skills needs and priorities vary considerably between employers in the different Food and Agriculture sub-sectors, reflecting the diversity of the sector. Ensuring employers are able to shape training provision to their specific needs, rather than having to accept a 'one size fits all' model of training provision, is likely to be more relevant, cost effective and therefore attractive for employers.

Workforce

- Many of those working in the sector have relatively low levels of skills and formal qualifications. Support will be required to help existing workers adapt to change within the sector and ensure they can sustain their employment as employer needs change.
- A number of Lancashire's major employers have well-established progression routes in place, to support employees to move from entry level roles to supervisory and management positions. Similar pathways are needed across all parts of the sector, to increase its attractiveness in a competitive labour market.
- Although the majority of job roles do not require higher level skills, there are pockets of extremely high-tech and innovative activity within Lancashire's Food and Agriculture sector which require highly-skilled workers. These roles should be highlighted to illustrate the diversity of opportunities which the sector provides to potential new recruits.

Education Providers

- Structural changes within the labour market are changing employer skills requirements within the Food and Agriculture sector, with digital and environmental skills needs increasing across all sub-sectors. Specific skills needs vary considerably across sub-sectors and occupations. Education providers will need to work closely with employers to ensure their provision continues to equip learners with the skills they need for the future.
- Responsibility for engaging potential new recruits in Food and Agriculture-related learning is jointly shared by education providers, employers and policy-makers. Providing case studies to illustrate the opportunities offered by the sector, and how education and training can lead to fulfilling and rewarding careers, is one way to engage the future workforce.

Policy-makers

- Lancashire LEP has recognised the importance of the Food and Agriculture sector by identifying it as one of six Growth Pillars. Providing this enhanced status for the sector will help to signal the opportunities which it provides for Lancashire residents.
- The LEP's 'horizon scanning' work on drivers of labour market change has identified industrial digitalisation as one of the key trends affecting the Lancashire labour market. Evidence from the strategic context and literature review highlights how this trend will impact on Food and Agriculture businesses and workers. The LEP and its partners need to continue to raise awareness and support workers, businesses and education providers to adapt to this fundamental change.

AMION CONSULTING

Lancashire Local Enterprise Partnership

Food and Agriculture study

APPENDICES

May 2022

Contents

Appendix 1 – Food and Agriculture Sector Definition

Defining the Sector

It is important that there is a shared understanding of what we mean by the 'Food and Agriculture sector'. This particularly applies to the analysis of the quantitative data. ONS data has many strengths – it enables comparison between places and over time on a consistent basis, allowing the relative position of Lancashire's Food and Agriculture sector to be understood. However, ONS data on employment, businesses and output (GVA) is categorised using the Standard Industrial Classification (SIC) code system, which has a number of limitations.

In general, the SIC code system works quite well for the agriculture and food processing (manufacturing) sector. The wholesale and retail of food products can also be differentiated from the wider wholesale and retail sector, allowing the food-specific elements of wholesale and retail to be included in the overall Food and Agriculture sector definition.

Unfortunately, the same is not true for other linked sectors, including logistics and professional services. Whilst these are an important part of the Food and Agriculture supply chain, it is not possible (using the official datasets) to separate out the parts of these sectors which are linked to Food and Agriculture. We will use the local insights and qualitative feedback to understand skills issues affecting the Food and Agriculture sector which are linked to logistics and other supporting sectors, but do not propose to include e.g. logistics businesses in the count of businesses in the Food and Agriculture sector .

A further area for discussion is the treatment of 'food and beverage service activities' – that is, hospitality, restaurants and bars. In Lancashire, these activities are included in the sector definition used for the Visitor Economy sector, although nationally, the Food and Drink Federation does include hospitality within its definition of the sector. We do not propose to include hospitality within the definition used for the Food and Agriculture LMI research, but would welcome a discussion on this point.

Food and Agriculture SIC Sector Definition – As Agreed with the Sector Group		
SIC Code	**Coverage**	**Comments**
01	**Crop and animal production, hunting and related service activities** • production of crop products • production of animal products *Organic agriculture, the growing of genetically modified crops and the raising of genetically modified animals; growing of crops in open fields as well in greenhouses; plus service activities incidental to agriculture, as well as hunting, trapping and related activities*	Include all
02	**Forestry and logging** Silviculture and other forestry activities; logging; gathering of wild growing products; support services to forestry	Gather data but show separately to main Food and Agriculture sector
03	**Fishing and aquaculture**	Include all

Food and Agriculture SIC Sector Definition – As Agreed with the Sector Group		
SIC Code	**Coverage**	**Comments**
	Capturing or gathering fish, crustaceans, molluscs and other marine organisms and products Service activities incidental to marine or freshwater fishery or aquaculture are included	
10	**Manufacture of food products** Processing of the products of agriculture, forestry and fishing into food for humans or animals	Include all
11	**Manufacture of beverages** Non-alcoholic beverages and mineral water; alcoholic beverages; manufacture of distilled alcoholic beverage	Include all
46.11	**Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods**	Include all
46.17	**Agents involved in the sale of food, beverages and tobacco**	Include all
46.2	**Wholesale of agricultural raw materials and live animals**	Include all
46.3	**Wholesale of food, beverages and tobacco**	Include all
46.61	**Wholesale of agricultural machinery, equipment and supplies**	Include all
47.2	**Retail sale of food, beverages and tobacco** in specialised stores	Include all
49.41	**Freight transport by road**	Exclude – Food and Agriculture -related transport cannot be disaggregated from other transport activity
56	**Food and beverage service activities** Restaurants; Take-aways; Event catering; Bars	Include in sector definition; show sector size including / excluding F&B, so that the overlap with the Visitor Economy sector can be quantified
64.20/1	**Activities of agricultural holding companies**	Include
72.11	**Research and experimental development on biotechnology**	Exclude – Food and Agriculture -related activity cannot be disaggregated from other activity
72.19	**Other research and experimental development on natural sciences and engineering**	Exclude – Food and Agriculture -related activity cannot be disaggregated from other activity
75.00	**Veterinary activities**	As per Forestry – gather data but show separately from the main Food and Agriculture sector
77.31	**Renting and leasing of agricultural machinery and equipment**	Include

Appendix 2 – Strategic Context

Introduction

The Food and Agriculture sector is integral to a number of sectors in the UK's economy including retail, hospitality and tourism. It contributes considerably to a whole range of national and local policies that link the Food and Agriculture sector to wider policy objectives, including building a sustainable economic system, improving the health of the UK's population, wholesale and retail trade, closing the skills gap for employers and helping the recovery from Covid-19 pandemic.

National

The **Food and Drink Sector Council** (FDSC) is a formal industry-led partnership with Government to increase the productivity and sustainability of the UK's Food and Agriculture sectors. Its focus is on cross-industry challenges and opportunities, providing a strategic view on behalf of the overall industry. It is the gateway for Government into the food industry value chain to address the big challenges and opportunities through collaboration, innovation, entrepreneurialism and ambition.

The Council's strategy, **Feeding the Future: Working together to build the National Food Strategy** (October 2021) sets out the vision for the UK's food industry vision for 2030 which is to create a "thriving UK farm-to-fork food sector that is innovative, collaborative and globally competitive that provides fantastic, affordable food sustainably and to the highest standards. Also a food sector that supports healthier diets and encourages better choices and offers exciting business and employment opportunities throughout the food chain".

The Strategy sets out the objectives for which private companies, industry bodies and the government should strive to achieve. The objectives of the Strategy are shown in Table A2.1.

Table A2.1: FDSC Objectives

A more productive, highly skilled food and drink sector	A food and drink sector that is more innovative	A food and drink sector that trades with ease at home and abroad	A sustainable food and drink sector for the future	A food and drink sector that provides healthy and affordable food for all	A food and drink sector that works in partnership with government on the big issues
Increase the Gross Value Added (GVA) generated by food and drink by a third by 2030.	Double the industry's R&D spend by 2027.	Increase the value of exports.	Achieve sectoral emissions reductions target for 2030 to indicate pathway to 2040 net-zero target.	Half childhood obesity rates.	Create a structure for a coherent approach to and effective delivery of food policy across Whitehall departments and the Devolved Administrations.
Provide the resources to embed, attract and skill more people throughout the	Increase the amount of R&D funding towards SMEs for agriculture and	Increase the proportion of food and drink businesses exporting from	Improve water use and improve soil health by 2030.	Reverse the rate of adult obesity.	Continue its commitment to the work of the Food and Drink Sector Council to deliver

food and drink sector.	food and drink manufacturing.	the current 17% level.			the outcomes of the National Food Strategy.
Routinely offer the opportunity for everyone in the industry to gain a qualification by 2030 so the workforce and industry has the skills needed for digitalisation, decarbonisation, sustainability, and the circular economy.	Increase consumer support for innovative food and drink products.	Increase the proportion of SMEs exporting.	As a priority, establish clear agreed definitions and measures on biodiversity, as the first step in a decade of progress to reverse biodiversity loss in the UK.	Remove the dependency on food banks by 2030.	
Reverse the trend of the decline of apprenticeship starts.			Have zero food waste sent to landfill by 2030.		
			Transform performance on minimising waste in packaging and maximising recycling by 2030.		

The FDSC also published a **Covid-19 Recovery Plan** separately in July 2020 with the aim of rebuilding the food industry and renewing the food system post-pandemic. The Covid-19 crisis reinforced both the strength and the fragility of the UK's food system and industry. Across the food industry, fundamental changes took place at a very rapid pace. The economic impacts include increased sales for retailers, and the farmers, producers and manufacturers that supply them. In turn, businesses in hospitality, restaurants and catering, and those that supply them, saw their sales decline as a result of government guidance. In particular the Plan outlines the key elements of transformation during and in recovery of the Covid-19 crisis in terms of changing consumer and customer behaviour; channels and routes to market; product ranges; costs and margins; export and import profiles: and ways of working.

Covid-19 has also brought with it an opportunity to build important lessons into an improved food industry to create a more resilient, cleaner, greener and healthier food system for the future. The key recommendations of the FDSC Covid-19 recovery plan are to take:

- a phased, coordinated and flexible restart plan;
- the extension and tapering of industry support schemes;
- a united effort to support the industry's worst-hit sectors;
- protecting the health of food industry employees and ensuring reliable availability of labour; and

- protecting the UK's supply chain integrity and competitive position 6. And accelerating plans to increase UK export.

The FDSC's skills report, **Preparing for a changing workforce: A food and drink supply chain approach to skills (October 2019)**, outlines the vital importance of the UK's supply chain to the functioning of the economy. Within the report, the FDSC highlights the existing difficulty in recruiting, and the expected shortfall in labour and skills availability but also outlines how creating highly skilled, well-paid and home-grown talent is critical to realising the potential of the UK's food industry. It realises that this will be most effective by combining sector-led solutions to upskill and attract talent with related government activities, particularly the ongoing reforms to technical education. The objectives in relation to the UK's food industry workforce are to:

- deliver technical and management skills and attract future talent through greater use of apprenticeships and offering T Level work placements across the sector;
- improve accessibility, sustainability and quality of training provision for food and drink businesses of all sizes located in all regions of the UK; and
- professionalise leadership and management skills across the sector. To ensure managers are prepared for a changing workplace.

A focal part of the UK's food industry is agriculture. Acknowledging the importance of the UK's farming and growing industry, the **Agricultural Productivity Working Group** (APWG) was established by mandate of the FDSC to identify how, working in partnership, industry and government could unlock greater productivity growth across the sector. The APWG's vision is "for a world-leading, competitive and sustainable agriculture and horticulture industry that can meet consumer demands for high quality products at every price point". The APWG's Working Group report concentrates on the "scourge of low productivity growth" and recommends overhauling current innovation and knowledge channels and systems by increasing the uptake of agricultural skills and training and driving infrastructure and policy support.

The two-part **National Food Strategy** urges a once-in-a-lifetime opportunity to reshape the food system in the wake of the Covid-19 pandemic and the EU Exit transition. The Strategy contains recommendations to address the major issues facing the food system including climate change, biodiversity loss, land use, diet-related disease, health inequality, food security and trade.

The Strategy aims to ensure the UK'S food system:

- delivers safe, healthy, affordable food, regardless of where people live or how much they earn;
- is robust in the face of future shocks;
- restores and enhances the natural environment for the next generation in this country;
- is built upon a resilient, sustainable and humane agriculture sector;
- is a thriving contributor to urban and rural economies, delivering well paid jobs and supporting innovative producers and manufacturers across the country; and
- delivers all this in an efficient and cost-effective way.

A key message outlined in the second part of the National Food Strategy is the impact on human health of the poor diet, which eclipses even the damaging effect of smoking on the detrimental impact on human health. The report emphasises the personal, economic and societal costs of avoidable ill health or death caused by poor nutrition and the importance of changing the food system in favour of creating a healthy population. Public Health England's **Eatwell Guide: Helping you eat a healthy, balanced diet and Guide to the Government's Healthy Eating Recommendations** is a framework which highlights that importance of all parts of the food sector in achieving a healthy and balanced diet. It establishes the need for a variety of different foods to provide the human body with all the nutrients it needs to be healthy. The consumption of food and its importance to human health is further reinforced by the Department of Health and Social Care Policy paper, **Tackling obesity: empowering adults and children to live healthier lives** (published in July 2020) and the British Medical Association's **Strategy for Improving the nation's diet: Action for a healthier future**.

Tackling obesity is one of the UK government's highest health priorities. The large proportion of the population who are overweight or obese (63% of adults are considered overweight and 1 in 5 children are obese when they leave primary school) are more likely to encounter diseases and health inequalities, and may experience a reduced life expectancy. In relation to the food industry, the quality of the nation's diet remains a key public health issue. Obesity related diseases cost the NHS in excess of £6bn per year and are calculated to impact wider society to the tune of £27bn per year.

Key actions recommended in the British Medical Association's **Strategy for Improving the nation's diet: Action for a healthier future** are to:

- supporting local authorities to create healthier food environments - Local authorities should have the necessary powers to ensure that the food environment everyone lives in is conducive to healthy eating;
- introduce a mandatory, standardised approach to food labelling to enable consumers to make informed choices – so when people buy food and drink, they can make informed choices;
- restricting children's exposure to high fat, salt or sugar food promotion;
- using a range of fiscal measures and incentives to encourage healthy eating patterns – The BMI recommends taxing unhealthy food and drink including the introduction of a soft drinks industry levy including sugary milk drinks. Fiscal measures should also be used to make healthier options the cheaper options, through combining taxation on unhealthy products with subsidisation of healthier options;
- introducing regulatory backing for UK wide reformulation targets to reduce calorie, fat, saturated fat, salt and added sugar levels for high fat, salt or sugar products;
- providing adequate funding for public health services so they are able to respond to the needs of the populations they serve – to support local public health services and increase spending on adult obesity services; and
- ensuring a health and social care system that is capable of responding to the needs of overweight and obese adults and children.

The Department for Education's **Skills for Jobs strategy: Lifelong Learning for Opportunity and Growth**, published in January 2021, outlines how the government seeks to reform further education to support the skills he economy and particular sectors such as the Food and Drink sector needs. Focusing on productivity and industry, the strategy puts employers at the heart of the system so that education and training leads to jobs that can improve productivity and fill skills gaps.

It focuses on skills and growth by committing to:

- investing in higher-level technical qualifications that provide a valuable alternative to a university degree.
- making sure people can access training and learning flexibly throughout their lives and are well-informed about what is on offer through great careers support.
- reforming funding and accountability for providers to simplify how funds are allocated, give providers more autonomy, and ensure an effective accountability regime which delivers value for money; and
- supporting excellent teaching in further education

Outlined in the **Skills for Jobs** case for change, the government acknowledges the crossroads of exiting the European Union and the labour it provided and the impact of the Covid-19 virus on businesses, growth and employment. It acknowledges that across a range of sectors, there is growing employer demand for the skills that higher technical education provides. The strategy reinforces how investing in these skills at both a local and a national level is critical to improving productivity and international competitiveness. The plan commits the government to building on current apprenticeships reforms to focus on employer needs and standards transformed apprenticeships, create the conditions for providers to deliver education and training that improves employment outcomes, providing greater clarity and predictability of funding for providers and more autonomy for how that funding is used; continuing to reform higher technical education, making it a true alternative to a degree by having a strong focus on quality assurance and delivering the training and education that employers want and creating the new Lifelong Loan Entitlement will support increased access to high-quality technical qualifications and bring greater parity between technical and academic education.

The government's **Build back better: our plan for growth** was prepared in response to the Covid-19 pandemic and the UK's exit from the EU and replaces the UK's Industrial Strategy. It seeks to deliver growth by levelling up the UK, by tackle long-term problems in the UK, supporting the transition to net zero, and supporting the vision for a Global Britain. The plan for growth focuses on focuses on infrastructure, skills and innovation as the foundation of recovery and growth across the economy by:

- investing in high quality infrastructure which is crucial for economic growth, boosting productivity and competitiveness;
- improve people's life chances by giving them the skills to succeed. The UK has a strong foundation of advanced skills, but lags behind international comparators on technical and basic adult skills. The government also commits to "building an apprenticeship revolution", to ensure that they better meet the skills needs of employers; and

- supporting innovation which drives economic growth and creates jobs. In the plan, the government commits to a significant uplift in R&D investment and the creation of the Advanced Research & Invention Agency to fund high-risk, high-reward research and seeks to make the UK the best ecosystem in the world for starting and growing a business. That means having access to capital, skills and ideas, as well as a smart and stable regulatory framework.

The government acknowledges the large economic gap between the South-East and London and areas like Lancashire and seeks to uplift infrastructure investment and creating new skills training opportunities across the UK. Improving the UK's performance in areas such as Lancashire would help to close the productivity gap between the UK and other countries, and close productivity gaps within the UK.

Building on the government's Build Back Better plan for growth, the Department for BEIS' strategy **The UK Innovation Strategy: Leading the future by creating it**, sets out the government's long-term plan for delivering innovation-led growth. Its primary objective is to boost private sector investment across the whole of the UK, creating the right conditions for all businesses to innovate and giving them the confidence.

To achieve the aim of making the UK a global hub for innovation by 2035, the government's Strategy is based on four pillars: fuelling businesses who want to innovate; making the UK the most exciting place for innovation; ensuring research, development and innovation institutions serve the needs of businesses and places across the UK and stimulating innovation to tackle major challenges faced by the UK and the world and drive capability in key technologies.

The link between innovation and the Food and Agriculture industry is continuously made throughout the strategy, acknowledging how the sector can support the government's objectives. The Government has made a legal commitment to reduce the UK's carbon emissions to net zero by 2050 and pledged to ensure that 30% of land is protected for nature by 2030. The farming sector itself will have to become carbon neutral, something the National Farmers' Union has already committed to. But some areas of farmland will also have to be repurposed or adapted so that they actively sequester carbon, mopping up the emissions from those industries (such as air travel and heavy industry) that will still largely depend on fossil fuels for the foreseeable future; all this, while maintaining a steady supply of affordable food.

The Department for Business, Energy and Industrial Strategy's **Industrial Decarbonisation Strategy** (March 2021) set out the government's strategy to accelerate the green transformation in industry aiming to reduce emissions by around two thirds by 2035. The Strategy outlines the core role decarbonising UK industry and manufacturing plays as part of the government's ambitious plan for the green industrial revolution. The government's **Net Zero Strategy: Build Back Greener** outlines the delivery pathway across multiples sectors within the UK economy to achieve the government's net zero carbon budget by 2050. The Strategy promotes a fair and inclusive transition which includes enhancing adaptive capacity, strengthening resilience, and reducing vulnerability to climate change. The Department for Business, Energy and Industrial Strategy's **Clean growth strategy: Leading the way to a low carbon future** (October 2017) sets the government's growth agenda while cutting greenhouse gas emissions. Action to deliver clean growth can also have wider benefits. The key policies include accelerating clean growth; improving business and industry efficiency; improving homes; accelerating the shift to low carbon

transport; delivering clean, smart, flexible power; enhancing the benefits and value of natural resources. For example, the Strategy outlines the multiple co-benefit of cutting transport emissions is cleaner air, which has an important effect on public health, the economy, and the environment.

The **UK Food and Drink Industry's Plan for Success** demonstrates that the Food and Drinks Industry is ready and willing to deliver economic growth, healthier consumption, environmental benefits and higher-skilled jobs that will benefit every community. The **'Achieving Net Zero': The Food and Drink Federation handbook** outlines how the FDF, and the food sector can address the challenge of Net Zero, and provides practical guidance for food and drink manufacturers, particularly those at the early stages of developing their climate strategy. The UK Government has notably already developed an **Industrial Decarbonization and Energy Efficiency roadmap for the food and drink manufacturing sector**, outlining time-bound actions to be taken in relation to heat electrification, biomass, heat recovery and heat recovery. However, as the roadmap was published in 2015, it is aligned with the nation's previous climate target of an 80% reduction in net emissions by 2050, against a 1990 baseline.

Recognising the impact of the Food and Agricultural industries as a major contributor to the UK's waste and landfill issue, the government has announced the introduction of a plastic packaging tax from April 2022, set at £200 per tonne on plastic packaging which does not meet a minimum threshold of at least 30% recycled content. The **UK's Plastics Pact** brings together businesses in the industry to tackle the level of plastic waste in the across the food and drink industry and supply chain in the UK. With the overall ambition of reducing the environmental impact of the industry, reduce waste and create a circular economy for plastics, pact members will eliminate problematic plastics reducing the total amount of packaging on supermarket shelves, stimulate innovation and new business models and help build a stronger recycling system in the UK. In the **Roadmap to 2025: The UK Plastics Pact**, updated in December 2020, a framework is created for all businesses to deliver ambitious reduction targets.

The UK Plastics Pact targets are as follows:

- eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative (reuse) delivery model;
- 100% of plastics packaging to be reusable, recyclable or compostable;
- 70% of plastics packaging effectively recycled or composted; and
- 30% average recycled content across all plastic packaging.

Local

The Food and Agriculture industries operating within Lancashire supports a number of important policies for the area. Table A2.2 sets out the contribution of the Food and Drinks sector with various strategies and policies at a regional and local level.

Table A2.2: Local policy context	
Local policy	***Relation to F&A sector***
Lancashire's Draft Local Industrial Strategy, Lancashire Enterprise Partnership August 2019 – The evidence base for Lancashire's LIS was published in August 2019 and sets out key economic data on Lancashire's economic performance and trajectory; identifies Lancashire's key strengths, weaknesses, opportunities and threats; and supports the selection and development of policies and priorities to drive productivity in Lancashire.	The GVA and employment specialisms are highlighted in the evidence base with manufacturing, including food and drinks manufacturing and agriculture. In terms of employment manufacturing stands out as particularly significant showing the importance of the food and drinks and wider agricultural sectors to Lancashire's economy. The evidence highlights the drivers of the F&A sector in Lancashire including digitalisation programmes for businesses, and the importance of local programmes such as Made Smarter in manufacturing, and training for workers, e.g. the Digital Skills Partnership, to build agility, adaptability, and resilience in the economy. The evidence base also highlights many major challenges to the food and drinks industry including major technology & market drivers are disrupting markets, sectors, and supply chains and economic forecasts. The evidence base also shows a forecast in decline in the following high-value sectors including manufacturing and decline in the sector such as agriculture.
Lancashire Authorities, Redefining Lancashire: Our Approach to Recovery sets out the first steps of Lancashire's Covid-19 Recovery Plan, setting out Lancashire's economic priorities. The document builds on immediate Central Government support for re-opening the economy and sets the context within which the Greater Lancashire Plan will capture the county's long-term growth aspirations.	As a consequence of the impact of Covid-19, Lancashire's entire economic base was adversely affected. In particular, manufacturing which encompasses parts of the F&A sector is identified as a sector at risk of irreparable damage. The programmes announced in the Recovery Plan are relevant to the F&A sector, in particular the priorities and programmes related to developing local supply chains and funding to support reshoring and adaptation of manufacturing. The target sectors prioritised in the Recovery Plan include food production, energy, agriculture and advanced manufacturing.
The draft Lancashire Plan: Our commitment to Work Together – sets out the five core themes of the Lancashire Combined Authority. The themes are: • Prosperous Lancashire - Where Lancashire is recognised as place of opportunity for all and a destination of choice, to do business in, live or visit. • Connected Lancashire - Where Lancashire possesses the digital and transport	The draft Lancashire Plan shows the strength of the Food and Drinks sector in Lancashire and shows it is in a very strong position to contribute to all of the growth areas highlighted in the Governments' Industrial Strategy as it invests in science, research and innovation, including manufacturing and energy technologies. The Plan commits to ensuring that the LEP positions Lancashire's wider economic importance to the

infrastructure and connectivity to promote inclusive growth. • Skilled Lancashire - Where Lancashire creates the skilled workforce which can meet the demands of employers and future business growth and deliver economic inclusion for its population.	delivery of national growth objectives such as Northern Powerhouse as well as in closing productivity gaps in key sectors such as advanced manufacturing including food and drink manufacturing.
Central Lancashire Economic Regeneration Strategy 2026 – sets out the priorities for economic development for the three authorities of South Ribble, Preston and Chorley. The vision for central Lancashire is by 2026 to be "*recognised as a highly sought-after place to live and work in the Northwest. It offers excellent quality of life to all its residents. It will play a leading role in Lancashire's world class economy and have sustainable economic growth based on the area's unique assets. Its central location at the hub of the transport network, its green spaces and access to open countryside make it a place with 'room to breathe".*	The vision of creating a strong and prosperous economy in Lancashire will support F&A sector by: • Delivering targeted support to grow strong local sectors • Generating and sustaining new business starts and increasing inward investment • Supporting a viable rural economy including diversification and increasing food security • Increasing energy efficiency in businesses through promotion of energy efficient design Food Security is a vital part of the Regeneration Strategy as it emphasises the need for local food production to be increased to reduce reliance on imported food supplies, reduce the distances that food is transported, improve food quality for local people, increase the resilience of Central Lancashire to food shortages and provide jobs for people, allowing people the opportunity to remain in rural communities. To support the economic growth of rural areas in Lancashire, the Regeneration Strategy emphasises the need of diversification of agriculture to increase food security and to secure existing jobs and provide new jobs. Skill levels in Lancashire are also an important priority to ensure a fit between the skills available and employer requirements. The food and drinks sector will benefit from the education and training provision in Central Lancashire delivers the current and future skills needed by employers.
Lancashire Skills and Employment Strategic Framework 2021 Refresh, Lancashire Technical Vision - sets out the county's skills and employment priorities. It sets out the vision for Lancashire which is "*by 2030 our Technical Education System will grow the productivity of Lancashire's businesses, anticipating and responding to the skills requirements of market and technology change".*	The Technical Education system will support the Food and Drinks sectors by growing the productivity of Lancashire's workers and businesses and seeks to anticipate and respond to market & technology change, with provision driven by employer demand in the Food and Drink sector. This supports the overall vision of achieving a skilled employment base who are both academically and/or technically knowledgeable.

It sets out the priorities of creating a network of high-quality provision of vocational qualifications and apprenticeships and will continue to respond to growing and emerging technical skills needs within the Foods and Drink industry.	The Skills and Employment Framework and Vision places an emphasis on developing skills to match skills gaps identified by employers. The framework has utilised industry specific groups to advise on college developments and plans, including the recently opened Food/ Farming Innovation and Technology Centre (FFIT). The members of the Agriculture Technical Advisory Group, with expertise across the livestock, dairy and technological sectors, all input into the design of the Livestock Innovation Centre.
Lancashire Health and Wellbeing Strategy **-** This strategy has been developed by Lancashire's Health and Wellbeing Board. The ambition for the strategy is that it will enable Lancashire to work better together to deliver real improvements to the health and wellbeing of Lancashire's citizens and communities. This strategy sets out the desired goals until the year 2020 and has not been updated in light of Covid-19.	The Food and Drinks sector is a core element of Lancashire which seeks to address health inequalities. In Lancashire, the F&A sector is uniquely placed to help tackle issues outlined in the strategy including reducing unemployment, increasing income and reducing child poverty and deliver improvements in health and wellbeing' for the people in Lancashire.

Appendix 3 - Literature Review

Introduction

Understanding the drivers of Lancashire's Food and Agriculture sectors, in terms of employment, growth and productivity, is key to understanding the direction skills and employment providers need to take to best address local and national need. A key part of the Lancashire Skills and Employment Strategic Framework is forward-looking to ensure future prosperity and creating a workforce and industries that are fit for the future. To inform our approach to gathering LMI, a literature review has been undertaken to gather relevant research and evidence on the future trends in Food and Agriculture sector and the implications of net zero and industrial digitalisation on productivity and Lancashire's future businesses and workforce.

Net Zero and circular economy

The global food system has a huge environmental impact and is a significant contributor to the current climate crisis. Food and drink production accounts for between 14-30% of global greenhouse gas emissions, generates an enormous amount of waste and pollution, and contributes to the degradation of natural resources such as air, water and soil quality, wildlife and biodiversity.

The Food and Agriculture industry is the UK's largest manufacturing sector, and in 2019 was responsible for 165 million tonnes of carbon emissions covering all food and drink consumed or produced in the UK. This equates to about 17% of the UK's carbon footprint. Although green-house gas emissions are generated from all stages of the food supply chain, the majority of emissions (80-86%) are associated with food production and agriculture.

Energy-intensive production methods including the use and manufacture of agro-chemicals, inefficient soil management that releases rather than absorbs greenhouse gas emissions, slurry storage and factory farming of animals are major causes of GHG emissions and contribute significantly to climate change, water pollution, soil erosion, biodiversity loss and poor animal welfare. Livestock's contribution to climate change is particularly significant accounting for up to 18% of food system GHG emissions.

The impact of food transportation on the environment and climate change is also significant: The UK is heavily dependent on imported food, currently importing 47% of total food products, and 95% of fruit in 2018. The majority of this food is distributed via centralised supply networks and is processed, manufactured and retailed by large multi-national companies. Current food transportation contributes to air pollution, traffic congestion and GHG emissions. Food transport in the UK, for example, accounting for 19 million tonnes of carbon equivalent emissions in 2002. The UK's reliance on imported food threatens future food security as our ability to import sufficient quantities of food in the future is vulnerable to climate change, peak oil, rising world population, shifting dietary preference for meat and dairy and increased price volatility. These are some of the substantial short- and medium-term risks of a poorly prepared sector with serious adverse impacts on productivity and workforce predicted.

The Food and Agriculture industries is possibly one of the best placed to deal with a move to a Low Carbon economy. As it remains one of the highest energy users in the UK there are real opportunities to cut costs, energy use and carbon emissions. In Lancashire, there has been an 33% decline in industrial carbon dioxide emissions since 2010. However, agriculture is the one main industry where carbon dioxide emissions have increased over the last ten years. From 2010 to 2020, agricultural carbon dioxide emissions have risen by 12.2% from 71.8kt cO2 to 80.5Kt Co2.

A net-zero transition would entail a significant shift in demand, capital allocation, costs and jobs with considerable impacts on sector productivity. McKinsey Sustainability outlines the scale of capital funding necessary to produce more efficient-farming and forecasts the reallocation of jobs in the agriculture and food sectors as consumer food preferences change and the world responds to emerging needs.

As well as contributing to climate change, food production systems are, in turn, vulnerable to climate change impacts; The Intergovernmental Panel for Climate Change (2020) predicts negative impacts on global food production as a result of the increase in extreme weather events such as flooding and heat waves, threatening global food security. Low Carbon investment is vital as there is an increased focus throughout industry on level of emissions, environmental impact and rising energy costs with businesses increasingly having to address climate change, coupled with an increasing regulatory burden.

Other major environmental impacts of the food supply chain are associated with food waste and food packaging. Globally 1.3 billion tonnes of food is wasted each year. In the UK approximately 30% of all food produced is wasted along various stages of the food supply chain with 9.5 million tonnes of household food waste a year in the UK, almost three quarters is food which is edible. Research by WRAP found the food that could have been eaten (6.4 Mt) would make the equivalent of over 15 billion meals – enough to feed the entire UK population 3 meals a day for 11 weeks.

Aside from the environmental benefits of the decarbonisation of the UK's food and agricultural industry, the UK's Food and Drink Federation recommends that more is done to "harness the benefits of a circular economy" through future policies on innovation and resource efficiency. Food consumed in the UK is responsible for approximately 30% of the UK's greenhouse gas emissions. Beyond emissions, the food and drink sector is responsible for huge amounts of packaging waste, amounting to over 100,000 tonnes. The sector also uses vast quantities of water and the precious natural resources that go into our food and drink are wasted when it is thrown away.

The food industry is very resource-intensive – globally, 70% of global freshwater is used for agricultural purposes while in the UK, the food and drink manufacturers are the fourth highest industrial energy user. UN projections are that global demand for fresh water will exceed supply by 40% by 2030. The UK is a major importer of food and is vulnerable to the consequences of wasteful, for example, 8 out of the top 10 countries that the UK sources fruit and vegetables from are drought prone. Security of supply in this context is a real commercial – and national – concern for the UK food and drink sector. Suppliers need the means to become more resilient to water pressures. This can mitigate future risks – but also have positive effects. For example, it is estimated that better water management could boost crop production by 20% globally.

The UN's Sustainable Development Goal 12.3 is to halve food waste by 2030. To achieve this in the UK, further reductions in food waste of 1.8 Mt are needed, 1.3 Mt from homes and over half a million tonnes from across the supply chain. At present, 88% of the sector's carbon footprint occurs within the supply chain, in which research by WRAP has found that "For every £1 invested in waste reduction, a £14 yield is returned."

The UK's current food industry is wasteful in terms of money and resources, but the food that is diverted into landfill produces methane - a powerful greenhouse gas that contributes to climate change. A recent study by the Ellen MacArthur Foundation found that embedding circular economy principles within the global agri-food sector could contribute $2.7trn (£2.1trn) to the UK economy through decreased healthcare, resource and environmental restoration costs.

Industrial digitalisation

While the COVID-19 crisis showed the Food and Agriculture industry's ability to adapt at pace when needed and the potential to apply that clarity of vision and purpose to the other huge challenges faced by the sector, it also highlighted the vulnerabilities of the sectors and the areas which were ill prepared to respond to rapid changes. COVID-19 has, in particular, accelerated the demands on the Food and Agriculture's digital infrastructure, increased the automation and efficiency of tasks and led to and a need to reduce carbon emissions.

Digitalisation, or the adoption of digital technologies and incorporation of digital information by industries, is an increasing vital prerequisite to high productivity in the Food and Agriculture sectors. More and more, only by turning meaningful data into information can businesses and employers make informed, effective decisions at pace. Digitalisation means access to more timely, granular and high-quality data which helps businesses respond faster and better to customer needs, supply chain requirements and challenges.

There is now widespread industry recognition of how better use of data will be instrumental to driving productivity gains. In the UK, overall productivity has remained flat over the past decade. The UK has underperformed nearly all the G7 countries (16% lower) in terms of productivity. For example, a worker in the UK produces 10% less value than an Italian worker, almost 30% less than a French or US worker and more than 30% less than the average German employee for the same hours worked. In 2020, Defra reported that the UK's agriculture is three times less efficient than other sectors of the UK economy. Within the UK, the long-term historical trend in agriculture has been one of declining employment and rising productivity. However, the underlying rate of productivity growth has fallen over time and has been particularly weak (near zero) through the past decade. Productivity growth is projected to remain weak in the short term but to strengthen thereafter, to average around 1% pa in the long term.

In England, almost 4 million hectares of soil are at risk of compaction, over 2 million hectares of soil are at risk of erosion, intensive agriculture has caused arable soils to lose about 40 to 60% of their organic carbon and soil degradation was calculated in 2010 to cost £1.2 billion the economy every year. Automation and digitalisation are essential to the Food and Agriculture sectors need to increase productivity to meet food supply demands. The United Nations' Food and Agriculture Organisation has said food production will need to increase by 70% by 2050 to feed a growing global population. When it comes to meat production, the World Health Organisation has

estimated that meat production needs to increase to 376 million tonnes by 2030. Demand for food is growing at the same time the supply side faces constraints in land and farming inputs. According to UK government estimates, UK soil contains about 10 billion tonnes of carbon, roughly equal to 80 years of annual greenhouse gas emissions. Intensive agriculture has caused arable soils to lose 40 to 60% of their organic carbon, and the impacts of climate change pose further risks to food production and agriculture. The impacts are already experienced by the agriculture industry as heat production in the UK decreased by 38%, from 16.2 million tonnes in 2019 to 10.1 million tonnes in 2020. The UK yield of 7.2 tonnes per hectare is lower than the five-year average of 8.4 tonnes per hectare.

A £24 million package by government to boost Agritech is indicative of the need for change – and government's support of new technologies. In economic terms, DEFRA estimated that digitalisation and automation could raise productivity growth on a global basis by as much as 0.8 to 1.4 percent annually.

The potential of digital transformation to boost productivity is vast. Digital technologies give firms new tools to design, produce and sell goods and services, and provide individuals with new ways for economic interactions. For instance, recent OECD evidence shows that a 10-percentage point increase in the sector-wide adoption rate of cloud computing is associated with a 3.5% productivity increase for the average European firms after five years (Gal et al., 2019). Furthermore, complementary investment in skills and factors such as software and data may be necessary to reap the benefits of digitalisation (e.g. van Ark, 2016; Brynjolfsson and McAfee, 2011). The productivity premium is decomposed into a direct effect benefitting the firms actually increasing their digital intensity, and an indirect effect of belonging to a sector with high digital intensity. The firm-level productivity premium of being an adopting firm is consistently positive and sizeable across different digital technologies and measures of skill intensity.

The COVID-19 pandemic has added new opportunities for accelerating productivity-enhancing digitalisation. For instance, lockdowns and social distancing requirements have increased the use of digital platforms in the Food and Agriculture industry (OECD, 2020), raising resilience during the crisis and foreshadowing future productivity benefits, especially for SMEs and less productive firms. As government policy seeks to accelerate the diffusion and uptake of digital technologies across all industries, it is increasingly important within the Food and Agriculture sectors. In terms of productivity, Gal et al. (2020) paper on digitalisation and productivity found that industry-level digital adoption is associated with significant productivity returns at the firm level. There is further evidence that the productivity gains gained by digitalisation do not systematically depend on firm size. The relationship between the adoption of digital technology and productivity is complex as digital technologies typically support productivity in combination with other factors such as labour skill levels (human capital) and regulatory environment. However, there is considerable evidence that productivity benefits of digital adoption are significantly thwarted by skill and occupational shortages. Digitalisation is found to be on average more beneficial in manufacturing sectors, including the food manufacturing than service industries (Akerman, Gaarder and Mogstad, 2013[18]; Dhyne et al., 2018).

As shown by Andrews et al. (2018), both capabilities (e.g. enhancing managerial and digital-friendly skills) and incentives (e.g. reducing entry and exit barriers) are relevant to stimulate digital adoption. Moreover, certain drivers of digital adoption are also likely to support the

performance of lagging firms (e.g. widening the skill pool, improving access to financing, reducing entry barriers to certain markets). Enhancing skills is particularly important in this respect, as lagging firms are more affected by skill shortages than more productive firms. Ensuring workers have an opportunity to acquire and upgrade their skills needed to thrive in an increasingly digitally focused Food and Agriculture industry. Boosting adult learning programmes and on-the-job training schemes, and better integrating digital tools into school and apprentice courses a are key steps.

Appendix 4 – Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley Travel to Work Area

Key points

- In 2021, the GVA of the F&A in the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA was £425 million. This represented a decline of 5.6% in comparison to the GVA of the F&A sector in 2010, the largest decline of all of Lancashire's TTWAs.
- This decline in the GVA of the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA's F&A sector was driven by a decline in the GVA of Rossendale's F&A sector, which declined by over a quarter from 2010 to 2021.
- The number of F&A businesses in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley was 2,085 in 2021.
- The Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA has the highest number of F&A businesses of all TTWAs in Lancashire.
- The growth rate in the number of F&A businesses in the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA also outpaced all other Lancashire TTWAs at 16.2% during the period 2010 to 2021.
- Employment in the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA stood at 13,848, above all other Lancashire's TTWA.
- Employment in the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA declined by 5.1% from 2010 to 2021. This decline was the largest of all TTWA in Lancashire, and was driven by a decline in employment in Rossendale of almost 18% during the same period.
- As proportion of total employment, employment in the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA was 8.4% in 2021, considering lower than other TTWA in Lancashire.
- The productivity of the Blackburn w. Darwen, Hyndburn, Rossendale, Ribble Valley TTWA F&A sector stood at £30,720, which represented a decline of 0.5% from the 2020 productivity level.

Economic Output

Table A4.1: Food and Agriculture sector GVA (£m, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	450	536	425	-5.6%
Blackburn with Darwen	161	182	156	-3.2%
Hyndburn	57	87	66	16.9%
Rossendale	91	86	66	-26.9%
Ribble Valley	142	181	137	-3.6%
Lancashire LEP area	1,911	2,380	2,061	7.9%
North West	8,429	9,194	7,908	-6.2%
UK	85,043	93,041	83,004	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A4.2: Food and Agriculture sector proportion of total GVA (%)			
	2010	2015	2021
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	7.0%	7.4%	5.9%
Blackburn with Darwen	6.2%	6.0%	5.1%
Hyndburn	5.0%	6.2%	4.8%
Rossendale	8.8%	7.8%	6.3%
Ribble Valley	8.7%	10.5%	7.9%
Lancashire	7.2%	8.0%	6.8%
North West	5.8%	5.8%	4.9%
UK	5.8%	5.7%	5.1%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A4.3: Food and Agriculture sub-sector GVA, as % of total GVA, 2021							
	Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	Blackburn with Darwen	Hyndburn	Rossendale	Ribble Valley	Lancashire	UK
Agriculture, forestry & fishing	0.5%	0.3%	0.4%	0.7%	0.7%	0.6%	0.7%
Food & beverage services	1.2%	1.0%	1.1%	1.1%	1.5%	1.5%	1.6%
Food, beverage & tobacco manufacturing	2.2%	1.7%	1.0%	2.1%	4.2%	2.9%	1.8%
Food retail	0.4%	0.3%	0.6%	0.4%	0.2%	0.4%	0.3%
Food wholesale	1.6%	1.7%	1.7%	1.9%	1.2%	1.4%	0.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Business Base

Table A4.4: Food and Agriculture sector businesses				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	1,795	1,980	2,085	16.2%
Blackburn with Darwen	465	545	600	29.0%
Hyndburn	305	300	320	4.9%
Rossendale	280	325	365	30.4%
Ribble Valley	745	810	800	7.4%
Lancashire LEP area	7,250	7,840	8,060	11.2%
North West	28,865	31,640	34,380	19.1%
UK	308,720	334,905	353,425	14.5%

Source: Business Count data, ONS

Table A4.5: Food and Agriculture sector businesses as proportion of total businesses (%)			
	2010	2015	2021
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	16.1%	16.1%	15.2%
Blackburn with Darwen	7.3%	6.9%	6.4%
Hyndburn	6.4%	7.8%	7.5%
Rossendale	11.0%	8.1%	9.7%
Ribble Valley	14.8%	20.7%	19.3%
Lancashire	15.9%	15.9%	14.9%
North West	14.1%	13.4%	12.7%
UK	14.7%	13.7%	12.8%

Source: Business Count data, ONS

Table A4.6: Food and Agriculture sector businesses by size, %				
	0-9	10-49	50-249	250+
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	89%	11%	0%	0%
Blackburn with Darwen	89.1%	10.9%	0.0%	0.0%
Hyndburn	90.5%	9.5%	0.0%	0.0%
Rossendale	91.9%	8.1%	0.0%	0.0%
Ribble Valley	87.6%	11.8%	0.6%	0.0%
Lancashire LEP area	86.4%	12.3%	1.1%	0.2%
Lancashire LEP area (all sectors)	88.3%	9.7%	1.7%	0.4%

Source: Business Count data, ONS

Employment

Table A4.7: Food and Agriculture sector employment				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	14,589	14,861	13,848	-5.1%
Blackburn with Darwen	5,065	5,004	5,042	-0.5%
Hyndburn	2,237	2,735	2,423	8.3%
Rossendale	2,578	2,305	2,127	-17.5%
Ribble Valley	4,710	4,816	4,256	-9.6%
Lancashire LEP area	66,596	69,830	69,980	5.1%
North West	306,460	328,685	327,749	6.9%
UK	2,890,389	3,097,486	3,159,592	9.3%

Source: Business Register Employment Survey

Table A4.8: Food and Agriculture sector employment, % of total employment			
	2010	2015	2021
Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley	9.2%	9.0%	8.4%
Blackburn with Darwen	7.7%	6.9%	6.9%
Hyndburn	7.5%	8.4%	7.2%
Rossendale	10.0%	8.4%	8.3%
Ribble Valley	12.9%	14.7%	12.9%
Lancashire LEP area	9.6%	9.9%	9.6%
North West	9.0%	9.2%	8.7%
UK	9.2%	9.2%	9.0%

Source: Business Register Employment Survey

Table A4.9: Food and Agriculture sub-sector employment, as % of total, 2021												
	Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley		Blackburn with Darwen		Hyndburn		Rossendale		Ribble Valley		Lancashire	UK
	No.	%	No.	%	No.	%	No.	%	No.	%	%	%
Agriculture, forestry & fishing	1,336	0.8%	325	0.4%	225	0.7%	300	1.2%	486	1.5%	5.2%	5.8%
Food & beverage services	6,389	3.9%	2,391	3.3%	1,166	3.5%	884	3.5%	1,949	5.9%	2.2%	1.3%
Food, beverage & tobacco manufacturing	2,816	1.7%	919	1.3%	233	0.7%	393	1.5%	1,271	3.9%	1.8%	1.4%
Food retail	1,415	0.9%	561	0.8%	417	1.2%	228	0.9%	209	0.6%	1.0%	0.9%
Food wholesale	1,891	1.1%	847	1.2%	381	1.1%	322	1.3%	342	1.0%	0.8%	5.0%

Source: Business Register Employment Survey

Productivity

Table A4.10: Food and Agriculture sector GVA per employment (£, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackburn w. Darwen, Hyndburn, Rossendale, Ribble Valley	£30,879	£36,073	£30,720	-0.5%
Blackburn with Darwen	£31,844	£36,297	£30,966	-2.8%
Hyndburn	£25,365	£31,852	£27,378	7.9%
Rossendale	£35,213	£37,238	£31,194	-11.4%
Ribble Valley	£30,086	£37,678	£32,095	6.7%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A4.11: Food and Agriculture sector GVA per employment as % of local GVA per employment			
	2010	2015	2021
Blackburn w. Darwen, Hyndburn, Rossendale, Ribble Valley	76.3%	82.0%	69.8%
Blackburn with Darwen	80.6%	87.0%	73.5%
Hyndburn	66.9%	73.6%	65.9%
Rossendale	87.9%	92.1%	75.2%
Ribble Valley	67.4%	71.3%	61.0%
Lancashire LEP	75.1%	80.9%	70.4%
North West	64.1%	62.6%	56.2%
UK	63.6%	62.5%	56.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Appendix 5 - Blackpool, Fylde and Wyre Travel to Work Area

Key points

- The GVA of the Blackpool, Fylde and the Wyre TTWA experienced positive growth for the period 2010-2021, growing 4.1% to £462million. The local authority of Fylde within the Blackpool, Fylde and the Wyre TTWA experienced the highest GVA growth of all local authorities at 26.9% and contributed to the positive growth across the TTWA.
- The GVA of the F&A sector in the Blackpool, Fylde and the Wyre TTWA as a proportion of the area's total GVA was 7.3%. This share of total GVA was larger than all other Lancashire TTWAs, with the Food, beverage & tobacco manufacturing being largest subsector in Lancashire's F&A sector in terms of generating GVA.
- In comparison to other Lancashire TTWA, there is a large number of F&A sector businesses in the Blackpool, Fylde and Wyre TTWA. In total, there were 1,785 F&A sector businesses in 2021, an increase of almost 10% since 2010.
- As a proportion of total businesses in the Blackpool, Fylde and Wyre TTWA, the F&A also dominates when compared to other Lancashire TTWA businesses with 16% of businesses operating in the F&A sector. This figure is driven by Wyre, where almost one fifth of all business in the local authority are in the F&A sector.
- The size of the F&A businesses in the Blackpool, Fylde and Wyre TTWA are relatively small, with 87% of all businesses micro-sized employing 0-9 employees.
- The number of people employed in the F&A sector within the Blackpool, Fylde and Wyre TTWA stood at 17,000 in 2021, above all other TTWAs in Lancashire.
- The number of people employed in the F&A sector in the Blackpool, Fylde and Wyre TTWA increased by 10.1%. This growth was driven by the growth in employment in Fylde's F&A sector. In Fylde, over 1 in 4 people employed are employed in the F&A industry.
- As a proportion of total employment, the number of people employed in the F&A sector in the Blackpool, Fylde and Wyre TTWA was above all other comparator area at 10.9% in 2021, with the exception of West Lancashire.
- Productivity in the Blackpool, Fylde and Wyre TTWA stood at £27,185 in 2021, a decline of 5.4% since 2010 productivity levels. The decline in productivity outpaced all TTWA areas in Lancashire during the same period.

Economic Output

Table A5.1: Food and Agriculture sector GVA (£m, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackpool, Fylde and Wyre	444	552	462	4.1%
Blackpool	201	233	197	-2.0%
Fylde	108	147	137	26.9%
Wyre	135	172	128	-5.0%
Lancashire LEP area	1,911	2,380	2,061	7.9%
North West	8,429	9,194	7,908	-6.2%
UK	85,043	93,041	83,004	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A5.2: Food and Agriculture sector proportion of total GVA (%)			
	2010	2015	2021
Blackpool, Fylde and Wyre	7.2%	8.3%	7.3%
Blackpool	8.6%	9.3%	7.6%
Fylde	4.9%	5.8%	6.4%
Wyre	8.1%	10.8%	8.0%
Lancashire	7.2%	8.0%	6.8%
North West	5.8%	5.8%	4.9%
UK	5.8%	5.7%	5.1%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A5.3: Food and Agriculture sub-sector GVA, as % of total GVA, 2021						
	Blackpool, Fylde and Wyre	Blackpool	Fylde	Wyre	Lancashire	UK
Agriculture, forestry & fishing	0.6%	0.3%	0.6%	1.0%	0.6%	0.7%
Food & beverage services	2.0%	2.5%	1.4%	2.2%	1.5%	1.6%
Food, beverage & tobacco manufacturing	3.5%	3.6%	3.7%	3.1%	2.9%	1.8%
Food retail	0.4%	0.4%	0.3%	0.5%	0.4%	0.3%
Food wholesale	0.8%	0.8%	0.5%	1.2%	1.4%	0.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Business Base

Table A5.4: Food and Agriculture sector businesses				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackpool, Fylde and Wyre	1,630	1,715	1,785	9.5%
Blackpool	440	460	520	18.2%
Fylde	410	430	455	11.0%
Wyre	780	825	810	3.8%
Lancashire LEP area	7,250	7,840	8,060	11.2%
North West	28,865	31,640	34,380	19.1%
UK	308,720	334,905	353,425	14.5%

Source: Business Count data, ONS

Table A5.5: Food and Agriculture sector businesses as proportion of total businesses (%)			
	2010	2015	2021
Blackpool, Fylde and Wyre	16.0%	16.1%	15.7%
Blackpool	12.7%	12.9%	13.3%
Fylde	14.0%	14.1%	13.7%
Wyre	20.6%	20.4%	19.6%
Lancashire	15.9%	15.9%	14.9%
North West	14.1%	13.4%	12.7%
UK	14.7%	13.7%	12.8%

Source: Business Count data, ONS

Table A5.6: Food and Agriculture sector businesses by size, %				
	0-9	10-49	50-249	250+
Blackpool, Fylde and Wyre	87%	13%	0%	0%
Blackpool	83.5%	15.5%	0.0%	1.0%
Fylde	86.8%	13.2%	0.0%	0.0%
Wyre	88.3%	11.1%	0.6%	0.0%
Lancashire LEP area	86.4%	12.3%	1.1%	0.2%
Lancashire LEP area (all sectors)	88.3%	9.7%	1.7%	0.4%

Source: Business Count data, ONS

Employment

Table A5.7: Food and Agriculture sector employment				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackpool, Fylde and Wyre	15,442	16,816	17,000	10.1%
Blackpool	6,927	7,409	7,640	10.3%
Fylde	3,580	4,350	4,535	26.7%
Wyre	4,935	5,057	4,825	-2.2%
Lancashire LEP area	66,596	69,830	69,980	5.1%
North West	306,460	328,685	327,749	6.9%
England	2,890,389	3,097,486	3,159,592	9.3%

Source: Source: Business Register Employment Survey

Table A5.8: Food and Agriculture sector employment, % of total employment			
	2010	2015	2021
Blackpool, Fylde and Wyre	9.9%	11.0%	10.9%
Blackpool	10.8%	11.1%	10.6%
Fylde	7.7%	9.2%	9.9%
Wyre	10.8%	13.2%	12.7%
Lancashire LEP area	9.6%	9.9%	9.6%
North West	9.0%	9.2%	8.7%
England	9.2%	9.2%	9.0%

Source: Source: Business Register Employment Survey

Table A5.9: Food and Agriculture sub-sector employment, as % of total, 2021										
	Blackpool, Fylde and Wyre		Blackpool		Fylde		Wyre		Lancashire	UK
	No.	%	No.	%	No.	%	No.	%	%	%
Agriculture, forestry & fishing	1,439	0.9%	331	0.5%	464	1.0%	644	1.7%	5.2%	5.8%
Food & beverage services	9,566	6.1%	4,774	6.6%	2,191	4.8%	2,601	6.8%	2.2%	1.3%
Food, drink & tobacco manu.	3,843	2.5%	1,609	2.2%	1,372	3.0%	862	2.3%	1.8%	1.4%
Retail trade	1,332	0.9%	602	0.8%	335	0.7%	395	1.0%	1.0%	0.9%
Wholesale trade	820	0.5%	324	0.5%	173	0.4%	323	0.8%	0.8%	5.0%

Source: Business Register Employment Survey

Productivity

Table A5.10: Food and Agriculture sector GVA per employment (£, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Blackpool, Fylde and Wyre	£28,750	£32,837	£27,185	-5.4%
Blackpool	£28,975	£31,474	£25,732	-11.2%
Fylde	£30,179	£33,861	£30,235	0.2%
Wyre	£27,398	£33,954	£26,618	-2.8%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A5.11: Food and Agriculture sector GVA per employment as % of local GVA per employment			
	2010	2015	2021
Blackpool, Fylde and Wyre	72.5%	75.4%	66.9%
Blackpool	79.9%	84.1%	71.9%
Fylde	63.5%	62.9%	64.1%
Wyre	75.0%	81.7%	63.4%
Lancashire LEP	75.1%	80.9%	70.4%
North West	64.1%	62.6%	56.2%
UK	63.6%	62.5%	56.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Appendix 6 - Burnley and Pendle Travel to Work Area

Key points

- The GVA of Burnley and Pendle's Food and Agriculture sector stood at £246million, which is relatively low when compared to other TTWAs.
- From 2010 to 2021, the rate of growth of Burnley and Pendle's GVA outpaced all other TTWAs in Lancashire at 20.6%. This growth was especially evident in the local authority of Burnley were GVA growth of 26% was only outpaced by Fylde.
- In 2021, there were 770 Food and Agriculture sector businesses in the Burnley and Pendle TTWA. In total, the number of F&A businesses as a proportion of total businesses was 13.7%, which is slightly smaller than the Lancashire average.
- The F&A businesses base in Burnley and Pendle is characterised by a dominance of micro-sized businesses. In total, 91% of businesses are considered micro-sized, employing 1-9 people. On average, the size of F&A businesses in Burnley and Pendle is smaller than other comparator TTWA in Lancashire.
- Employment in Burnley and Pendle's F&A sector stood at 7,403 in 2021, an increase of 11.4% from the level of employment in 2010. This growth in employment was considerably higher than the majority of other TTWA in Lancashire and was only outpaced by Lancaster and Morecambe.
- The productivity of Burnley and Pendle's F&A sector was £33,236 in 2021, significant above all other TTWAs in Lancashire. The growth in productivity was also high when compared with other TTWA, who on average experienced negative productivity growth from 2010 to 2021.
- The productivity of Burnley and Pendle's, as a share of the total productivity of the TTWA, was 76%, with both local authorities of Burnley and Pendle having the highest proportion of all other local authorities.

Economic Output

Table A6.1: Food and Agriculture sector GVA (£m, 2018 prices)

	2010	2015	2021	Change 2010 – 2021 (%)
Burnley and Pendle	204	268	246	20.6%
Burnley	93	112	107	14.3%
Pendle	111	156	139	26.0%
Lancashire LEP area	1,911	2,380	2,061	7.9%
North West	8,429	9,194	7,908	-6.2%
UK	85,043	93,041	83,004	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A6.2: Food and Agriculture sector proportion of total GVA (%)			
	2010	2015	2021
Burnley and Pendle	6.9%	7.9%	6.8%
Burnley	6.1%	7.3%	6.9%
Pendle	7.7%	9.5%	8.1%
Lancashire	7.2%	8.0%	6.8%
North West	5.8%	5.8%	4.9%
UK	5.8%	5.7%	5.1%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A6.3: Food and Agriculture sub-sector GVA, as % of total GVA, 2021					
	Burnley and Pendle	Burnley	Pendle	Lancashire	UK
Agriculture, forestry & fishing	0.4%	0.4%	0.6%	0.6%	0.7%
Food & beverage services	1.1%	1.5%	1.0%	1.5%	1.6%
Food, beverage & tobacco manufacturing	3.4%	2.5%	5.0%	2.9%	1.8%
Food retail	0.4%	0.6%	0.3%	0.4%	0.3%
Food wholesale	1.4%	2.0%	1.2%	1.4%	0.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Business Base

Table A6.4: Food and Agriculture sector businesses				
	2010	2015	2021	Change 2010 – 2021 (%)
Burnley and Pendle	685	755	770	12.4%
Burnley	295	320	335	13.6%
Pendle	390	435	435	11.5%
Lancashire LEP area	7,250	7,840	8,060	11.2%
North West	28,865	31,640	34,380	19.1%
UK	308,720	334,905	353,425	14.5%

Source: Business Count data, ONS

Table A6.5: Food and Agriculture sector businesses as proportion of total businesses (%)			
	2010	2015	2021
Burnley and Pendle	14.8%	14.6%	13.7%
Burnley	13.7%	13.1%	12.7%
Pendle	15.7%	15.9%	14.7%
Lancashire	15.9%	15.9%	14.9%
North West	14.1%	13.4%	12.7%
UK	14.7%	13.7%	12.8%

Source: Business Count data, ONS

Table A6.6: Food and Agriculture sector businesses by size, %				
	0-9	10-49	50-249	250+
Burnley and Pendle	91%	9%	0%	0%
Burnley	92.3%	7.7%	0.0%	0.0%
Pendle	90.8%	9.2%	0.0%	0.0%
Lancashire LEP area	86.4%	12.3%	1.1%	0.2%
Lancashire LEP area (all sectors)	88.3%	9.7%	1.7%	0.4%

Source: Business Count data, ONS

Employment

Table A6.7: Food and Agriculture sector employment				
	2010	2015	2021	Change 2010 – 2021 (%)
Burnley and Pendle	6,643	7,331	7,403	11.4%
Burnley	3,489	3,597	3,556	1.9%
Pendle	3,154	3,734	3,847	22.0%
Lancashire LEP area	66,596	69,830	69,980	5.1%
North West	306,460	328,685	327,749	6.9%
England	2,890,389	3,097,486	3,159,592	9.3%

Source: Business Register Employment Survey

Table A6.8 Food and Agriculture sector employment, % of total employment			
	2010	2015	2021
Burnley and Pendle	9.1%	9.6%	9.0%
Burnley	8.9%	8.7%	8.1%
Pendle	9.3%	10.5%	9.9%
Lancashire LEP area	9.6%	9.9%	9.6%
North West	9.0%	9.2%	8.7%
England	9.2%	9.2%	9.0%

Source: Business Register Employment Survey

Table A6.9: Food and Agriculture sub-sector employment, as % of total, 2021								
	Burnley and Pendle		Burnley		Pendle		Lancashire	UK
	No.	%	No.	%	No.	%	%	%
Agriculture, forestry & fishing	619	0.7%	235	0.5%	384	1.0%	5.2%	5.8%
Food & beverage services	2,997	3.6%	1,666	3.8%	1,331	3.4%	2.2%	1.3%
Food, drink & tobacco manu.	2,158	2.6%	664	1.5%	1,494	3.8%	1.8%	1.4%
Food retail	807	1.0%	494	1.1%	313	0.8%	1.0%	0.9%
Food wholesale	821	1.0%	496	1.1%	325	0.8%	0.8%	5.0%

Source: Business Register Employment Survey

Productivity

Table A6.10: Food and Agriculture sector GVA per employment (£, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Burnley and Pendle	£30,710	£36,492	£33,236	8.2%
Burnley	£26,749	£31,037	£29,983	12.1%
Pendle	£35,093	£41,747	£36,244	3.3%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A6.11: Food and Agriculture sector GVA per employment as % of local GVA per employment			
	2010	2015	2021
Burnley and Pendle	75.8%	83.0%	75.9%
Burnley	68.6%	83.4%	85.5%
Pendle	83.0%	90.3%	81.5%
Lancashire LEP	75.1%	80.9%	70.4%
North West	64.1%	62.6%	56.2%
UK	63.6%	62.5%	56.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Appendix 7 – Lancaster and Morecambe Travel to Work Area

Key points

- The GVA of Food and Agriculture Lancaster and Morecambe sector was £129million in 2021. The GVA generated by the F&A industry in Lancaster and Morecambe was below all other TTWA comparator areas.
- The growth rate in Lancaster and Morecambe was considerable at 15.6% in comparison to other TTWA.
- The growth rate in the number of businesses in Lancaster and Morecambe's TTWA was 9.0% for the period 2010-2021. This growth rate was below the Lancashire average and a number of other TTWA areas including Preston, Chorley and South Ribble, Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley, Burnley and Pendle and Blackpool, Fylde and Wyre.
- All Food and Agriculture businesses in Lancaster were classed as micro or small sized enterprises in 2021.
- Employment in the Food and Drink sector of Lancaster and Morecambe was below all other TTWAs at 5,695 in 2021. However, the growth in employment in the sector outpaced all other TTWAs at 18%.
- The growth in employment within the Food and Agriculture sector of Lancaster and Morecambe was more three the Lancashire average during the period 2010-2021.
- The productivity of the Food and Agriculture sector in Lancaster and Morecambe was £22,596 in 2021, below the comparative productivity of the sector in all other Lancashire TTWA.
- In contrast to a number of other TTWA, the productivity of the Food and Agriculture sector in Lancaster and Morecambe declined during the period 2010-2021.
- The productivity of Lancaster and Morecambe's Food and Agriculture sector as % of local GVA per employment was 55% in 2021, below that of all Lancashire's TTWAs.

Economic Output

Table A7.1: Food and Agriculture sector GVA (£m, 2018 prices)

	2010	2015	2021	Change 2010 – 2021 (%)
Lancaster and Morecambe	111	143	129	15.6%
Lancashire LEP area	1,911	2,380	2,061	7.9%
North West	8,429	9,194	7,908	-6.2%
UK	85,043	93,041	83,004	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A7.2: Food and Agriculture sector proportion of total GVA (%)			
	2010	2015	2021
Lancaster and Morecambe	4.8%	5.7%	4.9%
Lancashire	7.2%	8.0%	6.8%
North West	5.8%	5.8%	4.9%
UK	5.8%	5.7%	5.1%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A7.3: Food and Agriculture sub-sector GVA, as % of total GVA, 2021			
	Lancaster and Morecambe	Lancashire	UK
Agriculture, forestry & fishing	0.7%	0.6%	0.7%
Food & beverage services	1.8%	1.5%	1.6%
Food, beverage & tobacco manufacturing	1.1%	2.9%	1.8%
Food retail	0.4%	0.4%	0.3%
Food wholesale	0.9%	1.4%	0.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Business Base

Table A7.4: Food and Agriculture sector businesses				
	2010	2015	2021	Change 2010 – 2021 (%)
Lancaster and Morecambe	830	880	905	9.0%
Lancashire LEP area	7,250	7,840	8,060	11.2%
North West	28,865	31,640	34,380	19.1%
UK	308,720	334,905	353,425	14.5%

Source: Business Count data, ONS

Table A7.5: Food and Agriculture sector businesses as proportion of total businesses (%)			
	2010	2015	2021
Lancaster and Morecambe	20.1%	19.9%	19.4%
Lancashire	15.9%	15.9%	14.9%
North West	14.1%	13.4%	12.7%
UK	14.7%	13.7%	12.8%

Source: Business Count data, ONS

Table A7.6: Food and Agriculture sector businesses by size, %				
	0-9	10-49	50-249	250+
Lancaster and Morecambe	88%	12%	0%	0%
Lancashire LEP area	86.4%	12.3%	1.1%	0.2%
Lancashire LEP area (all sectors)	88.3%	9.7%	1.7%	0.4%

Source: Business Count data, ONS

Employment

Table A7.7: Food and Agriculture sector employment				
	2010	2015	2021	Change 2010 – 2021 (%)
Lancaster and Morecambe	4,829	5,299	5,695	18.0%
Lancashire LEP area	66,596	69,830	69,980	5.1%
North West	306,460	328,685	327,749	6.9%
UK	2,890,389	3,097,486	3,159,592	9.3%

Source: Business Register Employment Survey

Table A7.8: Food and Agriculture sector employment, % of total employment			
	2010	2015	2021
Lancaster and Morecambe	8.1%	8.7%	8.8%
Lancashire LEP area	9.6%	9.9%	9.6%
North West	9.0%	9.2%	8.7%
England	9.2%	9.2%	9.0%

Source: Business Register Employment Survey

Table A7.9: Food and Agriculture sub-sector employment, as % of total				
	Lancaster and Morecambe		Lancashire	UK
	No.	%	%	%
Agriculture, forestry & fishing	738	1.1%	5.2%	5.8%
Food & beverage services	3,552	5.5%	2.2%	1.3%
Food, drink & tobacco manu.	496	0.8%	1.8%	1.4%
Food retail	531	0.8%	1.0%	0.9%
Food wholesale	378	0.6%	0.8%	5.0%

Source: Business Register Employment Survey

Productivity

Table A7.10: Food and Agriculture sector GVA per employment (£, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Lancaster and Morecambe	£23,057	£27,008	£22,596	-2.0%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A7.11: Food and Agriculture sector GVA per employment as % of local GVA per employment			
	2010	2015	2021
Lancaster and Morecambe	58.9%	65.3%	55.5%
Lancashire LEP	75.1%	80.9%	70.4%
North West	64.1%	62.6%	56.2%
UK	63.6%	62.5%	56.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Appendix 8 – Preston, Chorley and South Ribble Travel to Work Area

Key points

- In 2021, GVA generated by the Food and Agriculture sector in Preston, Chorley and South Ribble TTWA was £521m.
- As a Travel to Work Area (TTWA), Preston, Chorley and South Ribble's Food and Agriculture sector generated the highest level of GVA of all Lancashire TTWA.
- Split into local authorities, South Ribble generated the second most GVA (£213m) of all local authorities after West Lancashire.
- The Food, beverage & tobacco manufacturing sub-sector is the largest F&A subsector in Preston, Chorley and South Ribble, with almost 5% of South Ribble total GVA generated by the subsector.
- The total number of Food and Agriculture sector businesses in the Preston, Chorley and South Ribble TTWA in 2021 was 1,705. The growth in the number of businesses in Preston, Chorley and South Ribble grew by 16.0% since 2021, outpacing all other TTWA areas except the West Lancashire and Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley TTWA.
- In 2021, as a proportion of total businesses, the Food and Agriculture sector represents 12% of total businesses in the Preston, Chorley and South Ribble TTWA.
- In comparison to other TTWA, the size of Food and Agriculture businesses in Preston, Chorley and South Ribble are larger than other TTWA in Lancashire.
- The F&A sector is a major employer in the Preston, Chorley and South Ribble TTWA. In 2021, employment in the P, C and SR TTWA stood at 16,862. In contrast to almost all TTWA areas, employment in the Preston, Chorley and South Ribble TTWA declined from 2010 to 2021, by 0.4%.
- Food and Agriculture sector employment as a proportion of total employment also declined, in contrast to all TTWA except Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley.
- The food & beverage services, food, drink & tobacco manufacturing and food wholesale sub sectors are the most significant, in terms of employment within the F&A sector in the Preston, Chorley and South Ribble and are larger than the overall Lancashire average.
- Productivity in Preston, Chorley and South Ribble TTWA grew by 13.6% during the period 2010-2021, outpacing all other TTWA areas.
- In 2021, the productivity of the Food and Agriculture sector in the Preston, Chorley and South Ribble TTWA stood at £30,907, above all comparator TTWA except Burnley and Pendle.

Economic Output

Table A8.1: Food and Agriculture sector GVA (£m, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Preston, Chorley and South Ribble	461	577	521	13.1%
Preston	168	213	193	15.1%
Chorley	103	121	114	10.8%
South Ribble	189	243	213	12.6%
Lancashire LEP area	1,911	2,380	2,061	7.9%
North West	8,429	9,194	7,908	-6.2%
UK	85,043	93,041	83,004	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A8.2: Food and Agriculture sector proportion of total GVA (%)			
	2010	2015	2021
Preston, Chorley and South Ribble	6.3%	7.1%	6.2%
Preston	4.8%	5.6%	4.9%
Chorley	6.2%	6.9%	6.5%
South Ribble	8.9%	9.3%	7.9%
Lancashire	7.2%	8.0%	6.8%
North West	5.8%	5.8%	4.9%
UK	5.8%	5.7%	5.1%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A8.3: Food and Agriculture sub-sector GVA, as % of total GVA, 2021						
	Preston, Chorley and South Ribble	Preston	Chorley	South Ribble	Lancashire	UK
Agriculture, forestry & fishing	0.5%	0.4%	0.7%	0.4%	0.6%	0.7%
Food & beverage services	1.3%	1.2%	1.8%	1.1%	1.5%	1.6%
Food, beverage & tobacco manufacturing	2.5%	1.1%	2.2%	4.7%	2.9%	1.8%
Food retail	0.3%	0.3%	0.4%	0.3%	0.4%	0.3%
Food wholesale	1.6%	1.9%	1.4%	1.5%	1.4%	0.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Business Base

Table A8.4: Food and Agriculture sector businesses				
	2010	2015	2021	Change 2010 – 2021 (%)
Preston, Chorley and South Ribble	1,470	1,640	1,705	16.0%
Preston	540	615	650	20.4%
Chorley	485	550	590	21.6%
South Ribble	445	475	465	4.5%
Lancashire LEP area	7,250	7,840	8,060	11.2%
North West	28,865	31,640	34,380	19.1%
UK	308,720	334,905	353,425	14.5%

Source: Business Count data, ONS

Table A8.5: Food and Agriculture sector businesses as proportion of total businesses (%)			
	2010	2015	2021
Preston, Chorley and South Ribble	12.5%	13.0%	12.0%
Preston	12.1%	12.6%	11.6%
Chorley	13.1%	13.4%	12.7%
South Ribble	12.6%	12.8%	11.6%
Lancashire	15.9%	15.9%	14.9%
North West	14.1%	13.4%	12.7%
UK	14.7%	13.7%	12.8%

Source: Business Count data, ONS

Table A8.6: Food and Agriculture sector businesses by size, %				
	0-9	10-49	50-249	250+
Preston, Chorley and South Ribble	85%	15%	1%	0%
Preston	91.6%	16.8%	1.7%	0.0%
Chorley	84.0%	14.3%	0.0%	0.0%
South Ribble	67.2%	10.9%	0.0%	0.0%
Lancashire LEP area	86.4%	12.3%	1.1%	0.2%
Lancashire LEP area (all sectors)	88.3%	9.7%	1.7%	0.4%

Source: Business Count data, ONS

Employment

Table A8.7: Food and Agriculture sector employment				
	2010	2015	2021	Change 2010 – 2021 (%)
Preston, Chorley and South Ribble	16,933	17,176	16,862	-0.4%
Preston	7,175	6,949	6,746	-6.0%
Chorley	4,206	4,392	4,294	2.1%
South Ribble	5,552	5,835	5,822	4.9%
Lancashire LEP area	66,596	69,830	69,980	5.1%
North West	306,460	328,685	327,749	6.9%
UK	2,890,389	3,097,486	3,159,592	9.3%

Source: Business Register Employment Survey

Table A8.8: Food and Agriculture sector employment, % of total employment			
	2010	2015	2021
Preston, Chorley and South Ribble	8.6%	8.6%	8.3%
Preston	7.6%	7.5%	6.9%
Chorley	8.6%	9.3%	9.4%
South Ribble	10.4%	9.9%	9.6%
Lancashire LEP area	9.6%	9.9%	9.6%
North West	9.0%	9.2%	8.7%
UK	9.2%	9.2%	9.0%

Source: Business Register Employment Survey

Table A8.9: Food and Agriculture sub-sector employment, as % of total, 2021										
	Preston, Chorley and South Ribble		Preston		Chorley		South Ribble		Lancashire	UK
	No.	%	No.	%	No.	%	No.	%	%	%
Agriculture, forestry & fishing	1,522	0.7%	599	0.6%	503	1.1%	420	0.7%	5.2%	5.8%
Food & beverage services	7,994	3.9%	3,474	3.6%	2,352	5.2%	2,169	3.6%	2.2%	1.3%
Food, drink & tobacco manu.	3,671	1.8%	778	0.8%	679	1.5%	2,214	3.7%	1.8%	1.4%
Food retail	1,471	0.7%	711	0.7%	375	0.8%	385	0.6%	1.0%	0.9%
Food wholesale	2,204	1.1%	1,184	1.2%	386	0.8%	634	1.0%	0.8%	5.0%

Source: Business Register Employment Survey

Productivity

Table A8.10: Food and Agriculture sector GVA per employment (£, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
Preston, Chorley and South Ribble	£27,211	£33,593	£30,907	13.6%
Preston	£23,414	£30,649	£28,662	22.4%
Chorley	£24,574	£27,498	£26,656	8.5%
South Ribble	£34,114	£41,689	£36,643	7.4%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A8.11: Food and Agriculture sector GVA per employment as % of local GVA per employment			
	2010	2015	2021
Preston, Chorley and South Ribble	73.2%	82.0%	75.0%
Preston	62.9%	75.5%	70.8%
Chorley	72.0%	74.2%	69.2%
South Ribble	85.5%	93.5%	82.6%
Lancashire LEP	75.1%	80.9%	70.4%
North West	64.1%	62.6%	56.2%
UK	63.6%	62.5%	56.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Appendix 9 – West Lancashire Travel to Work Area

Key points

- In comparison to the other TTWA in Lancashire, the businesses in the F&A sector of West Lancashire are larger in size with 2.7% of business considered to be medium sized (Employing 50-249 workers).
- The economic output of the F&A sector of West Lancashire grew by 15.7% from 2010-2021, above all comparator TTWA areas.
- As a proportion of total GVA, the GVA generated by the Food and Agriculture sector in West Lancashire increased by 13% from 2010 to 2021. This growth outpaced all other TTWAs.
- The number of businesses in West Lancashire's Food and Agriculture sector declined by 5.6% to 760 in 2021. The decline in businesses was in contrast to growth across other TTWAs.
- The proportion of total businesses that are in the F&A sector in West Lancashire is 17.1%, above all TTWAs.
- On average, F&A businesses in West Lancashire are larger than the other TTWAs, with 2.7% businesses medium sized (50-249 employers).
- Employment in West Lancashire's Food and Agriculture sector as a percentage of total employment was 16.6%, above all of Lancashire's TTWAs.
- The productivity of the Food and Agriculture sector in West Lancashire was 78% of the overall average, the highest value of all TTWAs in Lancashire.
- The Food and Beverage services sub-sector of the F&A sector in West Lancashire accounted for 7.3% of total employment in West Lancashire, a higher proportion than all other Lancashire TTWA.

Economic Output

Table A9.1: Food and Agriculture sector GVA (£m, 2018 prices)

	2010	2015	2021	Change 2010 – 2021 (%)
West Lancashire	240	304	278	15.7%
Lancashire LEP area	1,911	2,380	2,061	7.9%
North West	8,429	9,194	7,908	-6.2%
UK	85,043	93,041	83,004	-2.4%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A9.2: Food and Agriculture sector proportion of total GVA (%)			
	2010	2015	2021
West Lancashire	12.3%	14.5%	13.0%
Lancashire	7.2%	8.0%	6.8%
North West	5.8%	5.8%	4.9%
UK	5.8%	5.7%	5.1%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A9.3: Food and Agriculture sub-sector GVA, as % of total GVA, 2021			
	West Lancashire	Lancashire	UK
Agriculture, forestry & fishing	2.2%	0.6%	0.7%
Food & beverage services	2.5%	1.5%	1.6%
Food, beverage & tobacco manufacturing	6.1%	2.9%	1.8%
Food retail	0.3%	0.4%	0.3%
Food wholesale	1.9%	1.4%	0.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Business Base

Table A9.4: Food and Agriculture sector businesses				
	2010	2015	2021	Change 2010 – 2021 (%)
West Lancashire	805	815	760	-5.6%
Lancashire LEP area	7,250	7,840	8,060	11.2%
North West	28,865	31,640	34,380	19.1%
UK	308,720	334,905	353,425	14.5%

Source: Business Count data, ONS

Table A9.5: Food and Agriculture sector businesses as proportion of total businesses (%)			
	2010	2015	2021
West Lancashire	20.6%	19.2%	17.1%
Lancashire	15.9%	15.9%	14.9%
North West	14.1%	13.4%	12.7%
UK	14.7%	13.7%	12.8%

Source: Business Count data, ONS

Table A9.6: Food and Agriculture sector businesses by size, %				
	0-9	10-49	50-249	250+
West Lancashire	80.7%	16.7%	2.7%	0.0%
Lancashire LEP area (F&A sector)	86.4%	12.3%	1.1%	0.2%
Lancashire LEP area (all sectors)	88.3%	9.7%	1.7%	0.4%

Source: Business Count data, ONS

Employment

Table A9.7: Food and Agriculture sector employment				
	2010	2015	2021	Change 2010 – 2021 (%)
West Lancashire	8,253	8,348	9,104	10.3%
Lancashire LEP area	66,596	69,830	69,980	5.1%
North West	306,460	328,685	327,749	6.9%
England	2,890,389	3,097,486	3,159,592	9.3%

Source: Business Register Employment Survey

Table A9.8: Food and Agriculture sector employment, % of total employment			
	2010	2015	2021
West Lancashire	15.7%	16.3%	16.6%
Lancashire LEP area	9.6%	9.9%	9.6%
North West	9.0%	9.2%	8.7%
England	9.2%	9.2%	9.0%

Source: Business Register Employment Survey

Table A9.9: Food and Agriculture sub-sector employment, as % of total				
	West Lancashire		Lancashire	UK
	No.	%	%	%
Agriculture, forestry & fishing	1,809	3.3%	5.2%	5.8%
Food & beverage services	3,998	7.3%	2.2%	1.3%
Food, beverage & tobacco manufacturing	2,285	4.2%	1.8%	1.4%
Food retail	369	0.7%	1.0%	0.9%
Food wholesale	644	1.2%	0.8%	5.0%

Source: Business Register Employment Survey

Productivity

Table A9.10: Food and Agriculture sector GVA per employment (£, 2018 prices)				
	2010	2015	2021	Change 2010 – 2021 (%)
West Lancashire	£29,092	£36,451	£30,520	4.9%
Lancashire LEP	£28,691	£34,085	£29,456	2.7%
North West	£27,505	£27,972	£24,128	-12.3%
UK	£29,423	£30,038	£26,270	-10.7%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Table A9.11: Food and Agriculture sector GVA per employment as % of local GVA per employment			
	2010	**2015**	**2021**
West Lancashire	78.5%	89.0%	78.0%
Lancashire LEP	75.1%	80.9%	70.4%
North West	64.1%	62.6%	56.2%
UK	63.6%	62.5%	56.6%

Source: Cambridge Econometrics Local Authority Economic Forecasting Model (LEFM) Projections

Lancashire
Enterprise Partnership

Lancashire Skills and Employment Advisory Panel

Private and Confidential: No

Thursday 9th June 2022

Local Skills Improvement Plan

Report Author: North and West Lancashire Chamber of Commerce

Executive Summary

The Chamber of Commerce attended the last meeting of the committee to provide an update on the process undertaken to engage employers with the Lancashire Local Skills Improvement Plan (LSIP) and to provide an insight into the early findings. The Lancashire Skills and Employment Hub have supported the Chamber of Commerce and partners with research and shared local labour market intelligence to support the production of the report. The Lancashire LSIP report was published on the 31st March 2022, which includes an executive summary, and a range of recommended actions.

The Chamber of Commerce will be joining the meeting to discuss the headline findings, and next steps regarding the roll out of LSIPs across the country and the positioning of Lancashire.

Recommendation

Committee members are asked to note the Lancashire LSIP report.

Appendix A

Lancashire Local Skills Improvement Plan

Lancashire Local Skills Improvement Plan (LSIP)

Date of publication 31 March 2022

www.lancashirelsip.co.uk

North & Western Lancashire Chamber of Commerce

East Lancashire Chamber of Commerce

Funded by Department for Education

Contents

1. Foreword

The local skills agenda has never been as important as we address the post-pandemic and post-Brexit world. The Local Skills Improvement Plan LSIP is a great opportunity for Lancashire's businesses, colleges, training providers and business support community to work together and create a local skills improvement plan that truly recognises the skills needs, and more importantly, some of the solutions needed to address these.

Back in July 2021, Lancashire was chosen by the Department of Education as one of eight UK) Trailblazers which intends to reshape the local technical skills system to better support the needs of the local labour market and the wider economy.

This programme, led by North & Western Lancashire Chamber of Commerce in partnership with our neighbouring East Lancashire Chamber was tasked with undertaking a root and branch review of the skills requirements needed by our business community, now and for the future

Our aim was to produce an evidence-based skills audit of a sort never seen before to ensure future skills delivered by colleges of further education actually match what firms require and deserve in the future.

Our work over the past few months was all about placing employers at the heart of defining local skills needs and providing a once in a generation opportunity for Lancashire businesses to have their say and set out the key changes needed to make technical skills training more responsive to employers' skills need.

I am delighted that through the sterling efforts of both Chambers, a meaningful and collaborative partnership has been created between Employers, Colleges of Further Education, private sector providers, Universities, trade associations and key stakeholders who have pledged to work together in shaping adult learning and apprenticeship programmes to satisfy the needs of commerce and industry.

From this significant piece of research, the LSIP has set out in this report the key changes needed to make technical skills training more responsive to employers' skills needs within the County.

This new system must be driven by employers, colleges and other providers working together to identify the skills needs of an area, and to begin the process of transforming the delivery of technical education so that it both meets and drives demand for skills.

Our local business community has played a significant part in influencing the following plan. A plan that sets out a credible and evidence-based assessment of local employer skills needs, which providers will be empowered to respond. The report sets out the real and transformational change needed to achieve a more responsive skills provision which is locally driven and tailored to the challenges and opportunities most relevant to the County.

I truly believe this will be a genuinely transformative approach to dealing with long-term skills gaps, improving productivity, and increasing opportunity for Lancashire people.

J. Cole

Jane Cole

Chair Lancashire LSIP Board
President North & Western Lancashire Chamber of Commerce

2. Executive Summary

2.1 Aim of this Report

This report aims to provide a qualitative examination of the skills shortages in the County of Lancashire. Its key motivations are both to assess the true extent of the re-emergence of skills shortages and the underlying factors behind them, and to understand how employers are coping with and responding to them. Further its aim is to not only identify the problems but to propose solutions and how those solutions may be enacted to fill roles with the talent they require.

2.2 The approach taken

The report used a range of market research methods such as surveys, sector-specific and cross-sector focus groups, one to one interviews, roundtable discussions and a series of roadshows. The data collected provided basic measures of both anticipated changes required in as well as those skills that are required as a matter of urgency.

This report therefore looks to provide an evidence-based and analytical approach to assessing Lancashire Skills shortages, both now and for the future and discusses the implications for employers as well as the Government's policy for upskilling and reskilling.

2.3 What has been revealed

The report highlights several issues that are critical to our understanding of local skills needs and debates about sensible policy responses required by the Government.

It is clear that shortages in essential technical skills are rising and that shortage applies to the majority of sectors. Two-thirds of employers surveyed believe their sector is suffering from a shortage of qualified individuals.

In the vast majority of cases, the data collected indicates that the incidence of skills shortages in many sectors is far more profound than it was before the pandemic. This relates to the second issue, which is that there are positive signals that some employers, mainly larger ones, have become better at sourcing skilled labour.

Training is valued highly by employers. The majority hire people they expect to have to train and the vast majority provide in-house training. Many employers did express enthusiasm for the potential role apprenticeships could play in offsetting labour and skill shortages in the future. Although others said that apprenticeships were not relevant to their sector. On top

of this, there is a perception among some employers that the quality of skilled candidates was in short supply.

2.4 Barriers to overcome

There were a number of factors that businesses found to be barriers to accessing the training needed to fulfil their skills requirements.

Time was a big issue for employers. Whether it is the time needed to identify skills needs within the business, the time it takes to source suitable training, or the time an individual has to spend off the job to complete training, this was the biggest concern of employers, the time it takes to access the skills system is a big barrier. The lack of in-house resource and capability to identify skills requirements and source training was also a concern for many organisations. Streamlining identification of skills and courses is essential to help more employers pursue training for their staff.

Cost is another concern. Disparate methods of funding training has created confusion for employers. Funded skills training is frequently tied to long-term courses and qualifications which are not required to train an individual in on specific skill required to progress. Employers believe that allowing a wider range of courses to attract funding will enable more training to be undertaken, and more efficiently than tying individuals into longer courses than needed.

Many businesses stated that they had encountered difficulties with the accessing the right content in the available training provision. Programmes/frameworks were also found to be too generalised, too rigid and failed to address industry requirements. A more flexible approach to delivery with the focus on specific skills would make training much more accessible for employers and learners alike.

Some organisations expressed concern about the lack of up-to-date knowledge/expertise training providers possessed. Providers are very keen to work with employers to enable industry placements for trainers to remain up-to-date with current working practices and technologies.

2.5 Solutions by action

In the context of this report, a key attraction of this LSIP is that it would help many more employers to understand their skill development needs and enable them to engage more meaningfully with further education (FE) if there was a central point that could offer sign-posting, advice, information and skills needs analysis.

This plan outlines the need for change and recommendations to improve Lancashire's skills system. Some recommendations can be delivered collaboratively locally, while others will require structural changes from central government. The plan can help boost the growth of Lancashire's economy and more effective investment in skills. The collaborations developed throughout the process of the LSIP and SDF need to continue with the momentum that has been built during this time harnessed to deliver something transformational for the Lancashire. Implementation will be key.

3. Structure of this Report & Glossary

This report is intended to improve the connection of required skills to employers in Lancashire. It is built around four key pillars:

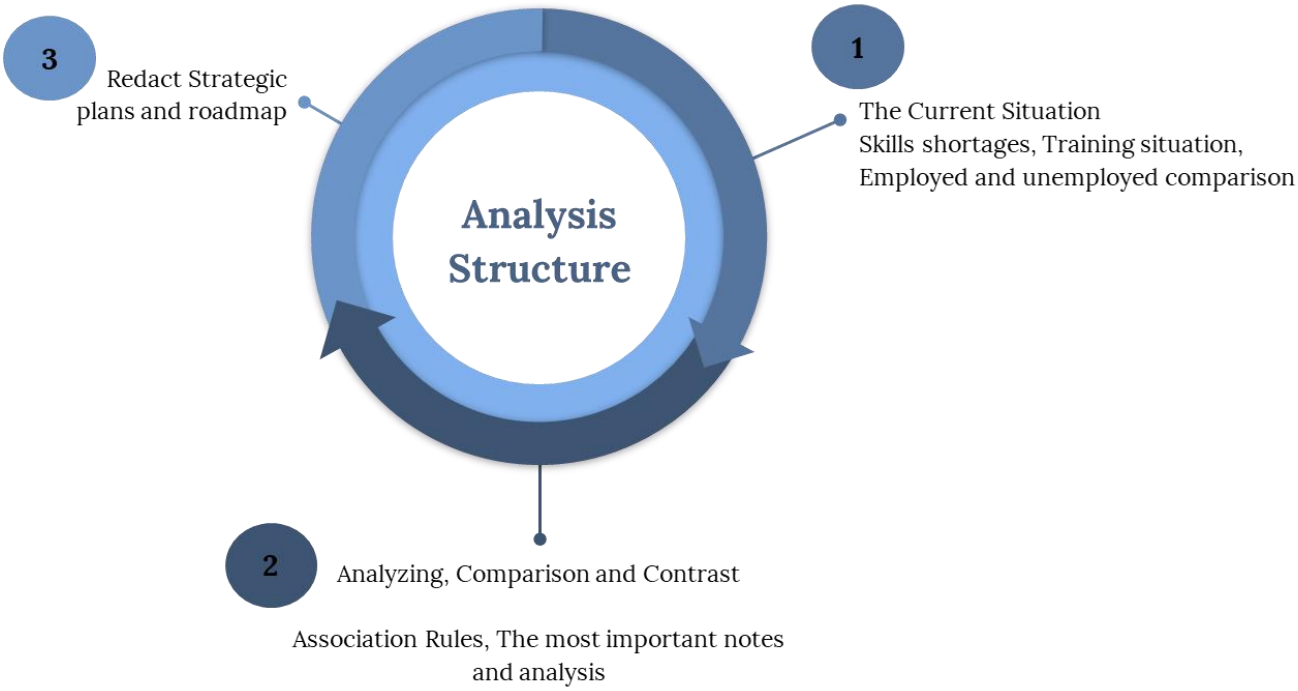
a) A Strategic Overview: to understand the current landscape and future vision

b) Specification of employers' skills needs in key sectors both now and in the future

c) Analysis of what needs to change and why

d) A Roadmap to delivering change

Analysis of data has been approached, as follows:



This approach allows identification of main skills shortages in each chosen sector and whether they are predicted to increase or decrease. Further, based on association rule analysis, skills needs that have been mentioned together will be identified. Analysis will inform actions to be taken to help bridge the gap between skills provision and employer needs.

Glossary

Term	Meaning
AMRC	Advanced Manufacturing Research Centre
BCC	British Chambers of Commerce
BRES	Business Register and Employment Survey (ONS 2020)
(the) Chamber	North & Western Lancashire Chamber of Commerce
ERB	Employer representative body
ESF	European Social Fund
FE	Further Education
GDP	Gross Domestic Product
HEI	Higher Education Institution
KS	Key Stage
LCC	Lancashire County Council
LEP	Local Enterprise Partnership
LMI	Labour market intelligence
NEET	Not in Education, Employment or Training
NUTS	Nomenclature of Territorial Units for Statistics
NWLCC	North & Western Lancashire Chamber of Commerce
ONS	Office for National Statistics
TTWA	Travel to work area
WTDC	Workplace Training and Development Commission

4. Introduction

This Trailblazer Local Skills Improvement Plan (LSIP) for Lancashire has been produced by the North & Western Lancashire Chamber of Commerce, one of eight employer representative bodies testing an employer-led approach to skills planning. This will help the DfE determine how best to rollout LSIPs across the country. It is DfE's intention that the employer voice articulated in this plan should help inform the decisions of local skills providers and inform relevant future funding bids. This Local Skills Improvement Plan will be a starting point for any future Local Skills Improvement Plan produced under a national roll out of the programme.

The Department for Education's Skills for Jobs White Paper (published January 2021) and the resulting Skills Accelerator pilots seek to address years of technical skills gaps. The need was identified to reshape the technical "skills system to better support the needs of the local labour market and the wider economy."

To support a "transformational approach to tackling long-term problems to deliver growth and create high-quality jobs across the country", LSIPs have been tasked with setting out "the key changes needed to make technical skills training more responsive to employers' skills needs within a local area."

Through a leading employer representative body (ERB), employers will create the LSIP through a "credible and evidence-based assessment of their skills needs." [Skills Accelerator]

4.1 Objectives

The Lancashire LSIP is operating as one of eight Trailblazers, to engage with a wide range of employers not already working with the skills system in the county. Only by gaining a thorough understanding of the skills supply issues employers across different sectors are struggling with can the LSIP deliver a plan that meets the genuine needs of employers.

In order to engage with a sufficiently wide range of employers it is essential that numerous stakeholders with reach into different elements of the business community are actively involved. Led by the North & Western Lancashire Chamber of Commerce, working in partnership with the East Lancashire Chamber of Commerce and supported by the Lancaster & District Chamber of Commerce, the LSIP has sought to work with other business support organisations, trade bodies, local authorities and other local stakeholders to gain as wide a reach as possible to address the following objectives:

4.1.1 To collect information on labour market demand and present/future skills shortages

The collection of data to build a comprehensive picture of employer skills requirements has been the cornerstone of Lancashire's LSIP. Existing research and labour market intelligence has been analysed to help inform the primary research conducted by the LSIP and create the context for the LSIPs findings.

Primary research will form the basis of the LSIP's findings and action plan. This includes a variety of methods to help engage with as many employers as possible and gather a range of quantitative and qualitative data. Mass surveys, focus groups, roundtable discussions, one-to-one interviews and roadshow events are all methods utilised in the gathering of the necessary information.

4.1.2 Identify skills provision

An understanding of existing skills provision across Lancashire is essential to see how needs are currently being met and why gaps exist. This helps highlight why, in connection with differing industry demographics, certain skills gaps are more or less of a problem in different authority areas within Lancashire.

The combination of skills gaps outlined by employers and the availability of suitable provision will work to build a clear picture of the reasons behind gaps. Knowing whether the reasons for gaps are down to lack of provision, unsuitable delivery methods, or lack of employer awareness is necessary to develop plans to close gaps.

4.1.3 Identify barriers to upskilling/reskilling

With investment in training decreasing over recent years both in terms of time and money spent, it is important to understand what may be preventing employers accessing training for employees.

There is awareness that employers find the fragmented nature of provision and funding a problem, lack any collective influence over provision, and lack full awareness about the opportunities for training provision. [Work Foundation]

Understanding the impact of these and other barriers on Lancashire employers is important to enable employers, especially SMEs to access and influence the skills system.

4.1.4 Create a plan for deliverable improvements

With all of the information gathered the final goal of the Trailblazer is to develop a clear plan to transform skills provision in Lancashire to meet employer needs. This plan will include changes that can be delivered in continued partnership with providers.

There will be some solutions that have been arrived at alongside employers that cannot be delivered purely on a local level. Where structural changes at a national level are these will be featured as recommendations for consideration by the necessary Government departments.

Where possible though the plan will look to engage local providers and stakeholders to deliver the necessary changes. The plan must make it possible to address specific skills needs as well as making it easier for employers to access the skills system.

4.2 LEP/LSEH priorities

4.2.1 The Lancashire Skills and Employment Strategic Framework LancashireSkillsFramework_2021-compressed.pdf (lancashirelep.co.uk sets out some LEP pillars of growth:

- Health
- Energy & Low Carbon
- Tourism, Culture & Place
- Digital
- Advanced Manufacturing
- Food & Agriculture

4.2.2 It also contains the following sensible themes and aims:

Future Workforce:

- Careers Hub: Excellent careers provision underpinned by Labour Market Intelligence (LMI)
- Technical Education Vision: roll out of T levels & progression pathways to higher technical qualifications
- Digital Workforce of the future
- Supporting young people who are NEET to reengage with learning and work

Skilled & Productive Workforce:

- Technical Education Vision: Apprenticeships aligned with business needs, alongside growth in higher level and degree Apprenticeships
- Reskilling & Upskilling the current workforce – with focus on digital skills to support technology adoption & the growth pillars
- Leadership & Management capacity in SMEs
- Healthy Workplaces

Inclusive Workforce:

- Boost employability & skills of unemployed & economically inactive residents & support journey into work particularly in disadvantaged areas
- Sector specific initiatives targeted at areas with labour market demand
- Raise digital inclusion
- Embed social value in commissioning, procurement and planning processes

An Informed Approach:

- Maintain a robust evidence base in the form of an effective and open-source suite of relevant data
- Evidence based approach to prioritising, influencing and directing funds
- Collaboration with Local Stakeholders, other LEPs and Mayoral Combined Authorities, and sharing of good practice
- Work with government to evaluate what works to influence future priorities and programmes

Interaction with Enablers as to:

Infrastructure:

- Investment in skills infrastructure.
- Embedding social value.
- Building construction skills & workforce of future.

Mental Health:

- Building the resilience of our Future Workforce.
- Healthy workplaces driving up productivity and health and well-being.

Finance & Inward Investment:

- Supporting inward investment through skills base offer and supporting recruitment.

Stakeholder Engagement:

- Businesses, providers and stakeholders engaged in the implementation of joint objectives.

4.2.3 The Action Plan provides:

The Lancashire Skills Pledge - which aims to provide a one stop shop for employers to easily engage in the upskilling, recruitment and inspiration of the people of Lancashire, whilst also recognising their commitment.

Lancashire LMI Toolkit - an open-source evidence base will be developed to provide a detailed insight into the Lancashire Labour Market to support careers information, advice and guidance, curriculum planning, prioritisation of funding, articulation of priorities to government and to support bids and propositions.

Escalate - an on-line search tool that enables referral agencies and Lancashire residents to search and access local provision aimed at supporting unemployed adults on their journey back into work.

Social Value Toolkit – a toolkit to support organisations to embed social value into public sector contracts, with local sources of support to help them to deliver against their commitments.

Skills for Work - the Skills for Work microsite has been launched with over 50 partners in response to COVID-19 to communicate current offers, to bring support to those that are furloughed, to boost skills for business recovery and employability, support those facing redundancy and those seeking work, and younger people aged 16-24 with tailored provision.

Opportunities Map - A place-based resource detailing training opportunities for young people aged 16-18 who are NEET.

4.2.4 The Lancashire Skills and Employment Strategic Framework SWOT analysis shows us, as follows:

Continued…

Strengths	Weaknesses
○ 'Good and Outstanding' network of Lancashire Colleges with strengths in technical education+ World class universities, science excellence, new facilities, inc. Health Innovation Centre and Drone Technology Centre ○ Award winning Careers Hub & Digital Skills Partnership ○ Lancashire Skills and Employment Strategic Framework & Technical Education Vision: Strong partnership approach	○ Lag in productivity, lower than average wages ○ Lower attainment levels at Level 4+ ○ Ageing workforce and reducing working age population ○ Impact of COVID-19 on the 'levelling up' agenda – volatile employment rates and inability of Lancashire to cope well with economic shocks ○ Health of the workforce
Opportunities	**Threats**
○ Drive up digital skills building on 'test and learn' approaches, National Skills Fund allocation and relationships with corporates ○ Lancashire Skills Escalator – embed in practice and approach to the UK Shared Prosperity Fund ○ Widening the funnel of experiences and encounters for young people through virtual means in COVID-19 environment ○ Rebuild the legacy of Apprenticeships to 'grow our own' – 14utilizing Government policies regarding incentives, apprenticeships and levy transfer ○ Four Enterprise Zones, City Deal and Eden Project North attracting employers and people into Lancashire	○ Fragmented approach to policy making across Government Departments ○ Unclear policy regarding UK Shared Prosperity Fund – lack of influence on priorities and shape of a fund which will replace £80m+ of ESF ○ Piecemeal approach to funding of programmes due to COVID-19 ○ COVID-19 impact on the 'levelling up' of disadvantaged areas ○ Further impact on health of workforce due to COVID-19

4.3 The businesses the LSIP seeks to reach

As can be seen with the LSEH pillars for growth, Lancashire provides a variety of priority sectors that require further engagement. Each area of the county has its own industrial makeup and increases the number of sectors that will need to be addressed.

As such, the Lancashire LSIP does not seek to close off any sectors from the work being carried out. However, there is a need to gain greater insight into those priority areas within the county, especially those with a heavy reliance on technical skills. This will require sector specific questioning in surveys for the following sectors:

- Advanced manufacturing
- Manufacturing
- Construction
- Farming & agriculture
- Energy & environmental
- Transport & distribution
- Telecommunications
- Digital & marketing
- Architects & surveyors
- Healthcare
- Software & computing

Equally important to including a wide variety of sectors is to seek input from smaller businesses. It has been a problem for some time that smaller employers feel increasingly distant from the skills system, with larger employers seen as having significant impact on skills priorities and course content, together with the resources to access it.

Following extensive engagement through WTDC, BCC recommendations included:

> "Engage employers of all sizes in the development and future proofing of prestigious, high-quality technical and vocational qualifications."
>
> And
>
> "Employers of all sizes must be at the centre of skills design and planning. Skills and broader economic strategies must be aligned with business growth aspirations and be underpinned by extensive business engagement, research and data." [WTDC]

As a result the LSIP seeks to include businesses of all sizes to ensure the voice of smaller employers is heard. With 98% of Lancashire businesses classed as either Micro or Small i.e. having fewer than 50 employees, it is essential that this group is not ignored. [Local Skills report]

This approach to all sectors and sizes was supported by a Work Foundation report published after the start of the LSIP:

> "This research found that deep consultation with a broad range of employers was vital to ensuring educational provision is well matched to local needs. A broad range of employers – critically smaller businesses – should also be consulted within the emerging models of engagement. Smaller businesses can find it more challenging to engage with stakeholders in the skills system but developing a clear offer, in terms of the benefits that will be gained from participation, can help to mitigate this. Again, new models of engagement must ensure

that smaller businesses are engaging within the process of understanding skills needs in a place."

This included the following recommendation:

"Chambers of Commerce should ensure that LSIPs involve broad engagement with a range of businesses. The establishment of SME/microbusinesses panels could be one method for achieving this. The Department for Education should require evidence of extensive engagement as part of the LSIP approval process."

5. Background

5.1 The County of Lancashire

Local Government in the County of Lancashire comprises of an upper tier authority, Lancashire County Council and 12 district authorities namely: Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire, and Wyre. Blackpool and Blackburn with Darwen are unitary authorities that do not come under county council control. The county, including the unitary authorities, borders Cumbria, North Yorkshire, West Yorkshire, Greater Manchester and Merseyside in the North West England region.

Lancashire's geography makes a lot of sense for an LSIP. It is coterminous with the existing LEP area and that covered by the SAP. The county's colleges have an existing collaborative body, The Lancashire Colleges. In terms of local authority areas, Lancashire County Council is the higher tier covering 12 of 14 district council areas, with 2 being unitary authorities: Blackpool and Blackburn with Darwen. It is, however, common practice for countywide projects to be delivered across the LEP area including the LCC, Blackpool and Blackburn authority areas.

In local skills conversations these local authority areas are often linked together in six TTWAs:

- Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley
- Blackpool, Fylde & Wyre
- Burnley and Pendle
- Lancaster and Morecambe (covered by the Lancaster City Council area)
- Preston, Chorley and South Ribble
- West Lancashire


LANCASHIRE
Lancaster
Wyre
Ribble Valley
Pendle
Blackpool
Fylde
Preston
Burnley
Hyndburn
South Ribble
Rossendale
Blackburn with Darwen
Chorley
West Lancashire


LANCASHIRE

5.1.1 Lancashire is covered by two accredited Chambers of Commerce: North & Western Lancashire and East Lancashire. A third Chamber covering the Lancaster City District area is a subsidiary of the North & Western Lancashire Chamber. The three Chambers have experience of working closely together on issues and projects that cover the whole of Lancashire from the production of the quarterly economic survey reports to the delivery of the Chamber Low Carbon programme.

5.1.2 As an area Lancashire has a wide range of industry types with different priority areas in different areas of the county. It is genuine mix of urban, rural and coastal locations. This is highlighted by a huge disparity in population density, with Blackpool containing 3,968 people per square kilometre compared to Ribble Valley with only 106. For reference, Lancashire is 494, North West is 522, and England is 433. [ONS Population Estimates]

Location	Area (sq km)	Persons	People per sq km
Blackpool	35	138,381	3,968.38
Hyndburn	73	81,133	1,111.45
Blackburn with Darwen	137	150,030	1,094.93
Preston	142	144,147	1,013.09
South Ribble	113	111,086	981.83
Burnley	111	89,344	807.20
Chorley	203	118,870	586.25
Pendle	169	92,145	544.01
Rossendale	138	71,432	517.47
Fylde	166	81,211	490.12
Wyre	282	113,067	400.71
West Lancashire	347	114,496	330.31
Lancaster	567	148,119	261.26
Ribble Valley	583	62,026	106.36
LANCASHIRE	3,066	1,515,487	494.29
NORTH WEST	14,108	7,367,456	522.22
ENGLAND	130,310	56,550,138	433.96

There are also areas of relative affluence mixed with five of the Government's priority areas of deprivation – Blackpool, Blackburn with Darwen, Burnley, Pendle, and Rossendale. [List of Places]

5.1.3 According to mid-2020 population estimates, Lancashire's population is 1,515,487 with clear indicators that the population is aging. The over 65 age group has a higher annual

growth rate, 0.9% than the 0-18s (0.5%) and 18-64 (0.2%). Lancashire's median age is 42.76, higher than both the North West (40.33) and England (40.18). [ONS Population Estimates]

5.1.4 Lancashire residents earn considerably less than the national average with a median gross weekly pay of £561.90, compared to £613.50 in England. The gap increases for those who work in Lancashire (but not necessarily live in the county), with a median gross weekly pay of £557.80.

As referenced by the LEP:

> "Lower and more slowly growing gross weekly wages for those working full time in Lancashire represents a threat to Lancashire's economy, if highly skilled workers have to seek work outside of Lancashire in order to access higher weekly wages and those which are growing faster (to keep pace with inflation), there is a risk of skills drain from the area, skills which are needed to help drive up Lancashire's lagging productivity." [Local Skills Report]

5.1.5 Lancashire's ethnic make up is predominantly white (90.4%) which is largely in line with England (90.1%). The next highest ethnic characteristic is Asian/Asian British with 7.9% which is higher than England (5.9%). The number Asian/Asian British people varies significantly between the authority areas with particularly high percentages in Blackburn with Darwen (28.1%), Pendle (15.5%), Preston (15.5%), Hyndburn (11.2%), and Burnley (11%).

Inactivity by Ethnicity

Ethnic characteristic	Lancashire	North West	England
White	20%	23%	21%
Ethnic minority	40%	35%	32%
Mixed ethnic group	22%	29%	28%
Indians	35%	28%	25%
Pakistanis/Bangladeshis	48%	40%	39%
Black or black British	32%	33%	27%
All other ethnic groups	39%	39%	36%

It is of particular note that the unemployment rates of Asian/Asian British people are significantly higher than the average but also much higher than those from similar ethnic backgrounds in the both the North West and England.

5.2 Overview of education/training provision in Lancashire

Key headlines for education and training provision in Lancashire show:

5.2.1 Lancashire has a lower percentage of workers qualified to NVQ Level 4 and above, and a higher percentage of Levels 2 and 3, compared to the England average. However, the Lancashire proportion of residents qualified to NVQ Level 4 and above for 20-24 year olds is higher than the national average.

5.2.2 Lancashire FE achievements appear well matched by subject to Lancashire's largest employment sectors. Engineering and Manufacturing Technology achievements account for a larger proportion of FE in Lancashire than in England, as do Construction, Planning and the Built Environment, and Retail and Commercial Enterprise.

5.2.3 Lancashire's apprenticeship achievements by sector subject area align to those in England. Following the apprenticeship reforms, starts initially dropped in Lancashire, but were beginning to recover pre-pandemic. The impact of COVID on apprenticeship starts has been more severe in Lancashire than was typical nationally. Lancashire does have a lower percentage of apprenticeship achievements in Information and Communications Technology than England, and a higher percentage of apprenticeship achievements in Engineering and Manufacturing Technology than England, though these are in line with differentials in Lancashire's employment sectors compared to England.

5.2.4 HE achievements in Lancashire differ compared to England. There are a higher percentage of HE achievements in Lancashire in Subjects Allied to Medicine, and Education but a lower percentage in Engineering and Manufacturing Technology, and Business and Administration than in England.

5.2.5 There was a higher percentage of school leavers in Lancashire who transitioned into sustained employment and apprenticeship destinations than in England, but a lower percentage who moved into sustained education.

5.2.6 KS4 and KS5 leavers in Lancashire were more likely to move into sustained education and apprenticeships, and the higher the most recent level of study the higher the likelihood of moving into sustained education and apprenticeships.

5.2.7 FE and Skills learners in Lancashire were less likely to enter into sustained employment than in England, but those with Level 4 and Level 5 qualifications in Lancashire were more likely to go into sustained employment in Lancashire than they were nationally.

5.2.8 A lower percentage of Level 2 apprenticeship achievers go on to sustained employment in Lancashire than in England. However, those completing Level 3 apprenticeships in Lancashire

are equally as likely as their contemporaries nationally to go into sustained employment. Those in Lancashire completing Level 4, and Level 5 apprenticeships were more likely than is typical in England to go into sustained employment.

5.2.9 Graduates from Lancashire HEIs are as likely as they are nationally to go into employment, but a higher percentage of these graduates will work part time than is typical nationally. A similar percentage of graduates from Lancashire will go into further study.

5.2.10 Graduates from Lancashire HEIs are more likely to stay in the North West than is typical of most SAP areas, but they do not necessarily stay in Lancashire, they might live in Lancashire and commute to neighbouring SAPs where they may be able to access higher weekly wages. Indeed, data suggests 22.7% of graduates from Lancashire HEIs remain in Lancashire to work after graduation, 17.7% for those completing a Masters degree, and 17% for those completing a doctorate.

Source: Local Skills Report Standardised Data Pack (Annex A) https://www.lancashireskillshub.co.uk/wp-content/uploads/2022/03/Lancashire-Local-Skills-Report-Annexe-A-2022-Final.pdf

6. The Market

6.1 Enterprises

There are approximately 54000 VAT/PAYE-registered enterprises in the Lancashire. Preston (5,165), Lancaster (4,585) and West Lancashire (4,410) had the largest numbers of enterprises in the Lancashire-. Chorley (4,350) and Wyre (4,215) also have numbers greater than 4,000 enterprises. Hyndburn (2,245) had the lowest number of VAT/PAYE-registered enterprises. Burnley (2,530), Pendle (2,790) and Rossendale (2,800) are also below 3,000. In the unitary authorities of Blackburn with Darwen, there are approximately 5000 VAT/PAYE-registered enterprises. This was the second largest figure in the Lancashire, behind Preston, whilst the Blackpool total (3,905) was the seventh largest in the County.

6.2 GDP

The overall provisional gross domestic product (GDP) totals approximately £39.124 billion, which was the second largest in the North West region, behind Greater Manchester (£78.918 billion). Lancashire is ahead of Merseyside (£37.956 billion) and Cheshire (£37.427 billion) and Cumbria (£14.028 billion). .

GDP for the County is ranked in 24th position out of 41 NUTS-2 areas in the UK (including Northern Ireland).

6.3 Employee numbers

The number of VAT/PAYE registered enterprises reveal a large proportion that have nine employees or less, and that less than 1% of public/private organisations employ 250 or more people. BRES 2020 confirms that for Lancashire a small number of large organisations account for a substantial proportion of total employment.

Lancashire County Council is by far the largest employer in the county, whilst of the various NHS organisations in the county the Lancashire Teaching Hospitals NHS Foundation Trust has the most staff. In the private sector, BAE Military Air Solutions is by a large margin the biggest employer. Other large private sector employers in the county include Booths and Westinghouse's Springfields Fuels Ltd.

Many retailers and financial institutions such as Tesco, Asda, Marks and Spencer, HSBC etc., are major employers in the county while Co-operative Bank employs many hundreds of people in Skelmersdale.

6.4 Employer overview and Sectors

Among the well established locally owned companies that are significant employers, Booths has its headquarters in the county and a number of supermarkets in Lancashire. James Hall & Co is a major wholesale distribution company in Preston.

The most important multi-national company in the county is BAE Military Air Solutions. The company has two major sites at Warton on the Fylde coast and Samlesbury between Blackburn and Preston. In 2011, the two sites were designated as local enterprise zones and this will attract additional employees to the sites.

Eric Wright Construction is an important employer in the construction sector with its HQ in South Ribble district. Other significant private sector employers in the county include Leyland Trucks, Rolls Royce with a site in Barnoldswick and Safran Nacelles in Burnley.

Barnoldswick is also home to Silentnight which is said to be UK's largest manufacturer of branded beds.

The nuclear industry has a very important presence in Lancashire. In particular, EDF Energy operates Heysham 1 and Heysham 2 nuclear power stations whilst nuclear fuel is manufactured at the Westinghouse Springfields site near Preston. The Nuclear Industry Association produces a yearly jobs map that lists all the companies and employee numbers that are connected with the nuclear industry.

The manufacturing sector in the county contains a number of sites belonging to major national and multinational organisations. These important local employers include Burton's Foods, Fox's Biscuits, Warburtons, Cott Beverages, Graham and Brown, Eka Chemicals in Blackburn (part of Akzo Nobel) Ashi Glass Fluoropolymers, Andrew Industries, Synergy Health UK LTD, Tensar International, Trelleborg Offshore, Hanson Heidelberg Cement Group, Victrex, Dixon Group Europe, TRW, Alstom Transport, and Accrol Papers.

A fast moving private sector company that is a major local employer in East Lancashire is the business telecoms service provider Daisy. Homeserve in Preston is an emergency insurance group that employs a large number of people at its claims management centre.

Hinduja Global Solutions is a major international organisation that employs hundreds of people undertaking customer contact work in central Preston.

The county has a very important agricultural sector that encompasses a range of farming, fishing and horticultural activities. Many of the businesses are well established, but as with

a number of other sectors it is a challenge to identify the largest employees. Of note however are Flavourfresh Solfresh Group of Banks, West Lancashire, a leading UK salad producer, and Huntapac Produce Ltd, growers, packers and distributors of organic and conventional root vegetables, brassicas and salads. Agency staff, hired during the busier parts of the growing season, will significantly add to the workforces at these and other major local employers in the sector.

Aerospace - Lancashire's aerospace sector is the largest cluster of aerospace activity in the UK, employing over 12,700 people.

Lancashire makes a significant contribution to the whole aerospace supply chain with world-class firms like Senior Aerospace Weston, Magellan Aerospace, Rolls-Royce and Safran Nacelles, to name but a few, operating in areas such as metal machining of aircraft structural and engine components, the process and treatment industry and engine sub-systems.

Advanced Manufacturing - The manufacturing industry in Lancashire is enterprising and innovative, with the UK's highest concentration of activity outside South East England.

With just under 78,000 employed in manufacturing overall, Lancashire has a significant employee base with manufacturing expertise. 13.1% of the workforce is employed in manufacturing operations, considerably higher than the national average of 8.6%.

3,500 are employed in the automotive sector and key companies include PACCAR, who manufacture and design Leyland Trucks, Piolax, Sanko-Gosei and TRW Automotive.

Digital and creative - Over recent years the industry has seen expansion accelerate at twice the rate of the broader economy. More than 4,000 local firms operate in the county's industry – a figure that continues to rise as more and more businesses tap into the opportunities created by Media City in Salford.

Our growing centre of excellence has an annual GVA contribution of £700m and plays an increasingly significant role in Lancashire's economy.

Energy and environmental - Over 41,000 people are employed in the related energy and environment sector. Over 12,000 people are employed in civil engineering, a key area in energy infrastructure and provision; particularly in nuclear, renewables and water. It also represents a skills base which is nationally in short supply. Significant energy companies are represented in Lancashire. This includes EDF, AMEC PLC, SITA, Assystem and Toshiba.

Lancashire has a well-established nuclear industry which is likely to increase in importance given the presence of Toshiba Westinghouse UK HQ in South Ribble and Toshiba's majority stake in the NuGen new build JV.

Healthcare - Over 98,000 people are employed in the health and social care sector in Lancashire – with the workforce set to grow to meet the demands of the county's ageing population.

While the NHS accounts for the majority of the workforce, the sector is made up by nearly 4,000 businesses – including many businesses in the NHS's supply chain. Major employers in the county include Synexus, Speed Medical, Mi3, Synergy Healthcare, Presspart Manufacturing and Touchstone Medical.

Food and drink - Around 12,000 people are employed specifically in food & drink manufacturing activities, representing 2.0% of employees compared to the national average of 1.3% for Great Britain.

There is a strong mix of companies ranging from multinationals such as PepsiCo and Dr Oertker to small artisan producers has resulted in a diverse range of companies producing products ranging from biscuits, crisps and functional food to pet food.

The whole food supply chain is represented in Lancashire. From raw materials, meat processors and dairies to logistics. Lancashire, in particular the Ribble Valley and the Trough of Bowland provides an outstanding provenance to meet growing consumer demand for quality.

Professional and business services - Just under 34,000 people are employed in business and financial and business services, across a wide range of operations ranging from accountancy and law to consumer finance and venture capital.

The diverse economy has encouraged companies such as Guardian Financial Group and Chesnara Plc to grow in Lancashire as well as providing outsourcing opportunities for businesses services firm in areas such as pension administration and claims handling.

With 53,200 people employed in sales and customer services occupations, this provides a significant pool of labour for contact centre and Business Process Outsourcing operations

Recent recessions have been very difficult for the Lancashire economy and the social and economic costs imposed on a large section of the workforce have been dire. In retrospect, however, what can be said is that the enforced changes and unwinding of hitherto large

industrial clusters represented a sharp acceleration to the long-term fundamental shift in the nature and structure of the local economy.

Today, Lancashire has a number of large major employers in both the public and private sectors, but the defining characteristic of today's economy is no longer the domination by very large vertically integrated enterprises. Now, 90% of local businesses are small, employing fewer than 10 people.

Whilst much reduced in size, manufacturing still retains a key presence, providing almost one fifth of GVA wealth creation and more than an eighth of total employment in the Lancashire-14 area in 2014. The manufacturing base has an important high-technology content, and a big slice of this is contained within the aerospace and associated industries.

Despite the importance of high tech their remains an historical structural bias towards lower growth more mature and lower value-added activities across a wide range of Lancashire manufacturing and service sectors.

Around 80% of employees in Lancashire are now allocated to the various service sectors – everything from retail, distribution and hotels, through financial and business services to health, education and public administration activities and personal and community services.

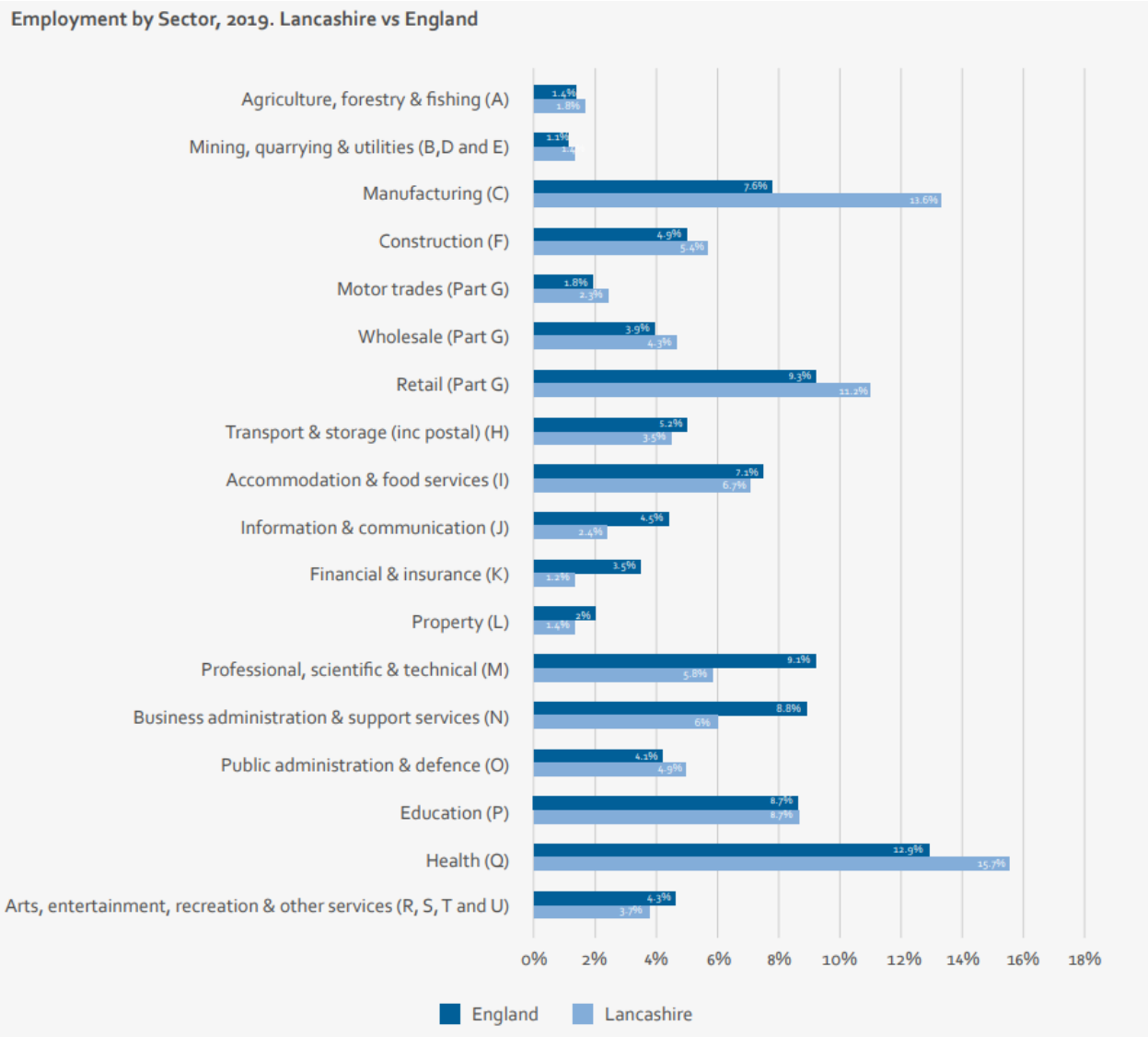
Unlike manufacturing, Lancashire has few specialisations in services but where they are to be found they are invariably in low value/low wage activities and include mail order and fulfilment services, call centres, contract packaging, hotels and bars and basic administration/clerical-type occupations.

Lancashire is one of England's largest shire counties and still contains an important agricultural sector. Livestock and dairy farming is far more important than arable production in the broader Lancashire area, but there is a large amount of top grade farming land in West Lancashire means that the area is a significant producer of field vegetables and crops under glass/plastic.

Within Lancashire, Preston (89,000) had the greatest provisional estimate of employee numbers, followed by Lancaster (55,000), South Ribble (54,000) and West Lancashire (50,000): Rossendale (22,000) had the lowest. Blackburn with Darwen (70,000) and Blackpool (63,000) had the second and third largest total number of employees in the Lancashire-14 area.

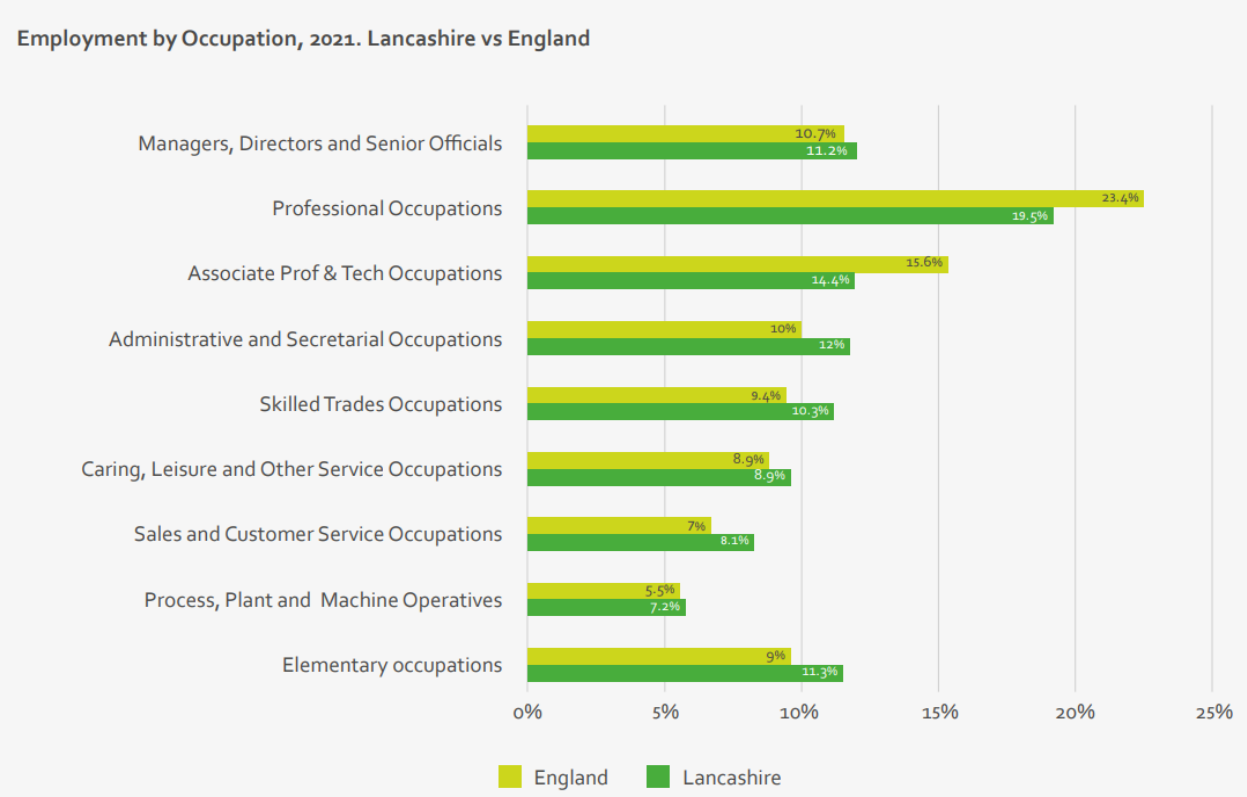
Source of data: LCC

Lancashire's current and immediate employment structure looks like this:



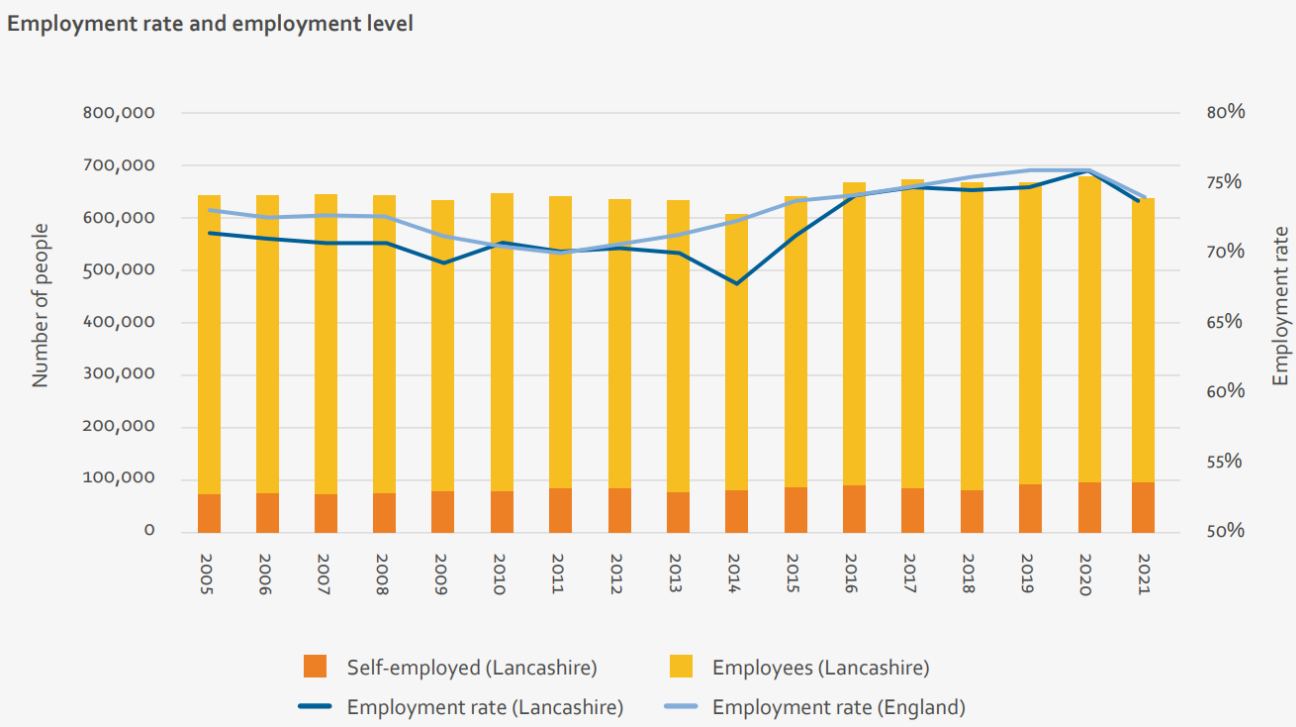
Source: ONS Business Register and Employment Survey, 2021

Employment rates in 2021 in Lancashire are provided in chart below:



Source: ONS Annual Population Survey, July 2020 to June 2021

Employment rate and employment level history 2005 to 2021 is represented, as follows:



Source: ONS Annual Population Survey, 2021.

7. Strategic Overview

7.1 Focus and Objectives

Crucially, we all agree the need to create a more relevant, joined-up and flexible skills system that meets the needs of the Lancashire businesses community. This means helping businesses to understand their current and future employees' education and training needs and ensuring the skills system delivers what is required both now and in readiness for the changes of the future.

The Chamber has an established leadership role and will work with other business representation organisations to bring businesses beyond our traditional membership and client base. Lancashire LSIP will be truly inclusive and representative of diverse business communities. It will extend penetration into traditionally hard-to-reach communities, ensuring their specific skills needs are addressed. Through this inclusive and collaborative partnership approach, the establishment of a Lancashire LSIP will transform how partners from both the public and private sector work together to strengthen the voice of business and to ensure that the employer is placed at the heart of the programme guaranteeing that it is demand led and learner centric.

To achieve in-depth data, knowledge and ultimately results, efficiencies have been created by the utilisation of modern technologies, for example: online fieldwork; focus groups; and virtual launch to audience segmentation utilising GEO/socio profiling/datasets. These sustainable virtual methods correspond to the Chamber's environmental & sustainable policies.

Following on from this, we moved to address each aspect and what we will measure to demonstrate real and sustainable progress. To achieve this:

- We worked and will work collaboratively with local partners and stakeholders to offer viable and targeted solutions in each area
- The LSIP's work developed and will be further developed through focussed engagement with employers, carried out via a systematic approach involving data analysis followed by further quantitative and qualitative methods
- We drew upon and will draw upon a range of evidence, from in-depth conversations with the business community from one to one meetings, focus groups, round tables, workshops, surveys and large scale events.

- The plan sets out our understanding of local circumstances, needs and aspirations across different aspects of businesses: large to small, sector to clusters, cross theming to geographies
- We have analysed existing data to direct priorities. There already exists a lot of high-level data gathered by the LEP's Skills & Employment Hub.
- We will increase employer engagement. Surveys were conducted via e-surveys, telephone and video interviews, and face-to-face meetings. Data was collected through dynamic mobile-responsive technology, allowing live participation at events. Part of the survey was intended to discover how employers are engaging with issues such as the move to net zero, digitalisation, technological advancement, and internationalisation.
- There has been and will be discovery of employers who lack the tools to identify strategic skills requirements. Those employers will be offered training on the process of conducing a training needs analysis and forward planning. A strategic skills analysis toolkit will also be developed to further aide employers. Once trained, surveying can be repeated.
- Theme-based skills panels. Panels will not necessarily be formed by specific sectors, although it is inevitable this will be the case with some themes, but will encourage a cross-sectoral approach where beneficial.
- The Chamber created a Lancashire Local Skills Improvement Plan Board, chaired by the President of the North & Western Lancashire Chamber of Commerce. It includes representatives from the East Lancashire Chamber of Commerce, colleges of further education, universities, the private sector training providers, Local Enterprise Partnership and other business representation organisations and employer representative bodies such as the Federation of Small Businesses, Institute of Directors, Marketing Lancashire, BOOST Growth Hub and sector specific representatives).

7.2 Strategic Context

Lancashire is an UK employment hot-bed and we have a fantastic network of colleges but we needed to ensure that the technical courses our colleges offer are aligned to the skills requirement of employers. The aim of the research was to ensure employers share their views to make the LSIP plan fit for them and fit for purpose. Led by the Chamber, working

in partnership with the East Lancashire Chamber and supported by Lancaster Chamber, we looked to engage with over 10,000 businesses as part of our evidence gathering.

7.3 Process of Engagement

In order to gain a comprehensive understanding of the current and future skills gaps a wide range of market research tools were used to allow business owners and leaders help form the brand-new Lancashire Local Skills Improvement Plan (LSIP). The involvement of the business community was key to the success of this project. Without the contribution of business leaders, owners and managers, we could not truly represent the needs of local employers.

As part of the Chamber's evidence gathering, a suit of consultation initiatives ran across a range of skills areas including manufacturing, services, transport and distribution, energy and environmental, construction, internationalisation, digitisation, net zero, sales and marketing, and HR.

Typically, tried and proven research methods were used, which incorporated:

7.3.1 Surveys

a) Employer Skills Gap Survey

In order to gather detailed information from employers about the skills gaps that are having an impact on their businesses, the Employer Skills Survey was shared with large numbers of Lancashire employers.

The survey was developed by the NWLCC to gather skills gap information with a focus in priority sectors and on cross-cutting themes such as net zero, digitalisation, international trade etc. Businesses of all sectors were able to respond with responding to all general skills and with open-ended responses available if there were any issues they have not covered in the survey.

The sectoral questions were tested with industry representatives to ensure we featured a comprehensive list of skills relevant to each sector.

The survey was launched with a joint launch between the LSIP partners and stakeholders. The Chamber alone emailed the survey to over 10,000 contacts with the other Chambers and stakeholders sending it to thousands more. There was also a significant social media campaign and articles featured in the local press.

A telemarketing company was also engaged to contact as many of the Chamber's contacts and to encourage completions. The survey was also pushed at a number of events and networking meetings.

There were 1,094 individual responses to the survey. Due to duplications or insufficient detail some were removed for analysis purposes, leaving 970 responses.

b) Employer barrier to upskilling/reskilling survey

A second survey focused on the barriers to employers investing in training, levels of upskilling investment and experience of the providers. This was similarly sent out to Chamber contacts and shared by stakeholders. There was also additional telemarketing work to those who completed the Employer Skills Survey.

The intention of this survey was to gain a clearer understanding of how businesses identify skills needs and how they invest in upskilling their employees. The first survey touched briefly on the barriers to accessing training and this survey was able to go into more depth as to the problems employers face.

There were 318 individual responses to this survey.

c) Employee upskilling/reskilling survey

To better understand the experience of employees with regard to skills training, a social media campaign was ran asking people to complete a short survey. This survey asked whether they received training within their role ad what barriers there may be to completing extra training through work.

This survey received 569 responses.

d) Unemployed skilling/reskilling survey

Similarly to the Employee survey the LSIP was keen to understand the skills levels of those currently out of work and what their experiences were regarding getting trained to help them into a job. This was also promoted through a social media campaign.

This survey received 201 responses

7.3.2 Face-to-face consultations

a) Online focus groups

Groups of employers representing specific sectors or dealing with certain cross-cutting themes were brought together to discuss common issues affecting them and to develop recommendations to these problems.

The following groups were created:

- Advanced Manufacturing
- Manufacturing
- Services
- Transport & Distribution
- Energy & Environmental
- Construction
- Internationalisation
- Digitalisation
- Net Zero
- Sales & Marketing
- Farming & Agriculture
- Health & Social Care
- Software & Computing

Invitations to join the groups were made through the chambers of commerce in Lancashire, stakeholders and social media channels. The overall response was positive.

Meetings were held fortnightly with between 5 and 12 employers in attendance. They progressed from discussions on skills gaps and the barriers to getting the required number of people trained up, through to developing and testing recommendations.

There is interest from many of those involved in the focus groups to continue to contribute to the skills conversation in Lancashire.

b) Stakeholder roundtables

A series of roundtable events were held in collaboration with some of the LSIP stakeholders. The purpose was to get a picture of how some of the big cross-cutting themes like net zero
and digitalisation are impacting different industries.

The roundtables held were:

- Advanced manufacturing (with the Advanced Manufacturing Research Centre)

- Leisure, Tourism & Hospitality (with Marketing Lancashire)
- Construction (with Preston College)
- Farming & Agriculture (with Myerscough College)
- General business (with Lancashire)
- Energy & Environment (with Chamber Low Carbon)
- Digital & Cyber (with Lancaster University)

Each of the roundtables had between 7 and 12 employers represented.

c) <u>One to one interviews</u>

For those unable to attend the focus groups and other events one-to-one interviews were arranged. This gave a wider group of businesses the opportunity to engage with the LSIP. As with the roundtables the conversation looked at their particular issues, experience of the skills system and how they would like to see it improved. Later interviews also covered some of the recommendations to test some of those ideas.

7.3.3 <u>Roadshows</u>

A week of roadshow events were held across the county to raise the profile and demonstrate the collaboration between the LSIP, Skills Hub and colleges. The five events each gathered between 20 and 40 attendees with a mix of employers and stakeholders.

The events all had an update from the LSIP including early findings and a local update based on the host location. The Skills Hub gave a presentation of existing support for employers and the host college also presented with updates on employer engagement and any SDF projects they were involved with.

The events were:

- Blackpool, Fylde & Wyre Skills Roadshow (at Myerscough College)
- East Lancashire Skills Roadshow (at Burnley College)
- Blackburn Skills Roadshow (at Blackburn College)
- North Lancashire Skills Roadshow (at Lancaster & Morecambe College)
- West Lancashire Skills Roadshow (at West Lancashire College)

7.3.4 Call for evidence

Stakeholders were approached to have their input to the LSIP through a call for evidence. Six responses were received all from organisations who represent employers. These responses provided an overview of the skills situation from the outlook of the organisation and the employers they represent.

8. Employers' and Employees' Skills Needs & Barriers Analysis

There follows in this section 8 summary analysis* of the following sets of data gathered by the LSIP:

- Employer Skills Gap Survey
- Employer barrier to upskilling/reskilling survey
- Employee upskilling/reskilling survey
- Unemployed skilling/reskilling survey
- Online focus groups
- Stakeholder roundtables
- One to one interviews
- Roadshows

*Further and detailed analysis is contained in the reports at Annex 3 (separate document).

Commentary

1. Given that analysis of data indicates (unsurprisingly) that anticipated future skills needs often change from those currently required, it's recommended that the LSIP should assist the development and provision not only of the indicated current and future skills but should embed a "future view" mindset for its own strategy and operation, while encouraging employers (and the self-employed) to do the same. This will bring focus on skills for tomorrow's jobs, not those at risk of decline.

2. Where applicable association rule analysis allows further progress to be made in the use of data. This algorithm considers all the skills that have been selected by respondent employers as a consolidated set of skills need. Hence, having these skills together is more likely to be appropriate for an employer in a particular sector and considering them in the formation of future education and training provision is likely to better fulfil employer needs and, in time, boost both quality of employment productivity.

Continued...

8.1 Employer Skills Gap Survey (analysis by sector)

Advanced Manufacturing

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
CAD/CAM/CNC programmes	39%	39%	!
Data analytics	19%	26%	✓
Lean Management	19%	10%	✗
Product Engineering	19%	26%	✓
Quality Control	19%	16%	✗
Robotics, Artificial Intelligence(AI)	19%	19%	!
Technical equipment/operational skills	19%	19%	!
Machine Operating	16%	13%	✗
Procurement/supply chain	16%	16%	!
Product Development	16%	23%	✓
Programing/Manufacturing specific machines & devices	13%	19%	✓
Digital Fluency	10%	16%	✓
FMEA (Failure Mode Effects Analysis)	10%	13%	✓
Internet of Things (IoT)	10%	13%	✓
Other (please specify)	10%	10%	!
Tool Making	10%	10%	!
Cybersecurity	6%	16%	✓
Fabricating	6%	13%	✓
Poka Yoke (error proofing) techniques	6%	3%	✗
Process Controls	6%	3%	✗
Product Designing	6%	10%	✓
Servicing Machinery	6%	16%	✓
Writing and Understand Code	6%	10%	✓
Complex Assembly	3%	3%	!
Facilities Design	3%	0%	✗

Commentary

"CAD/CAM/CNC programmes"," Data analytics", "Product Engineering"," Robotics, Artificial Intelligence (AI)" and "Technical equipment/operational skills" are top 5 in-demand skills that are predicted to increase in the future.

Conversely, the following are indicated to decline in importance from their current status: "Lean Management", "Quality Control" and "Machine Operating".

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Data analytics, Lean Management, Programing/Manufacturing specific machines & devices	Cybersecurity, Data analytics, Robotics, Artificial Intelligence (AI), Internet of Things (IoT)
Data analytics, Quality Control, Programing/Manufacturing specific machines & devices	Digital Fluency, Artificial Intelligence (AI), Internet of Things (IoT), Robotics
Lean Management, Quality Control, Programing/Manufacturing specific machines & devices.	Digital Fluency, Cybersecurity, Data analytics, Internet of Things (IoT).

Construction

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Other (please specify)	26%	16%	✗
Joinery	23%	18%	✗
Bricklaying	20%	19%	✗
Electricians/Electrical Engineering	19%	18%	✗
Carpentry	18%	13%	✗
Construction management	18%	16%	✗
Groundworkers	18%	14%	✗
Plastering	16%	13%	✗
Building site supervision	15%	16%	✓
Plumbing	15%	15%	!
Roofing	15%	16%	✓
Mechanical engineering	14%	9%	✗
Painting & Decorating	13%	10%	✗
Tiling	10%	6%	✗
Masonry	9%	7%	✗
Estimating	8%	9%	✓
Scaffolding	8%	8%	!
Environmental codes (knowledge of)	9%	0%	✗
HGV Driving	7%	7%	!
HVAC systems	7%	8%	✓
Architectural	6%	7%	✓
Civil Engineering	6%	9%	✓
Forklift Driving	6%	6%	!
Sheet metal work	6%	2%	✗
Drywalling	5%	1%	✗
Fencing	5%	2%	✗
Measuring	5%	2%	✗
Pipe fitting	5%	5%	!
Concreting	3%	2%	✗

skill	Now	Future	
Erecting	3%	3%	
Maintenance - technical	3%	5%	
OSHA safety requirements	3%	2%	
Surveying	3%	5%	
Cleaning & Maintenance	2%	1%	
Flooring	2%	6%	
Ironwork	2%	3%	
M&E Consultancy	2%	5%	
Metal lathing	2%	1%	
Planning Consultants	2%	1%	
Reading and interpreting drawings	2%	5%	
Refrigeration	2%	1%	
Structural Engineering	2%	5%	
Banking & Financial	1%	1%	
Building codes & standards (knowledge of)	2%	0%	
Construction reports	1%	2%	
Drainage Consultants	1%	1%	
Landscape Architecture	1%	1%	
Power Tooling	1%	1%	
Rigging	1%	1%	

Commentary

"Building site supervision", "Plumbing" "Roofing"," Estimating" and "Scaffolding" are top 5 in-demand skills that are predicted to increase in the future.

Conversely, the following are indicated to decline in importance from their current status: "Mechanical engineering", "Tiling" and "Sheet metal work".

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Joinery, Bricklaying	Building site supervision, Bricklaying
Plastering, Bricklaying	Groundworkers, Roofing
Plastering, Joinery	Plastering, Joinery

Energy & Environment

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Equipment and process monitoring and its implementation	7%	11%	✓
Planning and permitting	7%	7%	!
Platforms for energy management of equipment and plants	7%	7%	!
Use of digital communication tools	7%	14%	✓
Agile human-machine interfaces (HM)	4%	4%	!
Artificial intelligence (AI)	4%	14%	✓
Augmented reality (AR)	4%	11%	✓
Big Data	4%	7%	✓
Cloud computing	4%	0%	✗
Collaborative/autonomous robotics	4%	7%	✓
ERP systems	4%	4%	!
Machine learning	4%	7%	✓
Monitoring systems of energy consumption	4%	7%	✓
Online inspection and monitoring systems	4%	7%	✓
Post-processing	4%	0%	✗
Resource reuse/recycling	4%	0%	✗
Reverse engineering	4%	4%	!
Sensors technology	4%	7%	✓
Traceability	4%	4%	!
Use of drones (for surveys)	4%	11%	✓
Waste reduction	4%	0%	✗
Water conservation	4%	11%	✓

Commentary

"Energy efficiency", "Electric car charging", "Sustainable resource management"," Complex information processing and interpretation" and "Power generation" are top 5 in-demand skills that are predicted to increase in the future.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Advanced financial modelling, Mechanical Engineering	Advanced data analysis and modelling, Product life cycle impact assessment
Climate change risk management, Engineering, Advanced financial modelling	Use of drones (for surveys), Use of digital communication tools
Climate change risk management, Engineering, Mechanical Engineering, Advanced financial modelling	Water conservation, Artificial intelligence (AI)

Farming & Agriculture

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Driving qualification	28%	20%	✗
Environmental planning	24%	20%	✗
Manual handling	24%	12%	✗
Farm chemicals	20%	20%	!
Mechanical knowledge	40%	0%	✗
Farming legalities	20%	8%	✗
Forklift truck / tractor driving	20%	16%	✗
Animal husbandry	16%	20%	✓
Health & safety knowledge	32%	0%	✗
Fencing/Boundary management	16%	8%	✗
Other (please specify)	16%	12%	✗
Animal management (birthing etc.)	12%	12%	!
Disease control	12%	16%	✓
Disease management	12%	24%	✓
Reporting (Safety & Technical)	12%	12%	!
Technological skills (understanding data)	12%	20%	✓
Animal welfare	8%	8%	!
Crop production	8%	16%	✓
Farming implements	8%	16%	✓
Pesticide control and application	8%	12%	✓
Time management	8%	16%	✓
Water course awareness	8%	8%	!
Crop rotation	4%	4%	!
Milking machinery knowledge	8%	0%	✗
Plotting / GPS	4%	4%	!

Commentary

“Farm chemicals”, ”Animal husbandry”, “Animal management (birthing etc.)”, ”Disease control” and “Disease management” are top 5 in-demand skills that are predicted to increase in the future.

Conversely, the following are indicated to decline in importance from their current status: “Driving qualification”, “Environmental planning” and “Manual handling”.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Animal management (birthing etc.),Animal husbandry	Crop production, Forklift truck / tractor driving, Reporting (Safety & Technical)
Disease management, Health & safety knowledge	Disease control, Forklift truck / tractor driving, Reporting (Safety & Technical)”
Driving qualification, Health & safety knowledge, Reporting (Safety & Technical)	Farming implements, Forklift truck / tractor driving, Reporting (Safety & Technical)”

Manufacturing

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Machine Operating	32%	34%	✓
CAD/CAM/CNC programming	19%	14%	✗
Quality Control	18%	14%	✗
Fabricating	17%	18%	✓
Product Designing	16%	17%	✓
Programming/Manufacturing specific machines & devices	16%	14%	✗
Technical equipment/operational skills	16%	14%	✗
Product Engineering	15%	20%	✓
Procurement/supply chain	14%	14%	!
Servicing Machinery	13%	14%	✓
Lean Management	10%	13%	✓
New Product Development Processing	10%	17%	✓
Process Controls	8%	9%	✓
Regulatory Compliance	7%	7%	✗
Tool Making	7%	10%	✓
Food Science	5%	5%	✓
Data analytics	4%	5%	✓
Robotics/Artificial Intelligence (AI)	4%	8%	✓
Textile & Dying	4%	4%	!
Cybersecurity	3%	3%	!
Internet of Things (IoT)	3%	7%	✓
STEM	2%	3%	✓
Writing and Understand Code	2%	4%	✓
Chemical Engeering	2%	2%	!
Complex Assembly operating	2%	2%	!
Systems Analysis	2%	2%	✓
Digital Fluency	1%	4%	✓
Facilities Designing	1%	1%	!
Sensory Systems Operations	1%	1%	!

Commentary

"Machine operating"," Fabricating", "Product designing"," Product Engineering" and "Servicing Machinery" are top 5 in-demand skills that are predicted to increase in the future.

Conversely, the following are indicated to decline in importance from their current status: "CAD/CAM/CNC programming", "Quality Control"," Programming/Manufacturing specific machines & devices", "Technical equipment/operational skills" and "Procurement/supply chain".

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Programming/Manufacturing specific machines & devices and Machine Operating	Machine Operating and Product Engineering
Machine Operating and Quality Control	Fabricating and Machine Operating"
	Programming/Manufacturing specific machines & devices and Machine Operating

Services

Architects & Surveyors

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Data collection	33%	17%	✗
Knowledge/Use of Survey Equipment	33%	0%	✗
Designing	17%	33%	✓
Legal/regulatory compliance	17%	33%	✓
Materials, methods and tools	17%	17%	!
Numeracy	17%	17%	!
Understanding GPS technologies	17%	17%	!

Commentary

"Designing" and "Legal/regulatory compliance" are in-demand skills that are predicted to increase in the future.

Conversely, the following are indicated to decline in importance from their current status: "Data collection" and "Knowledge/Use of Survey Equipment".

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Numeracy, Knowledge/Use of Survey Equipment, Understanding GPS technologies	Data collection, Knowledge/Use of Survey Equipment
Data collection, Knowledge/Use of Survey Equipment, Numeracy	Data collection, Numeracy
Knowledge/Use of Survey Equipment, Numeracy	Understanding GPS technologies, Data collection
Knowledge/Use of Survey Equipment, Understanding GPS technologies	Knowledge/Use of Survey Equipment, Numeracy
Numeracy, Understanding GPS technologies	Understanding GPS technologies, Knowledge/Use of Survey Equipment

Digital & Marketing

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Graphic Design	27%	21%	✗
Marketing analytics	24%	18%	✗
Other (please specify)	24%	15%	✗
Web Content	21%	15%	✗
Content Marketing	18%	6%	✗
Social Media	18%	18%	!
Website design	18%	21%	✓
E Commerce	12%	12%	!
Brand creation	9%	15%	✓
PR	9%	12%	✓
Search Engine Optimisation	9%	6%	✗
Brand Management	6%	3%	✗
Campaign Management	6%	3%	✗
Impact Analysis	6%	9%	✓
CAD Drawing	3%	0%	✗
Displays	3%	0%	✗
Event Management	3%	3%	!
Export Marketing	3%	6%	✓

Commentary

Some skills are predicted to increase in the future such as “Social Media” and “Website design” while others are predicted to decrease in the future, such as “Graphic Design” and “Marketing analytics” although they are in the top 2 currently demanded skills.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Graphic Design, Website design	Brand creation, Social Media
Social Media, Marketing analytics	Brand creation, Graphic Design
Marketing analytics, Web Content	

Health Care

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Urgent Care	20%	20%	
Manual handling	18%	16%	
Patient Preparation	9%	9%	
Administering Injections	7%	7%	
CPR	7%	7%	
Medical equipment knowledge	11%	0%	
Physical Therapy	7%	7%	
Dispensing skills	4%	7%	
First Aid	4%	7%	
Proficient use of Modalities (Cryotherapy, Ultrasound, etc.)	4%	4%	
Drug awareness	2%	4%	
Electronic Medical Record Software	2%	2%	
Self-defence/conflict resolution	2%	2%	

Commentary

Some skills are predicted to increase in the future such as “Urgent Care” and “Patient Preparation” while others are predicted to decrease in the future, such as “Medical equipment knowledge” although it is in the top-6 required skills, currently.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Urgent Care	Manual handling, Urgent Care
Manual handling	Urgent Care

Media

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Audio-visual technical	30%	20%	✗
Editing	20%	20%	!
Graphic design	20%	20%	!
Journalism	20%	10%	✗
VFX	20%	10%	✗
Animation	10%	10%	!
Broadcast engineering	10%	10%	!
Coding	10%	30%	✓
Digital imaging	10%	0%	✗
IT skills	10%	0%	✗
Photography	10%	30%	✓
Production accountancy	10%	10%	!
Photo imaging	0%	10%	✓

Commentary

Some skills are predicted to increase in the future such as “Editing” and “Graphic design” while others are predicted to decrease in the future, such as “Audio-visual technical” and “Journalism” although they are top-4 required skills, currently.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Graphic design, Journalism, Digital imaging	Graphic design, Coding, Photo imaging
Photography, VFX, Production accountancy	Audio-visual technical, Animation, Camera op
Editing, Photography, Production accountancy	Camera op, Editing, Animation
Graphic design, Photography, Production accountancy	Graphic design, Production accountancy, VFX
Coding, IT skills	Animation, Camera op
Production accountancy, Photography	VFX, Production accountancy

Software & Computational

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
Programming	47%	47%	
Coding (HTML etc.)	43%	40%	
Software Design	40%	50%	
Analysis	17%	13%	
Application (app.) Creation	17%	17%	
Data Provision	13%	10%	
Other (please specify)	13%	7%	
SQL/Linux Scripting	13%	17%	
System/Data Migration	13%	13%	
Cyber Security	10%	23%	
Network Installation and Support	10%	10%	
Data Backup	7%	7%	
Disaster Recovery	7%	3%	
Hardware Assembly	7%	7%	
Hardware Maintenance	7%	3%	
Process Mapping	7%	7%	
Programme Applications	7%	13%	
WAN/LAN Technology	7%	3%	
Assembly and Distribution	3%	3%	
Reporting	3%	3%	
Switching & Routers	3%	7%	
Virus Protection	3%	7%	
Hardware Manufacture	0%	3%	
Procurement	0%	3%	

Commentary

Some skills are predicted to increase in the future such as “Programming” and “Software Design” while others are predicted to decrease in the future, such as “Coding (HTML etc.)” and “Analysis” although they are top 4 required skills, currently.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
Coding (HTML etc.),System/Data Migration, SQL/Linux Scripting	Programming, Cyber Security, System/Data Migration
Analysis, Data Provision, System/Data Migration	Cyber Security, Network Installation and Support, System/Data Migration
Application (app.) Creation, Data Provision, System/Data Migration	Network Installation and Support, Programming, System/Data Migration
Application (app.) Creation, System/Data Migration, Analysis	Network Installation and Support, Programming, Cyber Security
Application (app.) Creation, Data Provision, Analysis	Network Installation and Support, System/Data Migration

Telecommunications

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
IT and Telecoms Support	25%	25%	
Network engineers	25%	25%	
Project Managers	25%	13%	
Technical product knowledge	38%	0%	
Transitioning issues from Legacy to VoIP	25%	25%	
VoIP Technologies (Telephone systems, Hosted, Virtualised etc)	25%	25%	
Business development & market awareness	13%	25%	
Cabling standards/Network Protocols	13%	13%	
Call Recording Technologies (Traditional on premise and hosted options)	13%	0%	
Call types e.g. geographic, international, non-geographic	13%	0%	
Cloud computing	13%	0%	
Computer Software Engineers	13%	0%	
Computer/System Programmers	13%	0%	
Electrical engineers	13%	0%	
Infrastructure planning	13%	0%	
Legacy Connectivity which is still widespread e.g. ISDN, Analogue	13%	13%	
Line/Equipment Installers	13%	0%	
Mobiles – Voice and Data etc	13%	0%	
Network Management	13%	13%	
Network Security	13%	13%	
SIP	13%	13%	
Operating Systems – Windows, Linux etc	0%	13%	
Telecoms Systems Managers	0%	13%	
Video Conferencing Solutions and Technology	0%	13%	

Commentary

Some skills are predicted to increase in the future such as “IT and Telecoms Support” and “Network engineers” while others are predicted to decrease in the future, such as “Project Managers” and “Technical product knowledge” although they are top 4 required skills, currently.

Association rule analysis for this sector indicates skill sets needs, as follows:

Now	Future
SIP, Network Security	Legacy Connectivity which is still widespread e.g. ISDN, Analogue, Network Management
Network Management, SIP	Legacy Connectivity which is still widespread e.g. ISDN, Analogue, Network Security
SIP, Legacy Connectivity which is still widespread e.g. ISDN, Analogue	Legacy Connectivity which is still widespread e.g. ISDN, Analogue, Project Managers
SIP, Call types e.g. geographic, international, non-geographic	Legacy Connectivity which is still widespread e.g. ISDN, Analogue, R & D specialists
SIP, Call Recording Technologies (Traditional on premise and hosted options)	Legacy Connectivity which is still widespread e.g. ISDN, Analogue, SIP

Transport & Distribution

All responded-to skills in this sector are provided in the table below with their anticipated increase or decrease over time:

skill	Now	Future	
HGV Licence	37%	37%	!
Other (please specify)	24%	14%	✗
Business and supply chain strategy	20%	20%	!
Mechanical engineering	14%	14%	!
International regulations	12%	4%	✗
Warehouse management systems	12%	10%	✗
Demand management and forecasting	10%	6%	✗
Electrical engineering	10%	10%	!
PSV Licence	10%	10%	!
Dispatching	8%	6%	✗
Fork Lift truck operations	8%	6%	✗
Operations strategy	8%	6%	✗
Risk management	8%	0%	✗
Supply chain management	8%	2%	✗
Supply chain synchronization	8%	4%	✗
Plant operations	6%	4%	✗
Sustainability	6%	8%	✓
Enabling technology application	4%	8%	✓
Execution, planning, scheduling control	4%	4%	!
Inventory management	4%	4%	!
Locating facilities	4%	4%	!
Process improvement and six sigma	4%	2%	✗
Strategic sourcing and purchasing	4%	0%	✗
Lean management	2%	0%	✗
Manufacturing process environments	2%	0%	✗
Security and hazardous materials regulations	2%	0%	✗
Vendor managed inventory	2%	2%	!

Commentary

“HGV Licence”,” Business and supply chain strategy”, “Mechanical engineering”,” Electrical engineering” and “PSV Licence” are top 5 in-demand skills that are predicted to increase in the future.

Conversely, the following are indicated to decline in importance from their current status: “International regulations”, “Warehouse management systems” and “Demand management and forecasting”.

Cross-sector skills

Digital & Marketing Skills Shortages (Impacting Now)

In the table below "Digital & Marketing" skills shortages over all 7 main sectors are indicated. "Social Media" is the main shortage with 20% over 969 participants following by "Advertising".

Cross-sector skill	Count	Percent
Digital & Marketing _Social Media	193	20%
Digital & Marketing _Advertising	160	17%
Digital & Marketing _Content Marketing	143	15%
Digital & Marketing _Networking and relationship building	138	14%
Digital & Marketing _SEO (Search Engine Optimisation)	127	13%
Digital & Marketing _Strategic Marketing	124	13%
Digital & Marketing _Digital design	114	12%
Digital & Marketing _Marketing Planning	102	11%
Digital & Marketing _Website coding	100	10%
Digital & Marketing _Market Research	98	10%
Digital & Marketing _E Commerce	89	9%
Digital & Marketing _Graphic design	78	8%
Digital & Marketing _Copywriting	76	9%
Digital & Marketing _Strategic Communications	69	7%
Digital & Marketing _Public Relations	63	7%
Digital & Marketing _Other	56	6%
Digital & Marketing _Event Management	53	6%
Digital & Marketing _Crisis Management	50	5%

Digital & Marketing Skills Shortages (Impact in the Future)

In the table below "Digital & Marketing" skills shortages in the future over all 7 main sectors are predicted. "Social Media" is the main shortage with 13% over 969 participants following by "Networking and relationship building".

Cross-sector skill	Count	Percent
Digital & Marketing _Social Media	120	13%
Digital & Marketing _Networking and relationship building	102	11%
Digital & Marketing _Advertising	101	11%
Digital & Marketing _Content Marketing	97	11%
Digital & Marketing _Strategic Marketing	95	10%
Digital & Marketing _E Commerce	84	9%
Digital & Marketing _SEO (Search Engine Optimisation)	83	9%
Digital & Marketing _Digital design	82	9%
Digital & Marketing _Market Research	78	8%
Digital & Marketing _Marketing Planning	76	8%
Digital & Marketing _Website coding	76	8%
Digital & Marketing _Graphic design	67	7%
Digital & Marketing _Event Management	65	7%
Digital & Marketing _Strategic Communications	65	7%
Digital & Marketing _Copywriting	59	7%
Digital & Marketing _Crisis Management	58	6%
Digital & Marketing _Public Relations	56	6%
Digital & Marketing _Other	40	5%

Importing & Exporting Skills Shortages (Impacting Now)

In the table below "Importing & Exporting" skills shortages over all 7 main sectors are indicated. "Customs Procedures" is the main shortage with 12% over 969 participants following by "Shipping".

35% of participants do not import or export.

Cross-sector skill	Count	Percent
Importing & Exporting _N/A - we don't import or export	336	35%
Importing & Exporting _Customs Procedures	114	12%
Importing & Exporting _Shipping	86	9%
Importing & Exporting _Documentation	78	9%
Importing & Exporting _Regulatory Compliance	68	7%
Importing & Exporting _International Sales	50	5%
Importing & Exporting _Methods of Payment	48	5%
Importing & Exporting _International Marketing	40	5%
Importing & Exporting _Languages	38	5%
Importing & Exporting _Incoterms	32	4%

Importing & Exporting Skills Shortages (Impact in the Future)

In the table below "Importing & Exporting" skills shortages in the future over all 7 main sectors are predicted. "Customs Procedures" is the main shortage with 9% over 969 participants following by "International Sales".

21% of participants do not import or export.

Cross-sector skill	Count	Percent
Importing & Exporting _N/A - we don't import or export	196	21%
Importing & Exporting _Customs Procedures	80	9%
Importing & Exporting _International Sales	73	8%
Importing & Exporting _Shipping	72	8%
Importing & Exporting _International Marketing	66	7%
Importing & Exporting _Documentation	62	7%
Importing & Exporting _Regulatory Compliance	61	7%
Importing & Exporting _Languages	54	6%
Importing & Exporting _Methods of Payment	47	5%
Importing & Exporting _Incoterms	32	4%

Net Zero Skills Shortages (Impacting Now)

In the table below "Net Zero" skills shortages over all 7 main sectors are indicated. "Understanding Net Zero v Carbon Neutrality" is the main shortage with 14% over 969 participants following by "Waste Management/Minimisation".

Cross-sector skill	Count	Percent
Net Zero _Understanding Net Zero v Carbon Neutrality	139	14%
Net Zero _Waste Management/Minimisation	135	14%
Net Zero _Energy Efficiency & Energy Management	134	14%
Net Zero _Measuring carbon emissions	103	11%
Net Zero _Carbon offsetting	100	11%
Net Zero _Supply chain management and collaboration	100	11%
Net Zero _Regulatory compliance/Duty of care	95	10%
Net Zero _Resource Efficiency	92	10%
Net Zero _Environmental Management Systems	91	10%
Net Zero _Innovation (develop low carbon products or services)	83	9%
Net Zero _Decarbonisation	79	8%
Net Zero _Product design and remanufacturing (circular economy)	75	8%
Net Zero _Other	31	4%

Net Zero Skills Shortages (Impact in the Future)

In the table below "**Net Zero**" skills shortages in the future over all 7 main sectors are predicted. "Carbon offsetting" is the main shortage with 21% over 969 participants following by "Energy Efficiency & Energy Management".

Cross-sector skill	Count	Percent
Net Zero _Carbon offsetting	200	21%
Net Zero _Energy Efficiency & Energy Management	173	18%
Net Zero _Measuring carbon emissions	152	16%
Net Zero _Understanding Net Zero v Carbon Neutrality	151	16%
Net Zero _Decarbonisation	150	16%
Net Zero _Regulatory compliance/Duty of care	150	16%
Net Zero _Waste Management/Minimisation	146	16%
Net Zero _Innovation (develop low carbon products or services)	135	15%
Net Zero _Environmental Management Systems	130	14%
Net Zero _Supply chain management and collaboration	112	12%
Net Zero _Resource Efficiency	107	12%
Net Zero _Product design and remanufacturing (circular economy)	92	10%
Net Zero _Other	28	4%

Sales Skills Shortages (Impacting Now)

In the table below “Sales” skills shortages over all 7 main sectors are indicated. “Lead generation / Business Development” is the main shortage with 23% over 969 participants following by “Sales Management”.

Cross-sector skill	Count	Percent
Sales _Lead generation / Business Development	217	23%
Sales _Sales Management	122	13%
Sales _Customer retention	109	11%
Sales _Business Contracting	104	11%
Sales _Account Management	102	11%
Sales _Technical Sales	93	10%
Sales _Field Sales	84	9%
Sales _Telesales	78	8%
Sales _Other	51	6%

Sales Skills Shortages (Impact in the Future)

In the table below “Sales” skills shortages in the future over all 7 main sectors are predicted. “Lead generation / Business Development” is the main shortage with 17% over 969 participants following by “Customer retention”.

Cross-sector skill	Count	Percent
Sales _Lead generation / Business Development	167	17%
Sales _Customer retention	114	12%
Sales _Sales Management	102	11%
Sales _Account Management	96	10%
Sales _Business Contracting	93	10%
Sales _Technical Sales	92	10%
Sales _Field Sales	74	8%
Sales _Telesales	63	7%
Sales _Other	30	4%

Other Skills Shortages (Impacting Now)

In the table below "Other" skills shortages over all 7 main sectors are indicated. "Project Management" is the main shortage with 15% over 969 participants following by "Leadership & Management".

Cross-sector skill	Count	Percent
Other _Project Management	141	15%
Other _Leadership & Management	137	14%
Other _Computer skills - Excel	134	14%
Other _Strategic & Business Planning	126	14%
Other _Health and Safety	104	11%
Other _Data Analysis	92	10%
Other _Budgeting & Cashflow forecasting	89	10%
Other _HR	88	10%
Other _Computer skills - Word	84	9%
Other _Finance	83	9%
Other _Computer Skills - PowerPoint	80	9%
Other _Procurement/Supply Chain	80	9%
Other _Cybersecurity	78	8%
Other _Literacy	76	8%
Other _Numeracy	72	8%
Other _Quality Assurance	71	8%
Other _Facilities Management	70	8%
Other _First Aid	64	8%
Other _Legal	59	7%
Other _Languages	43	5%
Other _Food Hygiene	33	5%

Other Skills Shortages (Impact in the Future)

In the table below "**Other**" skills shortages in the future over all 7 main sectors are predicted. "Leadership & Management" is the main shortage with 15% over 969 participants following by "Project Management".

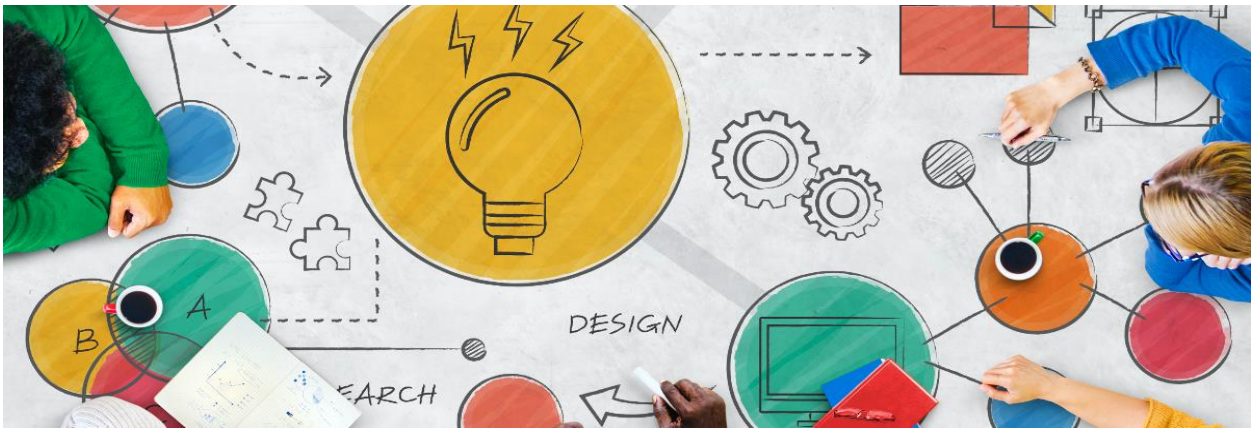
Cross-sector skill	Count	Percent
Other _Leadership & Management	144	15%
Other _Project Management	124	13%
Other _Strategic & Business Planning	118	12%
Other _Cybersecurity	114	12%
Other _Data Analysis	87	9%
Other _HR	81	9%
Other _Health and Safety	79	9%
Other _Computer skills - Excel	77	8%
Other _Procurement/Supply Chain	76	9%
Other _Budgeting & Cashflow forecasting	72	8%
Other _Quality Assurance	62	7%
Other _Finance	61	7%
Other _Legal	58	6%
Other _Literacy	58	7%
Other _Facilities Management	54	6%
Other _Numeracy	53	6%
Other _Computer Skills - PowerPoint	50	6%
Other _Computer skills - Word	49	6%
Other _First Aid	47	5%
Other _Languages	43	5%
Other _Food Hygiene	33	4%

Barriers to investment in training

The survey sought responses on barriers to training. The main barrier indicated is "Hard to find time to organise training" which has been selected by 405 participants (42%).

Barrier	Count	Percent
Hard to find time to organise training	405	42%
Lack of funds for training	396	41%
Lack of appropriate training / qualifications	182	19%
Lack of good local training providers	173	18%
Employee reluctance	156	16%
Staff turnover	149	15%
Difficulty finding flexible training providers	143	15%
Lack knowledge about training opportunities	143	15%
Lack of provision (e.g. courses full)	67	7%
Staff now fully proficient	66	7%
Training not a management priority	60	6%
Decisions taken at head office	26	3%

Soft Skills



Participants are asked about main soft skills in their sectors. “Customer service” is the most demanded soft skill in all sectors with 53% indicated within 969 participants.

Soft Skills	Count	Percent
Customer service	511	53%
Problem-solving	483	50%
Time management	474	49%
Organisational	467	48%
Communications - verbal	458	47%
Strong work ethic	440	45%
Leadership	415	43%
Ability to work well in groups	407	42%
Telephone answering	370	38%
Communications - written	333	34%
Adaptability	328	34%

Recruitment

The source of Recruitment is asked in all sectors and the results are in table below. “Industry” is the most frequent source with 44%.

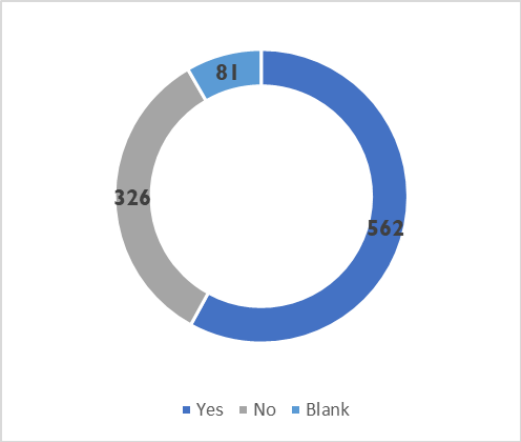
Recruitment	Count	Percent
Industry	426	44%
Apprentices	421	43%
University	379	39%
School leaver - A-Level	317	33%
Competitors	310	32%
School leaver - GCSE	261	27%

8.2 Employer barrier to upskilling/reskilling survey

General Questions

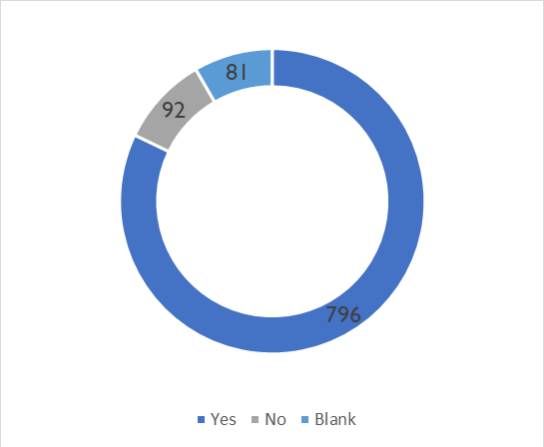
Do you recruit non-qualified people and train them to achieve nationally recognised professional or vocational qualifications?

Answer	Count	Percent
Yes	562	58%
No	326	34%
Blank	81	8%



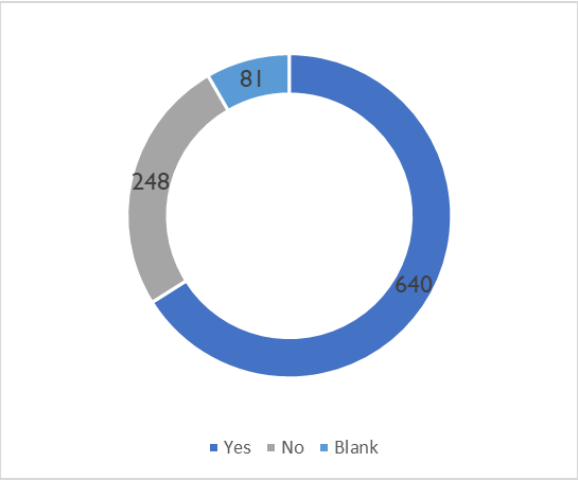
Do you train your own staff?

Answer	Count	Percent
Yes	796	82%
No	92	9%
Blank	81	8%



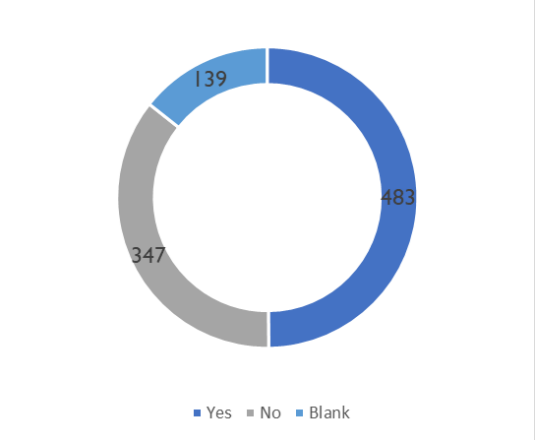
Do you feel that your sector is suffering from a shortage of skilled (qualified) individuals?

Answer	Count	Percent
Yes	640	66%
No	248	26%
Blank	81	8%



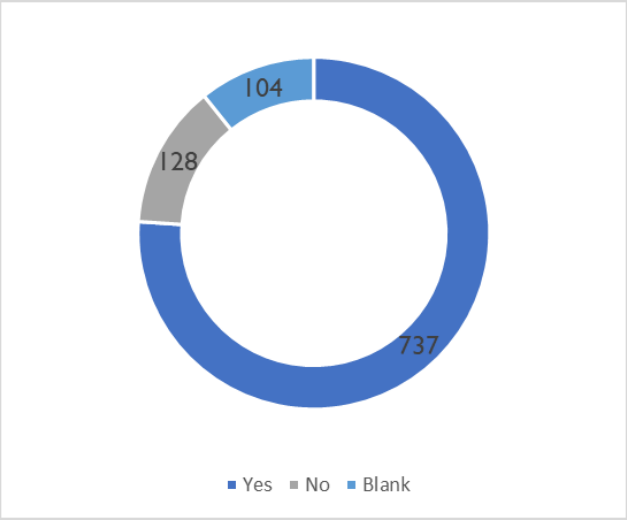
If you have experienced a shortage of skills have you also encountered salary inflation?

Answer	Count	Percent
Yes	483	50%
No	347	36%
Blank	139	14%



If encountering a shortage of skilled labour, have you outsourced elements of the role to overseas?

Answer	Count	Percent
Yes	737	76%
No	128	13%
Blank	104	11%

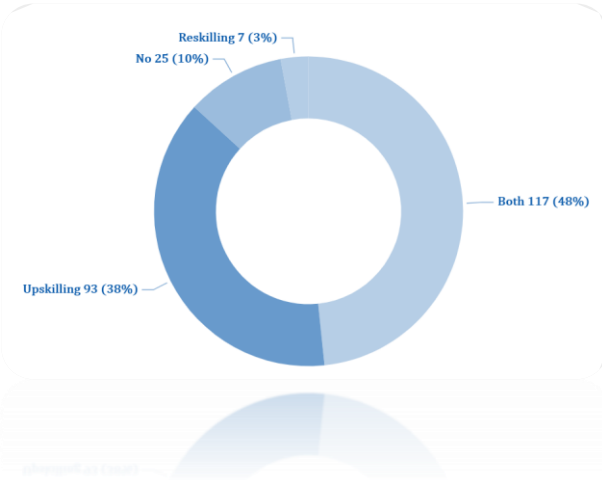


Upskilling & reskilling Questions

Have you ever provided your employees with upskilling or reskilling training?

Both upskilling and reskilling training have been provided by employees through 48% of participants

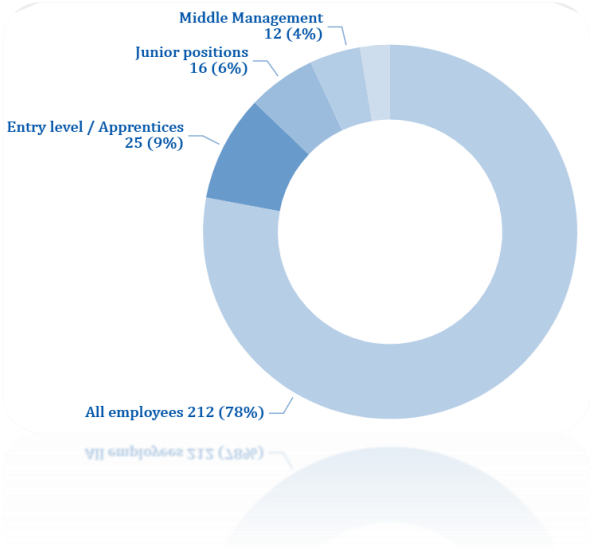
Answers	Count	Percent
Both	117	48%
Upskilling	93	38%
No	25	10%
Reskilling	7	3%



Does this training apply TO?

Upskilling and reskilling training have been applied to different groups as bellow.” All employees” is the most frequent answer in this question.

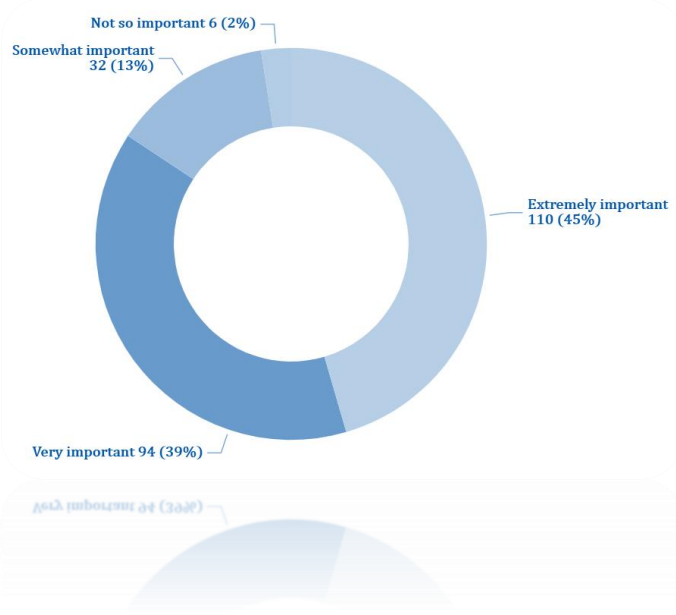
upskilling or reskilling training apply to:	Count	Percent
All employees	212	78%
Entry level / Apprentices	25	9%
Junior positions	16	6%
Middle Management	12	4%
Senior Management and above	7	3%



How important is it to reskill/upskill employees in your business?

The importance of reskill/upskill employees is as below.” Extremely important” is the most frequent answer in this question.

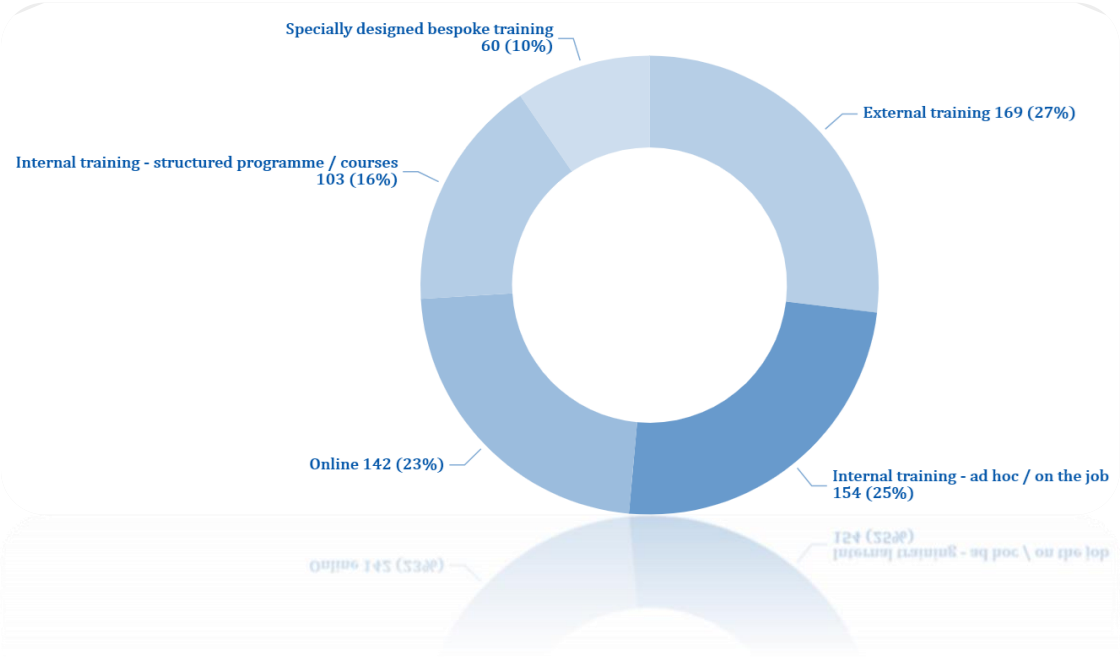
The importance of reskill/upskill	Count	Percent
Extremely important	110	45%
Very important	94	39%
Somewhat important	32	13%
Not so important	6	2%



From what sources do your employees receive their upskilling/reskilling training?

"External training" is the most frequent answer in this question with 27%.

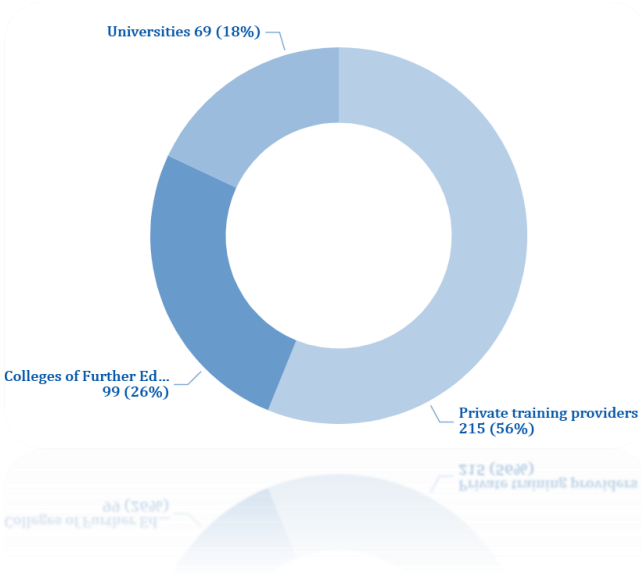
Sources of upskilling/reskilling training	Count	Percent
External training	169	27%
Internal training - ad hoc / on the job	154	25%
Online	142	23%
Internal training - structured programme / courses	103	16%
Specially designed bespoke training	60	10%



Which provider(s) have you used to deliver external and specially designed bespoke training?

Provider to deliver external and specially designed bespoke training are as below." Private training providers" is the most frequent answer in this question.

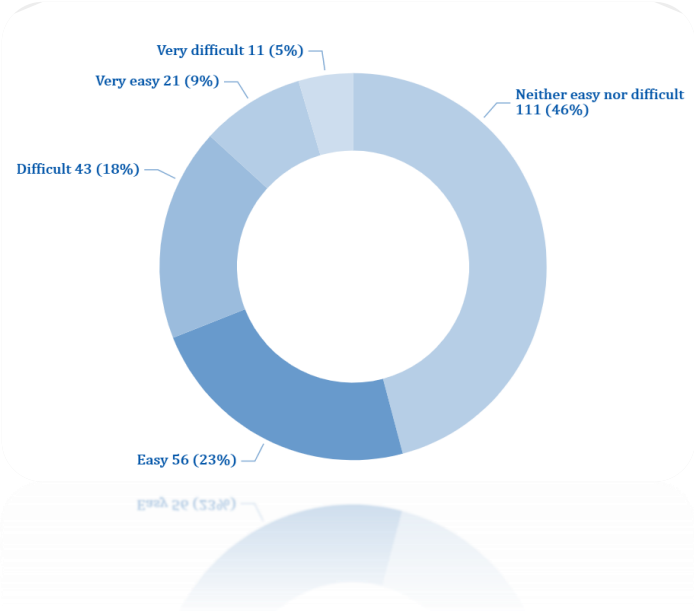
The importance of reskill/upskill	Count	Percent
Private training providers	215	56%
Colleges of Further Education	99	26%
Universities	69	18%



Has your business found it difficult to source/access reskilling/upskilling training provision?

"Neither easy nor difficult" is the most frequent answer in this question with 46%.

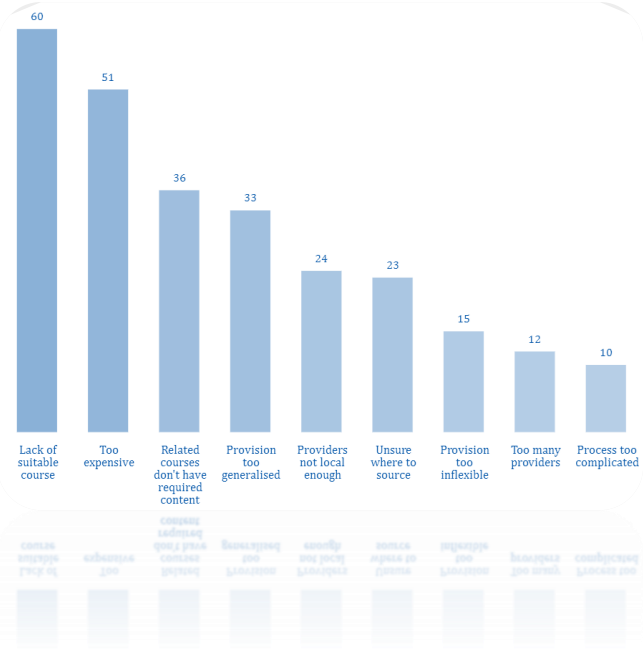
Answer	Count	Percent
Neither easy nor difficult	111	46%
Easy	56	23%
Difficult	43	18%
Very easy	21	9%
Very difficult	11	5%



What were the reasons for any difficulty?

"Lack of suitable course" is the most frequent answer in this question with 23%.

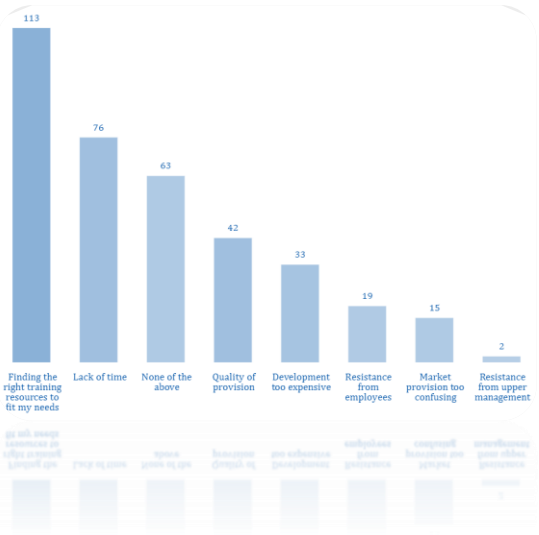
Answer	Count	Percent
Lack of suitable course	60	23%
Too expensive	51	19%
Related courses don't have required content	36	14%
Provision too generalised	33	13%
Providers not local enough	24	9%
Unsure where to source	23	9%
Provision too inflexible	15	6%
Too many providers	12	5%
Process too complicated	10	4%



What challenges did you face when sourcing your upskilling/reskilling programme?

"Finding the right training resources to fit my needs" is the most frequent answer in this question with 31%.

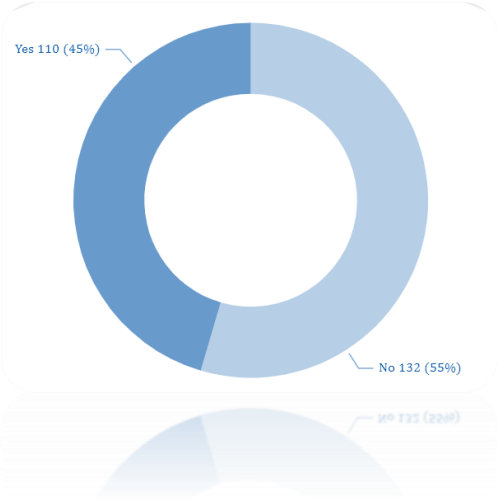
Answer	Count	Percent
Finding the right training resources to fit my needs	113	31%
Lack of time	76	21%
None of the above	63	17%
Quality of provision	42	12%
Development too expensive	33	9%
Resistance from employees	19	5%
Market provision too confusing	15	4%
Resistance from upper management	2	1%



Does your business have a reskilling/upskilling strategy in place?

"No" is the most frequent answer in this question with 55%.

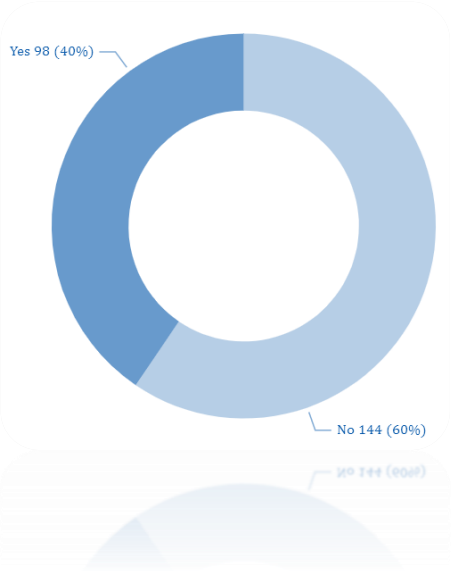
Answer	Count	Percent
No	132	55%
Yes	110	45%



Does your business have an investment plan for upskilling/reskilling your workforce?

"No" is the most frequent answer in this question with 60%.

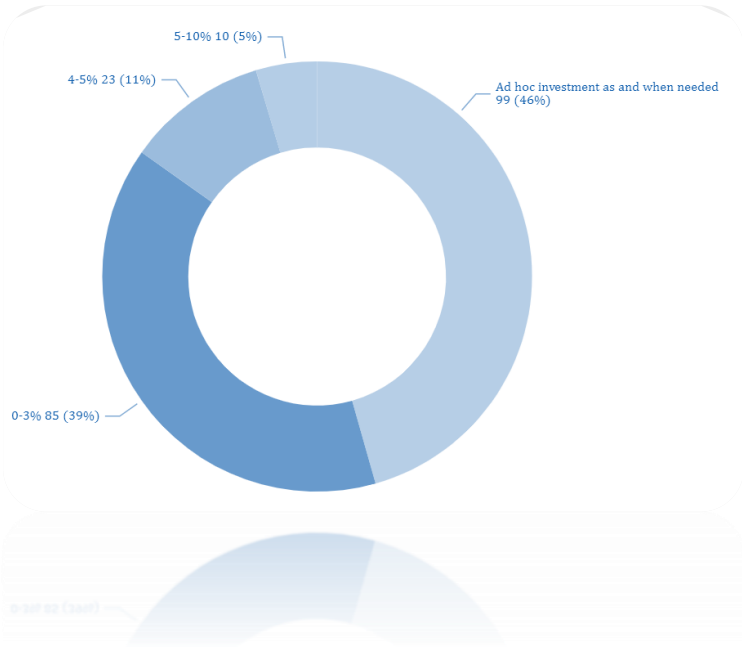
Answer	Count	Percent
No	144	60%
Yes	98	40%



On average what percentage of your turnover is invested into your reskilling/upskilling programme?

"Ad hoc investment as and when needed" is the most frequent answer in this question with 46%.

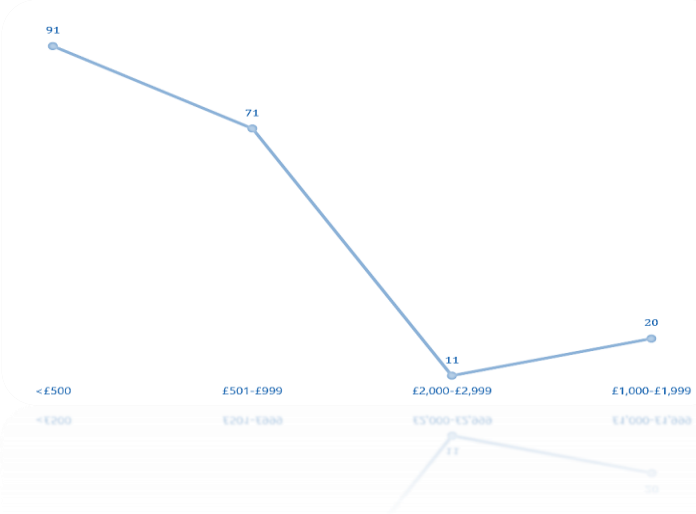
Answer	Count	Percent
Ad hoc investment as and when needed	99	46%
0-3%	85	39%
4-5%	23	11%
5-10%	10	5%



On average how much does this equate to per employee?

"<£500" is the most frequent answer in this question with 47%.

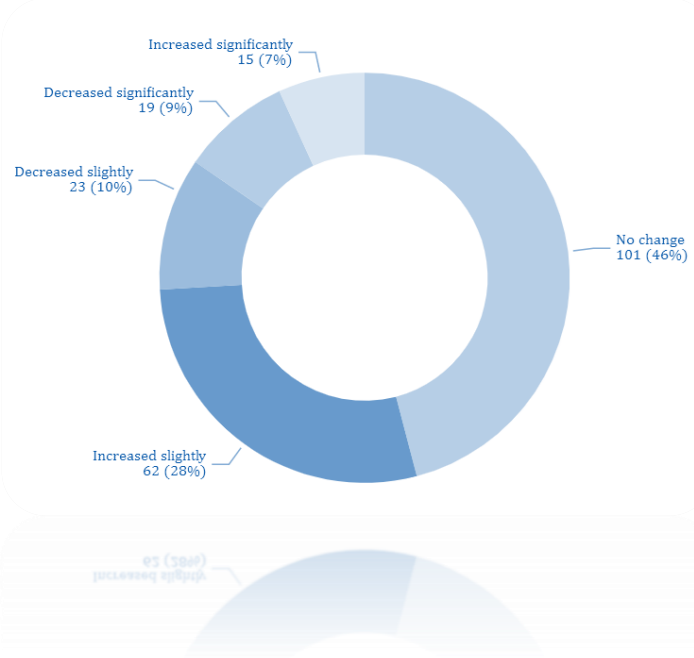
Answer	Count	Percent
<£500	91	47%
£501-£999	71	37%
£2,000-£2,999	11	6%
£1,000-£1,999	20	10%



Have you seen your investment in this area increase or decrease in real terms over the past 12 months?

"No change" is the most frequent answer in this question with 46%.

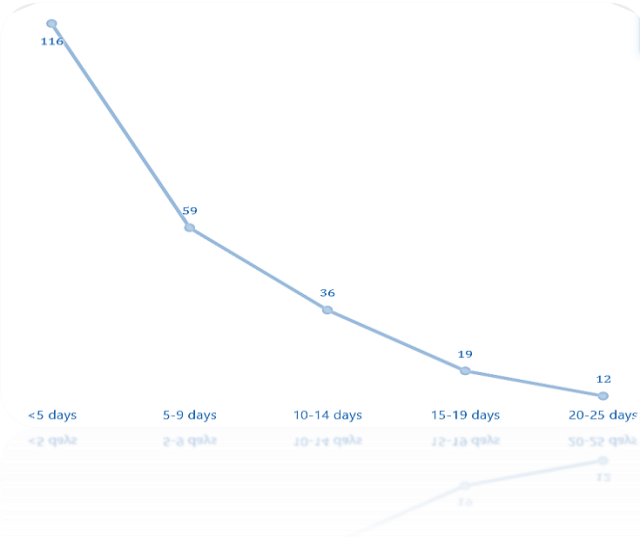
Answer	Count	Percent
No change	101	46%
Increased slightly	62	28%
Decreased slightly	23	10%
Decreased significantly	19	9%
Increased significantly	15	7%



On average how many days training do your individual employees enjoy over a 12month period?

"<5 days" is the most frequent answer in this question with 48%.

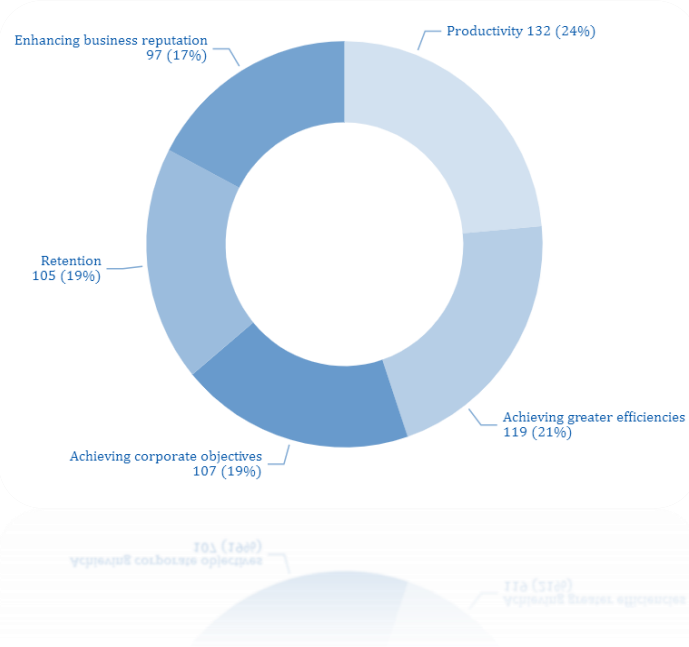
Answer	Count	Percent
<5 days	116	48%
5-9 days	59	24%
10-14 days	36	15%
15-19 days	19	8%
20-25 days	12	5%



In which areas has upskilling/reskilling been beneficial to your business?

"Productivity" is the most frequent answer in this question with 24%.

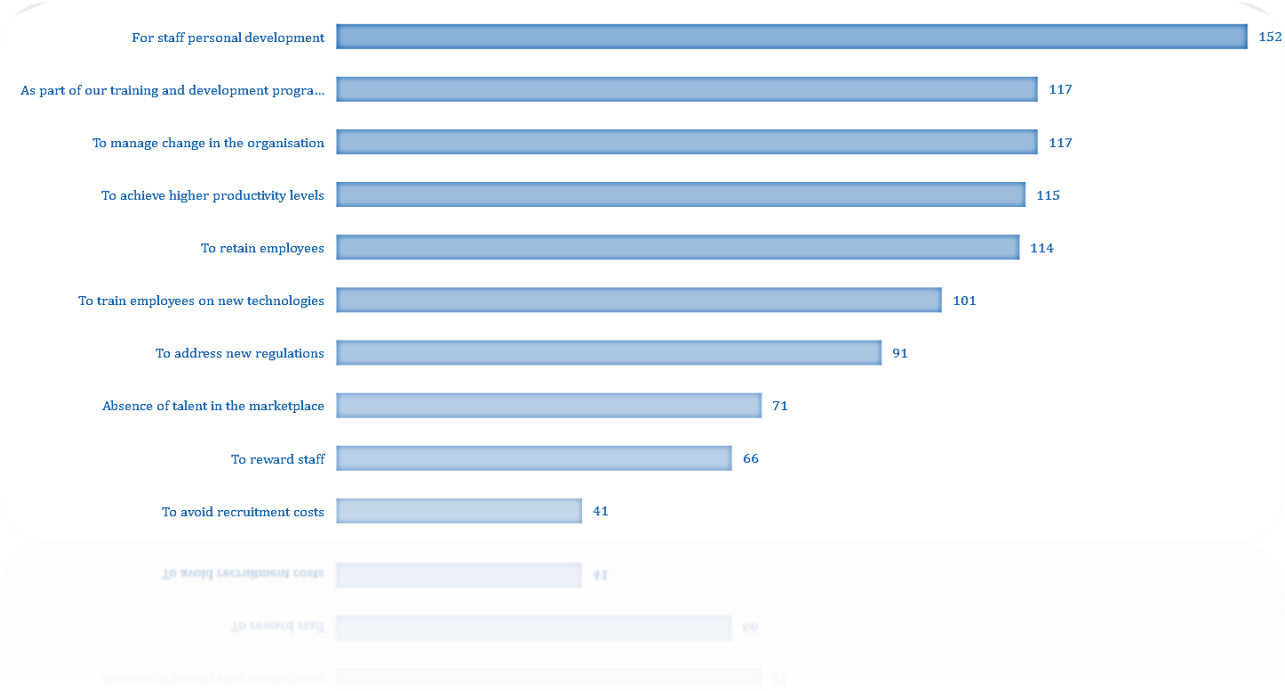
Answer	Count	Percent
Productivity	132	24%
Achieving greater efficiencies	119	21%
Achieving corporate objectives	107	19%
Retention	105	19%
Enhancing business reputation	97	17%



Why do you feel the need to upskill/reskill your existing workforce?

"For staff personal development" is the most frequent answer in this question with 15%.

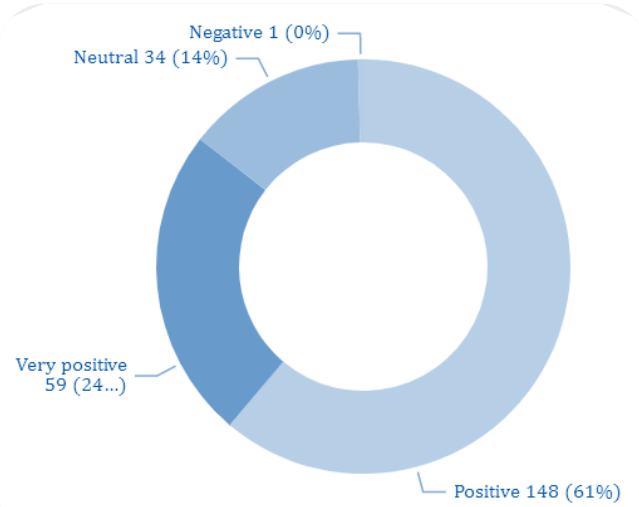
Answer	Count	Percent
For staff personal development	152	15%
As part of our training and development programme	117	12%
To manage change in the organisation	117	12%
To achieve higher productivity levels	115	12%
To retain employees	114	12%
To train employees on new technologies	101	10%
To address new regulations	91	9%
Absence of talent in the marketplace	71	7%
To reward staff	66	7%
To avoid recruitment costs	41	4%



How do you think your employees feel about receiving upskilling/reskilling training?

"Positive" is the most frequent answer in this question with 61%.

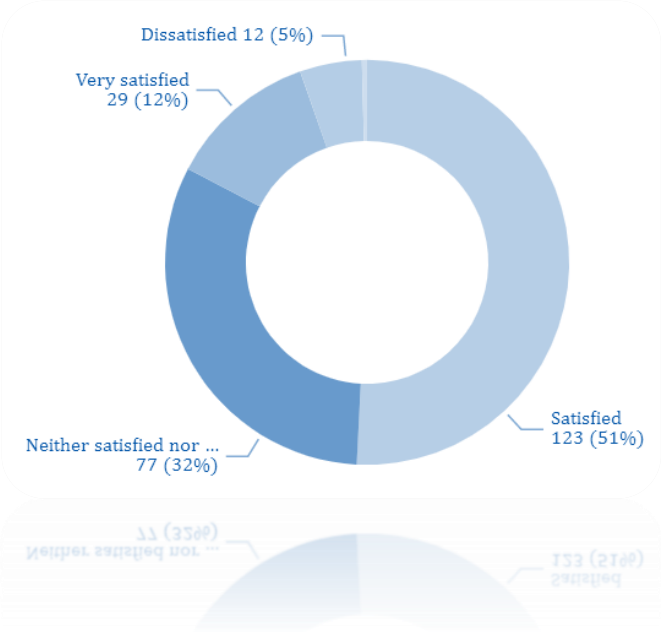
Answer	Count	Percent
Positive	148	61%
Very positive	59	24%
Neutral	34	14%
Negative	1	0%



How satisfied were you with existing upskilling/reskilling training provision?

"Satisfied" is the most frequent answer in this question with 51%.

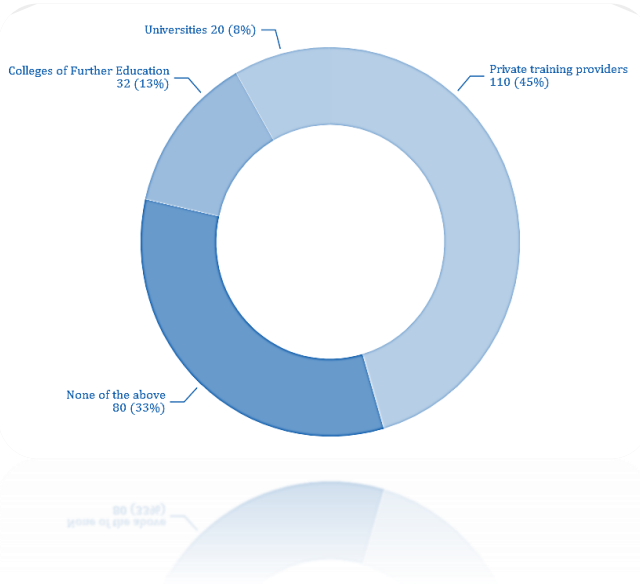
Answer	Count	Percent
Satisfied	123	51%
Neither satisfied nor dissatisfied	77	32%
Very satisfied	29	12%
Dissatisfied	12	5%
Very dissatisfied	1	0%



Are your business skills demands are being met locally by?

" Private training providers" is the most frequent answer in this question with 45%.

Answer	Count	Percent
Private training providers	110	45%
None of the above	80	33%
Colleges of Further Education	32	13%
Universities	20	8%

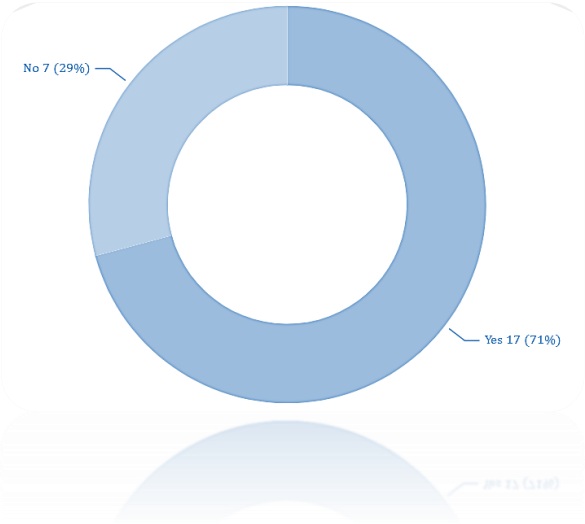


Not upskilling/reskilling questions

Do you provide opportunities for your employees to progress within the organisation?

"Yes" is the most frequent answer in this question with 71%.

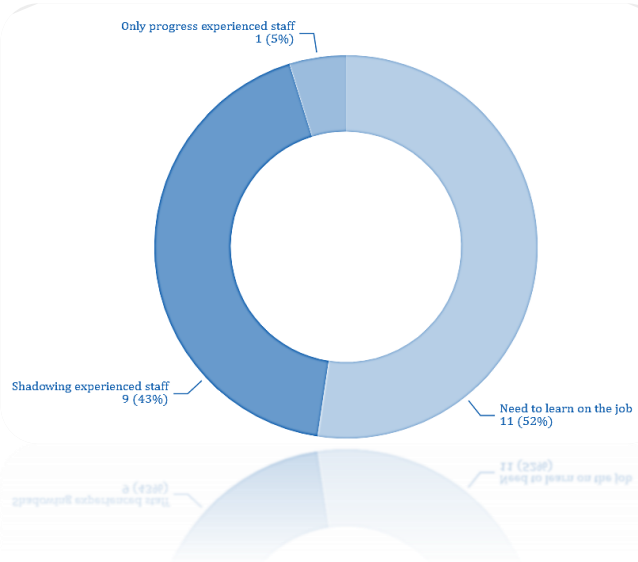
Answer	Count	Percent
Yes	17	71%
No	7	29%



How do employees gain the necessary skills to progress?

"Need to learn on the job" is the most frequent answer in this question with 52%.

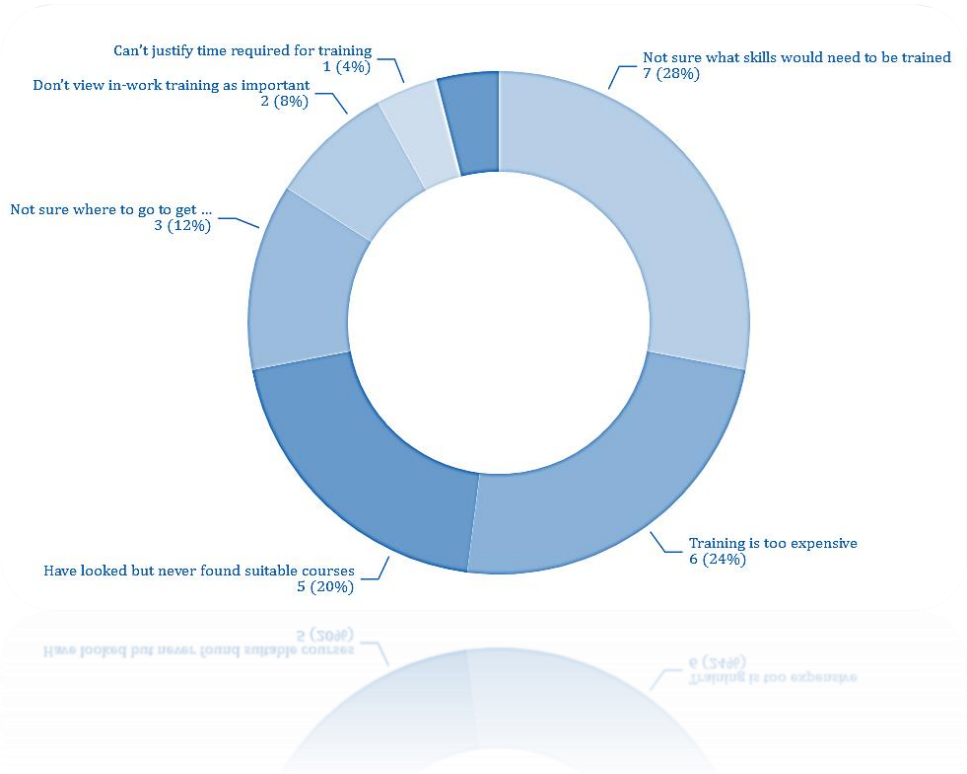
Answer	Count	Percent
Need to learn on the job	11	52%
Shadowing experienced staff	9	43%
Only progress experienced staff	1	5%



What are the reasons you don't offer upskilling / reskilling training for your workforce?

"Not sure what skills would need to be trained" is the most frequent answer in this question with 28%.

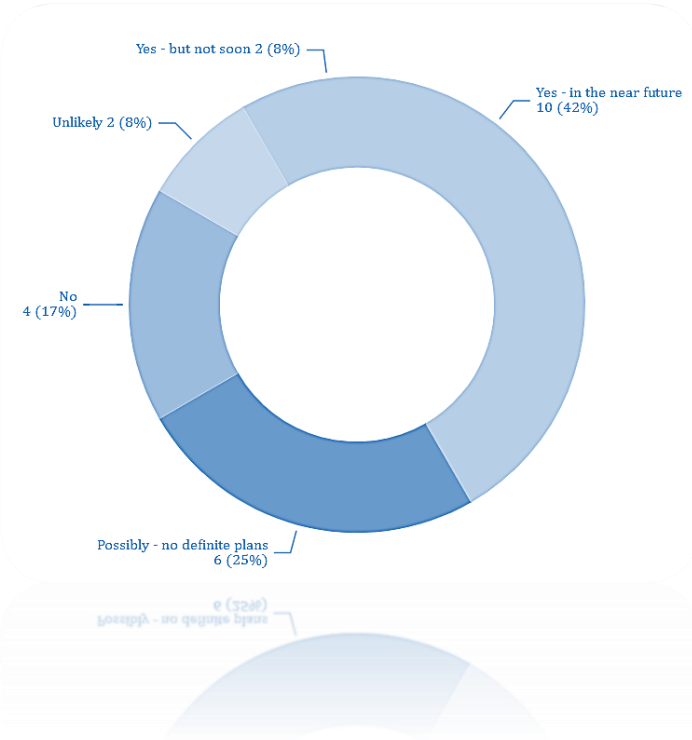
Answer	Count	Percent
Not sure what skills would need to be trained	7	28%
Training is too expensive	6	24%
Have looked but never found suitable courses	5	20%
Not sure where to go to get training	3	12%
Don't view in-work training as important	2	8%
Can't justify time required for training	1	4%
Only recruit skilled people	1	4%



Do you have any plans to offer upskilling / reskilling training?

"Yes - in the near future" is the most frequent answer in this question with 42%.

Answer	Count	Percent
Yes - in the near future	10	42%
Possibly - no definite plans	6	25%
No	4	17%
Unlikely	2	8%
Yes - but not soon	2	8%

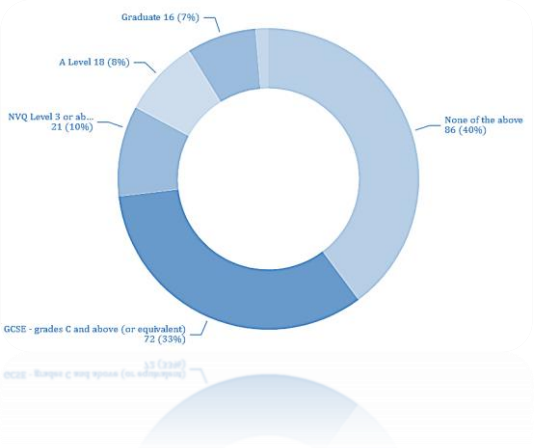


Recruitment questions

When making recruitment decisions, what are the minimum qualifications are you are looking for from the ideal candidate?

"None of the above" is the most frequent answer in this question with 40%.

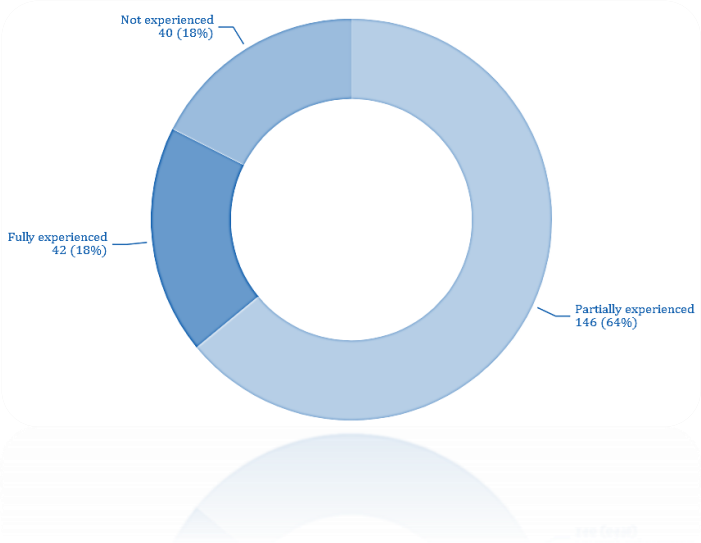
Answer	Count	Percent
None of the above	86	40%
GCSE - grades C and above (or equivalent)	72	33%
NVQ Level 3 or above	21	10%
A Level	18	8%
Graduate	16	7%
Post-graduate	3	1%



When making recruitment decisions, what level of experience are you are looking for from the ideal candidate?

"Partially experienced" is the most frequent answer in this question with 64%.

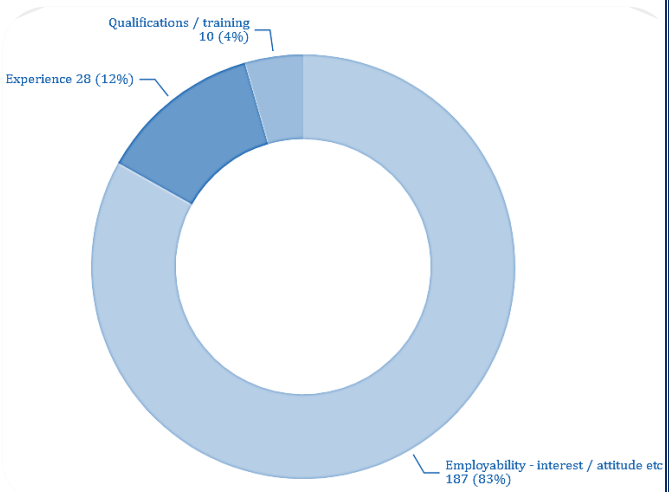
Answer	Count	Percent
Partially experienced	146	64%
Fully experienced	42	18%
Not experienced	40	18%



What is the most important attribute you are looking for from your ideal candidate?

"Employability - interest / attitude etc" is the most frequent answer in this question with 83%.

Answer	Count	Percent
Employability - interest / attitude etc	187	83%
Experience	28	12%
Qualifications / training	10	4%

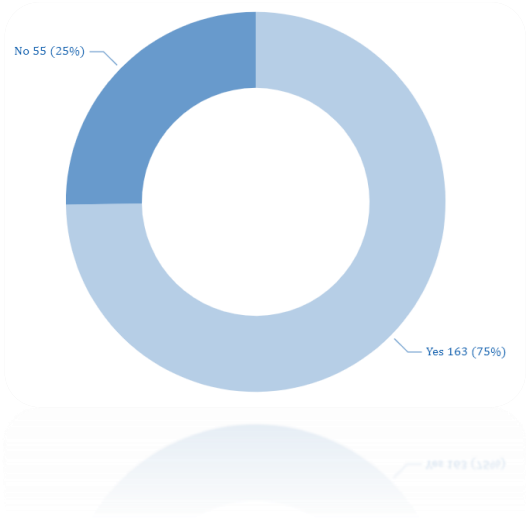


Extra questions

Should the government lead the drive to invest in reskilling workers?

"Yes" is the most frequent answer in this question with 75%.

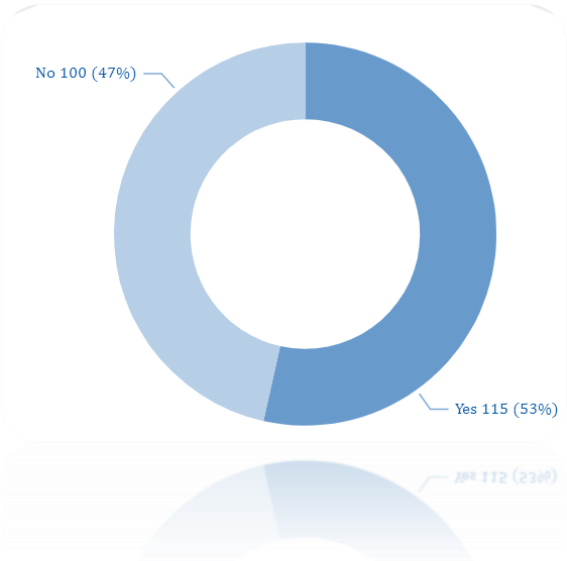
Answer	Count	Percent
Yes	163	75%
No	55	25%



Would you prefer to see all providers centralising their offer from one county-wide information hub?

"Yes" is the most frequent answer in this question with 53%.

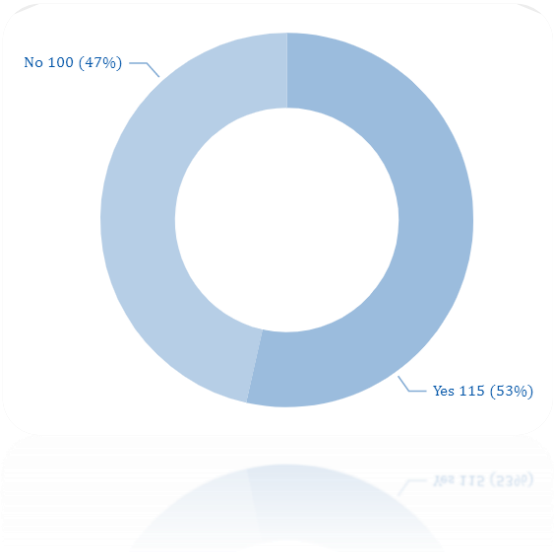
Answer	Count	Percent
Yes	115	53%
No	100	47%



Are you satisfied with the existing Apprenticeship Levy?

”Yes” is the most frequent answer in this question with 53%.

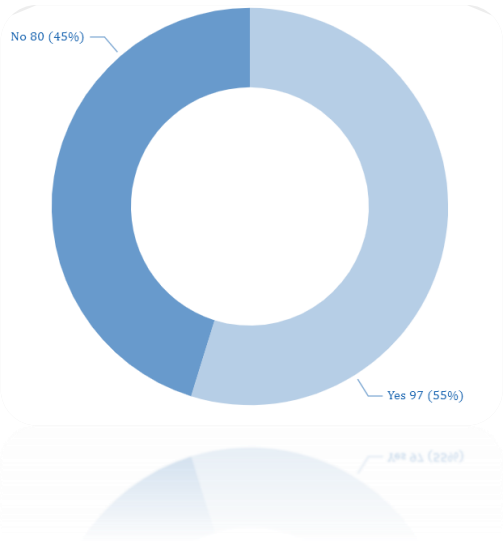
Answer	Count	Percent
Yes	115	53%
No	100	47%



Should the apprenticeship levy be reformed?

“Yes” is the most frequent answer in this question with 55%.

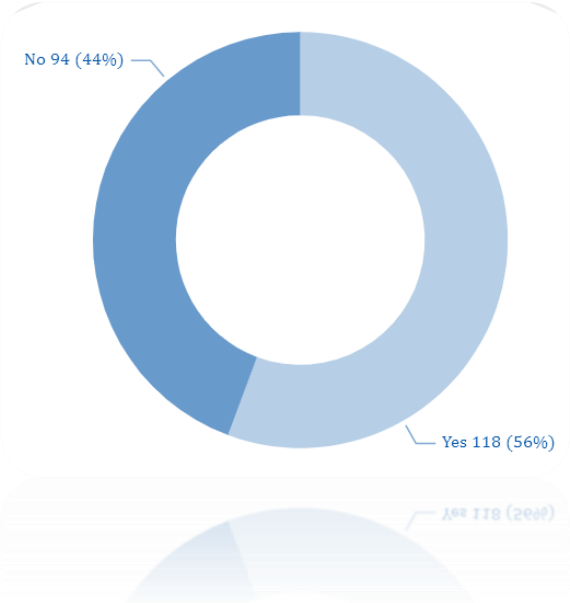
Answer	Count	Percent
Yes	97	55%
No	80	45%



Does your organisation offer hybrid working?

"Yes" is the most frequent answer in this question with 56%.

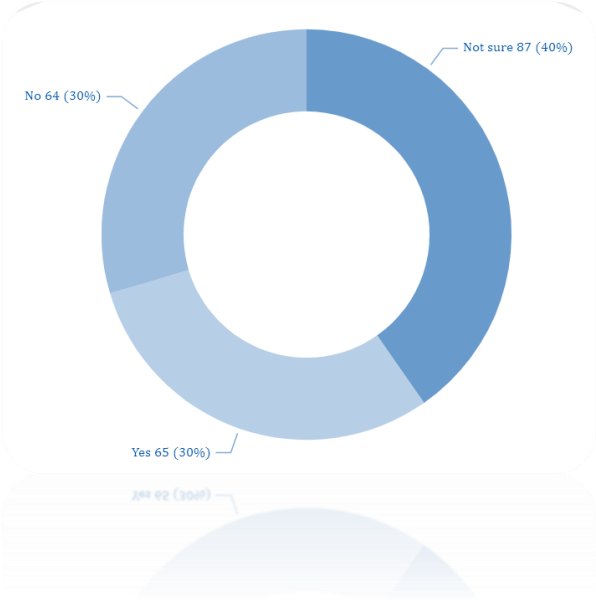
Answer	Count	Percent
Yes	118	56%
No	94	44%



Looking ahead, will hybrid working be incorporated within your overall terms and conditions of employment?

"Not sure" is the most frequent answer in this question with 40%.

Answer	Count	Percent
Not sure	87	40%
Yes	65	30%
No	64	30%



Training Commentary

Generally, 90% of employers provide employees with upskilling or reskilling training mostly for all employees.

As can be seen in following table, the more expectation employers have in level of experience for recruiting, the less employers provide employees with upskilling or reskilling training.

	Provided with upskilling or reskilling training				
Level of Experience	**Both**	**No**	**Reskilling**	**Upskilling**	**Percent of providing training**
Not experienced	21	4	1	14	**90%**
Partially experienced	71	13	3	59	**91%**
Fully experienced	18	5	3	16	**88%**

Also (and logically), the more employers see value in training, the more they tend to provide upskilling or reskilling training.

	Provided with upskilling or reskilling training				
The importance of upskilling or reskilling	**Both**	**No**	**Reskilling**	**Upskilling**	**Percent of providing training**
Extremely important	63	6	1	40	95%
Very important	43	10	5	36	89%
Somewhat important	10	6	1	15	81%
Not so important	1	3		2	50%

- It is believed by 45% that source or access reskilling and upskilling training is neither easy nor difficult. On the other hand, 22% of employers think that reskilling and upskilling training is difficult to provide, although 90% of them provide employees with such training to some degree. Investment in training is mostly ad hoc as and when a perceived need arises and such investment is mostly less than £500 per employee.

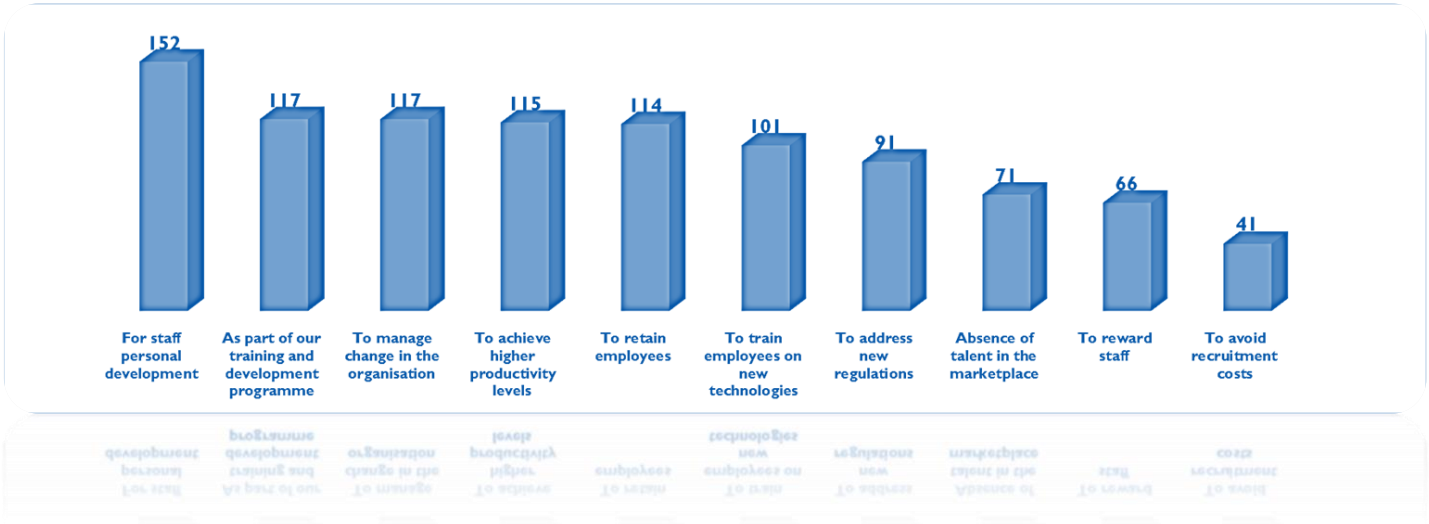
- Most of employees benefit from less than 5 days' training a year, with a perception that it can be difficult to find the right training resources to fit employers' needs.

- Unfortunately, only 50% of employers report an intention to offer upskilling or reskilling training and the main reason is that they are not sure what skills would be needed.

- Most participants (86%) mentioned that they are not satisfied with levy or they are not sure, and 55% of them think it should be reformed.

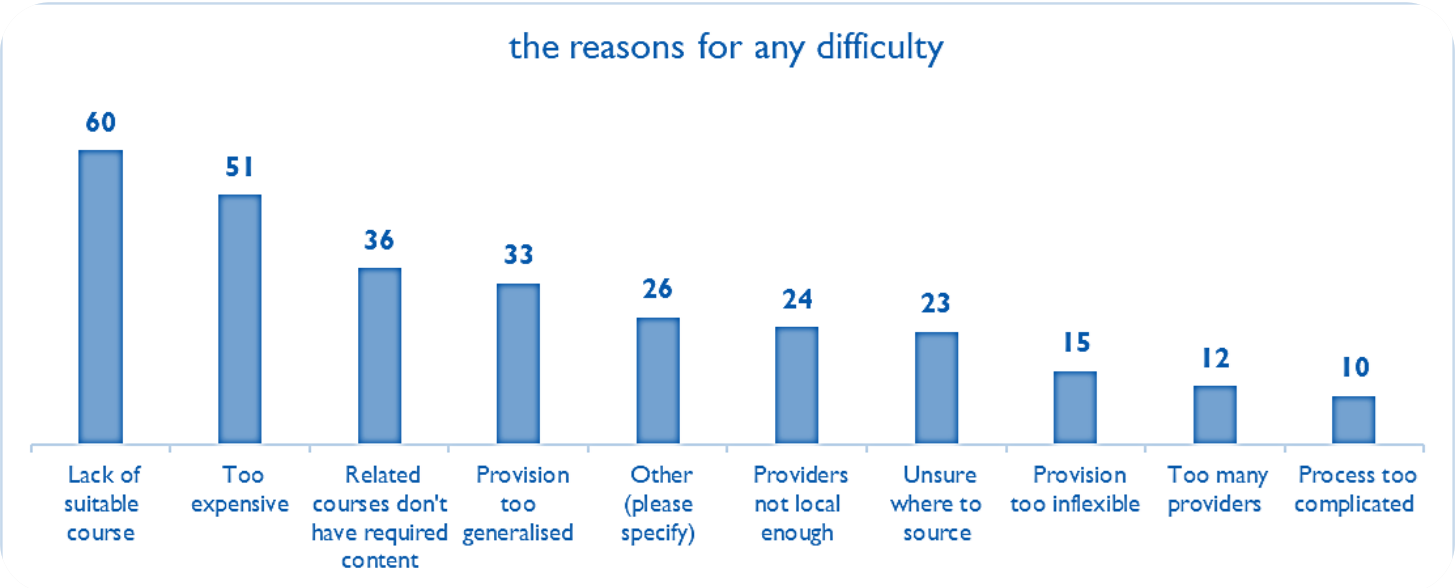
- Moreover, 75% of participants think it is the government's responsibility to lead the drive to invest in reskilling workers.

The drivers for upskilling or reskilling existing workforces are, as follows:



Challenges and difficulties when sourcing upskilling or reskilling programmes are summarized in the respective charts, below:


challenges when sourcing upskilling/reskilling programme
113
76
63
42
33
19
15
2
Finding the right training resources to fit my needs
Lack of time
None of the above
Quality of provision
Development too expensive
Resistance from employees
Market provision too confusing
Resistance from upper management

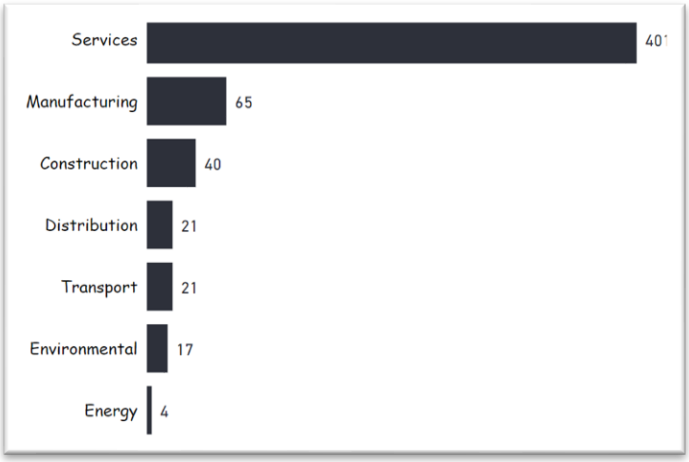

the reasons for any difficulty
60
51
36
33
26
24
23
15
12
10
Lack of suitable course
Too expensive
Related courses don't have required content
Provision too generalised
Other (please specify)
Providers not local enough
Unsure where to source
Provision too inflexible
Too many providers
Process too complicated

8.3 Employee upskilling/reskilling survey

In what sector do you work?

The most frequent sector within participants is “Services” with 70% out of 569 participants.

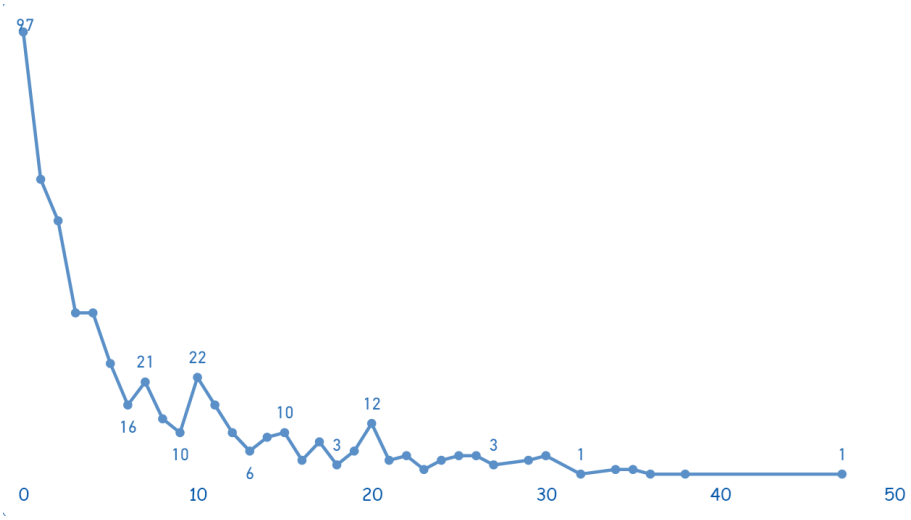
Sector	Count	Percent
Services	401	70%
Manufacturing	65	11%
Construction	40	7%
Distribution	21	4%
Transport	21	4%
Environmental	17	3%
Energy	4	1%



How long have you been with your current employer?

Most of participants (97) have just started their career and they are in the first year of working but the average of work experience through the sample data is almost 7 years and 4 months.

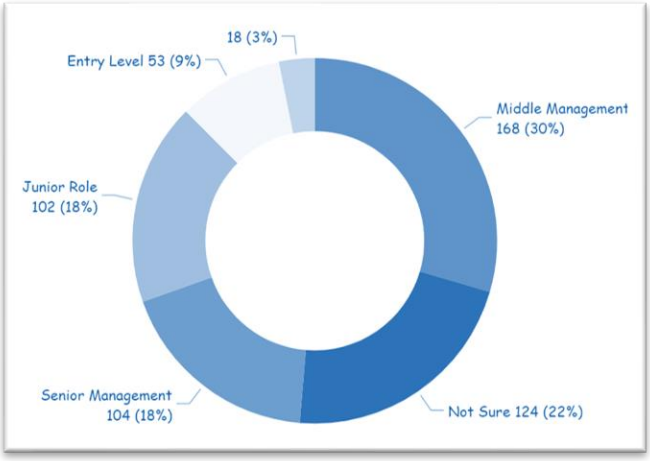
The median of work experience was almost 4 which means half of participants have been working less than 4 years and the other half have been working more than 4 years.



What is your position with the organisation?

The most frequent position within participants is “Middle Management” with 30% out of 551 participants who answered this question.

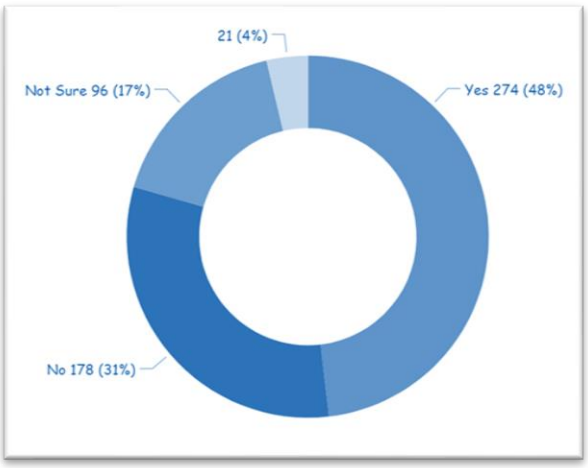
Position	Count	Percent
Middle Management	168	30%
Not Sure	124	23%
Senior Management	104	19%
Junior Role	102	19%
Entry Level	53	10%



Is there any extra training or qualification that would help you progress in your career?

The most frequent answer is “Yes” with 50% out of 548 participants who answered this question. Thus, 50% of employees are provided extra training or qualifications that helped them with their career.

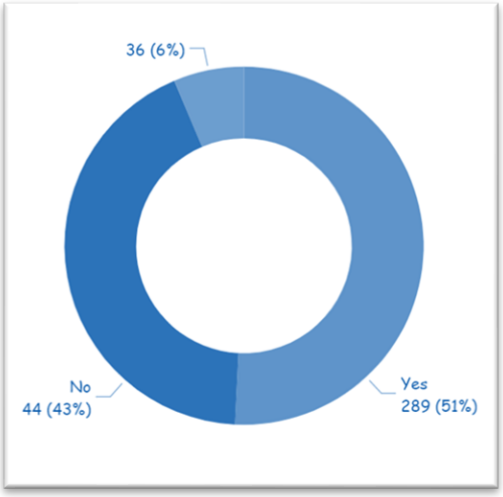
Answer	Count	Percent
Yes	274	50%
No	178	32%
Not Sure	96	18%



Have you received any in-work training to help you progress?

The most frequent answer is “Yes” with 54% out of 533 participants who answered this question. Thus, 50% of employees are provided in-work training that helps their progress.

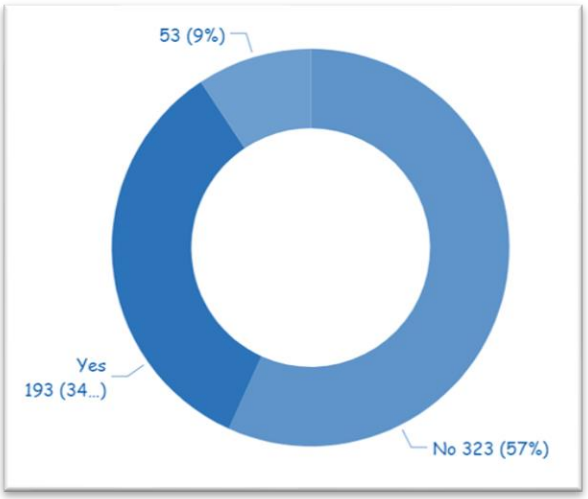
Answer	Count	Percent
Yes	289	54%
No	244	46%



Is there anything preventing you getting the skills you need to get progress?

The most frequent answer is “No” with 63% out of 548 participants who answered this question. Thus, 63% of employees believe that there are no skills shortfalls preventing their progress.

Answer	Count	Percent
No	323	63%
Yes	193	37%



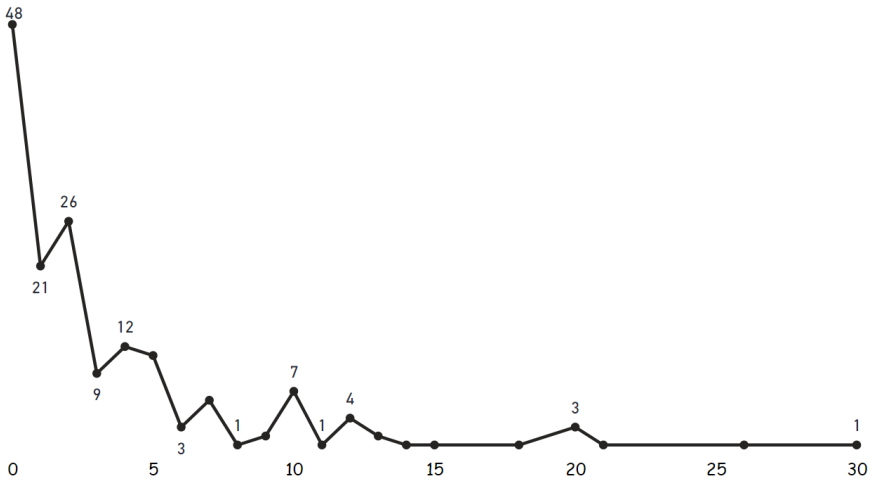
8.4 Unemployed skilling/reskilling survey

The target group for this survey is people without work, for which the sample size was 201.

How long have you been unemployed?

Most participants could not find a job in less than 1 year although the average length of unemployment is almost 4 years which is considerable.

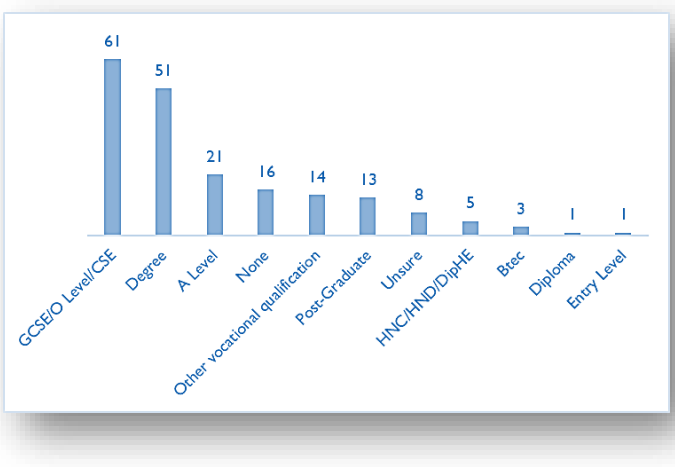
Moreover, the median of this data is 2 which means half of participants have been looking for a job less than 2 years and the other half have been looking for a job more than 2 years.



To what level are you educated?

Most of unemployed respondents' education level is "GCSE/O Level/CSE" followed by "Degree" with 31% and 26%, respectively.

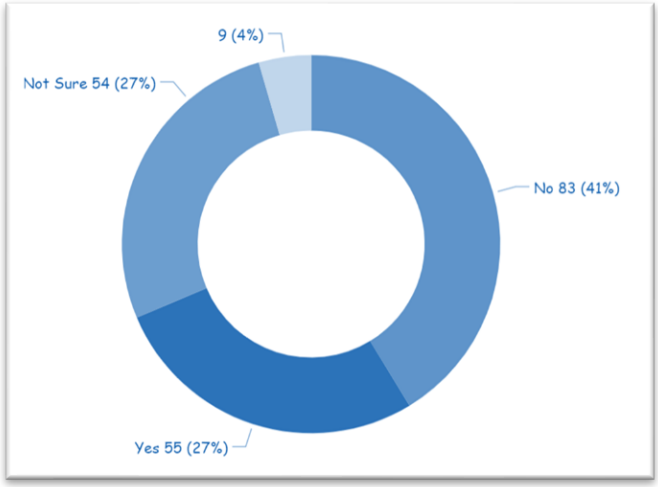
Education Level	Count	Percent
GCSE/O Level/CSE	61	31%
Degree	51	26%
A Level	21	11%
None	16	8%
Other vocational qualification	14	7%
Post-Graduate	13	7%
Unsure	8	4%
HNC/HND/Dip HE	5	3%
Btec	3	2%
Diploma	1	1%
Entry Level	1	1%



Is there any extra training or qualification that would help you into work?

The most frequent answer is "No" with 43% out of 192 participants who answered this question. Thus, 43% of people who looking for a job believe any extra training or qualification would not help them into work.

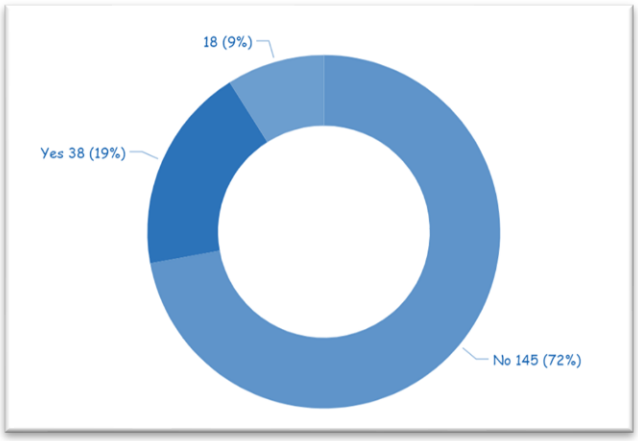
Answer	Count	Percent
No	83	43%
Yes	55	29%
Not Sure	54	28%



Have you received any training to help get you in to work?

The most frequent answer is “No” with 79% out of 183 participants who answered this question. Thus, 79% of people who looking for a job did not receive any training programme which can help them into work.

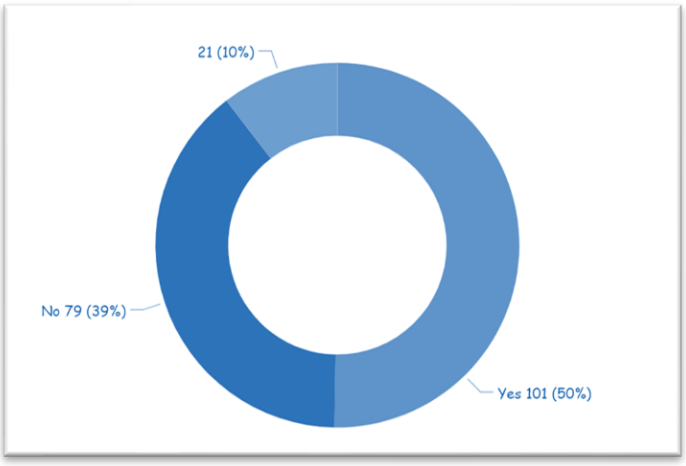
Answer	Count	Percent
No	145	79%
Yes	38	21%



Is there anything preventing you getting the skills you need to get work?

The most frequent answer is “Yes” with 56% out of 180 participants who answered this question. Thus, 56% of people who looking for a job believe there are preventing getting skills as mentioned below.

Answer	Count	Percent
Yes	101	56%
No	79	44%



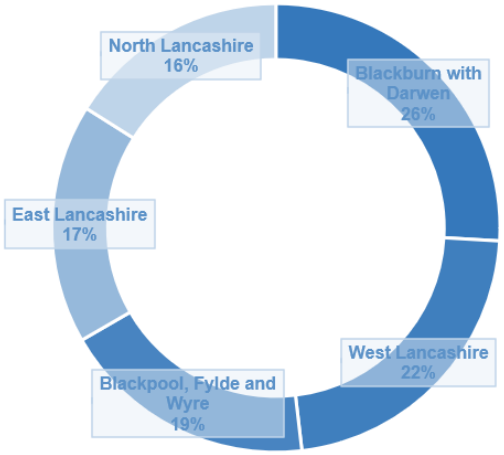
Employed/Unemployed summary commentary

- 11% of employed are not sure about their position and this is questionable.
- 52% of employed have been passed extra training programmes, and 54% claimed that they had been received in-working training. It should be considered that most of participants are experiencing their first year of working.
- Most of unemployed believe that there is preventing getting skills although 43% thinks extra training would not help them. It is crucial to know that almost 80% of unemployed have not attended any training programmes.
- Average of length of unemployment is almost 4 years which is considerable since the education level of most of them is “GCSE/O Level/CSE”.

8.5 LSIP Roadshow Polling Results

LSIP Roadshow Polling has questions which have been asked of delegates in small groups to which they formulated responses as either a potential solution to a problem or a position statement. Groups are in different districts as below:

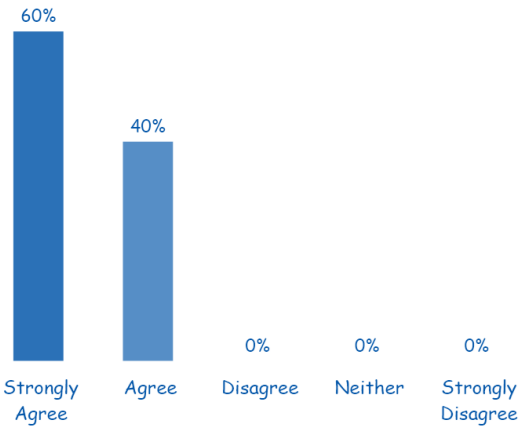
District	Count
Blackburn with Darwen	21
West Lancashire	18
Blackpool, Fylde and Wyre	15
East Lancashire	14
North Lancashire	13



Rather than prioritise either academic or vocational learning in the education and skills system, a hybrid model should be pursued based on employer need?

Most participants strongly agree with this statement. No one has chosen a disagree option. Thus, hybrid models are perceived as a more efficient solution for employers instead of providing academic or vocational learning. As far as most employees have not any future training plan for employees, designing a hybrid model can be considered as a more efficient future plan.

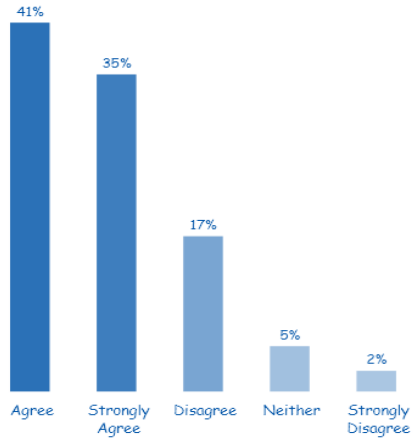
Answer	Percent
Strongly Agree	60%
Agree	40%
Disagree	0%
Strongly Disagree	0%
Neither	0%



Releasing young people for lengthy stints at college when completing apprenticeships/studying is difficult for employers and could be eased with more night school courses?

Most participants agree with this statement and it is believed that night school courses would be easier for employers rather than providing lengthy daytime stints at colleges.

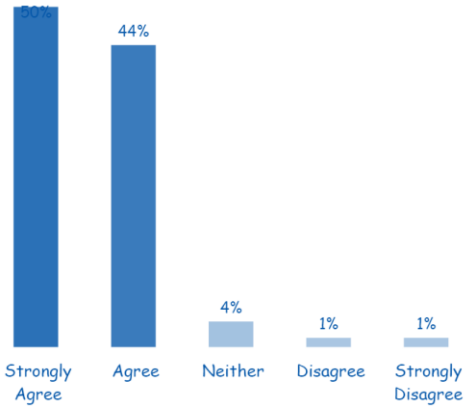
Answer	Percent
Strongly Agree	35%
Agree	41%
Disagree	17%
Strongly Disagree	5%
Neither	2%



Training costs can be prohibitive to smaller businesses. The Apprenticeship Levy should be more flexible, allowing a wider range of training to be funded?

Most participants strongly agree with this statement and believe that the Apprenticeship Levy should be more flexible and less costly, especially for smaller businesses.

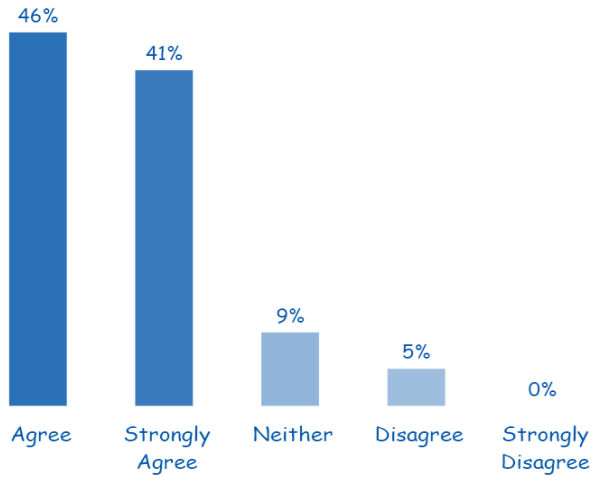
Answer	Percent	
Strongly Agree	50%	
Agree	44%	
Disagree	1%	
Strongly Disagree	1%	
Neither	4%	



Micro businesses find it hard to release people for training because of the 'opportunity costs'. It could be overcome by teaching business owners to deliver in-house training

Most participants agree with this statement and it is believed that 'opportunity costs' can be replaced by in-house training. Also, online or distance learning can decrease training programmes hardships for businesses.

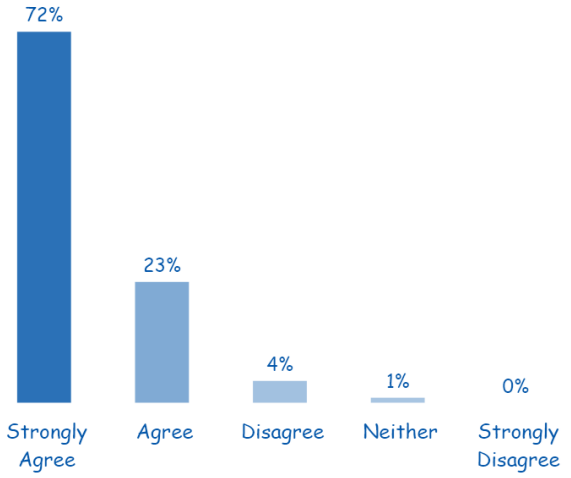
Answer	Percent
Strongly Agree	41%
Agree	46%
Disagree	5%
Strongly Disagree	0%
Neither	9%



The skills need of employers aren't always met by the education system. Better direct communication between employers and schools is needed to improve this.

Most participants strongly agree with this statement and believe there is some level of disconnect between education and employers, including as to communication of respective needs/offers.

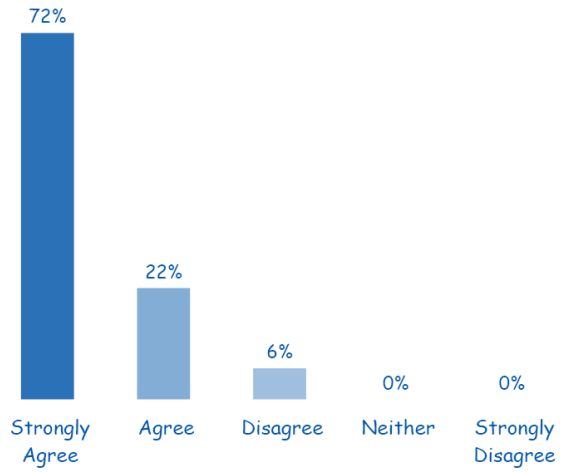
Answer	Percent
Strongly Agree	72%
Agree	23%
Disagree	4%
Strongly Disagree	0%
Neither	1%



Students leaving full time education don't always understand workplace expectations. This could be overcome with mandatory and meaningful work experience.

Most participants strongly agree with this statement and it is believed that Students leaving full time education don't always understand workplace expectations. To remedy this situation, it is recommended that providing mandatory and meaningful work experience can increase their perception.

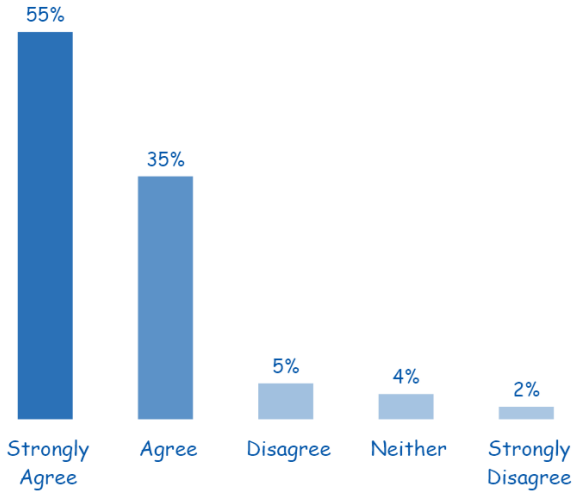
Answer	Percent
Strongly Agree	72%
Agree	22%
Disagree	6%
Strongly Disagree	0%
Neither	0%



Whilst qualifications are still valuable for younger people/new to an industry, more experienced employees can be put off by qualifications so alternatives are needed

Most participants strongly agree with this statement and it is believed that qualifications should be considered not only for younger people but also for experienced employees.

Answer	Percent
Strongly Agree	55%
Agree	35%
Disagree	5%
Strongly Disagree	2%
Neither	4%



8.6 Lancashire LSIP Roundtable Comments

Roundtable sessions produced as one would expect, a lot of subjective commentary often referring to participants' particular circumstances and given its necessarily subjective nature, it is not possible to carry out analysis as such, nor to reach firm conclusions. However, some trends were apparent.

How do businesses in your sector look ahead and keep abreast of so-called mega trends? (Horizon scanning)

- Try to keep ahead of these trends
- ESG strategy
- Recycling Lives and supporting their own supply chain with upcoming mega trends
- cultural approach to horizon scanning
- See themselves as a trailblazing business
- Work collaboratively as a team
- Taking skills shortages
- promoting their approach with other businesses
- discuss their issues
- highlighted a skills/employee merry go round
- discuss upcoming trends
- Chamber, Boost and FSB for horizon scanning
- run training needs analysis about their client's business
- Skills provider
- Focus on bespoke training and succession planning
- Net zero - offer IEMA qual
- understanding of skills gaps
- Aging work force
- Clearly there are skills gaps nationally
- Clear and concise language
- Simplifying relationships and having conversations with employers
- SMEs who need the support
- looking at elements of environmental
- States that they are reactive and not proactive
- focused on how to survive in the near future
- Finding all the information locally for people to access
- Research approach for mega trends
- Big digitalisation barrier in Blackpool
- big SME strategy for horizon scanning
- centralisation for confusing trends
- Lancashire youth platform - good data being created

How would you typically prepare for mega trends? How to learn from them?

- Culture created in the business
- Leadership group analyses and assesses the trend
- End up spending a lot of money on supply chain
- Sustainable procurement
- Skills trends
- Chamber of Commerce
- Council
- Local colleges relationships
- Enterprise advisor initiative
- Engagement with employers
- Starts at the strategic and curriculum planning stage - data driven.
- Starts at the strategic and curriculum planning stage - data driven.
- Signing up to every newsletter and business advice website
- Research online
- Keeping an eye on everything ticking over
- Lots of differences in counties
- Lancashire dashboard can reflect these identified trends

Who should be responsible for assisting businesses with support in your sector?

- Lisa at Lancashire and the Chamber
- National skills programmes
- Skills and experience outweigh college qualifications in academic subjects
- ILM programmes
- Opportunity for businesses to develop their own plans in their region
- More focus on work experience rather than on training
- Nice to have support from devolved areas but with national funding
- Important that there is a national approach to regional support
- Bureaucracy is a large hurdle for businesses
- A balanced approach, centralized
- Too confusing and convoluted
- National guidance
- Serious LMI and access to employers
- Wider goal posts and not just skills. Needs a more holistic approach.
- Plain simple language

8.7 LSIP Data Comparison v Lancashire Local Skills Report (incorporated into the Lancashire Skills and Employment Strategic Framework)

Headline findings from data in the "Lancashire Skills Report Standardised Data Pack-Annex A-Feb 2022" have been compared (insofar as data type allows) against the findings from data analysed for the LSIP.

Local Skills Report

- It is predicted that due to automation, some skills will be grown.
- Moreover, it was forecasted to have growth in healthcare and services.
- Percent of AGR in food was 2.2% in February 2022.
- Percent of AGR in IT Services was 1.9% in February 2022.
- On the other hand, percent of AGR in Metals and Metal Products was -1.8%.
- Transport equipment is reported to have -2000 nominal growth in employment.
- Manufacturing and Repair is predicted to have -800 nominal growth in employment.
- Some occupations are reported to have the fastest growing employment. Health and social care associate professionals have the maximum AGR with 2.6%.
- On the other hand, Textiles, printing, and other skilled trades is in one of the slowest growing employments with -0.8% AGR.
- In addition, Sales occupations is reported to has one of the slowest growing employments with -5200 nominal growth in employment.

LSIP report analysis supports the above statements are as follows:

- Some skills such as programming, IT and network security, AI and robotics, etc. are required now and in the future.

- Skills such as “Urgent Care” and “Patient Preparation” are required now and it is predicted to increase in the future. Also, due to Covid-19 this sector has been developed.

- Skills such as “Food Science” and “Machine Operating” and “Quality Control” are required in this sector.

- Skills such as “Programming”, “Software Design” and “Application (app.) Creation” are demanded now and they are predicted to require in the future as well.

- “CAD/CAM/CNC programming” is predicted to decrease in the future as well as textiles with -1.7%. In this sub-sector “Machine Operating” is predicted to decrease in the future.

- Skills such as “International regulations”, “Warehouse management systems”, “demand management and forecasting” and “Dispatching” are predicted to decrease in demand over time.

- “CAD/CAM/CNC programming”, “Quality Control”, “Programming/Manufacturing specific machines & devices” and “Technical equipment/operational skills” are predicted to decrease in demand over time.

- “Social Media”, “Patient Preparation”, “Administering Injections”, “CPR” and “Physical Therapy” are the most increased demanded skills.

- “Machine Operating” is predicted to decrease in the future by professionals in this sub-sector.

- Skills in this part are analyzed cross sector. Some skills such as “Lead generation / Business Development”, “Sales Management”, “Customer retention”, “Business Contracting” and “Account Management” are impacting sectors now.
  Besides, “Lead generation / Business Development”, “Technical Sales”, “Account Management”, “Customer retention” and “Field Sales” are mentioned to have impact in the future.

8.8 LSIP Data Comparison v Employer Skills Survey (ESS) 2019 (for Lancashire)

ESS headlines:

- In 2019, establishments with any vacancies are 17% in England whereas in Lancashire is 16%. The most vacancies are reported in "Health & Social Work" with 31% followed by "Non-Market Services" with 27% and "Hotels & Restaurants" with 22%. On the other hand, "Construction" has the lowest vacancy rate in sectors with 8% followed by "Information & Communications" with 10%.

- Have a skills shortage vacancy (prompted or unprompted) was 10% in "Manufacturing" and "Health & Social Work" while this number is 6% either in Lancashire or England.

- Number of vacancies as a percent of all employment was 3% either in Lancashire or England. This number was 6% in "Health & Social Work" and 4% in "Primary Sector & Utilities" and "Information & Communications" in 2019. Otherwise, Number of vacancies as a percent of all employment is 1% in "Construction" and "Education".

- Percent of establishments training staff over the last 12 months was 63% in Lancashire whilst it was 61% in England in 2019. The Maximum training rate is 94% in "Education" sector followed by 88% in "Health & Social Work" sector. The minimum training rate was 42% in "Information & Communications" which is considerable.

- Number trained as percent of total staff was 59% in Lancashire which is 1% less in comparison to England. The maximum trained staff was for "Health & Social Work" with 81% followed by "Education" with 78%. Also, "Manufacturing" trained staff was 44% in 2019.

- Percent of establishments training staff over the last 12 months was 63% in Lancashire in 2019 (2% more than England).

- In 2019, percent of training establishments providing online training or e-learning in the last 12 months was 51% in Lancashire while it 5% less than England.

- Percent of trained staff was 59% in Lancashire whereas it was 60% in England in 2019. Health & Social Work had the maximum percent of trained staff in 2019 with 81%

- Training days per trainee was 6.4 in Lancashire whereas it was 5.8 in England. Hotels & Restaurants had the maximum training days per trainee in 2019 with 8.7 days followed by Wholesale & Retail with 7.8 days. In contrast, Transport & Storage and Education had the minimum training days per trainee with 3.7 and 3.7 days, respectively.

LSIP report analysis supports the above statements are as follows:

- In LSIP report analysis, there are some skills which can reduce establishments with any vacancies. For instance, in "Health & Social Work" sector with the highest vacancy rate, "Social Media", "Patient Preparation", "Administering Injections", "CPR" and "Physical Therapy" are the most increased demanded skills. Thus, providing these skills leads to prevent these shortages.

  Nevertheless, in sectors with the lowest vacancy rate such as "Construction" it is recommended to focus on increased demands instead of decreased ones such as "Joinery", "Bricklaying" and "Carpentry". "Building site supervision"," Plumbing "Roofing"," Estimating" and "Scaffolding" as top 5 skills with increased demands in Construction.

- Skills like "Machine operating"," Fabricating", "Product designing"," Product Engineering" and "Servicing Machinery" as top 5 skills with increased demands in manufacturing which can decrease this skills shortage vacancy.

- Moreover, Skills such as "Urgent Care" and "Patient Preparation" are demanded now and it is predicted to increase in the future in healthcare sub-sector.

- Providing skills such as "Programming" and "Software Design" can Number of vacancies as a percent of all employment in sectors related to software and Computational.

- "Building site supervision"," Plumbing "Roofing"," Estimating" and "Scaffolding" as top 5 skills with increased demands in Construction which can help this sector to make this index 0.

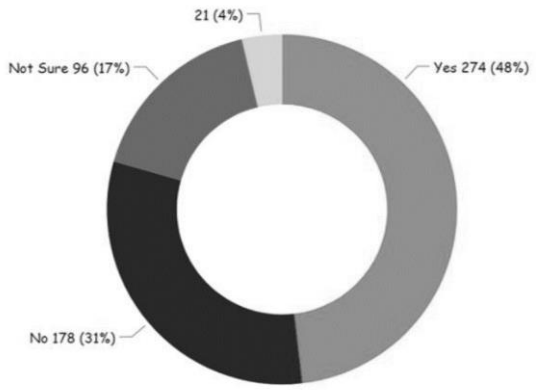
- Training schemes such as providing "Programming", "Software Design", "Application (app.) Creation", "SQL/Linux Scripting" and "System/Data Migration" are recommended due to the fact that they are increased demands in this sector.

- Trained staff can be increased by providing educational programmes such as “Machine operating”,” Fabricating”, “Product designing”,” Product Engineering” and “Servicing Machinery” as top 5 skills with increased demands in 2022.

- In 2022, only 10% of employers mentioned that they did not provide any upskilling and reskilling training programs for all of their employees. This is important to consider that only 50% of employers are going to offer upskilling or reskilling training and the main reason is they are not sure what skills would need to be train, although they believe employee’s feeling is mostly positive (85%)

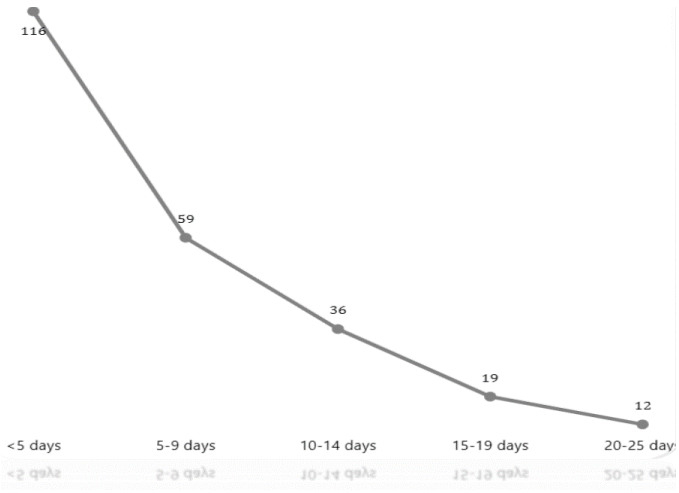
- In 2022 more people mentioned distance learning as a method to provide educational programs. Turning to details, 23% of employers have mentioned that online sources are the main educational source in their businesses.

- 54% of employed people mentioned that they received in-work training and 50% mentioned that they have attended at least one extra training or qualifications that helped them with their carrier.
  On the other hand, 43% of unemployed believe any extra training or qualification would not help them into work. This is considerable that 79% of unemployed have not received any extra training programme which can help them into work as the chart below:



  In services only 50% have received in-work training. Manufacturing had the minimum percent of trained staff in 2019 with 44%. In support of this statement, 52% of employed mentioned that they did not receive any in-work training which help their progress.

- In 2022, 48% of employers noted that they provided training for less than 5 days over 12 months. 24% provided 5-9 days followed by 15% for 10-14 days. The maximum days is between 20-25 days with 5% followed by 15-19 days with 8% as the following chart:


116
59
36
19
12
<5 days
5-9 days
10-14 days
15-19 days
20-25 day

8.9 LSIP Data Comparison v "STRIKING A BALANCE" (December 2021)

The "STRIKING A BALANCE- December 2021" report discussed the following aspect:

- "Over recent decades, investment and policy focus has centred on the expansion of Higher Education, while Further Education and vocational training have not received the same degree of attention"

- The latest Employer Skills Survey shows a fall in the amount of time employees in England, Wales and Northern Ireland spend in training - from 4.2 to 3.6 training days per employee between 2015 and 2019 and expenditure on training per employee fell by an average of £200 per employee.

- "The current Government has allocated additional £2.5 billion for the National Skills Fund over the course of this current parliament, the reality remains that spending on adult education in 2024-25 will be one third lower than 2009-2010 levels."

- The overarching frame of the programme is supporting Lancashire's businesses to respond to the net zero challenge, through a set of discrete projects across a range of areas such as supporting the growth of renewable energy sources and the development of low carbon manufacturing skills.

- In conclusion, Increased employer engagement in the skills system can help to support better outcomes for learners and ensure that key skills gaps are addressed.

LSIP report analysis supports the above statements as follows:

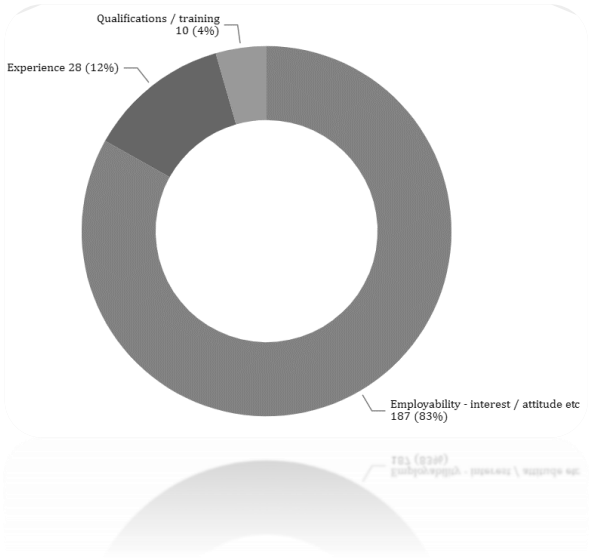
- In 2022, employers had been asked about the minimum qualification for recruiting and the result was as table below:

Answer	Count	Percent
None of the above	86	40%
GCSE - grades C and above (or equivalent)	72	33%
NVQ Level 3 or above	21	10%
A Level	18	8%
Graduate	16	7%
Post-graduate	3	1%

It can be seen that the degree is not the most important factor for employers although work experience is more important as it can be seen in following table:

Answer	Count	Percent
Partially experienced	146	64%
Fully experienced	42	18%
Not experienced	40	18%

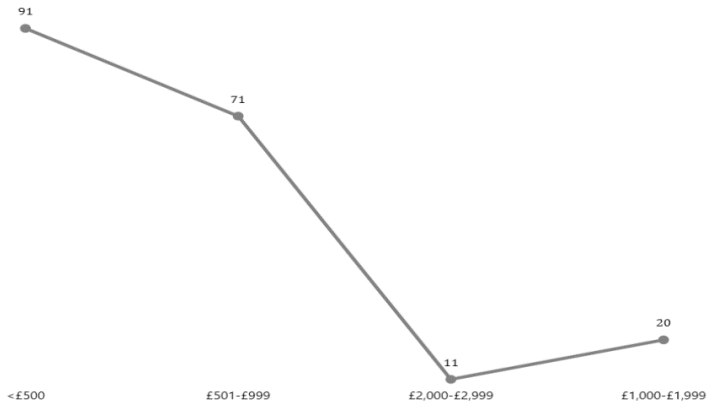
And the most important attribute for recruiting is" Employability - interest / attitude etc" with 83% followed by "Experience" and "Qualifications / training" with 12% and 4%, respectively as chart below:



From another question, it is believed that qualifications should be considered not only for younger people but also for experienced employees. Thus, providing training programme can increase their efficiency and satisfaction as it mentioned by employers.

- In 2022, 48% of employers noted that they provided training for less than 5 days over 12 months. 24% provided 5-9 days followed by 15% for 10-14 days. The maximum days is between 20-25 days with 5% followed by 15-19 days with 8%.

  Furthermore, expenditure on training per employee fell by an average of less than £500 per employee by 47% of employers. The other answers are as below:



- 75% of employers cited that the government should lead the drive to invest in reskilling workers.

- In skills survey, "Understanding Net Zero v Carbon Neutrality" is the main shortage with 14% over 969 participants following by "Waste Management/Minimisation" and "Energy Efficiency & Energy Management".

  It is predicted that "Carbon offsetting" is the main shortage that will impact in the future with 21%, followed by "Energy Efficiency & Energy Management".
  In the table below all the skills related to Net Zero which will impact the future can be seen:

Cross-sector skill	Count	Percent
Carbon offsetting	200	21%
Energy Efficiency & Energy Management	173	18%
Measuring carbon emissions	152	16%
Understanding Net Zero v Carbon Neutrality	151	16%
Decarbonisation	150	16%
Regulatory compliance/Duty of care	150	16%
Waste Management/Minimisation	146	16%
Innovation (develop low carbon products or services)	135	15%
Environmental Management Systems	130	14%
Supply chain management and collaboration	112	12%
Resource Efficiency	107	12%
Product design and remanufacturing (circular economy)	92	10%
Other	28	4%

- In LSIP final report and recommendations, there are long-term and short-term skills needs identified that in many respects echo the findings of the *Striking a Balance* report.

9. What needs to change and why?

9.1 **Proposed Changes to Local Provision**

9.1.1 **Statutory function for the LSIP**

Now:

- All training and funding bids are carried out independently by different providers and organisations, leading to a disparate state of different projects which don't necessarily meet the skills needs of employers or duplicate existing projects.

Proposed:

- The future LSIP should have a statutory function that requires all bids to be conducted in association with the LSIP to ensure that there is a need for it and to provide supportive evidence for the project
- All such projects should also be included as part of a central resource so that there is a clearer picture of everything available in the county
- The LSIP will also be able to work with providers to make sure recommendations are implemented and to monitor the outcomes

Benefit:

- Ensures the work of the LSIP and other skills information is utilised effectively
- Time and money being invested in Lancashire would be efficiently directed into areas requiring genuine support
- Recommendations and the needs of employers would be acted upon

9.1.2 **The LSIP to be a central skills resource**

Now:

- Employers complained about the difficulty in finding the right courses to meet the skills requirements of the business. It can be difficult to find through online searches and find the right training, know the provider is reputable and ensure value for investment.
- Contacting colleges and private providers can result in them selling what they have rather than advising the best option for the employer and learner. By being placed

on a 'best-fit' course this can result in a learner undertaking a qualification that is longer than necessary with a lot of content potentially irrelevant to their needs.

- In some instances employers have been completely put off finding external training as a result of not being able to find the right training or having someone go through the wrong training.

Proposed:

- Employers have made consistent requests for 'one-stop shop' for skills. This would be an organisation, independent of the providers who can offer impartial information about the training available to meet the employer and learner needs
- Create a directory for available skills to help those who prefer to search online
- The information gathered from this central resource could then feed into LSIP, providing up-to-date information about the skills being requested by employers
- Direct employers to any relevant support or organisations that can assist them with their needs

Benefit:

- This would ease the ways employers can access the skills system with an organisation who speak their language and they know are working for their benefit
- With a greater focus on the skills needs rather than fitting them into available courses this would have the impact of more effective training with less wasted time in unsuitable training
- As soon as a gap in provision is identified the LSIP would be able to conduct extra research and act upon any immediate needs
- Make the whole skills landscape clearer and easier to navigate

9.1.3 **Course delivery too long and generic**

Now:

- Employers complain that courses are too long and generic, lacking the flexibility to meet their specific needs
- Due to course delivery they frequently have to place employees on the 'best-fit' course rather than something that meets their needs

- To access certain elements of skills training they need these 'best-fit' courses will often feature a lot of content that is irrelevant to them and miss out elements that are essential to them
- Employee reluctance considered a barrier to training and prolonged training where they don't see the relevance is one cause of this
- Providers agree that in their attempts to meet employer needs they are limited in what they can offer and have to resort to these 'best-fit' courses

Proposed:

- Introduce a modular structure to course delivery with modules to be very clearly defined and skill-focused
- More modules to sit under broader, umbrella qualifications/apprenticeships
- Option of taking a number of modules to gain the full qualification
- Also, option of taking modules as standalone, recognised short courses with providers able to draw down funding for these
- Recognition of module completion to be kept open to count towards qualification at a later date should that be deemed appropriate for the employee

Benefit:

- Far more tailored approach to skills training to meet individual employer and trainee needs
- Ability to structure training to match the in-work development of an individual learner's job role
- Flexibility to work more slowly towards a qualification, only picking up extra modules as required while reducing the pressure to continuously release employees from the workplace
- Greater employee buy-in due to time away from the job being more relevant and efficient

9.1.4 **Trainers out of touch with industry**

Now:

- Those delivering training are not as up-to-speed with industry (new-tech, working practices)
- Providers agree

Proposed:

- Implementation of a system or programme to engage employers to provide placements for trainers

Benefit:

- More aware trainers
- Better results
- Increased employer confidence

9.1.5 **Provider flexibility and reactivity**

Now:

- Limited ability to react to emerging / urgent needs
- Funding & time issues around swift provision of training
- Have to apply to any open pots of money to be able to run anything outside normal curriculum

Proposed:

- Give providers a fund that can be drawn from to deliver *ad hoc*, reactive training to deliver on urgent and emerging needs
- A genuine need will have to be demonstrated to be able to draw down on the funding, working the LSIP and their evidence base or sharing new information to the LSIP to gain acceptance

Benefit:

- Make skills provision much more responsive to urgent and emerging needs
- Aids the development of future skills training and trialling what may become regular, formal courses
- Ensures that all *ad hoc* training is to fulfil a local need

9.1.6 **Attract more young people to priority industries**

Now:

- There is a problem attracting enough young people into perceived 'dirty' industries – manufacturing, construction, health & social care, farming & agriculture, transport & distribution – all important industries for Lancashire
- Not only are there not enough people to take the role needed but there are concerns about the level of aptitude for technical roles that exists in those leaving the education system.

Proposed:

- Focus on those industries struggling to recruit: manufacturing, construction, health & social care, transport & distribution, farming & agriculture
- Work with the careers service to develop way of better educating not only young people, but also parents and teachers, of the opportunities that exist in these industries
- Priorities in schools need to change from academic attainment to a more mixed approach with vocational and technical skills (with strong employment outcomes) being as highly regarded
- Work with employers to understand how they can make their workplaces more attractive to an increased amount of people i.e. facilities for women, improved perception

Benefit:

- Increase the number of employers engaged with schools and the careers service
- Increase the number of pupils willing to consider moving to industries in need of people
- Create a pipeline of future workforce in priority areas to help buffer the problems caused by an aging workforce
- Help redress the balance between academic and technical outcomes

9.1.7 **Promote reskilling to fulfil industry needs**

Now:

- Working with schools to bring more young people into priority sectors is important for the future workforce but does fill existing gaps
- Working people do not necessarily understand where the opportunities to reskill and find a new career exist
- Employers do not engage with those outside of the workforce enough to help those people know what careers are available and what skills are needed

Proposed:

- Use LSIP channels to promote skills needs and opportunities for training through programmes delivered through DWP and Skills Hub and any other providers i.e. Way to Work and Skills Bootcamps
- Reach out to those out of work through organisations such as DWP and the prison service, informing them of skills needed within the workforce and how training can best prepare their people for those needs
- Educate employers about the pool of people these organisations have access to and how they can potentially fill skills gaps with them

Benefit:

- Increase the effective pool of people to fill skills gaps
- Those entering the workforce can be better directed to industries and roles most crucial to the economic development of the county
- Improve the direction of skills provision for the individuals outside the workforce to plug the gaps

9.1.8 **Increased engagement with employers**

Now:

- Engagement with providers and the development of curriculum is varied with some highly engaged, others not at all and everything in between
- Employers feel that the skills system does not necessarily set learners up for entering the workplace

Proposed:

- Set up businesses groups covering different sectors and cross-cutting themes
- Develop common themes and issues
- Provide feedback on existing courses and ideas for new courses
- Provide information on common working practices so that information can be incorporated into training
- Allow training to be carried out on site even for others outside their business to maintain the element of being in the work environment and less classroom based

Benefit:

- Greater buy-in for employers regarding the development of training
- Improve the work-readiness of new entrants to the workplace
- Better information for LSIP and providers
- Reduced employee reticence with less classroom-based learning

9.1.9 **Specialisation of providers**

Now:

- Much of the provision across Lancashire is very similar, however, some providers do deliver in certain areas of specialisation

9.2 **Barriers to Improving Access to Skills**

9.2.1 **Needs analysis skills / time lacking in employers**

- Employers frequently don't have systems in place to continuously analyse the skills required in their business
    - Opportunity for training in skills needs analysis for businesses
- Time to carry out needs analysis is also a problem, especially in smaller SMEs
    - Need for external assistance carrying out needs analysis (*existing scheme, UpSkilling Lancashire – currently funded by ESF will run out at end of 2022*)

- Horizon scanning for emerging and future skills is a victim of both issues highlighted above
    - Need for assistance to introduce emerging and future skills to relevant employers and facilitate thoughts on how this will impact their business and skills needs
    - Engagement with partners such as the High Value Manufacturing Catapult and AMRC locally to identify technologies to be highlighted to employers

9.2.2 **Difficulty accessing skills training**

- Language – skills vs courses
- Too much choice or options not clear
- Where to start?

9.2.3 **Cost**

- High costs to find the right training, especially if potential funded courses are only 'best-fit'
- Focused skills training often has to be through commercial, non-funded channels
- Apprenticeship levy too limited: levy payers either can't spend all of it or spend it inefficiently, leaving no spare cash to invest in other training

9.2.4 **Low wage sectors**

- Problem sectors struggle to hire and retain staff due to low wage levels: health & social care, farming & agriculture
- Unsociable hours and lack of progression are also issues affecting recruitment and retention
- Both sectors need more people working in the sector for longer to attain the skills needed health of those industries

9.2.5 **Learner reticence**

- Many employees who found school difficult do not welcome re-entering the classroom

- Older employees also don't want to re-enter the classroom and don't want to be tested on the skills they learn
- This can lead to employees not willing to take part in training

10. Roadmap for change delivery

10.1 Key actions for local change

10.1.1 Create a central point for employers to the skills system, dealing with:

- Language of skills – act as bridge between employers and providers
- Continuous updating of skills requirements
- Signposting to provision, funding and support programmes

10.1.2 Facilitate more and better industry placements for trainers/lecturers

10.1.3 Provide better links for employers into the school system, working with existing delivery partners, including:

- Focus on those industries struggling to recruit: manufacturing, construction, health & social care, transport & distribution, farming & agriculture
- Work with the careers service to develop way of better educating not only young people, but also parents and teachers, of the opportunities that exist in these industries

10.1.4 Develop a toolkit for employers to conduct skills needs analyses in their workplaces – potential to work with providers to help deliver this

10.1.5 Further increase employer engagement, reaching those not yet dealing with the skills system, including:

- Focus on priority sectors, under-represented sectors in Trailblazer, under-represented locations in Trailblazer
- Engage with more stakeholders with into reach priority sectors and locations
- Continued marketing and awareness building

10.1.6 Set up working groups to make sure that future skills support in the county meets employer needs, including:

- Especially with regard to post-March 2023 and the loss of ESF funded programmes through LSEH
- Inform skills-based project and funding bids across Lancashire

10.1.7 Work with other employer-facing projects to ensure all information coming from businesses feeds into the overall skills picture, including:

- Develop relationship with Institute of Technology
- Continued development of relationship with SDFs

10.1.8 Formalise selected focus groups to provide ongoing engagement with particular sectors and on certain topics

10.1.9 Work with organisations such as Catapult and AMRC to help educate employers about upcoming technologies and working practices, facilitate discussions on impact on businesses and their skills needs

10.1.10 Collaborate with organisations working with people outside the current workforce, including:

- Organisations such as DWP and the Prison Service
- Inform them of skills needed within the workforce and how training can best repair their people for those needs
- Educate employers about the pool of people these organisations have access to and how they can potentially fill skills gaps with them

10.2 <u>Expected Benefits of Changes</u>

10.2.1 A central point for employers to the skills system, which will:

- Make accessing the skills system as simple as possible for employers
- Will enable more employers to have the confidence to engage
- Find the best skills training for individual requirements rather than rely on a provider's 'best-fit' option
- Will keep the LSIP data up-to-date with employers' needs and highlight emerging issues at the earliest opportunity
- Inform areas where further depth of understanding is required to enhance skills provision needs

10.2.2 Facilitate more and better industry placements for trainers/lecturers, which will:

- Keep trainers/lecturers up-to-date with current working practices and technologies
- Give employers increased confidence training is being delivered with an understanding of current conditions
- Improve the overall engagement and communication between employers and the skills system

10.2.3 Provide better links for employers into, respectively, the school and FE systems, working with existing delivery, in order to:

- Increase the number of employers engaged with schools, FE colleges and the careers service
- Increase the number of learners willing to consider moving to industries in need of people
- Create a pipeline of future workforce in priority areas to help buffer the problems caused by an aging workforce
- Help redress the balance between academic and technical outcomes

10.2.4 Develop a toolkit for employers to conduct skills needs analyses in their workplaces (potential to work with providers to help deliver this), leading to:

- More employers carrying out effective skills needs analysis as a regular part of running the business
- Provides more accurate skills needs information to inform requirements in the county
- Will encourage a longer-term approach to skills and workforce planning
- Will give another reason for employers to engage with the skills system
- Will provide more opportunities to direct employers to suitable support, some of which will also help with needs analysis
- Better trained employees
- Increased productivity
- Give employers the confidence to invest time and funds in the right training

10.2.5 Further increase employer engagement, reaching those not yet dealing with the skills system, in order to:

- Ensure that all sectors and locations are given input to the skills conversation
- Provide a more thorough understanding of needs across the county
- Better engage with those not already involved to provide more understanding as to the reasons others are not involved and then helping address those issues
- Create a wider reach to inform employers about what is available in terms of provision, funding and support

10.2.6 Set up working groups to make sure that future skills support in the county meets employer needs by:

- Ensuring skills support services match what employers require
- Removing duplication (and confusion) across services
- Ensuring funding is directed to the most effective schemes for Lancashire's needs
- Minimise any skills support gaps caused by the end of ESF funding in March 2023

10.2.7 Work with other employer-facing projects to ensure all information coming from businesses is dynamically appraised and then fed into the overall skills picture, in order to:

- Ensure that all information gathered is utilised by all projects that can use it
- Inform extra research needs
- Better discover emerging needs
- Enable more efficient data gathering and reduce duplication

10.2.8 Formalise selected focus groups to provide ongoing engagement with particular sectors and on certain topics, in order to:

- Ensure that the momentum from the LSIP is carried on with those already engaged
- Provide a forum for others to become regularly involved

- Develop and test potential solutions to emerging issues
- Provide a body able to provide rapid feedback and recommendations for action on changing conditions or policy
- Give employers a clear, formal voice

10.2.9 Work with organisations such as Catapult and AMRC to help educate employers about upcoming technologies and working practices, facilitate discussions on impact on businesses and their skills needs

- Ensure businesses are well informed on changing technologies
- Greater understanding of timeframes of implementation and, therefore, training requirements
- Encourage early adoption of new technologies and the productivity benefits they provide

10.2.10 Collaborate with organisations working with people outside the current workforce, in order to:

- Increase the effective pool of talent to fill skills gaps
- Better direct those entering the workforce towards industries and roles that are important to the economic development of the county
- Improve the direction of skills provision for individuals who are outside the workforce and looking to enhance their employment prospects

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