Lancashire
Enterprise Partnership

LEP - Lancashire Skills and Employment Board

Wednesday, 11th April, 2018 in Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston, at 8.00 am

Agenda

Part I (Items Publicly Available)

1. **Welcome and Apologies for Absence**

2. **Declarations of Interest**

3. **Minutes of the meeting held on 29 November 2017** (Pages 1 - 6)

4. **Matters Arising**

5. **Lancashire Labour Market Intelligence Toolkit** (Pages 7 - 110)
   Cassie Holden from Ekosgen will attend to present this item

6. **Lancashire Skills & Employment Hub update** (Pages 111 - 118)

7. **Apprenticeship Update**
   Lisa Moizer will provide a verbal update

8. **Lancashire Digital Skills Partnership** (Pages 119 - 132)

Part II (Private and Confidential)

9. **ESF/ESFA Projects - Performance Report** (Pages 133 - 144)
   (Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

10. **ESF/ESFA Projects - Capacity Building/Engagement Activity Plan** (Pages 145 - 148)
    (Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information).

Part I (Items Publicly Available)

11. Reporting to the Lancashire Enterprise Partnership

- Identification and agreement of any recommendations for consideration/approval by the LEP Board.
- Identification and agreement of issues for inclusion in the feedback report for the LEP Board.

12. Any Other Business

13. Date of Next Meeting

The next meeting is scheduled for 8.00am, Wednesday 06 June 2018, in Committee Room D, County Hall, Preston

Lancashire Enterprise Partnership

LEP - Lancashire Skills and Employment Board

Minutes of the Meeting held on Wednesday 29 November, 2017 at 8.00am at the Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Amanda Melton (Chair)

Mark Allanson
Steve Gray
Paul Holme
Lynne Livesey
Bev Robinson

Observers
Dean Langton, Pendle Borough Council
Sharon Riding, Combined District DWP

In Attendance
Dr Michele Lawty-Jones, Skill Hub Director
Lisa Moizer, Lancashire Skills Hub Coordinator
Holly Tween, Democratic Services Officer, Lancashire County Council

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting. Apologies for absence had been received from Joanne Pickering, Lindsay Campbell and Martin Kelly.

It was noted that Andy Wood had tendered his resignation from the Committee. The Chair would formally send the Committee's thanks to Andy for his contribution to the work of the Committee. Discussions would be held with the LEP Board about a replacement member.

2. Declarations of Interest

Bev Robinson, Steve Gray and Amanda Melton declared an interest in the ESF item as their organisations were involved in the consortiums delivering the ESF activity.

3. Minutes of the meeting held on 18 October 2017

Resolved: that the minutes of the meeting on 18 October 2017 are confirmed as an accurate record and signed by the Chair.

4. Matters Arising

It was noted that Michele had met with Andrew Bridge from the Construction Industry Training Board (CITB). The report and recommendations were being revised, and the final report would be circulated shortly.

Michele and Amanda had agreed to attend the next BBL School Improvement Board, but were still awaiting a date.

An update on the Skills and Employment Board activity had been presented to the LEP Board in November. An update would be taken to the LEP Board twice a year.

5. ESFA Project Extension Scoping Exercise

At this point the Committee approved that the meeting move into Part II, Private and Confidential, to consider the items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The Committee discussed the proposed options (previously circulated to members) regarding the potential extensions to the ESF projects currently contracted under the ESFA opt-in.

Resolved:

1. That the proposed options for each project as set out in the report be submitted to the ESFA

2. That authority be delegated to the Skills and Employment Board ESIF Committee members Amanda Melton and Paul Holme to approve recommendations regarding extensions from the Skills and Employment Board to the ESIF Committee, should they be required prior to the next formal meeting

6. learndirect - Skills Support for the Workforce

Andy Palmer, CEO of learndirect, and Rebecca Bridges, Associate Director, presented an update on business performance and an overview of performance against the ESF opt-in project, Skills Support for the Workforce.

It was noted that a monitoring report had been published following the appeal against the Ofsted inspection, that the organisation had been reshaped, and

Andy gave reassurance that the company was a going concern.

Andy highlighted learndirect's strong supply chain in Lancashire, and noted that new relationships were being developed. Recent figures showed over 4000 learners had been engaged and around 480 employers, with a 93% achievement rate. Masterclasses had been held with SMEs, and development was underway for an apprenticeship in textiles.

Andy and Rebecca were thanked for their presentation.

Resolved: That learndirect would circulate a link to their case studies on their YouTube channel

The meeting then returned to Part 1 of the agenda (items publicly available)

7. Up-date from the Lancashire Skills & Employment Hub

Michele Lawty-Jones, Lancashire Skills Hub, presented the update report on the Skills and Employment Hub's activities and highlighted the following:

The 100th sign up to the Lancashire Enterprise Adviser Network was imminent and press coverage was being planned.

A Priority 3 Delivery Group had been established in the Blackpool Opportunity Area and had met for the first time. The Committee was keen to discuss the Blackpool Opportunity Delivery Plan, and suggested it could be a subject for a future meeting.

Feedback was awaited on the application appraisals for the Priority 2.2 Skills for Growth call. The appraisal of the stage 1 Priority 2.1 Skills for Growth Leadership and Management submission had been completed by DWP and had been sent to the ESIF committee members for comment on strategic fit.

The launch of the National Young Apprenticeship Ambassador Network had taken place on 16 November and had been well attended. Links had been made with the North West Employer and Young Ambassador networks, and funding was now being sought to develop the network further. It was commented that apprenticeships needed to be encouraged and promoted, and it was suggested that the Committee could link with National Apprenticeship Week, perhaps to sponsor an event or award for Lancashire to encourage apprenticeship engagement locally. There was discussion relating to the impact of the Apprenticeship Reforms and the dip in starts nationally following the introduction of the Apprenticeship Levy. It was suggested that apprenticeships could be discussed at the informal meeting.

The notes from the ABR Implementation Group were sent to committee members the day before the meeting and a hard copy provided at the meeting. It was noted that the FE Commissioner had initiated a Structure and Prospects Appraisal for Accrington and Rossendale College, and that evaluation of any merger proposals received would be completed by the end of January. The group recommended to the committee that the Implementation Group be disbanded as the group had completed the task regarding the development of the non-structural recommendations action plan, and that progress against the plan be reported on a six monthly basis. The Committee agreed.

Resolved:

1. That the Blackpool Opportunity Area Delivery Plan be added as a discussion item to a future meeting

2. That Apprenticeships be added as a discussion item to the next informal meeting

3. That the ABR Implementation Group be disbanded and that progress against the non-structural recommendations action plan be reported on a six monthly basis to the committee

8. Technical Education Vision

Simon Pringle and Fiona Tuck from SDG presented an update on the technical education vision, including the draft framework.

The Committee considered the presentation and made the following comments:

- Some unemployed young people may not be coming from school or employment – a method of reaching these people should be considered
- Some language could be confusing e.g. difference between vocational and technical education – need to ensure employers and learners understand the terminology
- In the core objectives, explicit reference could be made to the move from supplier driven to employer driven delivery
- It may be helpful to have a workshop to consider how to fit this framework with the other LEP and local strategies

Simon and Fiona were thanked for all their work.

Resolved: that the comments as noted above are incorporated in the developing framework.

9. Technical Education – Implementation of the Vision

At this point the Committee approved that the meeting move into Part II, Private and Confidential, to consider the items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Michele outlined the report circulated regarding the proposed collaboration with the Gatsby Foundation. The Committee discussed the proposal. It was commented that the post may be in place before the technical education vision had been finalised; however, it was noted that Gatsby had a great deal of experience, and there was agreement that the collaboration and added capacity would be welcome.

Resolved:

1. That the proposed collaboration with the Gatsby Foundation be agreed, and that Michele and Amanda progress the arrangements, sharing information with the Committee as it progressed

2. That Michele circulate the full proposal to the Committee

The meeting then returned to Part 1 of the agenda (items publicly available)

10. Reporting to the Lancashire Enterprise Partnership

None.

11. Any Other Business

Dean Langton updated the Committee on the current position of the proposed Combined Authority.

It was noted that Dean would be leaving the Committee shortly. The Committee expressed their thanks for his contribution to the work of the Lancashire Skills and Employment Board.

12. Date of Next Meeting

The next formal meeting was scheduled for 8.00am on Wednesday 11 April 2018 in Committee Room D (The Henry Bolingbroke Room), County Hall, Preston.

An informal meeting was scheduled for 8.00am on Wednesday 07 February 2018 at Lancashire Adult Learning, Northlight (Brierfield Mill).

Lancashire
Enterprise Partnership

Agenda Item 5

LEP – Sub Committee

LEP - Lancashire Skills and Employment Board

Private and Confidential: NO

Wednesday, 11 April 2018

Lancashire LMI Toolkit
Appendices A, B and C refer

Report Author: Eksogen

Executive Summary

As per the informal meeting of the committee in January, Ekosgen have been commissioned to develop a Lancashire LMI Toolkit.

The Lancashire LMI Toolkit aims to:

- Update the main piece of skills and employment research, commissioned in 2015, which underpinned the development of the Lancashire Skills and Employment Strategic Framework; the updated research will support the refresh of the Strategic Economic Plan (SEP), the refresh of the framework and the development of the Local Industrial Strategy.

- Provide Labour Market Information (LMI) by Travel to Work areas in a format that is usable by a range of stakeholders, building on the success of the Sector Skills LMI Factsheets currently available on the Skills & Employment Hub website.

Eksogen will be attending the meeting to present the main findings of the Lancashire-wide research (provided in Appendix A), comparisons to 2015, and any recommendations in relation to the refresh of the SEP and the framework.

Ekosgen will also provide an overview of the LMI Toolkit and the different levels of resources that will be made available on the website. Based on 80 responses to a LMI user survey and a number of focus groups, the toolkit will be made up of 'intermediate Travel to Work Area reports' (see example in Appendix B) which are targeted at users with insight e.g. careers professionals, teachers and tutors, advisers, Local Authorities etc. and 'simple Travel to Work Area presentation packs' (see example in Appendix C) which can be used with young people and unemployed adults to facilitate insight and understanding and support careers advice and guidance. The toolkit will also include access to a data matrix so that

more sophisticated users can access information at a lower geographical level (by district), and have the facility to create their own bespoke reports for their own use. It is intended that the LMI Toolkit be launched at the Enterprise Adviser Network Celebration and Development Event on Friday 27th April (referenced in the update report), followed by introductions at a range of existing stakeholder events in the weeks after.

Recommendation

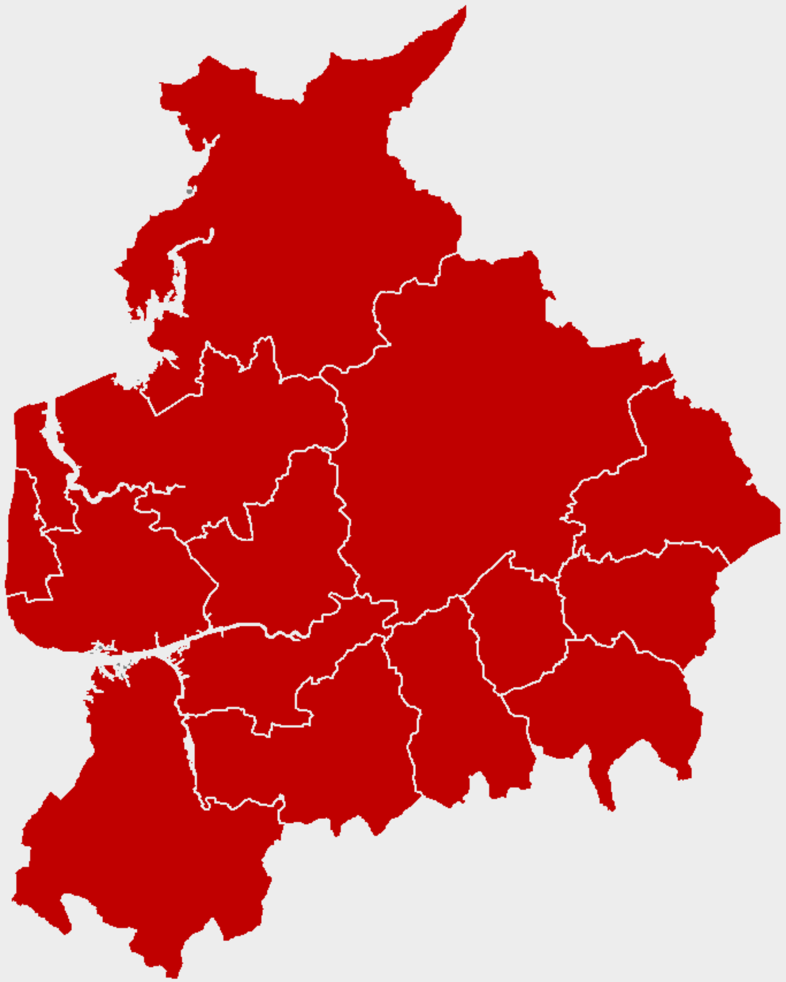
The Lancashire Skills and Employment Board are asked to :

1. consider the Lancashire wide report, changes since 2015 and the recommendations made by Ekosgen

2. consider the format of the reports provided in Appendices B and C and the target audiences

3. feedback comments at the committee meeting, following the presentation by Ekosgen

The Lancashire Labour Market Intelligence Report



Part of the 2018 Lancashire Labour Market Intelligence Toolkit

The Lancashire Labour Market Toolkit and Report Overview

This report is the **Lancashire Labour Market report**, part of the **2018 Lancashire Labour Market Intelligence (LMI) Toolkit.**

Labour Market Intelligence is the term used to describe the wide range of information that helps inform decisions about work and training, covering topics such as jobs, salaries and employers, as well as education and skills.

The toolkit contains three parts:

- **LMI reports** covering **six travel to work areas in Lancashire[1]**, alongside this report covering **Lancashire as a whole**;
- **Fact sheets** on each area; and
- **A data matrix** that contains all of the underpinning data which has been analysed to inform the reports and the fact sheets. This includes time series data (typically for up to 10 years) and data for Local Authorities, the six Travel to Work Areas, Lancashire as a whole, the North West and the national average[1]. The Matrix includes Local Authority and Travel to Work Area summary sheets which allow users to access summary charts and tables for their selected area.

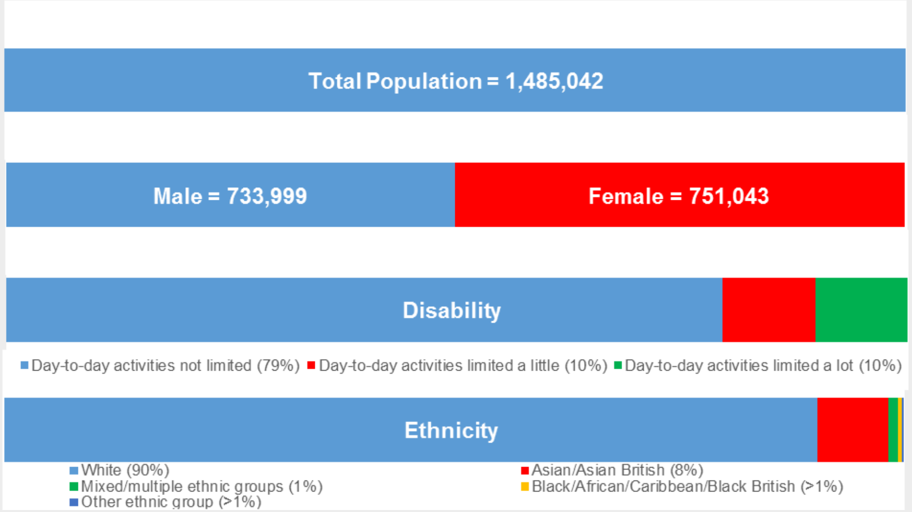
The report covers the four themes set out in the table below. Each theme includes a series of summary sheets, which set out key facts and figures, followed by more detailed analysis and commentary. Conclusions and key messages are also provided.

REPORT COVERAGE	
The Population in Lancashire	This section provides data on the residents who live in Lancashire – their employment, occupations, skills and earnings. It also provides information on unemployment and inactivity. It covers the overall resident base including those who work within and outside the travel to work area. *The underpinning data is available in the Population Matrix which can be accessed at insert link*
The Economy in Lancashire	This section provides data on the jobs available at employers located in Lancashire. This includes jobs that are filled by residents from within and outside the travel to work area. *The underpinning data is available in the Economy and Business Matrix which can be accessed at insert link*
Economic Forecasts for Lancashire to 2028	This section provides forecasts of the jobs expected to be available at businesses located in Lancashire in the 2018-2028 period. This includes jobs that could be filled by residents from within and outside the travel to work area. *The underpinning data is available in the Economic Forecasts Matrix which can be accessed at insert link*
The Skills and Education System in Lancashire	This section provides data on participation and attainment levels throughout the education system in Lancashire – from Key Stage 1 through to Higher Education. *The underpinning data is available in the Skills and Education System Matrix which can be accessed at insert link*
Key Messages	Key Messages

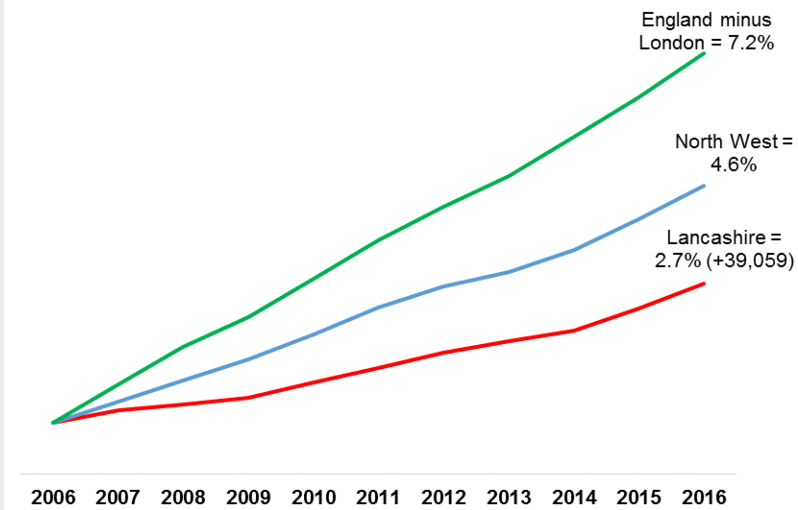
[1] Travel to Work Areas represent labour markets in which the residents of each local area are most likely to work. Not all residents work in the TTWA in which they live. England excluding London is used as the national comparator, to remove the distorting effects of the London economy (which differs markedly from the rest of England) from the comparison.

The Population in Lancashire – Who Lives in the Area?

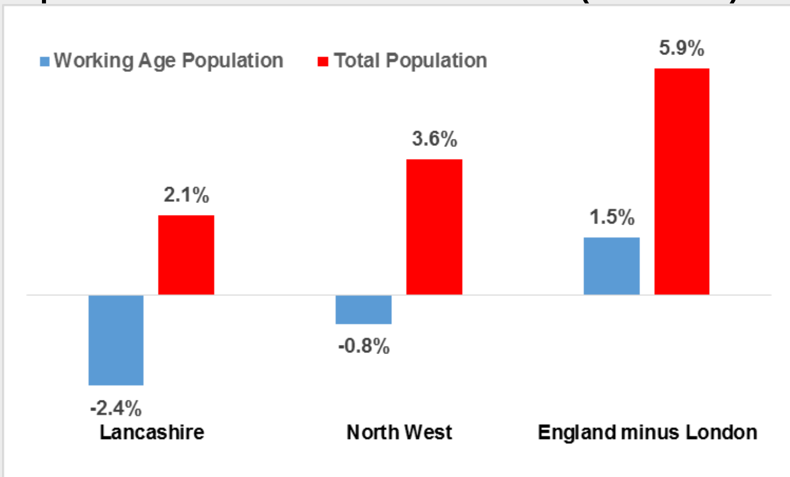
Overview of the Population



Population Growth: The Past 10 Years (2006-2016)



Population Forecasts: The Next 10 Years (2018-2028)



Population by Age Band				
	Lancashire		North West	England minus London
0-14	262,300	18%	18%	18%
15-19	88,600	6%	6%	6%
20-24	95,500	6%	7%	6%
25-34	179,400	12%	13%	13%
35-44	173,200	12%	12%	12%
45-54	213,800	14%	14%	14%
55-64	180,900	12%	12%	12%
65+	291,500	20%	18%	19%

914,500 residents (61.6%) are of working age (aged 16-64). This is slightly lower than the share of the population that are working age in the North West (62.8%) and nationally (62%).

While the population is expected to grow by almost 31,100 residents between 2018 and 2028, the working population is expected to get smaller. By 2028, there will be almost 21,700 fewer residents of working age living in the area.

Sources: Mid-Year Population Estimates, Census, Mid-Year Population Projections, 2016

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The Population in Lancashire – Who Lives in the Area?

The 2015 Evidence Base highlighted the ageing workforce and the expected decline in the working age population as fundamental challenges for Lancashire. The latest data confirms this position. Whilst the population has risen slightly, the rate of growth is lower than nationally, and the working age population has fallen by around 4,000 people.

Total Population

The Lancashire Local Enterprise Partnership area is home to a population of 1,485,042 people, just over one fifth of the North West total (20.6%). The most populated TTW areas within Lancashire are Preston, Chorley and South Ribble (366,270), Blackburn, Hyndburn, Ribble Valley, Rossendale (356,298) and Blackpool, Wyre and Fylde (327,446). The smaller TTW areas by population are Burnley and Pendle (178,110), Lancaster and Morecambe (143,517) and West Lancashire (113,401).

The population of Lancashire has grown by 2.7% over the past ten years (2006-2016), with an additional 39,059 residents. However, this rate of growth is below the population growth seen across the North West (+4.6%) and is less than one third of the strong rate of growth seen nationally over the same period (+7.2%).

Gender and Ethnic Make-Up of the Population

The population is split almost evenly between males and females, with a slightly higher proportion of females (50.6%) than males (49.4%).

Just over 90% of the population across the area is of white ethnicity, with Asian / Asian British people accounting for a further 8%. However, there are significant differences within Lancashire. The share of the population of white ethnicity ranges from 83% in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley to 98% in West Lancashire, whilst a large share of Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley's (16%) and Burnley and Pendle's (15%) population are Asian / Asian British, compared to less than 1% in West Lancashire.

Population Demographics

The age profile is very similar to that of the North West and nationally, although the population of Lancashire is, on average, very slightly older. The over 65 years age group accounts for 20% of the total population, compared to 18% in the North West and 19% nationally. Only 12% are aged 25-34 years, compared to 13% in the North West and nationally.

Working Age Population

There are 914,500 people of working age population (16-64 year olds) in Lancashire, 61.6% of the total population. This is just over one fifth (20.1%) of the North West total. Again, this varies somewhat by TTW area, with Blackpool, Wyre and Fylde having a significantly lower share of their population within the working age at 59.0% and Lancaster and Morecambe, at 63.8%, being well above the Lancashire average.

The working age population has declined in Lancashire over the past ten years, despite a growth in the population as a whole. Between 2006 and 2016, the working age population fell by 9,000 people, or 1.0%, while the population as a whole grew by over 39,000 people, or 2.7%. This compares to a growth in the working age population across the North West (1.6%) and nationally (3.6%) over the same period.

Population Projections

The population of Lancashire is expected to continue to grow over the next ten years, with the Office for National Statistics forecasting an additional 31,052 residents (+2.1%). This lags behind the slightly faster rate of growth expected for the North West (+3.6%) and the strong growth nationally (+5.9%). Within Lancashire, Lancaster and Morecambe (+4.1%) and Preston, Chorley and South Ribble (+3.6%) are expected to have by far the fastest rate of growth.

In contrast, the working age population within Lancashire is expected to continue to fall, by 21,683 people, or -2.4%, as is the case across the North West (-0.8%), while there is expected to be growth at the national level (1.5%). A decline in the working age population is expected across all six TTW areas, and is particularly severe in West Lancashire (-4.0%) and Blackpool, Wyre and Fylde (-3.5%).

Sources: Mid-Year Population Estimates, Census, Mid-Year Population Projections, 2016

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	Employment *Residents who have a job or are self-employed (either within or outside the travel to work area)*	**Unemployment** *Residents without a job, who have been actively seeking work (within the last four weeks)*	**Inactivity** *Residents who are not in work and have not sought work in the last four weeks (e.g. looking after family/home, studying, long-term sick and retired)*
What is happening in Lancashire?	**669,700 people, 74.4%** of the resident working-age population (16-64) are in employment, a 4.7 percentage point increase from 2010	**30,800 people, 4.4%** of economically active residents are unemployed	**200,100 people, 22.2%** of the working-age population are economically inactive
How does this compare to what is happening in the North West and nationally?	Higher than the North West **(72.4%)** but lower than National rates **(74.8%*)**	Lower than North West **(4.8%)** and National rates **(4.5%*)**	Lower than the North West rate **(24.0%)** but higher than the National rate **(21.7%*)**
What is happening at the Travel to Work Area level?	Lancaster and Morecambe has the highest employment rate of the TTWAs at **78.4%** Preston, Chorley and South Ribble's **(77.1%)** and Burnley and Pendle's **(76.9%)** are also above the TTWA average. Blackburn, Hyndburn, Rossendale and Ribble Valley is the lowest at **70.8%**, followed by West Lancashire **(71.0%)** and Blackpool, Wyre and Fylde **(72.9%)**	The rate is highest in Burnley and Pendle **(5.9%)** and lowest in Preston, Chorley and South Ribble **(3.4%)**	Blackburn, Hyndburn, Rossendale and South Ribble has the highest rate at **26.7%** The lowest rate is **17.9%** in Lancaster and Morecambe

This means that across Lancashire:

- 30,800 residents are unemployed and looking for work
- 200,100 residents are economically inactive - 48,900 of these residents (24%) would like to work

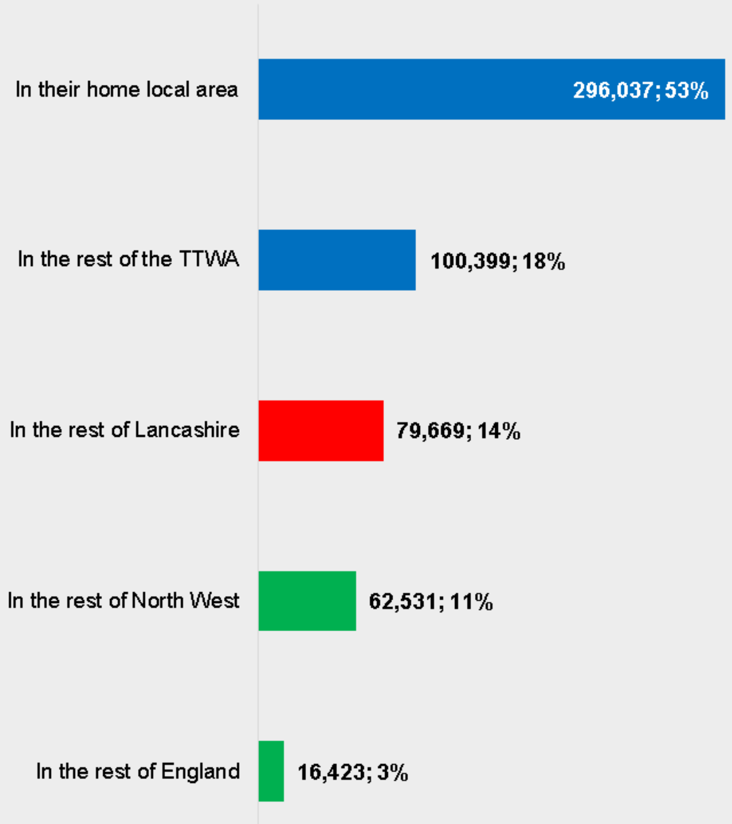
The main reasons for being economically inactive are: studying (25%), being long-term sick (25%), looking after family/home (24%), and being retired (16%).

Sources: Mid-Year Population Estimates, Census, Mid-Year Population Projections, 2016

Local Residents in Employment (1) – Who is working in Lancashire?

Residents who work…	Lancashire		North West	England minus London
	No.	%		
In self-employment	86,400	12.9%	12.6%	13.8%
Full-time	495,500	74.0%	75.2%	74.0%
Part-time	173,400	25.9%	24.6%	25.8%
Under 10 hours weekly	29,300	4.4%	3.3%	3.7%
10-34 hours weekly	194,900	28.9%	28.1%	28.2%
35-44 hours weekly	300,700	44.7%	47.3%	44.5%
45 hours or more weekly	148,300	22.0%	21.3%	23.6%
In non-permanent employment	40,000	5.7%	5.5%	4.9%

Where do residents work?

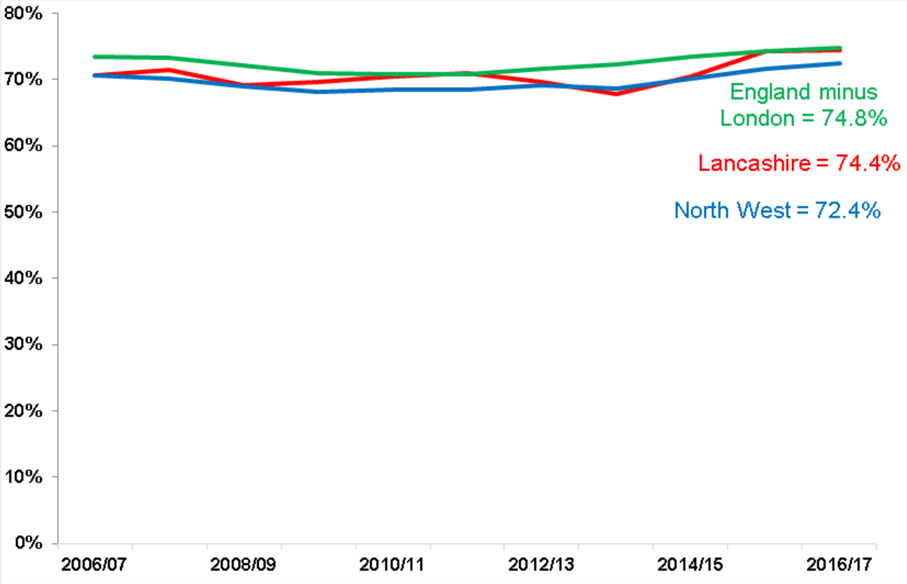


Median resident-based earnings are £25,800 in Lancashire, compared to £26,700 in the North West and £29,100 nationally.

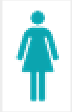
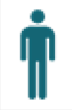
Median workplace-based earnings are marginally lower in Lancashire (£25,700), but the same in the North West and England minus London.

Sources: Annual Population Survey, July 2016 – June 2017; 2011 Census

Employment Rate: The Past 10 Years (2006/07-2016/17)



Employment Rate by Gender (2016/17)

	Lancashire	North West	England minus London
	**70%**	**68%**	**70%**
	**79%**	**77%**	**80%**

The employment rate grew by 3.7 percentage points over the last 10 years, a higher growth than across the North West (1.8 pp) and nationally (1.3 pp). Employment rates for both males and females are greater in Lancashire than the North West, and similar to nationally.

Employment Rate by Age Band

	Lancashire		North West	England minus London
16-19	27,400	40%	34%	37%
20-24	66,500	71%	68%	68%
25-34	146,800	82%	80%	83%
35-49	234,300	86%	83%	85%
50-64	194,600	68%	67%	71%
65+	27,700	10%	9%	10%
16-64	**669,700**	**74%**	**72%**	**75%**

Employment Rate by Ethnicity

	Lancashire		North West	England minus London
White	616,900	77%	74%	77%
Ethnic minority	52,700	52%	59%	64%
Mixed ethnic group	6,200	77%	64%	66%
Indians	15,000	58%	66%	73%
Pakistanis/Bangladeshis	16,000	39%	54%	55%
Black or black British	6,100	57%	60%	68%
All other ethnic groups	9,400	59%	57%	62%
16-64	**669,700**	**74%**	**72%**	**75%**

The employment rate is highest amongst the 25-34 and 35-49 age groups, similar to across the North West and nationwide. The rates for 16-19 year olds (40%) and 20-24 year olds (71%) are higher than in the North West and nationally. It is also highest amongst white and mixed ethnic groups, and higher for mixed ethnic groups than across the North West and nationally.

Sources: Annual Population Survey, July 2016 – June 2017

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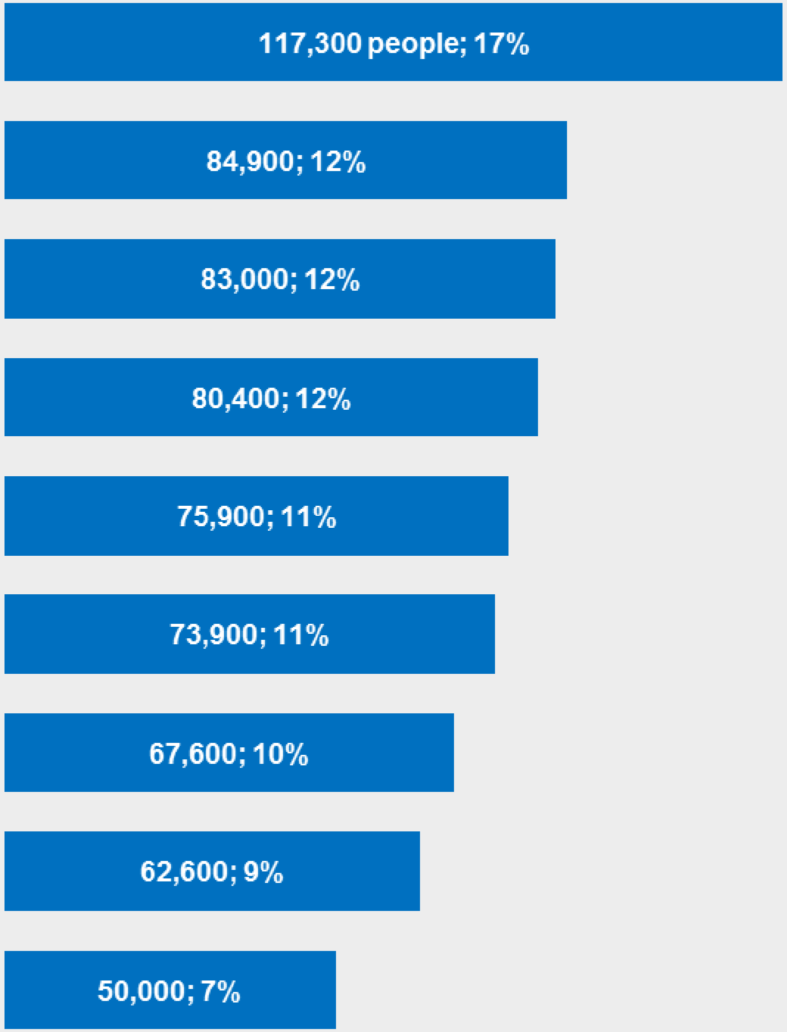
Occupations of Local Residents – What do people in Lancashire work as?



Professional occupations, including teachers, lawyers, doctors, nurses and other medical occupations, engineers, scientists, social workers, architects and surveyors

Associate professional and technical occupations, including engineering, building and lab technicians, IT technicians, paramedics, police, prison and fire service officers, graphic designers, accounting technicians, health and safety officers

Skilled trades occupations, including welders, mechanics, machinists, electricians, plumbers, plasterers, chefs, cooks

Caring, leisure and other service occupations, including teaching assistants, nursery workers, care workers, hairdressers, beauticians, caretakers and housekeepers

Administrative and secretarial occupations, including admin officers, finance officers, office managers, secretaries, Personal Assistants (PAs) and receptionists

Elementary occupations, including construction labourers, postal workers, cleaners, security staff, catering assistants and waiting / bar staff

Managers, directors and senior officials, including all types of managers (finance, HR, sales, production etc) in all types of organisations

Sales and customer service occupations, including sales assistants and shop workers, telesales and call centre workers and customer service managers

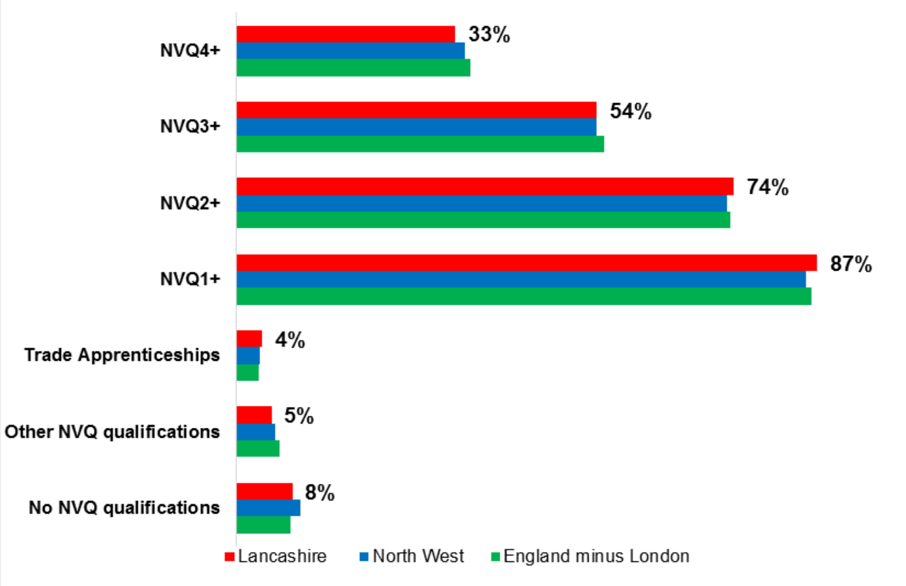
Process, plant and machine operatives, including factory workers, sewing machinists, tyre fitters, scaffolders, road and rail construction workers, lorry, bus and taxi drivers, train drivers and forklift truck drivers

Lancashire has a lower share of residents in Professional occupations (17%) than in the North West and nationally (both 19%). This is accounted for by Lancashire having a greater share of residents in Skilled trades and Care, leisure and other service occupations (both 12%) than the North West and nationally.

Sources: Annual Population Survey, July 2016 – June 2017

The Skills of Local Residents – How well-qualified are people in Lancashire?

Skills of Local Residents (2016)



Skills of Local Residents in Employment (2016)

How do the skills of local residents differ by gender?	• In general, females are more highly qualified, as is the picture across North West and nationally • 35% of females hold qualifications at NVQ4 or above, greater than 31% for males • Similarly, 86% of female hold qualifications at NVQ1 or above; 79% for males • Slightly more males have no qualifications (9%) than is the case for females (8%)
…and by age?	• Lancashire residents are less qualified (at NVQ4 or above) at all age groups than across the North West and nationally, with the exception of the 40-49 age group • Those aged 40-49 are most highly qualified, which is different to the picture across the North West and nationally, for which the 30-39 age group is most qualified • The 20-24 group has the highest rate of qualifications at NVQ2+ (81%), while 18% of those aged 16-19 do not hold any formal qualifications.

Those in employment are more qualified, on average, than the working age population. A greater share of the resident population have no qualifications (8% v 4%), while a larger share of those in work have qualifications at NVQ4 and above (38% v 33%).

Sources: Annual Population Survey, July 2016 – June 2017

Residents in Employment in Lancashire

Approximately 669,700 (74.4%) of residents of working age (aged 16-64) are in employment. This includes residents who work both within and outside Lancashire. This is a higher employment rate than across the North West (72.4%) as a whole and is slightly below the national (74.8%) average, and is higher than at any time in the last ten years.

The employment rate has fluctuated over the past ten years, consistently outperforming the average across the North West, although generally remaining below the national average. Since the Evidence Base was produced in 2015, the gap in the employment rate between Lancashire and the national average has narrowed considerably, reversing the trend seen between 2011 and 2014 when national recovery meant that employment growth outpaced that seen in Lancashire.

The current employment rate is driven by high rates of employment in Lancaster and Morecambe, Preston, Chorley and South Ribble, and Burnley and Pendle, where 78.4%, 77.1% and 76.9% of working age residents are employed respectively. In contrast, the employment rate in Blackpool, Wyre and Fylde (72.9%), West Lancashire (71.0%) and Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley (70.8%) are all below both the Lancashire and national average. For Lancashire to close the gap with the national average, an additional 3,600 working age residents would need to enter employment (equivalent to a 0.5% increase).

Characteristics of those in Employment

In line with national trends, the employment rate for men (79%) is higher than then employment rate for women (70%). The difference in the rates aligns with the difference nationally. This does however mask differences at the TTW area level, particularly in relation to both Lancaster and Morecambe and West Lancashire, where the employment rate for males exceeds the rate for females by twelve percentage points.

The employment rate varies by age group and is highest amongst those aged 25-49, as is the case across the North West and nationally. The key differences in the employment profile by age relate to the youngest and oldest age groups. While the employment rate for those aged 16-19 is significantly higher in Lancashire than in the North West and nationally, the rate for those aged 50+ is much lower than nationally. With the working age population falling, and demand for labour expected to increase (see forecasts section), harnessing the employment potential of older workers will become more important to the success of the Lancashire economy.

There are also variances by ethnicity. The employment rate is highest amongst white and mixed ethnic groups, exceeding the employment rate for these groups in the North West and nationally. Across and within Lancashire there is a particularly low employment rate amongst the Pakistani and Bangladeshi group, especially when compared to the North West and national averages.

Types of Employment

The basis on which residents are employed varies. One in seven working age residents (12.9%) in Lancashire are self-employed. This is marginally above the rate across the North West (12.6%) but is lower than the national (13.8%) average. Within Lancashire, however, the self-employment rate varies widely from 9.5% in Lancaster and Morecambe to almost one in five working age residents (19.4%) in West Lancashire. The rates in Preston, Chorley and South Ribble and Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley are much closer to the Lancashire average.

There are also residents who work on a non-permanent basis, including fixed period contracts, agency temping, casual work and seasonal work. This applies to 5.7% of working age residents in Lancashire, compared to 4.9% nationally. While this is in line with the North West-wide average, the rate of non-permanent work varies across TTW areas, from 4.2%-4.3% in West Lancashire and Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley, to 10.9% in Lancaster and Morecambe.

Sources: Annual Population Survey, July 2016 – June 2017

Occupations

The 2015 Evidence Base highlighted that Lancashire had a smaller proportion of residents employed in highly skilled occupations than the North West or national averages. Relatively little has changed since then, with the three most highly-skilled occupational categories still accounting for 39% of jobs, compared to 42% in the North West and 43% nationally.

The largest occupational group amongst residents is professional occupations, accounting for almost one in six of those in employment. This is followed by associate, professional and technical occupations, and skilled trades occupations.

Key points to note at the local level include:

The representation of highly skills occupations: As noted above, just under two fifths (39%) of residents from Lancashire are employed in highly skilled occupations (managers, directors and senior officials; professional occupations; and associate professional and technical occupations). Lower proportions of Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley's residents work in highly skilled occupations (37%) compared to Lancashire as a whole. Amongst this TTW area's residents each of the highly skilled occupational groups is underrepresented when compared to nationally, particularly professional occupations.

Across the remaining occupational groups: Blackpool, Wyre and Fylde has a particularly high proportion of residents (14%) working in ***administrative and secretarial occupations,*** compared to Lancaster and Morecambe (8%). As a whole, Lancashire (11%) largely aligns with the North West (11%) and national (10%) averages.

Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley has a particularly high proportion of residents (14%) working in ***skilled trade occupations***, consistent with the above-average trend across Lancashire when compared to the North West and nationally. The proportion in Burnley and Pendle is particularly low (9%).

Lancashire has a higher proportion of residents working in ***caring, leisure and service occupations*** (12%), than across the North West and nationally (both 10%), and this is true across all six TTW areas.

Burnley and Pendle (30%) has a high proportion of residents working in ***sales and customer service; process, plant and machine; and elementary occupations***, much higher than Preston, Chorley and South Ribble at 24%.

Location of Employment

There is a reasonably high concentration of residents (71%) who live and work within their own Travel to Work area. Just over half of residents in employment work in their home local area, while 18% work within the wider Travel to Work area. The large majority of residents who work outside the area travel to other parts of Lancashire (14%) or across the wider North West region (11%).

Earnings

Across Lancashire, the median earnings of residents are below the regional and national averages, at approximately £25,800. This is equivalent to 97% of the North West average (£26,700) and 89% of the national average (£29,100). Within Lancashire, the median earnings of Fylde residents is greatest (£30,500), while residents of Blackpool earn the least (£22,900).

When the median earnings of residents from each local area (i.e. resident-based earning) are compared to the median earnings of the jobs based in each area (i.e. workplace-based earnings), the data suggests that:

- Residents from Rossendale, Chorley, Burnley and South Ribble typically travel to access higher paid employment, with workplace-based earnings lower than resident based earnings.
- There is a tendency for people to commute to Ribble Valley, Fylde and Preston for higher paid jobs, with resident based earnings lower than workplace-based earnings in these local areas.

It should also be noted that, similar to the residence-based earnings, workplace-based earnings across Lancashire are equivalent to 96% of the North West and 88% of the national averages.

Sources: Annual Population Survey, July 2016 – June 2017

The Skills Profile

As was the case when the Evidence Base was initially developed in 2015, the working age population in Lancashire remains on average slightly less well-qualified than the working age population across the North West and nationally. At the higher skills levels (level 3+ and level 4+), Lancashire underperforms when compared to the national average. There is also a slightly greater proportion of working age residents that hold no qualifications.

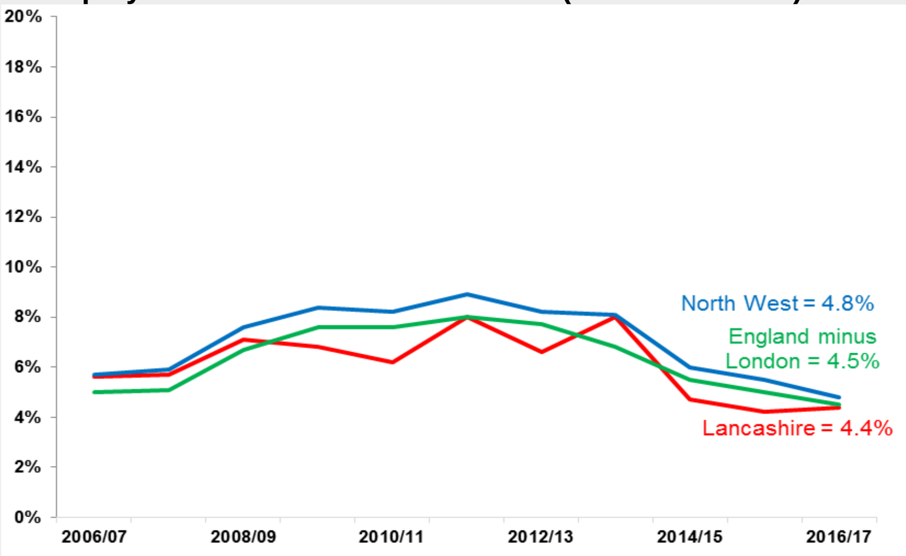
At the Travel to Work level the profile varies, with strong levels of qualifications in both Preston, Chorley and South Ribble and Lancaster and Morecambe. Both areas typically exceed the national average at all levels. The skills profile of residents in West Lancashire, however, is quite different, with only 25% holding qualifications at Level 4 or above (compared to 33% in Lancashire and 35% nationally). A much higher proportion of residents in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley hold no qualifications (12%) when compared to the Lancashire and national averages (both 8%).

Residents who are in employment are, on average, more qualified than the working age population. For example, 76% of those in employment hold qualifications at Level 2 or above compared to 74% of the working age population. The difference is starker as skills levels increase, with 38% of those in employment holding qualifications at Level 4 or above, compared to 33% of the working age population. This highlights the importance of qualifications in securing employment, and the need to continue to promote the importance of being well-qualified to Lancashire's young people and less well-qualified adults.

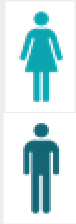
Sources: Annual Population Survey, July 2016 – June 2017

Unemployment (1) – Who is unemployed in Lancashire?

Unemployment Rate: The Past 10 Years (2006/07-2016/17)



Unemployment Rate by Gender (2016/17)



	Lancashire	North West	England minus London
	4%	4%	4%
	5%	5%	5%

The unemployment rate fell by 1.2 percentage points over the last 10 years, a greater fall than across the North West (-0.9 pp) and nationally (-0.5 pp). The unemployment rate for both females and males in Lancashire is in line with those for the North West and nationally.

Unemployment Rate by Age Band

	Lancashire		North West	England minus London
16-19	5,000	15%	21%	20%
20-24	5,600	8%	10%	9%
25-34	6,200	4%	4%	4%
35-49	6,500	3%	3%	3%
50-64	7,500	4%	3%	3%
65+	n/a	n/a	1%	2%
16-64	**30,800**	**4%**	**5%**	**5%**

NEETs are young people who are not in education, employment or training. 3.1% of Lancashire's 16-17 year olds are NEET, higher than the 2.5% nationally.

Unemployment Rate by Ethnicity

	Lancashire		North West	England minus London
White	22,300	3%	4%	4%
Ethnic minority	8,600	14%	9%	8%
Mixed ethnic group	n/a	n/a	9%	9%
Indians	1,700	10%	8%	4%
Pakistanis/Bangladeshis	5,200	25%	11%	11%
Black or black British	n/a	n/a	11%	9%
All other ethnic groups	n/a	n/a	7%	6%
16-64	**30,800**	**4%**	**5%**	**5%**

Where data allows comparison, the unemployment rate is highest amongst the 16-19 age group, similar to the picture across the North West and nationwide, although the rate for 16-19 year olds (15%) is significantly lower in Lancashire. By ethnicity, the rate is lower in the white group but higher in the ethnic minority, Indian and Pakistani/Bangladeshi groups, than across the North West and nationally.

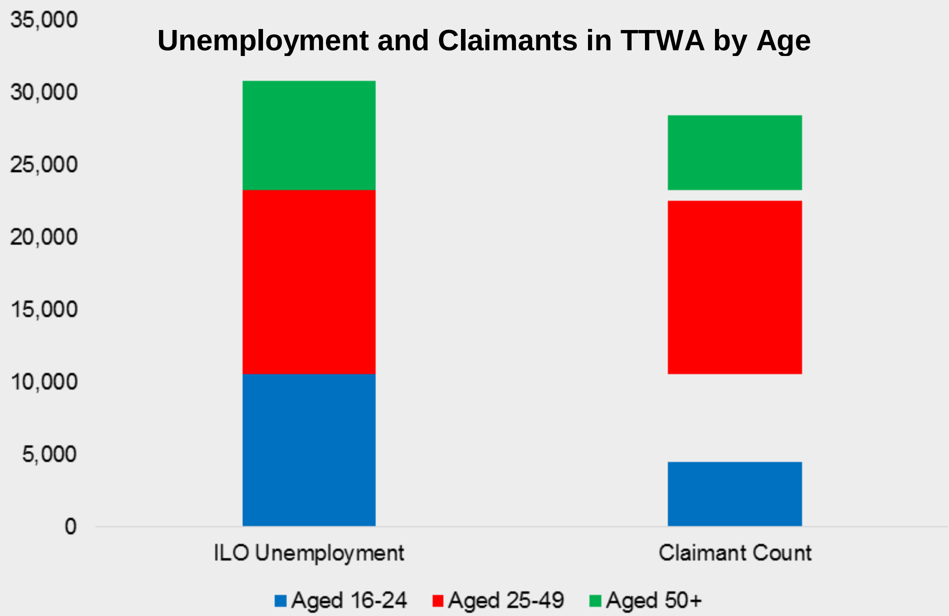
Sources: Annual Population Survey, July 2016 – June 2017

Unemployment (2) – The Difference between Unemployment and the Claimant Count in Lancashire

‘Unemployment’ refers to people who are actively seeking and available for work, and is measured using an internationally agreed definition (ILO unemployment).

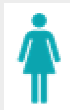
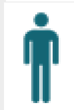
The Claimant Count measures the number of people who are receiving benefits principally because they are unemployed. From April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as the remaining Jobseeker’s Allowance claimants. Not everyone who is unemployed is eligible to claim unemployment-related benefits.

This page compares the number of unemployed in people in Lancashire, with the number who are claiming unemployment-related benefits.



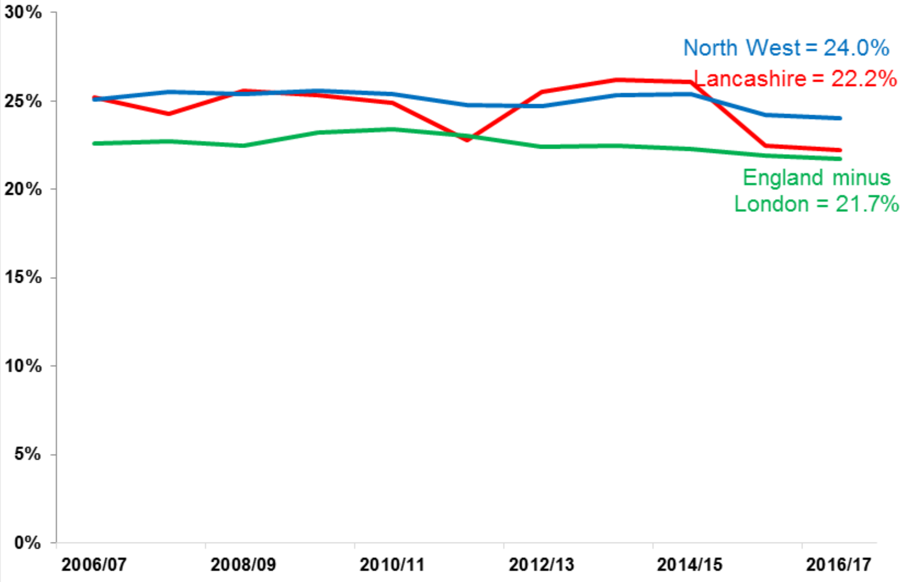
Unemployed people aged 16-24 and over 50 are less likely to receive unemployment benefits, as is the case nationally. Similar to the North West and national position, males are more likely than females to be unemployed and to be claimants in Lancashire.

Residents	Lancashire	North West	England minus London
Claimant Count (no.)	**21,505**	**209,670**	**525,290**
Claimant Count (% of working age population)	**2.4%**	**2.4%**	**1.8%**
Claimants as % of those Unemployed	**70%**	**67%**	**52%**

Lancashire	Unemployment	Claimant Count
	**12,300**	**8,425**
	**18,500**	**13,080**

Economic Inactivity – Who is economically inactive in Lancashire?

Inactivity Rate: The Past 10 Years (2006/07-2016/17)



Inactivity Rate by Age Band

	Lancashire		North West	England minus London
16-19	36,900	53%	58%	54%
20-24	21,600	23%	25%	26%
25-34	25,100	14%	16%	14%
35-49	32,400	12%	14%	13%
50-64	84,000	29%	31%	27%
65+	252,100	90%	91%	90%
16-64	**200,100**	**22%**	**24%**	**22%**

Of the working age population, inactivity rates are highest in the 16-19 age group at 53% although this is still below the North West and national average. Rates are particularly high in the Pakistani/Bangladeshi and ethnic minority groups, greater than in the North West and nationally.

Top 3 Reasons for Inactivity (2016/17)

1.Studying (25%)

2. Long-term sick (25%)

3. Looking after family and home (24%)

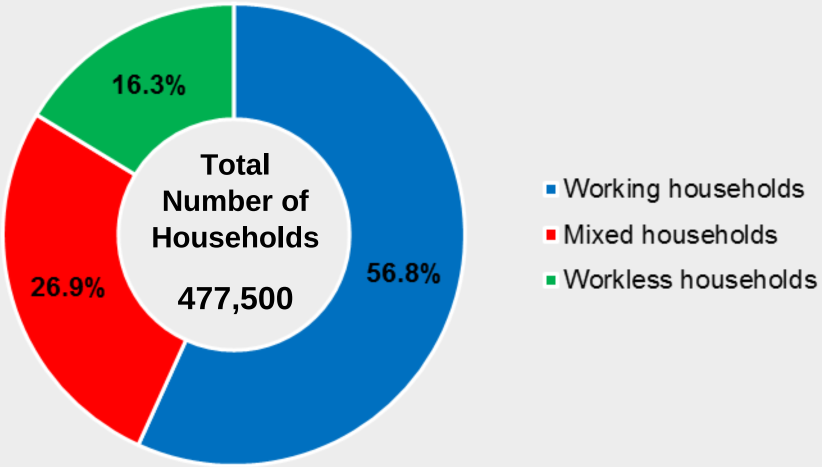
The main reasons for economic inactivity in Lancashire are the same as across the North West and nationally, although the area has a higher share suffering from long-term sickness than nationally (22%) and a slightly lower share looking after family/home than nationally (25%).

Inactivity Rate by Ethnicity

	Lancashire		North West	England minus London
White	159,600	20%	23%	21%
Ethnic minority	40,500	40%	35%	32%
Mixed ethnic group	1,700	22%	29%	28%
Indians	9,200	35%	28%	25%
Pakistanis/Bangladeshis	19,900	48%	40%	39%
Black or black British	3,400	32%	33%	27%
All other ethnic groups	6,300	39%	39%	36%
16-64	**200,100**	**22%**	**24%**	**22%**
Inactivity Rate by Gender				
Female	30,100	27%	29%	27%
Male	16,000	17%	19%	17%
16-64	**200,100**	**22%**	**24%**	**22%**

Household Economic Inactivity – How many workless households are in Lancashire?

Composition of Households (2016)



Lancashire has a higher share of working households than across the North West (54%) and in line with the average nationally (57%). Conversely, Lancashire also has a lower proportion of workless households than in the North West (18%) and slightly greater than nationally (15%). This includes student households. Mixed households – which contain both working and workless members – are less common in Lancashire (27%) than across the North West and nationally (both 28%).

Overview of Workless Households (2016)

Households where no (16+) member is working **16.3%**

Households where all (16+) members are inactive **12.9%**

1.4% **of households are workless with a mix of unemployment and inactivity**

Households where all (16+) members are unemployed **2.0%**

44,625 **children live in workless households**

Unemployment in Lancashire

Based on the ILO definition of unemployment, 30,800 people are unemployed in Lancashire. This equates to 4.4% of economically active residents and is lower than the North West (4.8%) and national (4.5%) average.

The unemployment rate has fluctuated over the past ten years and has fallen considerably over the past three years. Levels of unemployment are now below their pre-recession level, representing a considerable improvement from the position in 2015 when he Evidence Base was prepared.

The low unemployment rate reflects the particularly low levels of unemployment in the populous areas of Preston, Chorley and South Ribble (3.4%) and Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley (3.5%). In contrast, unemployment in Burnley and Pendle (5.9%) exceeds both the North West and national average.

Characteristics of those who are unemployed

Despite the overall fall, there remain certain groups who are more likely to be affected by unemployment. In line with national trends, the unemployment rate for men (5%) is higher than then unemployment rate for women (4%). While the unemployment rate for men aligns with the North West and national average, the unemployment rate for women is slightly lower than these comparators.

Where data is available, it shows that Lancashire has a lower unemployment rate at all age groups than the North West and nationally, with the exception of the 50-64 years group. The unemployment rate is highest amongst those aged 16-19 (15%). However, this remains well below the rate for 16-19 year olds in the North West (21%) and nationally (20%).

There are also variances by ethnicity. As is the case across Lancashire and nationally, unemployment is higher amongst ethnic minority and Pakistani/Bangladeshi groups.

The claimant count

Focusing on those who are receiving benefits principally because they are unemployed, there are over 21,500 claimants in Lancashire. This is equivalent to 2.4% of the working age population, in line with the North West average (2.4%) and greater than the national average (1.8%). As with unemployment, the low claimant rate is reflective of the low levels of claimants in Preston, Chorley and South Ribble (1.8%) and West Lancashire (1.7%), while the rate in Burnley and Pendle (3.1%) exceeds the regional and national averages.

As all of those who are unemployed will not receive and/or claim benefits, the claimant group is a sub-set of those who are ILO unemployed. In Lancashire, the number of people receiving unemployment-related benefits equates to 70% of the total number unemployed, compared to two thirds in the North West and 52% nationally. Across the TTW areas, a much higher proportion of unemployed residents receive benefits in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley (93%) than in West Lancashire (54%).

When the ILO unemployment and claimant counts are broken down and compared in terms of age and gender, the data shows unemployed people aged 16-24 and over 50 are less likely to receive unemployment benefits, as is the case nationally. It also showed that as well as there being a higher claimant count amongst males, a slightly greater proportion of males who are unemployed receive benefits (71%) when compared to females (68%). This is the case across the North West and nationally, although the imbalance is greater at these comparator areas.

Economic Inactivity in Lancashire

Across Lancashire, 200,100 people are economically inactive (i.e. are not in work and have not sought work in the last four weeks for a variety of reasons). This equates to 22.2% of the working age population and is lower than the inactivity rate across the North West (24.0%) but greater than the rate nationally (21.7%). Economic inactivity has fallen sharply since the Evidence Base was produced, with 40,000 fewer economically inactive people.

Sources: Annual Population Survey, July 2016 – June 2017

As with employment and unemployment, levels of inactivity vary by local area. The fairly low rate of Lancashire is reflective of low levels of inactivity in Lancaster and Morecambe (17.9%) and Burnley and Pendle (18.4%). which are both well below the national average. In contrast, Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley (26.7%) and West Lancashire's (25.8%) inactivity rates are higher.

Reasons for economic inactivity

The three main reasons for inactivity in Lancashire – studying (25% of those who are inactive), long term sickness (25%), and looking after family and home (24%) – are the same as across the North West and nationally. Lancashire has a greater share suffering from long-term sickness than nationally (22%), but this share has fallen by 4 percentage points since 2014. The other main reason is being retired, which accounts for 16% of the working age population who are inactive in Lancashire, compared to 14% in the North West and 15% nationally.

Characteristics of those who are inactive

As is the case nationally, a much higher proportion of working age females (27%) are economically inactive than males (17%). The lower economic inactivity rate across Lancashire is reflective of a lower inactivity rate amongst both males (17% compared to 19% in the North West) and females (27% compared to 29%). This does however mask differences at the TTW area, particularly in West Lancashire, where the inactivity rate for females (33%) is particularly high, and similarly so in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley for males (22%).

The inactivity rate varies by age group and is highest amongst those aged 16-19, as is the case across the North West and nationally. The key differences in the inactivity profile by age relate to the youngest and oldest age groups. While the inactivity rate for those aged 16-19 and 20-24 is lower in Lancashire than nationally, the rate for those aged 50+ is higher, again indicating that older workers are a potential source of additional labour for Lancashire.

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There are also variances by ethnicity. The inactivity rate is highest amongst the Pakistani and Bangladeshi group in Lancashire as is the case in the North West and nationally (although the Lancashire rate for this group significantly exceeds the regional and national averages). Other groups with high inactivity rates include Indian and ethnic minority groups.

Economic Activity by Household

Of the 477,500 households located in Lancashire, the share classed as working households (57%) is in line with nationally (57%), and above the North West rate (54%), and has increased from 53% in 2014, indicating the continued recovery of the Lancashire economy.

Lancashire has a lower proportion of workless households (16%) than in the North West as a whole (18%), below the North West share (18%) but slightly above that nationally (15%). This includes student households. Mixed households – which contain both working and workless members – are marginally less common in Lancashire (27%) than across the North West and nationally (both 28%):

- ***Working households*** are more prevalent in Burnley and Pendle and Preston, Chorley and South Ribble (accounting for 62% and 61% of households respectively). This compares to just 52% in West Lancashire which continues to be well below the Lancashire and national average.
- ***Workless households,*** including student households, are broadly similar across the six TTW areas in Lancashire, ranging from 13% in Burnley and Pendle to 18% Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley.
- ***Mixed households:*** are more prevalent in West Lancashire (accounting for 33% of households in the area) than in Preston, Chorley and South Ribble (22%).

The majority of workless households in Lancashire are occupied by residents who are economically inactive (rather than unemployed). Over 44,600 children in Lancashire live in households where no-one is in work, 5,000 fewer than in 2013.

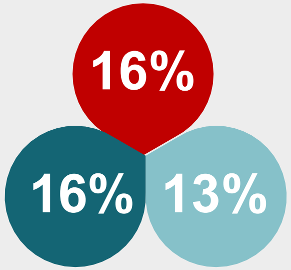
Sources: Annual Population Survey, July 2016 – June 2017

Employment by Sector in Lancashire – What sectors do people work in?

Total Employment

645,000 JOBS

Three Largest Employment Sectors

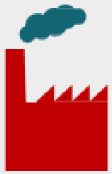


Wholesale and Retail
Health
Manufacturing

Jobs in the Largest Sectors

102,000 JOBS
1. Wholesale and Retail

101,000 JOBS
2. Health



85,000 JOBS
3. Manufacturing

61,000 JOBS
4. Education

53,000 JOBS
5. Accommodation and Food Services

43,000 JOBS
6. Administration and Support

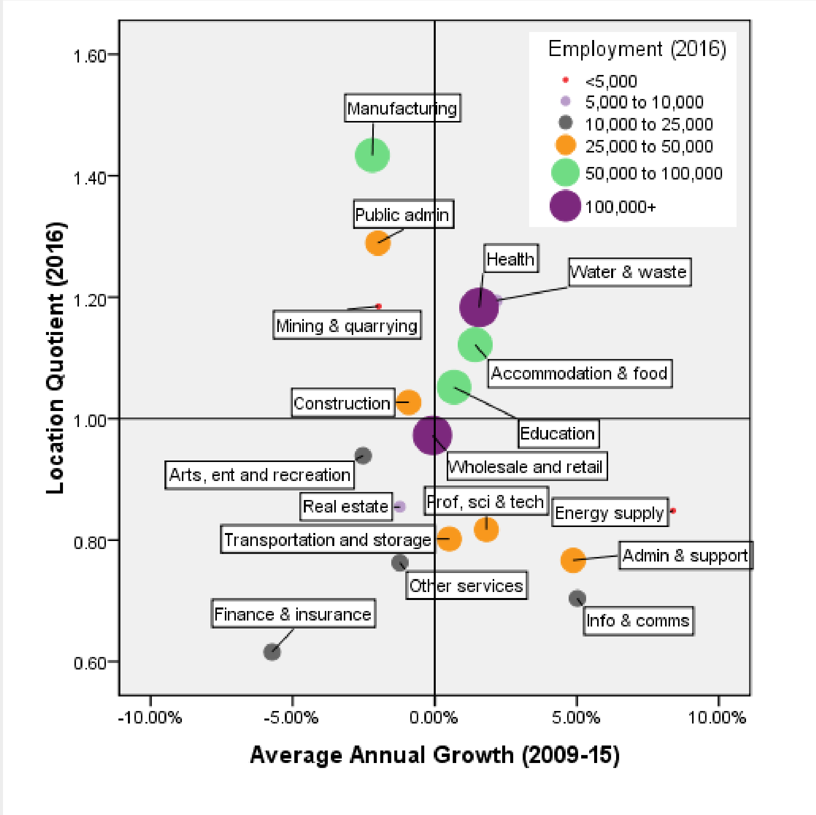
40,000 JOBS
7. Professional, scientific and technical

32,000 JOBS
8. Construction

Employment Growth and Specialisation

Top left: Sectors that have seen employment fall since 2009, and are more highly represented in the local area than the national average

Top right: Sectors that have seen employment growth since 2009 and are more highly represented in the local area than the national average



Bottom right: Sectors that have seen employment fall since 2009 and are less highly concentrated in the local area than the national average

Bottom right: Sectors that have seen employment growth since 2009 and are less highly concentrated in the local area than the national average

Employment by Sector in Preston, Chorley and South Ribble – Lancashire's priority sectors

The Lancashire Skills and Employment Strategic Framework has seven designated priority sectors. The sectors have been selected due to their high replacement demand needs and significant growth potential.

Lancashire's Priority Sectors

Sector	Definition	Relation to SIC Sections	Total Employment in Lancashire
Health and Social Care	The sector covers a range of subsectors from hospital activities to childcare services, and from dentistry to residential and non-residential social care	All of: *Human health and social work activities*	100,500
Finance and Professional Services	From accountants and law firms, financial advisors and insurance brokers, specialist property related consultancies and recruitment agencies through to large business process outsourcing organisations.	All of: *Financial and insurance activities*; *Real estate activities* Parts of: *Information and communication* *Professional, scientific and technical activities* *Administrative and support service activities*	90,500
Advanced Manufacturing	Manufacturing which involves the use of technology to improve products and/or processes, with the relevant technology being described as "advanced," "innovative," or "cutting edge."	Parts of: *Manufacturing* *Professional, scientific and technical activities*	78,000
Visitor Economy	Includes industries relevant to the entire visitor experience. From accommodation and food and drink to attractions and tour operators.	All of: *Accommodation and food service activities* Parts of: *Transport and storage* *Administrative and support service activities* *Arts, entertainment and recreation*	63,000
Energy and Environmental Technologies	Includes activities relating to in gas, electricity, renewables, nuclear, water, waste management and environmental technologies	All of: *Electricity, gas, steam and air conditioning supply* Parts of: *Mining and quarrying* *Manufacturing* *Water supply; sewerage etc.* *Construction* *Professional, scientific and technical activities*	39,000
Construction	Includes the construction of buildings, civil engineering and specialised construction activities.	All of: *Construction*	32,500
Creative and Digital	Industries such as: Advertising; Architecture; Crafts; Design; Film & TV, etc.; IT and computing; Publishing; Museums & galleries, etc.; Music & arts, etc.	Parts of: *Manufacturing* *Information and communication* *Professional, scientific and technical activities* *Education* *Arts, entertainment and recreation*	13,500

Sources: Business Register and Employment Survey, 2016

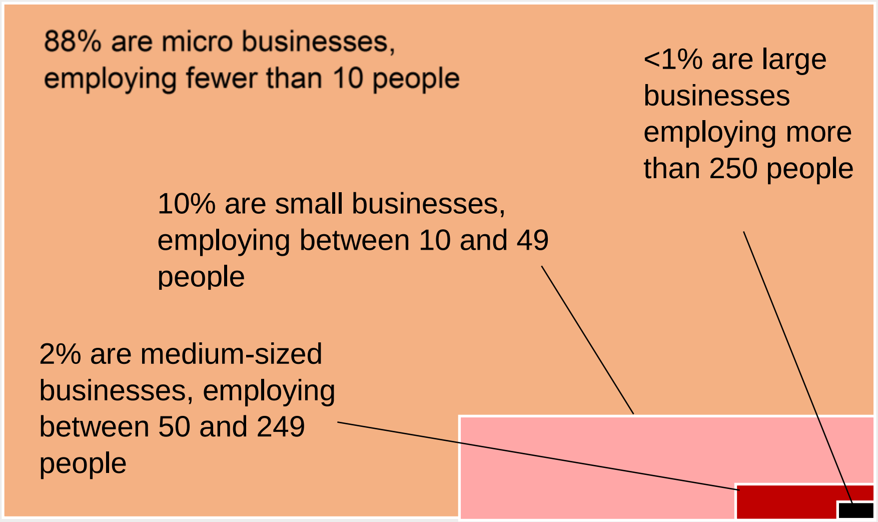
Employment by Sector in Preston, Chorley and South Ribble – Lancashire's priority sectors

There are 52,100 different businesses in Lancashire, providing a range of employers:

Private Businesses

The Public Sector

Charities and Voluntary Organisations



The split by size of businesses is similar to regional and national averages. Micro businesses account for a slightly smaller proportion of the business base than nationally (89%). Fewer than 1% of employers, around 180, in Lancashire are classed as large employers, employing over 250 people.

This map shows where employment is concentrated across Lancashire. Darker regions correspond to higher numbers of jobs.

This map highlights the key employment sites and locations – in each Travel to Work Area report an equivalent map also highlights each area's key employers.

Employment is concentrated within the 'arc of prosperity' identified in the Strategic Economic Plan: along the coast, through the central area and along Lancashire's strategic transport corridors.

The Enterprise Zone sites at Samlesbury and Warton, Blackpool Airport and Hillhouse International on the Wyre coast are important sites for future employment growth, along with Lancashire's many business parks and urban centres.

As the map shows, employment is found across all parts of the LEP area, including the more rural locations, where the visitor economy and heritage assets have an important employment role to place.

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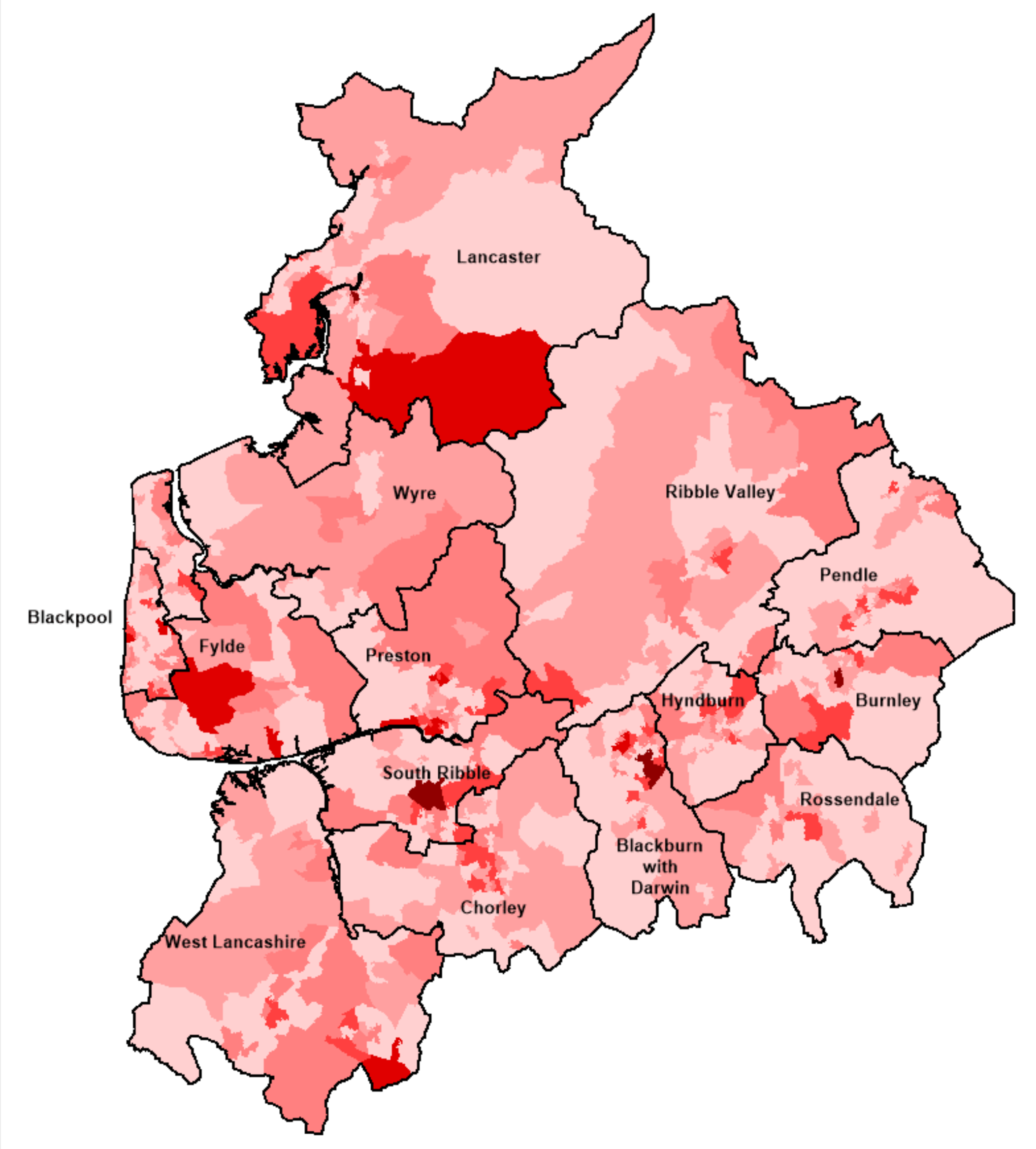


Employer Skill Requirements – What skills shortages are employers reporting in Lancashire?

The ***UK Employer Skills Survey*** provides a comprehensive source of information on employer skills needs. 1,900 businesses in Lancashire were surveyed. The sample size means that data is only available at Lancashire level.

Skills Gaps within the current workforce

17%
of employers in Lancashire report skills gaps compared with 14% in the North West and nationally

The top ten reasons reported by employers for employee skills gaps:

1.Their training is currently only partially completed 69%
2. They are new to the role 66%
3. They have not received the appropriate training 28%
4. Staff lack motivation 24%
5. They have been on training but their performance has not improved sufficiently 22%
6. The introduction of new working practices 21%
7. Unable to recruit staff with the required skills 17%
8. The introduction of new technology 14%
9. The development of new products and services 13%
10. Problems retaining staff 6%

Skills Shortages – a lack of suitably skilled people when trying to recruit new workers

17%
of employers reported at least one vacancy, lower the than the North West (18%) and national (19%) average

Lancashire employers reported a higher proportion of hard to fill and skill shortage vacancies than both the North West and national averages in:
administrative and clerical occupations;
caring, leisure and other service staff; and
machine operatives

They also reported above average skills shortages in **skilled trades**, and hard to fill vacancies in **caring, leisure and other services.**

Hard to fill vacancies in Lancashire, by occupation:

Skills shortage vacancies in Lancashire by occupation:

Sources: UKCES, 2015

Employment Numbers and Trends

The 645,000 jobs in Lancashire account for 19.3% of the total in the North West. At the time that the Evidence Base was produced, the data indicated that the number of jobs in Lancashire had yet to return to pre-recession levels. Since then, there has been considerable jobs growth, with around 10,000 more jobs recorded over the past year for which data is available (2015-2016). However, over the period from 2009, Lancashire has experienced a slower rate of jobs growth than seen in the North West as a whole, with total employment increasing by 2.3%. It is also a slightly slower rate of increase than nationally[2] (+1.8%).

Preston, Chorley and South Ribble is the largest of the all the Lancashire Travel to Work areas in employment terms, with 181,000 jobs (28% of the Lancashire total). There are 147,000 jobs in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley and 136,000 in Blackpool, Wyre and Fylde (23% and 21% of the Lancashire total respectively). Lancaster and Morecambe has seen the fastest increase in employment over the past year, gaining around 3,000 additional jobs, whilst Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley is the only TTW area that has not seen job growth.

Sectoral Employment

Two sectors – wholesale and retail, and health – account for around one-third of all employment in Lancashire, some 203,000 jobs. These are also the two largest sectors in the North West as a whole and England minus London, although, at 16%, Lancashire's share of employment in the health sector is greater than the North West's (14%) and nationally (13%). However, beneath this, the sectoral pattern in Lancashire differs somewhat from that in England minus London:

- ***Manufacturing*** is the third largest sector in Lancashire, with 13% of all workers employed in the sector, amounting to 85,000 jobs. Parts of Lancashire have historically been manufacturing bases, and this is shown in the area having a much larger share of employment in the sector than across the North West (10%) and nationally (9%).
- Despite the ***administrative and support services*** sector employing 43,000 people in Lancashire and accounting for 7% of total employment, it lags behind the share of employment in the North West (8%) and nationally (9%). This share is higher in Preston, Chorley and South Ribble. This sector includes business support activities such as building management, office administration and employment agencies, and the high percentage reflects Preston's role as a key business centre within Lancashire.
- The high-value ***professional, scientific and technical*** sector employs some 40,000 people in Lancashire, however the share of total employment (6%) is lower than in the North West as a whole and nationally (both 8%).

Sectoral Trends

Seven sectors have seen growth of at least 1,000 jobs over the past six years: ***Administrative and support services*** (part of the financial and professional services priority sector)***, health and social care, information and communication*** (which has had the fastest growth in percentage terms and is part of the creative and digital industries sector); ***accommodation and food services*** (part of the visitor economy); ***professional, scientific and technical*** (part of financial and professional services); ***education*** and ***wholesale and retail.*** All of these sectors have also grown regionally and nationally. With the exception of the wholesale and retail sector, they have all seen an increase in employment since the Evidence Base was prepared in 2015.

Over the past six years, employment has fallen in seven sectors by at least 1,000 jobs. In percentage terms, the fall has been greatest in ***financial services***, which has seen the loss of 5,000 jobs (-38%) since 2009. This is a greater decline than in the North West (-22%) and nationally (-10%). Around 12,000 jobs have been lost in the ***manufacturing*** sector since 2009, the greatest fall in absolute terms in Lancashire, and the sector has also seen a fall in the North West as a whole and nationally. However, the manufacturing sector has seen employment growth since the Evidence Base was prepared in 2015, with an additional 3,300 jobs having been created. This is a significant change from the long-term trend.

The ***arts and entertainment*** and ***real estate*** sectors have seen the total number employed fall locally, whilst growing nationally. There have also been declines in employment in the ***public administration, construction*** and ***other service activities*** sectors.

Travel to Work Area Sectoral Employment

Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley and **Burnley and Pendle's** role as manufacturing centres is clear from the sectoral make-up of employment in the areas. In these two areas, 28,000 and 15,000 people are employed in the sector respectively (19% and 21% of all employment respectively).

The sectoral employment composition of **Preston, Chorley and South Ribble** mirrors that of Lancashire closely, although there is a particular concentration of construction employment (9%, compared to 5% in Lancashire)[3] and administrative and support services (9%, compared to 7%). However, the area has a much lower level of manufacturing employment, which accounts for 7% of employment, in comparison to 13% in Lancashire as a whole.

Reflecting the importance of its tourism market, there is a concentration of accommodation and food services sector employment in **Blackpool, Wyre and Fylde**. The sector employs around 13,000 people in the area, or 13% of all employment, significantly higher than the sector's 8% share of total employment in Lancashire.

[3] Particularly in the construction sector, the place of work may not be where the job is registered in the official BRES data (e.g. if workers are employed out on site)

Lancaster and Morecambe has a particular employment specialism in the education sector, which employs around 10,000 people, or 17% of the area's total employment. This is compared to just 9% of total employment in Lancashire.

Sources: Business Register and Employment Survey, Market Locations, Lancashire LEP Evidence Base

Employment Forecasts 2018-2028 – Which Sectors will employ people in Lancashire in the Future?

Forecast 10-Year Employment Change				
	Lancashire		North West	UK
2018-2028	18,500	2.6%	4.3%	5.2%

Top 5 Sectors requiring employees due to sector growth (expansion demand)

- **Administrative and Support Services** *(+600 new jobs each year)*
- **Construction** *(+420 new jobs each year)*
- **Professional, scientific and technical activities** *(+420 new jobs each year)*
- **Wholesale and retail trade** *(+350 new jobs each year)*
- **Information and communication** *(+150 new jobs each year)*

Top 5 Sectors requiring employees to fill jobs to replace people leaving or changing jobs (replacement demand)

- **Wholesale and retail trade** *(11,900 jobs each year)*
- **Health and social work** *(8,730 jobs each year)*
- **Accommodation and food services** *(7,700 jobs each year)*
- **Administrative and support service activities** *(6,590 jobs each year)*
- **Manufacturing** *(6,370 jobs each Year)*

Total Employment Requirement Across all Sectors 2018-2028
To meet sector growth and replace people leaving or changing jobs

Sector	Part of Priority Sector?	Average Annual Req'ment	Total Req'ment
Wholesale and retail trade		12,250	134,760
Human health and social work activities	*Health and social care*	8,860	97,470
Accommodation and food service activities	*Visitor economy*	7,830	86,130
Administrative and support service activities	*Finance and professional services*	7,200	79,160
Manufacturing	*Advanced manufacturing* *Creative and digital* *Energy and environmental tech*	5,340	58,700
Education		4,980	54,740
Professional, scientific and technical activities	*Finance and professional services*	4,100	45,110
Construction	*Construction* *Energy and environmental tech*	3,860	42,420
Arts, entertainment and recreation	*Creative and digital* *Visitor economy*	3,260	35,810
Information and communication	*Creative and digital*	2,850	31,400
Transportation and storage	*Visitor economy*	2,760	30,320
Public administration and defence		2,240	24,640
Other service activities		2,140	23,530
Real estate activities	*Finance and professional services*	780	8,580
Agriculture, forestry and fishing		730	8,040
Financial and insurance activities	*Finance and professional services*	670	7,330
Water supply; sewerage etc.		420	4,660
Electricity, gas, steam and air conditioning supply		180	1,950

Sources: Oxford Economics, 2018

Employment Forecasts 2018-2028 – Future occupations in Lancashire

Forecast 10-Year Employment Change				
	Lancashire		North West	UK
2018-2028	18,500	2.6%	4.3%	5.2%

Top 5 Occupations requiring employees due to sector growth (expansion demand)

- **Caring, leisure and other service occupations** *(+225 jobs each year)*
- **Professional occupations** *(+180 jobs each year)*
- **Managers, directors and senior officials** *(+180 jobs each year)*
- **Elementary occupations** *(+140 jobs each year)*
- **Sales and customer service occupations** *(+120 jobs each year)*

Top 5 Occupations requiring employees to fill jobs to replace people leaving or changing jobs (replacement demand)

- **Professional occupations** *(11,390 jobs each year)*
- **Caring, leisure and other service occupations** *(10,050 jobs each year)*
- **Elementary occupations** *(9,550 jobs each year)*
- **Managers, directors and senior officials** *(8,190 jobs each year)*
- **Administrative and secretarial occupations** *(7,570 jobs each year)*

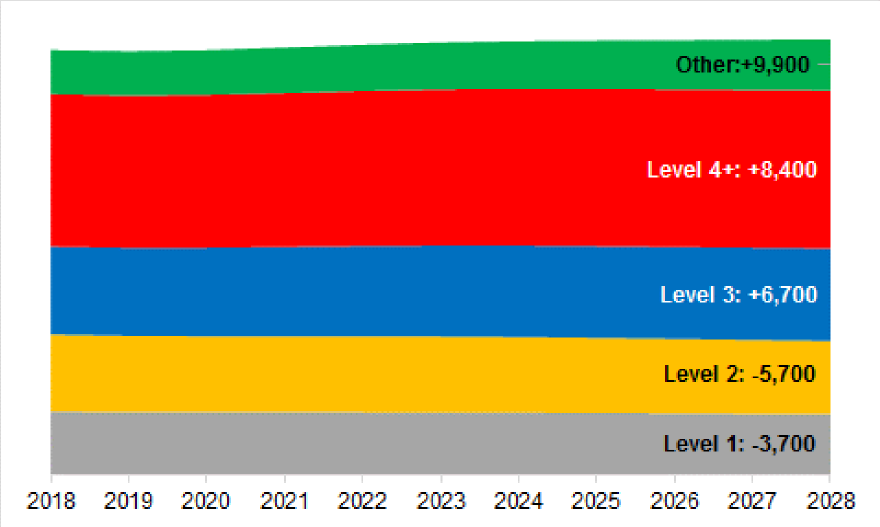
Total Employment Requirement Across all Occupations 2018-2028

To meet sector growth and replace people leaving or changing jobs

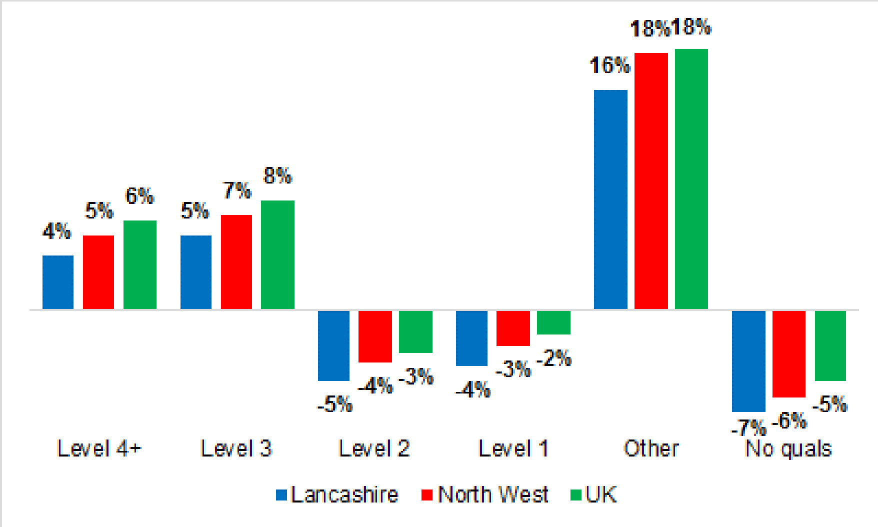
Sector	Average Annual Requirement	Total Requirement
Professional occupations	11,570	127,310
Caring, leisure and other service occupations	10,280	113,070
Elementary occupations	9,690	106,540
Managers, directors and senior officials	8,360	91,960
Administrative and secretarial occupations	7,470	82,120
Associate professional & tech occupations	7,250	79,780
Sales and customer service occupations	6,500	71,470
Skilled trades occupations	5,060	55,680
Process, plant and machine operatives	4,270	47,000

Sources: Oxford Economics, 2018

Change in employment by highest qualification, 2018-2028



Change in employment by highest qualification level, 2018-2028



In line with forecast trends across the region and country, the typical qualifications held by people employed across Lancashire are expected to shift upwards. The Lancashire economy is anticipated to employ over 15,000 more people with Level 3 or higher by 2028, whilst the total employment of people with qualifications lower than Level 2 is set fall over the next ten years.

At a Lancashire level there is forecast to be a particular rise in Level 3 and 4 qualified workers in administrative and secretarial occupations, and caring, leisure and other service occupations.

There will be a growing demand for other qualifications (mainly apprenticeships) in skilled trade occupations and sales and customer service occupations.

Source: Oxford Economics, 2018

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Employment Forecasts – Total Employment

Between 2018 and 2028, over 18,500 new jobs will be created in Lancashire, representing a 2.6% increase in total employment. This lags behind the growth forecast across the North West as a whole (4.3%) and the national average (5.2%). Over the same period, the working age population is expected to fall by 21,700.

Job Opportunities

There will be a wide range of job opportunities available between 2018 and 2028, with recruitment across all sectors and occupations, including in each of Lancashire's priority sectors and in sectors which have recently experienced employment decline in recent years, such as manufacturing, accommodation and food and arts, entertainment and recreation. This will include recruitment for new jobs created through sector growth (expansion demand) and jobs that become available as people leave or change jobs (replacement demand).

Typically across all sectors and occupations, replacement demand will be much greater than expansion demand, meaning that people are more likely to enter existing rather than newly created jobs. The high levels of replacement demand reflect factors such as the ageing population with many current workers due to leave the workforce to retire.

Job Opportunities by Sector

Wholesale and retail trade and ***human health and social work*** will provide the highest number of opportunities in Lancashire – requiring over 134,000 and 97,000 people respectively to fill jobs between 2018 and 2028. On average, this will equate to 12,300 and 8,900 people being recruited to these sectors each year.

This is followed by ***accommodation and food services***, where there is a total requirement for over 86,000 people between 2018 and 2028 – or approximately 7,800 people per annum on average, and ***administrative and support services***, which will have opportunities for over 79,000 people (or 7,200 per annum).

Other sectors offering opportunities for over 320,000 people between 2018 and 2028 include:

- Manufacturing (5,300 per annum)
- Education (5,000 per annum)
- Professional, scientific and technical services (4,100 per annum)
- Construction (3,900 per annum)
- Arts, entertainment and recreation (3,300 per annum)
- Information and communication (2,900 per annum)
- Transport and storage (2,800 per annum)
- Public administration (2,200 per annum)

Job Opportunities by Occupation

Across the sectors, a range of occupations will be available. There will be opportunities for at least 45,000 people within each occupational group (equivalent to at least 4,300 or annum) between 2018 and 2028.

Requirements will be highest for ***professional occupations***, with opportunities for over 127,000 people (11,600 per annum), followed by ***caring, leisure and other service*** with opportunities for over 113,000 people (10,300 per annum) and ***elementary occupations*** for over 106,000 people (9,700 per annum)t. There will also be opportunities for over 106,000 people in; ***manager, director and senior official***; ***administrative and secretarial***; and ***associate professional and technical*** roles. Job opportunities will therefore be concentrated at high and low skills levels, with fewer opportunities for those holding mid-level qualifications.

Skills Requirements

In line with tends forecast for the North West and nationally, demand for higher level skills is expected to increase, as reflected by an upwards shift in the skills profile of the workforce. By 2028, a higher number of people employed in the Lancashire economy will hold qualifications at Level 3 and above, while the number in employment with qualifications at level 2 or below or no qualifications will fall. The number of people in employment with other qualifications, such as apprenticeships, is also expected to increase. This trend typically applies across all occupations.

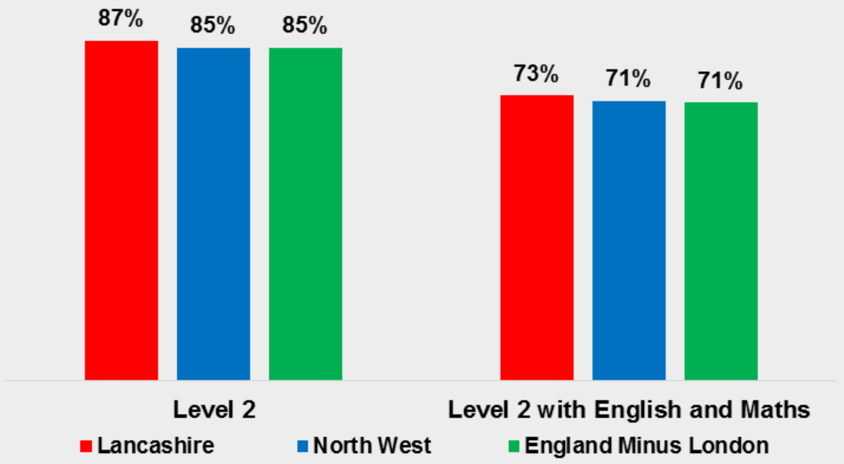
Source: Oxford Economics, 2018

Age Group	Performance Measure	What is happening in Lancashire?	National comparison
Key Stage 1 ***5-7 years***	% of pupils who meet the required standard of 'phonic decoding': using knowledge of phonics to accurately read words	Year 1 – **80%-81%** meet the standard Year 2 – **90-92%** meet the standard	Year 1 – 81% Year 2 – 92%
Key Stage 2 ***8-11 years***	% of pupils who meet the required standards in reading, writing and mathematics	**53%** of pupils in Lancashire meet the standard, ranging from 45% in Burnley and Pendle, to 59% in West Lancashire	North West – 53% England excluding London – 53%
Key Stage 4 ***14-16 years*** ***(Recent changes to the GCSE system mean there are three separate performance measures)***	***Average Attainment 8 score***: A measure of attainment – a pupil's average score across a set of eight subjects including English and Maths	**49,** ranging from 45 in Burnley and Pendle to 51 in Lancaster and Morecambe, West Lancashire and Preston, Chorley and South Ribble	England excluding London – 50
	Average Progress 8 score: A measure of relative progress - the comparison of pupils' Attainment 8 score with the average Attainment 8 score of all pupils nationally who had a similar KS2 results (0.0 = the national average)	**-0.11** Ranges from -0.27 in Blackpool, Wyre & Fylde to -0.03 in Lancaster and Morecambe and Preston, Chorley and South Ribble	England excluding London: -0.06
	% achieving English Baccalaureate: grade 5 or above in English and maths GCSE, plus C or above in science, a language and history or geography	**21%** achieve the EBacc, ranging from 15% in Burnley and Pendle, to 29% in West Lancashire	North West – 23% England excluding London – 24%
Destinations at age 16	Percentage of pupils in overall sustained education and / or employment / training destination	**94%** Lancashire	England excluding London - 94%

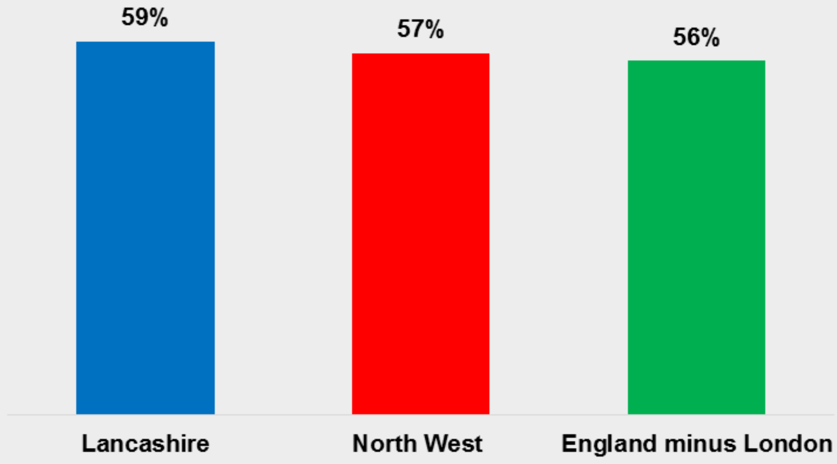
Good levels of educational attainment provide the foundations for a future skilled workforce. On average, Lancashire's pupils match the national average during primary school (Key Stage 1 and 2) – although there are pockets of under-performance. By the time of taking GCSEs, pupils in Lancashire have made less progress, on average, than those with similar KS2 results elsewhere in the country, although the proportion going into positive destinations at age 16 matches the national average.

Sources: Department for Education, 2016

Level 2 attainment by age 19



Level 3 attainment by age 19



KS5 Destinations

88%
of students in Lancashire enter sustained education or employment after Key Stage 5

68%
enter sustained education

20%
enter sustained employment

54%
Higher education institutions

11%
Further education institutions

3%
other

Of which: 8%
Apprenticeships

Attainment levels for 19 year olds are slightly above the national average in Lancashire, although four out of ten have not achieved level 3 (equivalent to A-levels) by this age. The destinations of 19 year olds are very similar to the national average, with a slightly higher proportion going onto HE institutions, and slightly lower proportion going into FE.

Sources: Department for Education, 2016

Apprenticeships – What apprenticeships are started in Lancashire?

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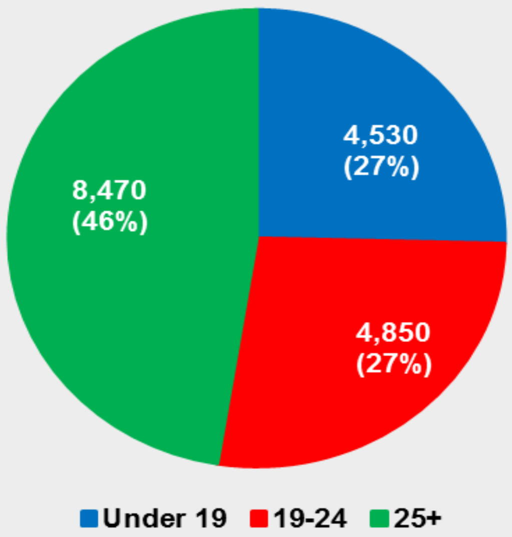
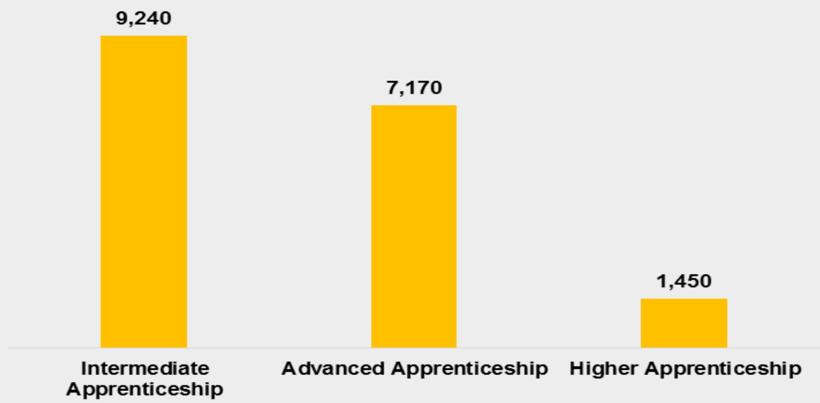
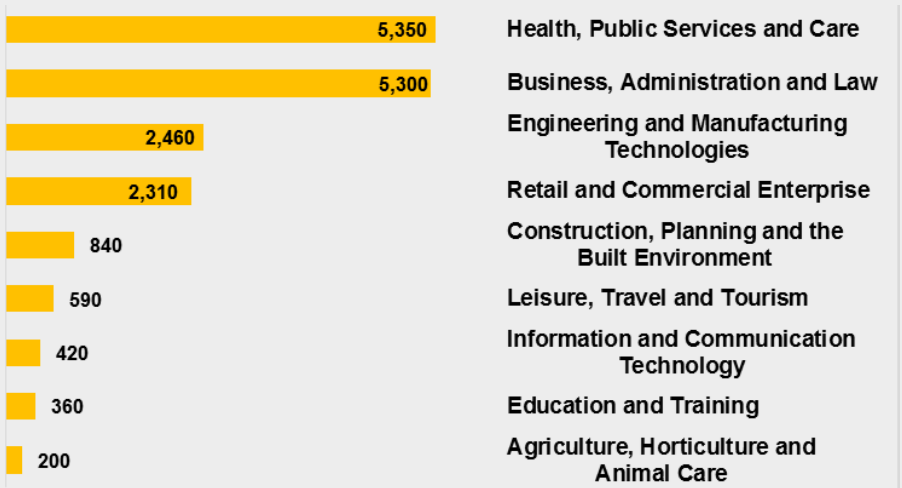
Apprenticeship starts 2016/17 in Lancashire by age



Apprenticeships in Lancashire by Level



Apprenticeships in Lancashire by subject



The age profile of apprentices in Lancashire is slightly younger than typical. A larger proportion of apprenticeship starts in Lancashire are by under 19s than across the North West (24% starts, 27% achievements) and nationally (25%, 28%).

The profile of apprenticeship starts by level is very similar to the North West and national averages. The proportion of advanced and higher starts is in line with the regional and national picture, at around 48%.

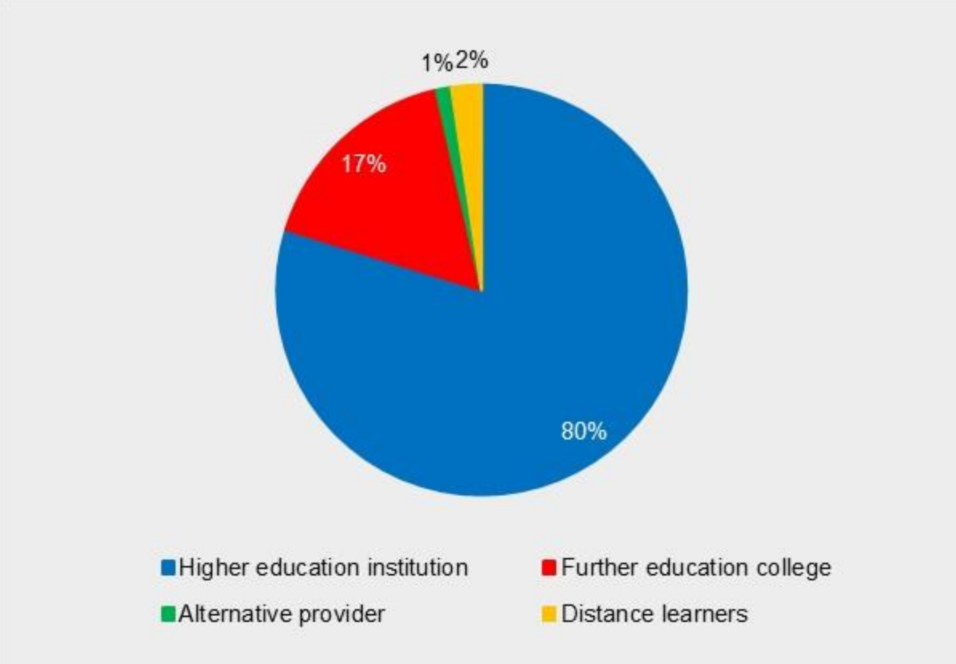
The most popular subject for apprenticeships is health, public services and care, the same as nationally although business, administration and law accounts for the highest number of starts across the North West. Thirty percent of starts are in this field, above the North West (27%) and national (28%) averages.

The rankings of subjects in terms of starts in Lancashire are the same as nationally. Aside from health, public services and care, the notable variation is in retail and commercial enterprise which represent 13% of starts in Lancashire, compared with 15% in both the North West and nationally.

Sources: Department for Education, 2017

There are 53,700 students studying with 16 different higher education providers in Lancashire (including FE and alternative providers)

Location of provision for HE Students in Lancashire



Further education colleges are an important part of HE provision and teach a greater share of higher education students in Lancashire than nationally (17% compared to 8%). Nationally more students are taught in higher education institutions (87%) and from distance (4%) than in Lancashire.

More than two-thirds of students at Lancashire's higher education institutes are from the North West. This is a very high proportion when compared to the national position: across England less than half of HEI students (46%) are studying in their home region. The proportion of International HEI students (11%) is below the national average (14%)

The proportion of HE students in FE colleges who are from the North West is in line with national rate who study in their home region (83%).

Domicile of HE students study in Lancashire by institution type

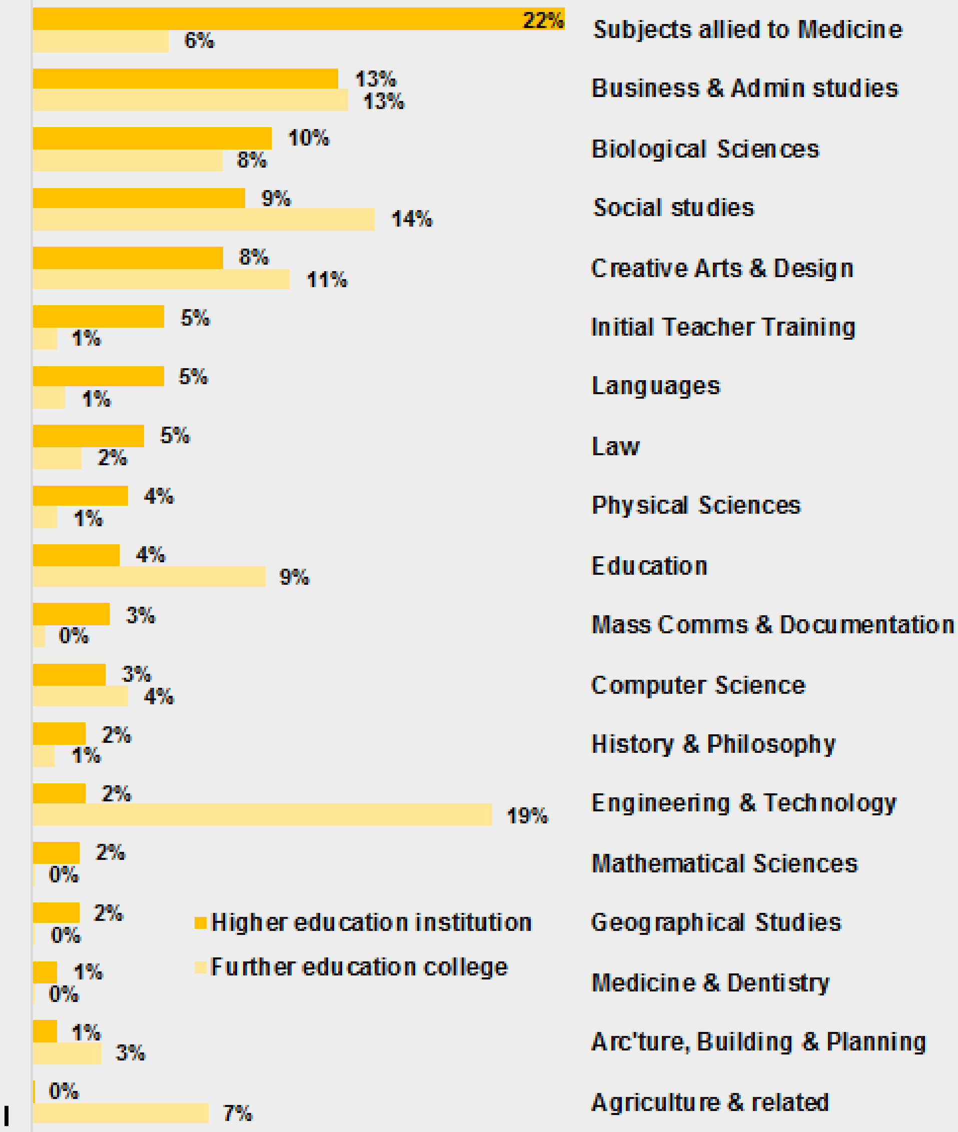
	North West	Rest of UK	EU	Rest of the World
Higher Education Institution	67%	22%	3%	8%
Further Education College	84%	13%	1%	3%
Alternative Provider	33%	59%	5%	2%

Where do Lancashire's higher education students come from?

1. **Lancashire (39%)**
2. **Greater Manchester (17%)**
3. **Liverpool City Region (14%)**
4. **Cheshire and Warrington (4%)**
5. **Cumbria (3%)**

Sources: HEFCE 2014/15

Higher Education students by subject in Lancashire



Higher Education Providers in Lancashire

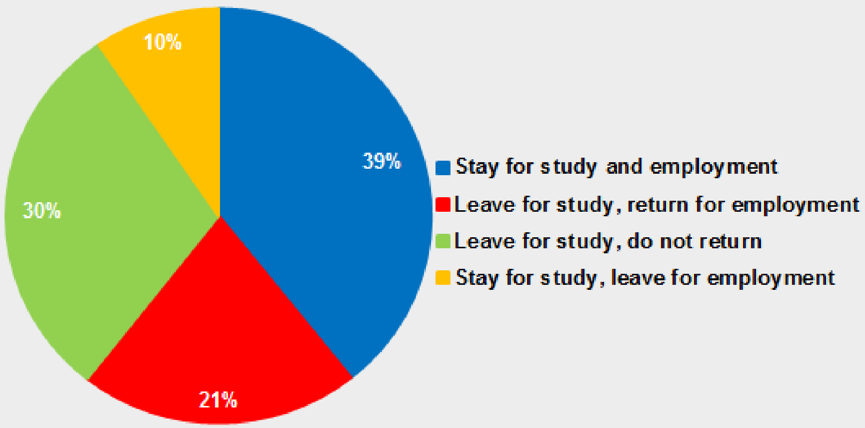
- University of Central Lancashire (HE)
- The University of Lancaster (HE)
- Edge Hill University (HE)
- University of Cumbria (HE)
- Accrington and Rossendale College (FE)
- Blackburn College (FE)
- Blackpool and Fylde College (FE)
- Burnley College (FE)
- Cardinal Newman College (FE)
- Lancaster and Morecambe College (FE)
- Myerscough College (FE)
- Nelson and Colne College (FE)
- Preston College (FE)
- Runshaw College (FE)
- St Mary's College (FE)

In Lancashire's HE institutions, more than one in five students are studying subjects allied to medicine, compared to 13% nationally. In contrast, only 2% of students at HE institutions in Lancashire study engineering and technology, compared to 7% nationally.

However, engineering and technology accounts for 19% of higher education students in FE Colleges. This compares to 17% nationally. In Lancashire, there are also more students choosing social studies (14% compared with 8% nationally), and fewer studying creative arts and design (11% compared with 17%).

Sources: HEFCE 2014/15

Lancashire Residents Participating in Higher Education



60% of Lancashire residents who participate in higher education go into employment in Lancashire. This proportion is similar to the national average for LEP areas, (60% compared with 59%).

A higher proportion stay to study and then work locally than the LEP average (29%) while the proportion who leave to study outside Lancashire and then return to work locally is lower than the LEP average (30%).

HE Destinations

Where do Lancashire's students go to work?

The top 5 LEP area destinations:

1. **Lancashire (37%)**
2. **Greater Manchester (19%)**
3. **Liverpool City Region (12%)**
4. **Cheshire and Warrington (4%)**
5. **London (4%)**

Outcomes achieved by students of Lancashire's Higher Education:

One year

After one year 79% of graduates from Lancashire's Higher Education Institutions are in sustained employment. 10% of graduates have no sustained destination, slightly lower than the average for all institutions in the North West where the figure is 11%.

Three years

After three years, the proportion in sustained employment rises to 81%, and only 7% have no sustained destination, again below the North West figure (8%).

Five years

After five years, the proportion in sustained employment remains at 81%. The number with no sustained destination drops again to 6%, still below the regional average (7%).

Sources: HEFCE 2014/15; ONS Longitudinal Education Outcomes data 2005/06 to 2015/16

The Education and Skills System

Data is available for all levels of the education and skills system, from Key stage1 through to Higher Education. The data to Key Stage 5 shows how well education, skills and training providers and residents in Lancashire are performing, as well as providing an indication of the choices that residents make after leaving school.

Data for Higher Education is available at the Lancashire level. It is based on data gathered for the higher education institutions (including further education colleges and alternative providers that deliver higher education) based in Lancashire and therefore generally covers students that study in the area, regardless of where they come from unless otherwise stated.

Key Stage 1 and 2

Across the LEP area between 80% and 81% of Year 1 pupils meet the required standard of phonic decoding compared to 80% in the North West and 81% across England as a whole.

Data that is available for Lancashire shows that by the end of Key Stage 2, 53% of pupils are meeting the required standards in reading, writing and mathematics. Within Lancashire, this ranges from 45% in Burnley and Pendle to 59% in West Lancashire, which outperforms the North West (53%) and national averages (54%).

Key Stage 4 (GCSE)

In terms of measuring performance at Key Stage 4 (GCSE), the Department for Education implemented a new secondary school accountability system in 2016, using Attainment 8 and Progress 8 measures.

Attainment 8 measures the average achievement of pupils in up to 8 qualifications including English (double weighted if the combined English qualification, or both language and literature are taken), maths (double weighted), three further qualifications that count in the English Baccalaureate (EBacc) and three further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list.

Progress 8 aims to capture the progress a pupil makes from the end of Key Stage 2 to the end of Key Stage 4. It compares pupils' achievement – their Attainment 8 score – with the average Attainment 8 score of all pupils nationally who had a similar starting point (or 'prior attainment'), calculated using assessment results from the end of primary school. Progress 8 is a relative measure, therefore the national average Progress 8 score for mainstream schools is zero.

Across Lancashire:

- The **average attainment 8 score** is 49, in line with the 49 across the North West and below 50 nationally (excluding London). Within Lancashire, this ranges somewhat between 45% for Burney and Pendle and 51% across three TTW areas – Preston, Chorley and South Ribble, West Lancashire and Lancaster and Morecambe.
- On average, pupils make greater progress from the end of Key Stage 2 to the end of Key Stage 4 than across the North West as a whole but lags behind the national average (excluding London). **The average progress 8 score** in Lancashire is -0.11 (compared to -0.15 for the North West and -0.06 for England minus London). Preston, Chorley and South Ribble and West Lancashire have the strongest progress score of the six Lancashire TTWAs, although both areas remain behind the national average at -0.03. Progress is weakest in Blackpool, Wyre and Fylde which has a score of -0.27 indicating progress considerably behind the national average when London is included.
- Just over one fifth (21%) **achieve the English Baccalaureate** (a grade 5 or above in English and maths and a grade C or above in science, a language, and geography or history), which is outperformed by the North West average (23%) and the average nationally (excluding London 24%). Burnley and Pendle (15%) and Blackpool, Wyre and Fylde (16%) are below the Lancashire

Sources: Department for Education, 2016

average, while West Lancashire strongly outperforms the national average at 29%.

Upon completion of Key Stage 4, 94% of leavers remain in sustained education and/or an employment / training destination. This is a higher proportion across all of the North West (93%) and is in line with the national average (94%). There are, however, variances by TTW area, with the proportion in sustained education and/or an employment / training destinations ranging from 90% in Burnley and Pendle to 95% in Preston, Chorley and South Ribble, Lancaster and Morecambe and West Lancashire.

As was noted at the time the Evidence Base was produced in 2015, educational performance in Lancashire falls away after Key Stage 2. There are significant pockets of poor performance at GCSE level, which mean that young people in certain parts of the LEP area are disadvantaged in accessing further education, training and employment opportunities.

Young People age 16-19

Despite below average progress between Key Stage 2 and GCSE, Lancashire does better with regard to the attainment of its 19 year olds, building on the progress reported in 2015. Across Lancashire, by the age of 19:

- 87% have **achieved Level 2** and 73% have **achieved Level 2 with English and maths**, outperforming the North West (85% and 71%) and national averages (85% and 71%). The strong performance is driven by Lancaster and Morecambe (89% and 74%) and Preston, Chorley and South Ribble (88% and 76%), although Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley is still largely in line with the national average (86% and 73%).
- 59% have **achieved Level 3**, again outperforming the North West (57%) and national averages (56%). As with Level 2, the strong performance is driven by Preston, Chorley and South Ribble (63%), although Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley (62%) also exceeds the regional and national averages.

Upon completion of Key Stage 5, 88% of leavers enter sustained education or employment – broadly in line with the North West (88%) and national (89%) averages. This proportion is broadly similar across all TTW areas, ranging to a small extent between 87% and 90%.

The split between education (68%) and employment (20%) is in line with the split across the North West, but differs slightly from the national profile (65% and 24%) where a higher proportion enter sustained employment, although education remains the preferred choice.

The large majority of those entering sustained education (92%) go to Higher Education Institutions (within and outside Lancashire), while approximately one in five attend further education institutions. Nationally a higher proportion of students enter sustained education attend further education colleges (23%) although higher education remains the preferred choice (73%).

Just under one in ten students start an apprenticeship upon completion of Key Stage 5, in line with the North West and national average.

Apprenticeships

More employers are choosing apprenticeships as a way to get the people and skills they need. In 2016/17, there were over 17,500 apprenticeship starts in Lancashire.

Within Lancashire, the apprenticeships starts are concentrated in the most populated TTW areas of Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley (4,680), Preston, Chorley and South Ribble (4,240) and Blackpool, Wyre and Fylde (3,950). These three TTW areas accounted for nearly three quarters of all starts in Lancashire as a whole (broadly in line with the area's share of the working age population).

Almost half of the starts (47%) were by learners aged 25+, while the remainder were split between learners aged under 19 (25%) and aged 19-

Sources: Department for Education, 2016

24 (27%). This is broadly in line with the picture across the North West and nationally.

Across the TTW areas, the age profile is younger than typical in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley and Preston, Chorley and South Ribble, with a larger proportion of starts accounted for by under 19s (28% and 27% respectively) when compared with the Lancashire and national average. In contrast, a higher proportion of starts in Burnley and Pendle and Blackpool, Wyre and Fylde are accounted for by those aged 25 and over (52% and 51% respectively), higher than the Lancashire (47%) and national (46%) averages.

There are three main levels of apprenticeships:

- **Intermediate apprenticeship:** This is classed as Level 2 and equivalent to 5 good GCSEs
- **Advanced apprenticeship:** This is classed as Level 3 and equivalent to 2 A levels
- **Higher apprenticeship:** This can cover level 4, 5, 6 and 7 and is equivalent to foundation degrees and above.

Just over half of the apprenticeship starts in Lancashire in 2016/17 were on intermediate apprenticeships, while a further 40% were advanced apprenticeships. The remaining 8% were higher apprenticeships.

The proportion of advanced and higher level starts in Lancashire (48%) is in line with the North West average and higher than nationally (47%). All TTW areas are above the national average, with advanced and higher level apprenticeships accounting for between 48% and 52% of starts, with the exception of Burnley and Pendle at 43%.

A wide range of subjects are covered by apprenticeships, including subjects which align with Lancashire's priority sectors.

The most popular subjects in Lancashire are health, public services and care, followed business administration and law (which accounted for 30% of starts each in 2016/17). There were also at least 2,300 starts in engineering and manufacturing technology and retail and commercial enterprise (accounting for 14% and 13% of starts respectively).

Other subjects studied include construction, planning and the built environment (5%); leisure, travel and tourism (3%); information and communication technology (2%); education and training (2%); and agriculture / horticulture and animal care (1%).

The profile of subjects studied is largely similar to the North West and national picture, with the main differences including:

- A higher proportion of apprentices (30%) start ***health, public services and care*** than across the North West (27%) and nationally (28%). This varies by TTW area, ranging from 23% in West Lancashire to 36% in Blackpool, Wyre and Fylde.
- The proportion that start ***business, administration and law*** is marginally below the North West average (31%) but above the national average (27%). This varies widely by TTW area and is a more popular choice in West Lancashire (accounting for 37% of starts) than in Lancaster and Morecambe and Burnley and Pendle (both 24%).
- The proportion that start ***engineering and manufacturing technology*** is in line with the North West proportion (14%), lower than the national average of 16%, despite Lancashire having a higher than average concentration of employment in this sector. Numbers are particularly low in Blackpool, Wyre and Fylde, at 11%. Similarly, the proportion that start apprenticeships in ***retail and commercial enterprise*** is lower than the North West and national average (both 15%). Within the TTW areas, this is lowest in the key population centres of Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley, Blackpool, Wyre and Fylde, and Preston, Chorley and South Ribble (all 12%).

Sources: Department for Education, 2016; HEFCE 2014/15

Higher Education in Lancashire

Overall, there are 53,700 students studying at 16 different higher education providers in Lancashire. The large majority (80%) are based at the four higher education institutions based in Lancashire – the University of Lancaster, the University of Central Lancashire, University of Cumbria and Edge Hill University. A further 17% are based in further education colleges. The remainder are either based at an alternative provider (1%) or are distance learners (2%).

Compared to the national profile, a much higher share of students in Lancashire study at further education colleges (17% compared to 7%). In contrast, a smaller share of learners attend higher education institutions (80% compared to 87%) or are distance learners (2% compared to 4%).

The higher education institutions and further education colleges have a strong regional draw. Approximately two thirds of students at Lancashire's higher education institutions are from the North West, which is much higher than the proportion of students (46%) that typically study at higher education institutions in their home region across England. At Lancashire based further education providers, the proportion of higher education students from the North West is even higher (84%) in line with the national average (83%).

Overall, almost two fifths of students are from Lancashire and choose to stay in Lancashire to undertake higher education. Other LEP areas from which students are attracted include Greater Manchester, Liverpool City Region, Cheshire and Warrington and Cumbria.

International students account for between 3% (at further education providers) and 8% (at higher education institutions) of higher education students in Lancashire. This latter is below the national average (10%).

A wide range of subjects are available, covering all sectors and priority sectors.

The popularity of subjects varies by provider type. Across higher education institutions, the most commonly studied subject is subjects allied to medicine (accounting for 22% of students), followed by business and admin studies (13%), biological sciences (10%), social studies (9%) and creative arts and design (8%). When compared with the national profile, the key differences include:

- A much higher proportion of students studying subjects allied to medicine in Lancashire (22% compared to 13% nationally).
- A lower proportion of students studying engineering and technology within HE institutions (2% compared to 4%)

Engineering and technology accounts for a much higher proportion of students (19%), followed by social studies (14%), business and admin studies (13%), creative arts and design (11%0 and education (9%). When compared with the national profile, the key differences include:

- A higher proportion of students studying engineering and technology (19% compared to 17% nationally) and social studies (145 compared to 8%)
- A lower proportion of students studying creative arts and design (11% comparted to 17%)

Higher Education Destinations

Data on higher education destinations is available for:

- Higher education students studying in Lancashire regardless of where they are originally from
- Lancashire residents participating in higher education regardless of where they are studying

Lancashire based higher education students

Over a third (37%) of students studying in Lancashire stay in Lancashire upon completion of their higher education students.

Other popular destinations include Greater Manchester, Liverpool City Region and Cheshire and Warrington, which is to be expected given the high proposition of students that originate from across the North West. The

Sources: HEFCE 2014/15; ONS Longitudinal Education Outcomes data 2005/06 to 2015/16

other most popular destination is London, although this only applies to 4% of students.

The proportion of Lancashire's higher education students that enter and remain in sustained employed ranges from 79% after one year of completing higher education to 81% five years after. This is slightly higher than the North West average of 77% and 79% respectively.

Lancashire residents participating in higher education

In terms of Lancashire residents that participate in higher education, 60% enter employment in Lancashire. This is similar to the national average for LEP areas (59%). However, this is made up of a much higher proportion of students that stay for study and employment (39% in Lancashire compared to the LEP average of 29%) than those who leave for study and return for employment (21% in Lancashire compared to LEP average of 30%).

Sources: HEFCE 2014/15; ONS Longitudinal Education Outcomes data 2005/06 to 2015/16

Introduction

The Skills and Employment Strategic Framework, developed in 2016, sets out four strategic themes for Lancashire:

1. Future Workforce - Lancashire's continued prosperity depends upon having a workforce that is fit for the future. A group of highly employable young people with the right experience, attitudes and capabilities to take the county forward.
2. 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.
3. Inclusive Workforce - For Lancashire's economy to succeed, and for the county's businesses to be able to grow, we need to ensure that there are adequate opportunities for all Lancastrians who are unemployed, not in education or training.
4. An Informed Approach - It is vital that we understand the different skills needs and priorities of Lancashire's industries when making strategic plans or future investment decisions.

These themes were identified following the production of a detailed Evidence Base, including an overview of the Lancashire economy and labour market, and specific studies looking at the skills needs of Lancashire's priority sectors.

Two years on, the production of a labour market toolkit providing area-specific labour market data for partners to use directly contributes to the 'Informed Approach' theme. This report has highlighted key findings from the labour market information at Lancashire level, as well as identifying variations across the Lancashire geography.

This final section highlights some key messages for the Skills and Employment Board, to feed into a future refresh of the Strategic Framework and support the prioritisation and targeting of skills-related investment.

Overview and Key Changes since 2015

At the time that the Evidence Base was produced in 2015, the effects of the financial crisis and subsequent recession were still very visible within the labour market data. Lancashire had experienced a prolonged period of recovery, with overall jobs numbers still below their pre-recession levels and unemployment at its highest for a number of years.

Since then, Lancashire's economy has strengthened. The number of jobs and the employment rate have both increased, and unemployment has fallen significantly. This report is written in a much more positive climate than was the case when the Evidence Base was produced.

And yet many of the fundamental challenges identified in the Evidence Base report and addressed through the Skills and Employment Strategic Framework remain. The competitiveness of the Lancashire economy will continue to depend on the skills of its workforce and the ways in which these are applied in both the manufacturing and service sector.

The need remains for higher levels of educational attainment, and skills and training provision which responds to employer demand. Labour market change happens gradually, with people remaining within the labour market for many years, and the proportion of 'new joiners' relatively small compared to those who have been in work for a number of years. Tackling the challenges set out in the Evidence Base report requires a sustained approach.

Lancashire – a Diverse Economy

Lancashire has a diverse economy, in terms of its sectoral make-up. Manufacturing remains an important part of the overall economy compared to many other parts of the country (and has seen employment growth in recent years, reversing a long-term trend), and Lancashire has a growing financial and professional services sector and priority sectors including energy and environmental technology, the visitor economy and creative and digital industries.

There is diversity in geographic terms too, with different parts of the LEP area having different concentrations of employment – construction in Preston, Chorley and South Ribble, manufacturing in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley, West Lancashire, and Burnley and Pendle, the visitor economy in Blackpool, Wyre and Fylde, and education in Lancaster and Morecambe, and some concentrations even more pronounced at local authority level.

The analysis of data at Travel to Work Area highlights the level of diversity – both between and within the Travel to Work Areas. Whilst on many labour market indicators Lancashire is at or close the national average, looking at a local level provides a more nuanced picture, with some areas performing strongly and others having their weaknesses masked through a focus on a Lancashire average. The LMI Toolkit work highlights the importance of tailored local approaches – whether to raise educational attainment, tackle worklessness, meet employer skills needs or increase earnings.

Despite these local differences, there are some shared challenges which apply across the Lancashire area.

Maximising Labour Supply in Lancashire

While the population is expected to grow over the next ten years across Lancashire, the population is ageing – as is the case nationally - and this will present challenges for the economy, and especially local employers, in terms of labour supply and recruitment.

As highlighted in the 2015 Evidence Base, the working age population in Lancashire will fall over the next ten years (and has already declined from the 2015 level), presenting a challenge to those seeking to grow the economy and employment in Lancashire.

This reinforces the need to maximise the participation of local residents in the economy. The employment rate in Lancashire has risen significantly over the past three years and is now close to matching the national average. However, there continues to be a significant cohort of unemployed and inactive adults, many of whom would like to work, as well as adults with low or no qualifications. Identifying opportunities to engage these groups will help to boost prosperity and tackle wider labour market challenges across the area.

The employment rate varies by gender, age and ethnicity and across the local areas, indicating the need for targeted interventions to raise economic participation and employment, and support people into the new employment opportunities which will be created.

Lancashire has a lower unemployment rate at all age groups than the North West and nationally, with the exception of the 50-64 years group. Unemployment amongst this age group indicates that older workers in Lancashire are remaining active within the labour market and continuing to look for work, rather than becoming ‘discouraged’ by their inability to find work and withdrawing from the labour market (e.g. through unwanted early retirement). Keeping more of these older workers in work (e.g. through re-training and / or adapting the workplace to their needs) could help to offset the potential problems resulting from a declining working age population.

In addition to increasing participation and tackling unemployment, there is a need to consider how residents that are already in work are employed (hours worked, nature of the employment contract etc) and if support can be provided to aid development and progression, and to ensure that these residents are able to continue to find work as employer and skills requirements change.

Skills and Occupations

Residents in Lancashire work in a range of occupations, although the overall proportion working in more highly skilled occupations remains below the national average. One area of growth since 2014 has been in caring, leisure and other service occupations, which now account for 12% of jobs compared to 10%. Many jobs in this category are relatively low skilled, low value added and offer low pay and, sometimes, unfavourable terms and conditions. Whilst the increase in the number of people in work in

Lancashire since the Evidence Base report was completed in 2015 is welcome, to achieve the LEP ambitions it is important that high quality jobs are created, and people are appropriately skilled to access them.

As was the case when the Evidence Base was initially developed in 2015, the working age population in Lancashire remains on average slightly less qualified than the working age population across the North West and nationally. At the higher skills levels (level 3+ and level 4+), Lancashire underperforms when compared to the national average. There is also a slightly greater proportion of working age residents that hold no qualifications.

This may inhibit the growth of more highly skilled occupations (as employers adapt their processes to cope with the lack of availability of highly skilled workers) and could deter potential inward investors.

There has, however, been a continued reduction in the proportion of workers with no qualifications – now down to 8% from 11% in 2014. Despite this, over one-quarter of the working age population do not hold qualifications at Level 2, and risk becoming stuck in low quality, insecure employment. Ensuring that both those entering the workforce and those already in it are able to access the skills, training and development opportunities that they need to secure good quality, sustained employment remains an important priority for Lancashire.

Future Employment Opportunities

Employment is forecast to grow between 2018 and 2028, with the creation of over 18,500 new jobs in Lancashire. This is a slower rate of growth than is expected nationally, and lower than was forecast in 2015, reflecting the impact of wider economic changes on the forecasts for the Lancashire economy.

Despite the slightly slower rate of growth, employment opportunities will be created across all sectors and occupations, both through absolute employment growth and through replacement demand – the opportunities created through labour market churn as current employees retire or move jobs.

Thousands of job opportunities will arise each year, with the sectors offering the most employment opportunities expected to be wholesale and retail, human health and social work, accommodation and food services, and administrative and support services. In terms of occupations, recruitment is expected to be highest for professional occupations, caring, leisure and other service occupations, and elementary occupations reflecting a move towards an ‘hourglass’ shaped labour market with opportunities at the top and bottom end but fewer mid-level roles.

In terms of skills requirements, demand for employees holding qualifications at level 3 and level 4+ is expected to rise, along with growing demand for those holding ‘other’ qualifications – mainly apprenticeships. In contrast, the number of people holding qualifications at levels 1 and 2 is expected to fall over the next ten years. This trend typically applies across all occupations.

Meeting Employers Skills Needs – Now and in the Future

As noted in the 2015 Evidence Base, the skills and qualities of the Lancashire workforce are fundamental to the future success of the Lancashire economy. Meeting the skills needs of employers, both now and in the future, will be crucial to generating GVA growth. Driving up demand for skilled workers is also important if the Lancashire economy is to remain competitive.

The forecasts indicate that in the medium to long-term, demand for skills will increase. However, in the short-term, employers continue to report skills gaps in the current workforce and skills shortages when trying to recruit new workers. There is a need to put in place both longer-term strategies to develop the curriculum and training that employers need (e.g. through engaging Lancashire’s employers in the development of the LEP area’s Technical Education offer), and more immediate responses to current skills gaps and shortages.

Some of the most commonly reported reasons for skills gaps amongst employers relate to employees and potential recruits undertaking and completing relevant training. The data available to date suggests that training provision linked to all sectors and occupations is available across Lancashire, and generally the most popular subject choices for apprenticeships and higher education align with key sectors and employment opportunities locally. Ensuring that the content, availability and level of this provision aligns with employer needs is an important priority for local partners, especially as a number of changes in the way people learn and their learning choices, including changes through Technical Education reform, are implemented. Alongside this, and of equal importance, there is a need to ensure that the current and future labour supply are aware of employer requirements and gain the skills, qualifications and employability skills they need.

The information available through the LMI Toolkit, in particular through the factsheets developed for each Travel to Work Area, are an important part of disseminating labour market information to young people and their advisors, to help them make informed choices about their future careers.

The Skills and Employment Strategic Framework

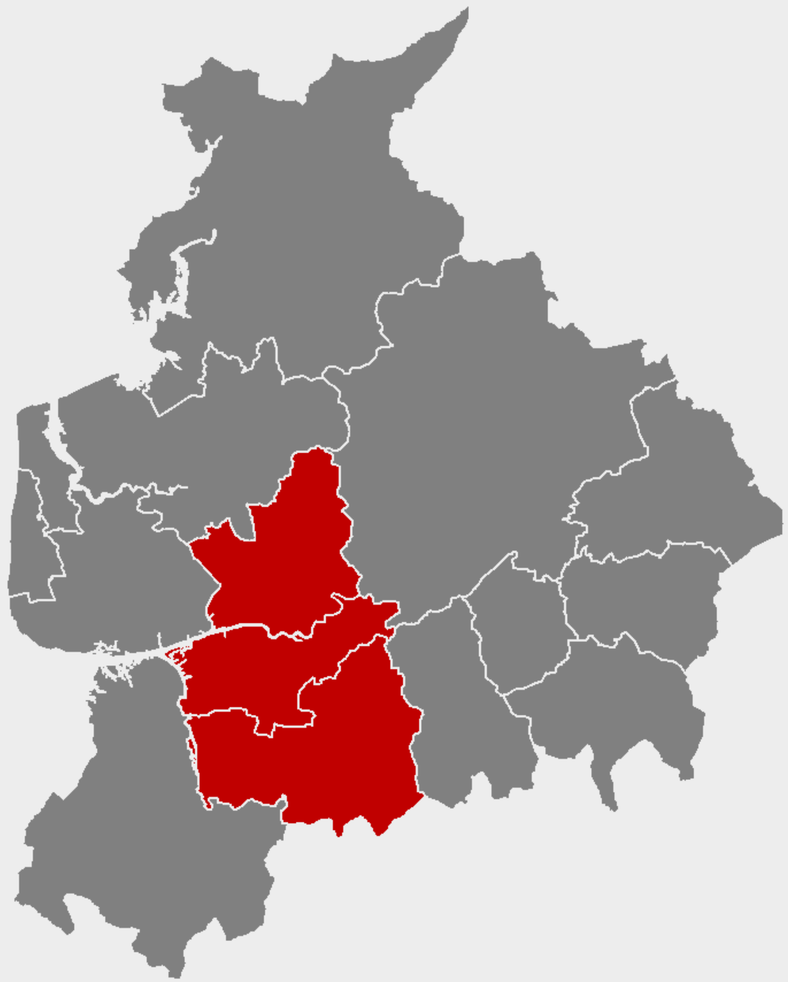
The 2015 Evidence Base underpinned the development of the Skills and Employment Strategic Framework. Two years on from its production, the underlying rationale and priority issues identified remain valid:

- **Young people's attainment**: whilst the mechanism for measuring progress has changed, the fundamental position remains that Lancashire's young people have lower levels of attainment at Key Stage 4 (GCSE) than the national average. Despite the good performance of the area's primary schools, pockets of underperformance remain, and work needs to continue to address these.
- **Careers Advice and Guidance**: since the Strategic Framework was developed, a network of Enterprise Advisors has been put in place to work with schools and better link the curriculum with employer needs. Continuing this work and linking to changes such as the introduction of Technical Education remains an important priority, with the full economic benefits likely to become more obvious over time.
- **Apprenticeships and work-based training**: are an important part of meeting employer skills needs. Ensuring the content of courses is relevant to employer needs, and continuing to drive up demand and supply of higher level apprenticeships is an on-going priority.
- **Graduate and higher-level skills retention**: new data shows that 60% of Lancashire residents going into Higher Education either remain in the area to work or return to work in Lancashire after studying elsewhere. However, more could be done to attract more 'returners' and encourage more of those who come to Lancashire to study to remain in the area for work. Ensuring that employers recognise the benefits of employing graduates, and that there is a pool of labour market opportunities suitable for graduates will help to achieve this.
- **Construction**: The construction sector was highlighted n the Framework because of the scale of construction activity anticipated in Lancashire, particularly through the City Deal developments. Lancashire has a strong construction base, but continued investment is needed to ensure appropriately skilled new entrants to the labour force.
- **Skills provision**: meeting employer skills needs, both short- and longer-term, remains important to the success of the Lancashire economy. Whilst at the headline level provision is aligned with Lancashire's largest sectors and expected employment growth areas, it is important that provision is flexible enough to respond to specific skills needs, and the content of courses is aligned to employer requirements.
- **Employer engagement**: considerable work has been undertaken to engage Lancashire's employers in the skills agenda, as well as connecting them to school through the Enterprise Advisor network. The full benefits of this approach will be seen in future years, once the impact on the employability of young people becomes clear.

- **Employability**: although unemployment and economic inactivity have fallen, there remains a cohort of young people and adults who are not engaged in the labour market. Targeted activity with specific groups and in specific areas is needed to link these people with the many employment opportunities which will be created both through growth and replacement demand, and to support them to remain in the workforce once employed.

Appendix B

The Preston, Chorley and South Ribble Labour Market Intelligence Report



Part of the 2018 Lancashire Labour Market Intelligence Toolkit

The Lancashire Labour Market Toolkit and Report Overview

This report is the **Travel to Work Area report for Preston, Chorley and South Ribble**, part of the **2018 Lancashire Labour Market Intelligence (LMI) Toolkit.**

Labour Market Intelligence is the term used to describe the wide range of information that helps inform decisions about work and training, covering topics such as jobs, salaries and employers, as well as education and skills.

The toolkit contains three parts:

- **LMI reports** covering **six travel to work areas in Lancashire**[1], alongside a stand-alone report covering **Lancashire as a whole**;
- **Fact sheets** on each area; and
- **A data matrix** that contains all of the underpinning data which has been analysed to inform the reports and the fact sheets. This includes time series data (typically for up to 10 years) and data for Local Authorities, the six Travel to Work Areas, Lancashire as a whole, the North West and the national average[1]. The Matrix includes Local Authority and Travel to Work Area summary sheets which allow users to access summary charts and tables for their selected area.

The report covers the four themes set out in the table below. Each theme includes a series of summary sheets, which set out key facts and figures, followed by more detailed analysis and commentary. Conclusions and key messages are also provided.

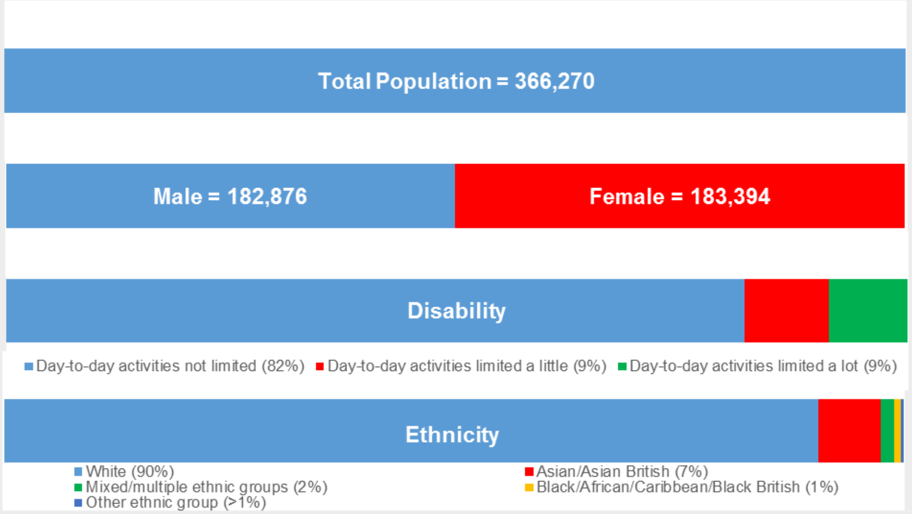
REPORT COVERAGE	
Residents in Preston, Chorley and South Ribble	This section provides data on the residents who live in Preston, Chorley and South Ribble – their employment, occupations, skills and earnings. It also provides information on unemployment and inactivity. It covers the overall resident base including those who work within and outside the travel to work area. *The underpinning data is available in the Resident Matrix which can be accessed at insert link*
The Economy in Preston, Chorley and South Ribble	This section provides data on the jobs available at employers located in Preston, Chorley and South Ribble. This includes jobs that are filled by residents from within and outside the travel to work area. *The underpinning data is available in the Economy and Business Matrix which can be accessed at insert link*
Economic Forecasts for Preston, Chorley and South Ribble to 2028	This section provides forecasts of the jobs expected to be available at businesses located in Preston, Chorley and South Ribble in the 2018-2028 period. This includes jobs that could be filled by residents from within and outside the travel to work area. *The underpinning data is available in the Economic Forecasts Matrix which can be accessed at insert link*
The Skills and Education System in Preston, Chorley and South Ribble	This section provides data on participation and attainment levels throughout the education system in Preston, Chorley and South Ribble – from Key Stage 1 through to Higher Education. *The underpinning data is available in the Skills and Education System Matrix which can be accessed at insert link*
Key Messages	Key Messages

[1] Travel to Work Areas represent labour markets in which the residents of each local area are most likely to work. Not all residents work in the TTWA in which they live. England excluding London is used as the national comparator, to remove the distorting effects of the London economy (which differs markedly from the rest of England) from the comparison.

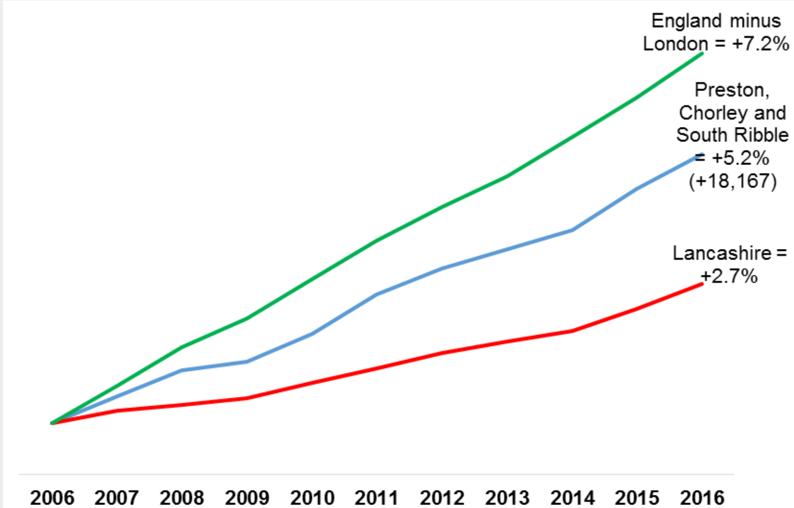
Report Contents

The Population in Preston, Chorley and South Ribble – Who Lives in the Area?

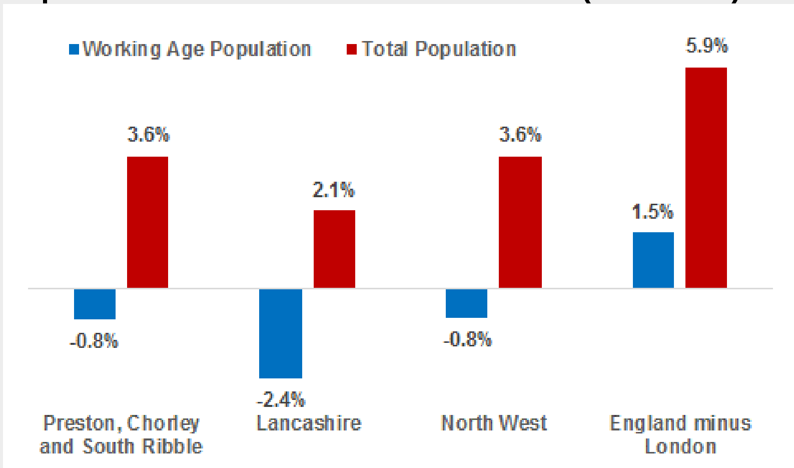
Overview of the Population



Population Growth: The Past 10 Years (2006-2016)



Population Forecasts: The Next 10 Years (2018-2028)



Population by Age Band					
	Preston, Chorley and South Ribble		Lancashire	North West	England minus London
0-14	64,800	18%	18%	18%	18%
15-19	21,200	6%	6%	6%	6%
20-24	25,500	7%	6%	7%	6%
25-34	47,700	13%	12%	13%	13%
35-44	45,600	12%	12%	12%	12%
45-54	53,100	14%	14%	14%	14%
55-64	42,700	12%	12%	12%	12%
65+	65,700	18%	20%	18%	19%

231,700 residents (63.3%) are of working age (aged 16-64). This is slightly higher than the share of the population that are working age in Lancashire (61.6%) and nationally (62%).

While the population is expected to grow by over 13,100 residents between 2018 and 2028, the working population is expected to get smaller. By 2028, there will be almost 1,900 fewer residents of working age living in the area.

Sources: Mid-Year Population Estimates, Census, Mid-Year Population Projections, 2016

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Total Population

The Preston, Chorley and South Ribble Travel to Work area is home to a population of 366,270 people, just under one quarter of the Lancashire total (24.7%). The population is the largest of the six TTWAs in Lancashire, marginally higher than in Blackburn, Hyndburn, Ribble Valley, Rossendale (356,298) and Blackpool, Wyre and Fylde (327,446).

Preston is the largest of the three local authority areas, with just under 142,000 residents (38.7% of the TTW total). Chorley and South Ribble have 114,000 and 110,000 residents respectively.

The population of the TTW area has grown by 5.2% over the past ten years (2006-2016), with an additional 18,167 residents. This rate of growth is more than double the population growth seen in Lancashire as a whole (+2.7%), but below the rate of growth seen nationally over the same period (+7.2%).

Gender and Ethnic Make-Up of the Population

The population is split almost evenly between males and females, with a slightly higher proportion of females in South Ribble (51.1%) than in the other two areas.

Just over 90% of the population across the TTWA is of white ethnicity, with Asian / Asian British people accounting for a further 7%. Preston differs markedly from the other two local authority areas, with 15.5% of its population from the Asian / Asian British ethnic group, compared to 1.6% in Chorley and 1.5% in South Ribble. This is the third highest Asian / Asian British population in Lancashire, behind Blackburn with Darwen (28.1%) and Pendle (18.8%).

Population Demographics

The age profile of Preston, Chorley and South Ribble is very slightly younger, on average, than is the case in Lancashire as a whole, across the North West or nationally. The 20-34 years age group accounts for 20% of the total population, compared to 18% in Lancashire and 19% nationally. Only 18% are aged over 65, compared to 20% in Lancashire and 19% nationally.

Working Age Population

There are 231,700 people of working age population (16-64 year olds) in Preston, Chorley and South Ribble, 63.3% of the total population. This is just over one quarter (25.3%) of the Lancashire total. Both Preston and Chorley have a higher proportion of residents of working age than is the case in Lancashire as a whole, with Preston having the highest proportion of all the local authority areas, at 65.7%.

The working age population has grown more slowly over the past ten years than the population as a whole – by just 1,600 people, or 0.7%. This is a slower rate of growth than seen in the working age population nationally over the same period (+3.6%) but has outpaced growth in Lancashire as a whole, where the working age population has fallen by 1.0%.

Population Projections

The population of Preston, Chorley and South Ribble is expected to continue to grow over the next ten years, with the Office for National Statistics forecasting an additional 13,167 residents (+3.6%). This is a faster rate of growth than is expected for Lancashire as a whole (+2.1%). Chorley is expected to have by far the fastest rate of growth (+8.2%).

In contrast, the working age population within the area is expected to fall, by 1,874 people, or -0.8%, reversing the growth seen over the past ten years. Some growth is expected in Chorley (+2,386) but this will be more than offset by declines in Preston and South Ribble.

Sources: Mid-Year Population Estimates, Census, Mid-Year Population Projections, 2016

Labour Market Overview – What do residents in Preston, Chorley and South Ribble do?

	Employment *Residents who have a job or are self-employed (either within or outside the travel to work area)*	**Unemployment** *Residents without a job, who have been actively seeking work (within the last four weeks)*	**Inactivity** *Residents who are not in work and have not sought work in the last four weeks (e.g. looking after family/home, studying, long-term sick and retired)*
What is happening in the Preston, Chorley and South Ribble Travel to Work Area?	**176,600 people, 77.1%** of the resident working-age population (16-64) are in employment, a 7.5 percentage point increase from 2010	**6,300 people, 3.4%** of economically active residents are unemployed	**46,100 people, 20.1%** of the working-age population are economically inactive
How does this compare to what is happening in Lancashire and nationally?	Higher than Lancashire **(74.4%)** and National rates **(74.8%)**	Lower than Lancashire **(4.2%)** and National rates **(4.5%)**	Lower than Lancashire **(22.2%)** and National rates **(21.7%)**
What is happening at the local level?	South Ribble has the highest employment rate of the three local areas at **82.1%** Chorley's is above the TTWA average at **78.7%** and Preston's is the lowest at **72.3%**	The rate is higher in Preston **(5.4%)** than in Chorley **(3.0%)** or South Ribble**	South Ribble has the lowest rate of the three local areas at **16.7%** (Chorley **18.9%,** Preston **23.6%**)

This means that across Preston, Chorley and South Ribble:

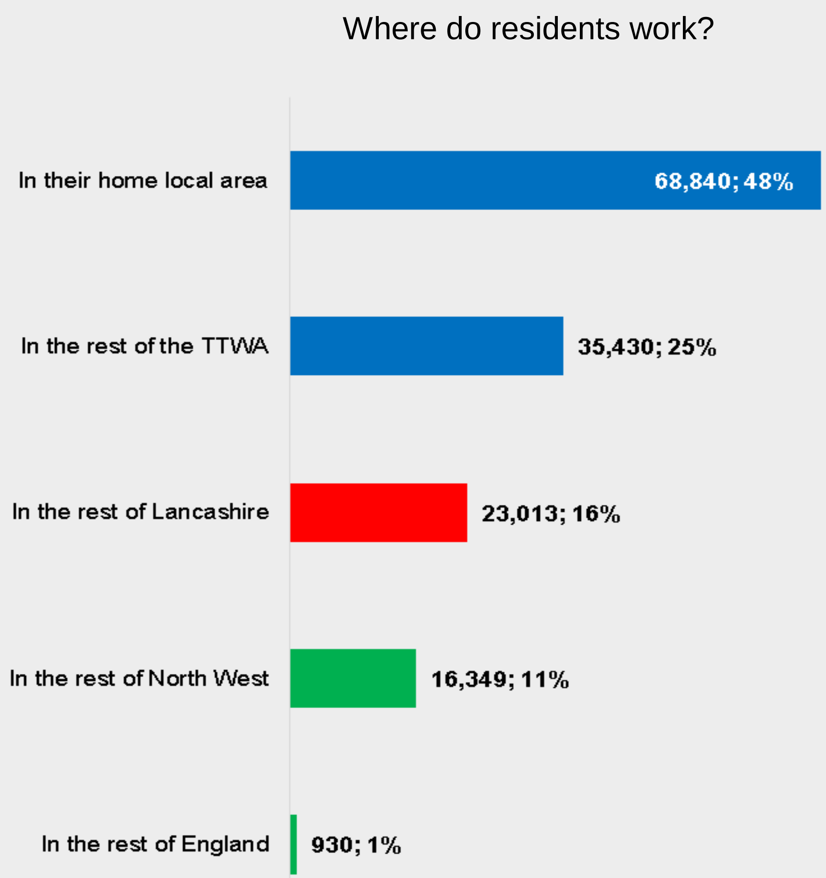
- 6,300 residents are unemployed and looking for work
- 46,100 residents are economically inactive - 11,600 of these residents (25%) would like to work

The main reasons for being economically inactive are: looking after family/home (25%), studying (25%), being long-term sick (21%), and being retired (17%).

*Sources: Annual Population Survey, July 2016 – June 2017 **Due to sample sizes, a precise 2017 rate is unavailable for South Ribble*

Local Residents in Employment – Who is working in Preston, Chorley and South Ribble?

Residents who work…	Preston, Chorley and South Ribble		Lancashire	England minus London
	No.	%		
In self-employment	18,500	10.5%	12.9%	13.8%
Full-time	129,700	73.4%	74.0%	74.0%
Part-time	47,000	26.6%	25.9%	25.8%
Under 10 hours weekly	7,200	4.3%	4.4%	3.7%
10-34 hours weekly	47,600	28.2%	28.9%	28.2%
35-44 hours weekly	75,600	44.7%	44.7%	44.5%
45 hours or more weekly	38,600	22.8%	22.0%	23.6%
In non-permanent employment	9,800	5.5%	5.7%	4.9%

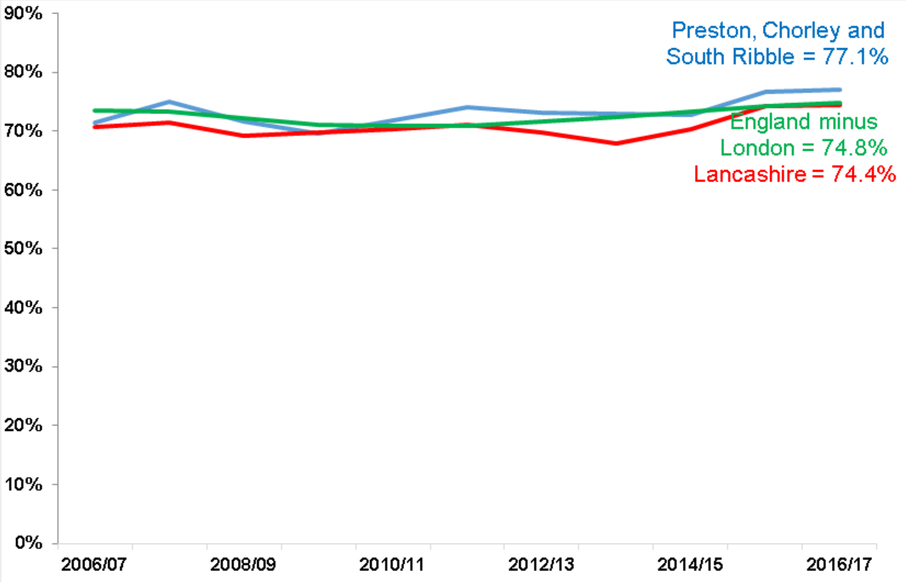


Median resident-based earnings range from £24,700 in Preston to £26,400 in South Ribble and £27,400 in Chorley, compared to £25,800 in Lancashire and £29,100 nationally.

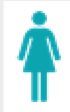
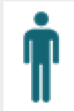
Median workplace-based earnings are slightly higher in Preston (£25,900), but lower in Chorley (£24,900) and South Ribble (£25,300).

Sources: Annual Population Survey, July 2016 – June 2017; 2011 Census

Employment Rate: The Past 10 Years (2006/07-2016/17)



Employment Rate by Gender (2016/17)

	Preston, Chorley and South Ribble	Lancashire	England minus London
	**72%**	**70%**	**70%**
	**82%**	**79%**	**80%**

The employment rate grew by 5.6 percentage points over the last 10 years, a higher growth than across Lancashire (3.7 pp) and nationally (1.3 pp). employment rates for both males and females are greater in Preston, Chorley and South Ribble than across Lancashire and nationally.

Employment Rate by Age Band

	Preston, Chorley and South Ribble		Lancashire	North West	England minus London
16-19	9,500	56%	40%	34%	37%
20-24	22,200	78%	71%	68%	68%
25-34	39,600	86%	82%	80%	83%
35-49	59,200	85%	86%	83%	85%
50-64	46,100	69%	68%	67%	71%
65+	3,200	6%	10%	9%	10%
16-64	**176,600**	**77%**	**74%**	**72%**	**75%**

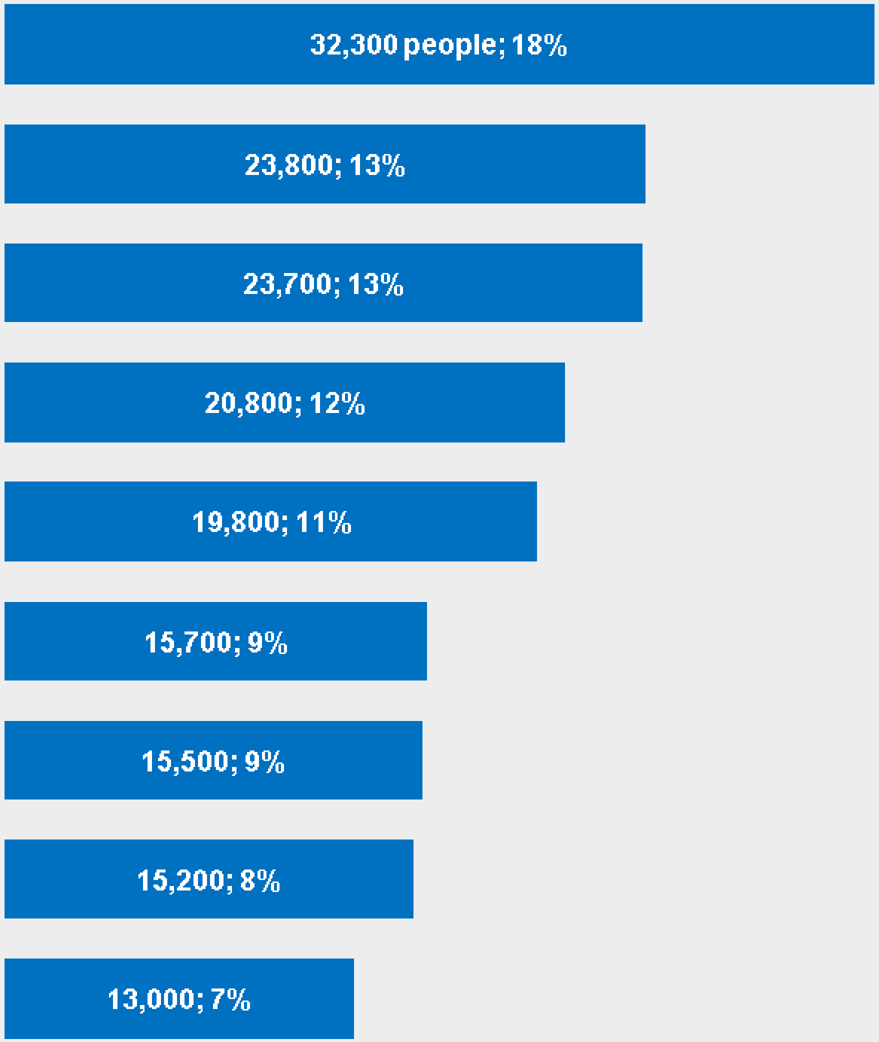
Employment Rate by Ethnicity

	Preston, Chorley and South Ribble		Lancashire	England minus London
White	159,000	80%	77%	77%
Ethnic minority	17,700	61%	52%	64%
Mixed ethnic group	2,400	100%	77%	66%
Indians	6,500	56%	58%	73%
Pakistanis/Bangladeshis	1,100	33%	39%	55%
Black or black British	4,200	67%	57%	68%
All other ethnic groups	3,400	65%	59%	62%
16-64	**176,600**	**77%**	**74%**	**75%**

The employment rate is highest amongst the 25-34 and 35-49 age groups, similar to across Lancashire and nationwide. The rate for 16-19 year olds (56%) is significantly higher than in Lancashire and nationally. It is also highest amongst white and mixed ethnic groups, and higher than across Lancashire and nationally.

Sources: Annual Population Survey, July 2016 – June 2017

Occupations of Local Residents – What jobs do people in Preston, Chorley and South Ribble do?



Professional occupations, including teachers, lawyers, doctors, nurses and other medical occupations, engineers, scientists, social workers, architects and surveyors

Associate professional and technical occupations, including engineering, building and lab technicians, IT technicians, paramedics, police, prison and fire service officers, graphic designers, accounting technicians, health and safety officers

Skilled trades occupations, including welders, mechanics, machinists, electricians, plumbers, plasterers, chefs, cooks

Caring, leisure and other service occupations, including teaching assistants, nursery workers, care workers, hairdressers, beauticians, caretakers and housekeepers

Administrative and secretarial occupations, including admin officers, finance officers, office managers, secretaries, Personal Assistants (PAs) and receptionists

Managers, directors and senior officials, including all types of managers (finance, HR, sales, production etc) in all types of organisations

Sales and customer service occupations, including sales assistants and shop workers, telesales and call centre workers and customer service managers

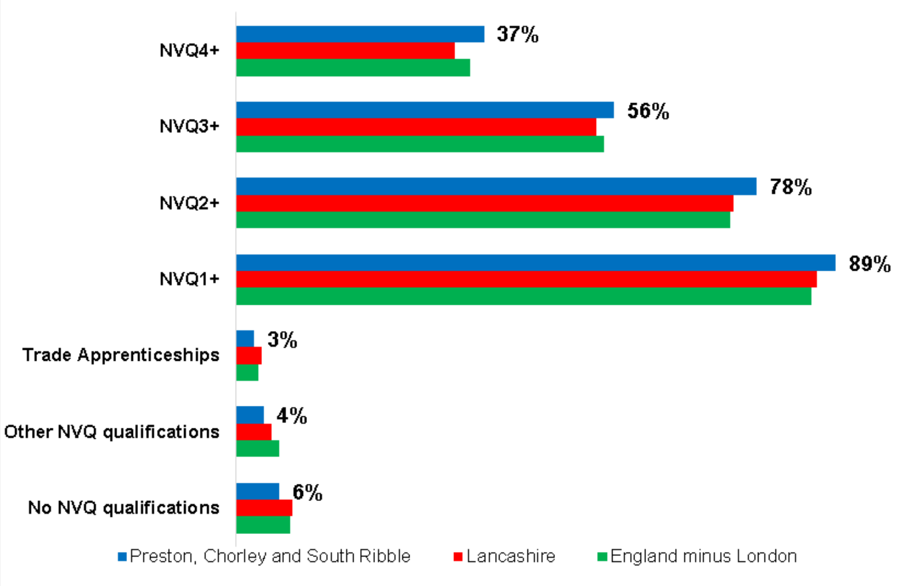
Elementary occupations, including construction labourers, postal workers, cleaners, security staff, catering assistants and waiting / bar staff

Process, plant and machine operatives, including factory workers, sewing machinists, tyre fitters, scaffolders, road and rail construction workers, lorry, bus and taxi drivers, train drivers and forklift truck drivers

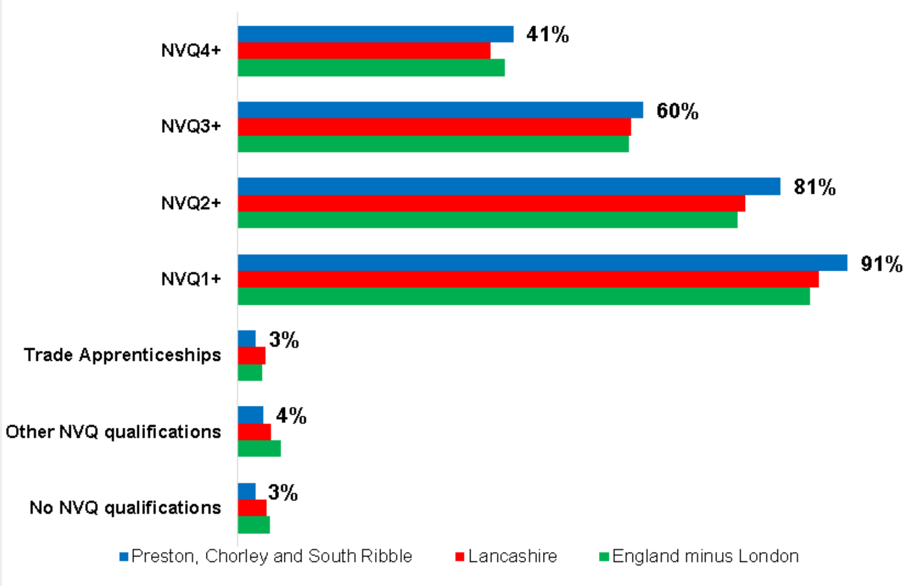
Preston, Chorley and South Ribble has a slightly greater share of residents in Professional occupations than in Lancashire as a whole (17%), but slightly below the national share (19%). There is also a lower share of Elementary occupations than Lancashire and nationally (both 11%), but a slightly greater share of Skilled trades occupations.

Sources: Annual Population Survey, July 2016 – June 2017

Skills of Local Residents (2016)



Skills of Local Residents in Employment (2016)



How do the skills of local residents differ by gender?	• In general, females are more highly qualified, as is the case across Lancashire and nationally • 40% of females hold qualifications at NVQ4 or above, greater than 34% for males • Similarly, 90% of female hold qualifications at NVQ1 or above; 84% for males • However, slightly more females have no qualifications (7%) than is the case for males (6%)
…and by age?	• Preston, Chorley and South Ribble residents are more qualified (at NVQ4 or above) at all age groups than across Lancashire as a whole • Those aged 25-29 are most highly qualified, which is different to the picture across Lancashire and nationally, for which the 40-49 and 30-39 age groups are most qualified • The 25-29 group also has the highest rate of qualifications at NVQ2+ (86%), while 21% of those aged 16-19 do not hold any formal qualifications.

Those in employment are more qualified, on average, than the working age population. A greater share of the resident population have no qualifications (6% v 3%), while a larger share of those in work have qualifications at NVQ4 and above (41% v 37%).

Sources: Annual Population Survey, July 2016 – June 2017

Residents in Employment in Preston, Chorley and South Ribble

Approximately 176,600 (77.1%) of residents of working age (aged 16-64) are in employment. This includes residents who work both within and outside the Travel to Work Area. Preston, Chorley and South Ribble has the second highest employment rate of the travel to work areas across Lancashire (after Lancaster and Morecambe) and exceeds both the Lancashire (74.4%) and national (74.8%) average.

The employment rate has fluctuated over the past ten years, consistently outperforming the average across Lancashire, and generally meeting or exceeding the national average. Overall, the employment rate has increased (by 5.6 percentage points) and this has outpaced increases across Lancashire (3.7 pp) and nationally (1.3pp).

The high employment rate is driven by South Ribble and Chorley, where 82.1% and 78.8% of working age residents are employed respectively. In contrast, the employment rate in Preston (72.3%) is below both the Lancashire and national average. For Preston to close the gap with the national average, an additional 2,100 working age residents would need to enter employment (equivalent to a 3% increase).

Characteristics of those in Employment

In line with national trends, the employment rate for men (82%) is higher than the employment rate for women (72%). The difference in the rates (of ten percentage points) aligns with the difference nationally. This does however mask differences at the local area, particularly in relation to Chorley, where the employment rate for females (81%) exceeds the rate for males (77%).

The employment rate varies by age group and is highest amongst those aged 25-49, as is the case across Lancashire and nationally. The key differences in the employment profile by age relate to the youngest and oldest age groups. While the employment rate for those aged 16-19 is significantly higher in Preston, Chorley and South Ribble than in Lancashire and nationally, the rate for those age 65+ is much lower.

There are also variances by ethnicity. The employment rate is highest amongst white and mixed ethnic groups, exceeding the employment rate for these groups in Lancashire and nationally. As is the case across Lancashire, there is a particularly low employment rate amongst the Pakistani and Bangladeshi group in Preston, Chorley and South Ribble, especially when compared to the national average.

Types of Employment

The basis on which residents are employed varies. One in ten working age residents (10.5%) in Preston, Chorley and South Ribble are self-employed. This is one of the lowest rates across the Travel to Work areas and is also lower than Lancashire (12.9%) and national (13.8%) average. The low rate across the Travel to Work Area reflects particularly low levels of self-employment in South Ribble (7.1%), while Preston (11.7%) and Chorley (12.6%) are much closer to the Lancashire average.

Almost three quarters of working age residents in employment are employed on a full time basis, with over two thirds working over 35 hours per week. The split between full time and part time jobs and the profile of the number of hours that people typically work largely aligns with the Lancashire and national profiles.

There are also residents who work on a non-permanent basis, including fixed period contracts, agency temping casual work, casual work and seasonal work. This applies to 5.5% of working age residents in Preston, Chorley and South Ribble, compared to 4.9% nationally. While this is in line with the Lancashire wide average, the rate of non-permanent work varies across local areas, from 3.4%-4.8% in Chorley and South Ribble respectively, to 7.7% in Preston.

Occupations

Residents in employment hold jobs across all occupational categories. The largest occupational group amongst residents is professional occupations, accounting for almost a fifth of those in employment. This is followed by associate, professional and technical occupations, and skilled trades occupations.

The occupational profile of residents largely aligns with the Lancashire and national profile. The greatest differences with the national profile include the higher proportion of residents working in skilled trades and caring, leisure and other service occupations, and the lower proportion of residents working in manager, director and senior official roles and in elementary occupations. Although these differences only tend to be 2-3 percentage points and mask further variation at the local level.

Key points to note at the local level include:

Highly skilled occupations: Overall, two fifths of residents from the Travel to Work area are employed in highly skilled occupations (managers, directors and senior officials; professional occupations; and associate professional and technical occupations). This is in line with the Lancashire average (39%), but lower than the national average (44%).

This reflects the much lower proportion of Preston's residents that work in highly skilled occupations (35% compared to 42% in South Ribble and 44% in Chorley). Amongst Preston's residents each of the highly skilled occupational groups is underrepresented, particularly managers, directors and senior officials and associate professional and technical occupations.

Across the remaining occupational groups: South Ribble has a particularly high proportion of residents (14%) working in ***administrative and secretarial occupations,*** compared to Preston and Chorley (9-10%) which largely align with the Lancashire (11%) and national (10%) average.

Chorley has a particularly high proportion of residents (15%) working in ***skilled trade occupations,*** while the proportion in Preston and South Ribble (12%) is largely in line with the Lancashire (12%) and national (11%) average.

In line with the Lancashire wide average, Preston and Chorley have a high proportion of residents working in ***caring, leisure and service occupations*** (13% and 12% respectively), whereas South Ribble is in line with the national average (10%).

Preston also has a higher proportion of residents working in ***sales and customer service; process, plant and machine; and elementary occupations*** than South Ribble and Chorley.

Travel to Work

Seventy-three per cent of residents live and work within the Preston, Chorley and South Ribble Travel to work area. Almost half of residents in employment work in their home local area, while 25% work within the wider travel to work area. The large majority of residents who work outside the area, travel to other parts of Lancashire (16%) or across the wider North West region (11%).

Earnings

Across the travel to work area, the median earnings of residents are below the national average, ranging from £24,700 in Preston to £26,400 in South Ribble and £27,400 in Chorley. This is equivalent to between 85% and 94% of the national average (£29,100). The median earnings of South Ribble and Chorley residents exceed the average for Lancashire (£25,800).

When the median earnings of residents from each local area (i.e. resident-based earning) are compared to the median earnings of the jobs based in each area (i.e. workplace-based earnings), the data suggests that:

- Residents from South Ribble and Chorley typically travel to access higher paid employment, with workplace-based earnings lower than resident based earnings.
- Residents in Preston are typically employed in lower paid jobs, despite jobs in Preston offering the highest median earnings across the Travel to Work area.

It should also be noted that workplace-based earnings across the Travel to Work area are equivalent to between 86% and 89% of the national average.

The Skills Profile

Overall, the working age population in Preston, Chorley and South Ribble are more qualified than the working age population across Lancashire and nationally. At all skills levels, including higher level skills (level 4+), the area outperforms the Lancashire and national average. There is also a smaller proportion of working age residents that hold no qualifications.

Sources: Annual Population Survey, July 2016 – June 2017; 2011 Census

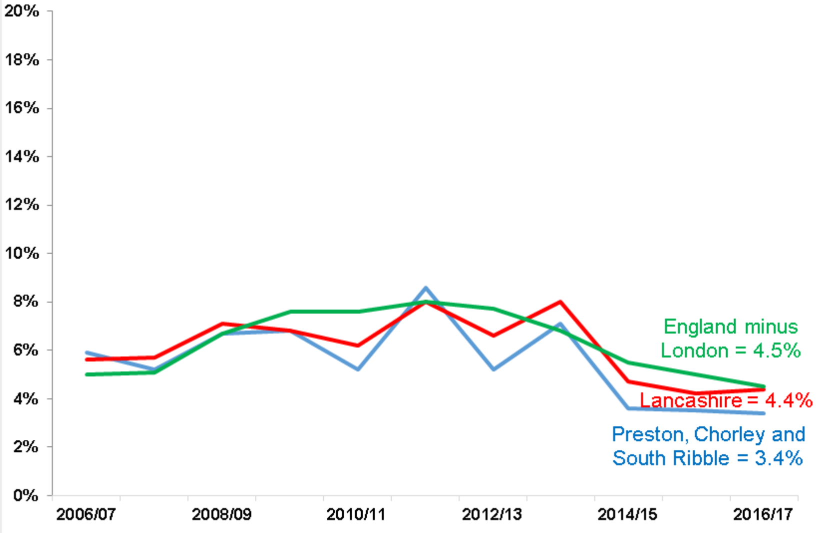
At the local level the profile varies, with the strong overall performance driven by South Ribble and Chorley, with both areas typically exceeding the national average at all levels. The skills profile of residents in Preston, however, is quite different, with only 30% holding qualifications at Level 4 or above (compared to 35% nationally and 50% in Chorley). Similarly, a lower proportion of residents hold qualifications at Level 3 or above (50% compared to 55% nationally) and Level 2 or above (70% compared to 74%).

Residents who are in employment are, on average, more qualified than the working age population. For example, 91% of those in employment hold qualifications at Level 1 or above compared to 89% of the working age population. The difference is starker as skills levels increase, with 41% of those in employment holding qualifications at Level 4 or above, compared to 37% of the working age population. This highlights the importance of qualifications in securing employment.

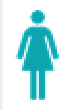
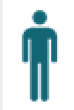
Sources: Annual Population Survey, July 2016 – June 2017

Unemployment – Who is unemployed in Preston, Chorley and South Ribble?

Unemployment Rate: The Past 10 Years (2006/07-2016/17)



Unemployment Rate by Gender (2016/17)

	Preston, Chorley and South Ribble	Lancashire	England minus London
	2%	4%	4%
	5%	5%	5%

The unemployment rate fell by 2.5 percentage points over the last 10 years, a greater fall than across Lancashire (-1.2 pp) and nationally (-0.5 pp). The unemployment rate for females is lower in Preston Chorley and South Ribble than across Lancashire and nationally, while the male rate is the same.

Unemployment Rate by Age Band

	Preston, Chorley and South Ribble		Lancashire	North West	England minus London
16-19	n/a	n/a	15%	21%	20%
20-24	1,900	8%	8%	10%	9%
25-34	1,600	4%	4%	4%	4%
35-49	1,100	2%	3%	3%	3%
50-64	1,800	4%	4%	3%	3%
65+	n/a	n/a	n/a	1%	2%
16-64	**6,300**	**3%**	**4%**	**5%**	**5%**

NEETs are young people who are no longer in education, employment or training for work. There are 625 NEETs in Preston, Chorley and South Ribble – 6.2% of 16-17 years old, compared to 3.1% across Lancashire and 2.5% nationally.

Unemployment Rate by Ethnicity

	Preston, Chorley and South Ribble		Lancashire	England minus London
White	2,800	2%	3%	4%
Ethnic minority	3,500	17%	14%	8%
Mixed ethnic group	n/a	n/a	n/a	9%
Indians	1,400	18%	10%	4%
Pakistanis/Bangladeshis	n/a	n/a	25%	11%
Black or black British	n/a	n/a	n/a	9%
All other ethnic groups	n/a	n/a	n/a	6%
16-64	**6,300**	**3%**	**4%**	**5%**

Where data allows comparison, the unemployment rate is highest amongst the 20-24 age group, similar to the picture across Lancashire and nationwide. The rate for 16-19 year olds (56%) is significantly higher in Lancashire, North West and nationally, although data is not available for the TTW area. By ethnicity, the rate is lower in the white population but higher in the ethnic minority and Indian groups, than across Lancashire and nationally.

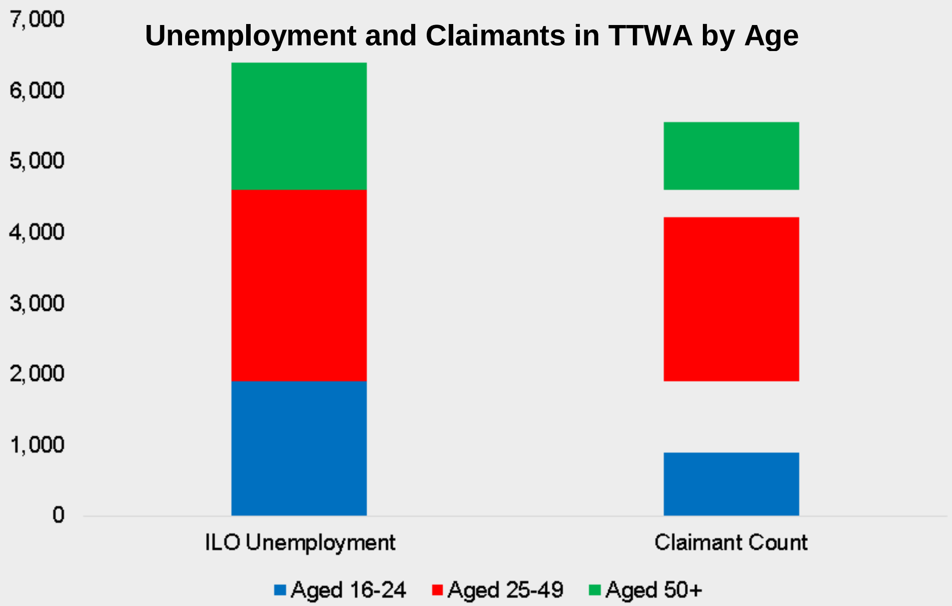
Sources: Annual Population Survey, July 2016 – June 2017

Unemployment – The Difference between Unemployment and the Claimant Count in Preston, Chorley and South Ribble

'Unemployment' refers to people who are actively seeking and available for work, and is measured using an internationally agreed definition (ILO unemployment).

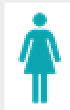
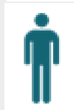
The Claimant Count measures the number of people who are receiving benefits principally because they are unemployed. From April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as the remaining Jobseeker's Allowance claimants. Not everyone who is unemployed is eligible to claim unemployment-related benefits.

This page compares the number of unemployed in people in Preston, Chorley and South Ribble, with the number who are claiming unemployment-related benefits.



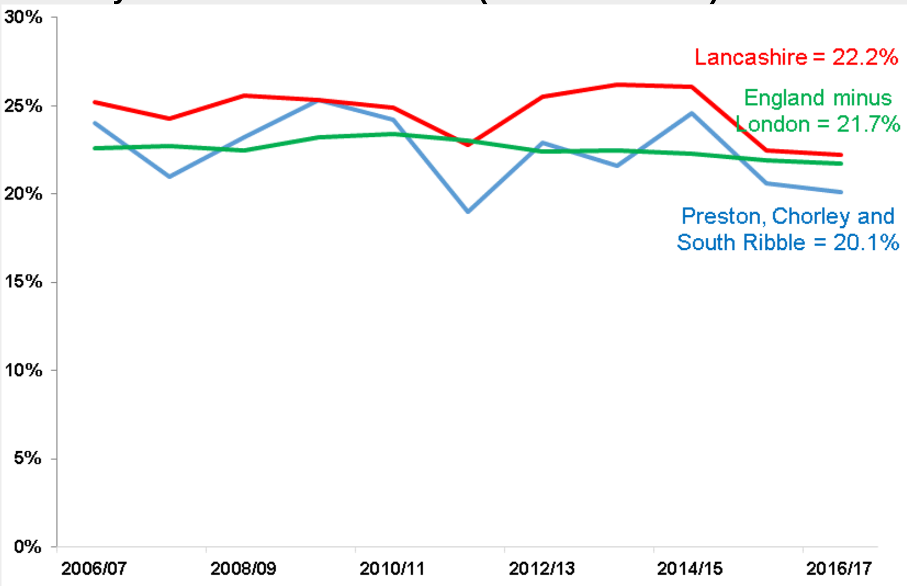
Residents	Preston, Chorley and South Ribble	Lancashire	England minus London
Claimant Count (no.)	**4,175**	**21,505**	**525,290**
Claimant Count (% of working age population)	**1.8%**	**2.4%**	**1.8%**
Claimants as % of those Unemployed	**66%**	**70%**	**52%**

Unemployed people aged 16-24 and over 50 are less likely to receive unemployment benefits, as is the case nationally. While there is a higher claimant count amongst males, a much smaller proportion of males who are unemployed receive benefits (57%) when compared to females (87%),

Preston, Chorley and South Ribble	Unemployment	Claimant Count	Claimants as % of those unemployed
	**1,900**	**1,645**	**87%**
	**4,400**	**2,530**	**56%**

Economic Inactivity – Who is economically inactive in Preston, Chorley and South Ribble?

Inactivity Rate: The Past 10 Years (2006/07-2016/17)



Inactivity Rate by Age Band

	Preston, Chorley and South Ribble		Lancashire	North West	England minus London
16-19	7,600	44%	53%	58%	54%
20-24	4,600	16%	23%	25%	26%
25-34	5,200	11%	14%	16%	14%
35-49	9,500	14%	12%	14%	13%
50-64	19,300	29%	29%	31%	27%
65+	53,800	94%	90%	91%	90%
16-64	**46,100**	**20%**	**22%**	**24%**	**22%**

Inactivity rates are highest in the 16-19 age group at 44% although this is still well below the Lancashire and national average. Rates are particularly high in the Pakistani/Bangladeshi ethnic group at 50%, although this is similar to the picture across Lancashire.

Top 3 Reasons for Inactivity (2016/17)

1. Looking after family and home (25%)
2. Studying (25%)
3. Long-term sick (21%)

The main reasons for economic inactivity in Preston, Chorley and South Ribble are the same as across Lancashire and nationally, although the area has a lower share suffering from long-term sickness than in Lancashire (25%) and nationally (22%).

Inactivity Rate by Ethnicity

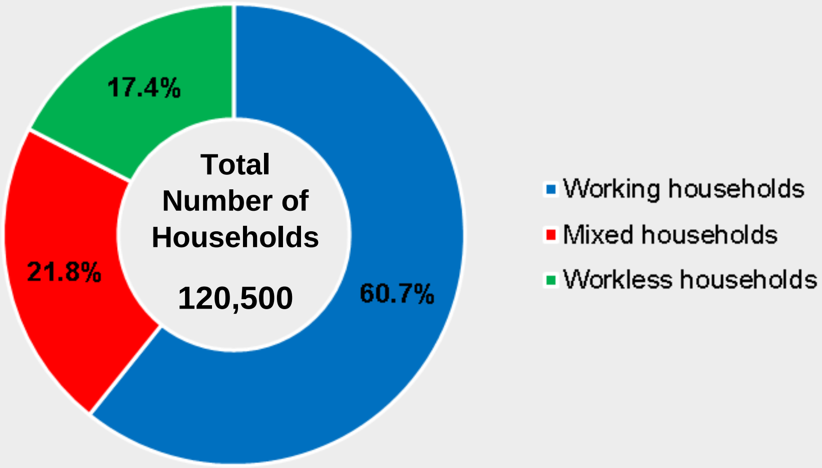
	Preston, Chorley and South Ribble		Lancashire	England minus London
White	38,100	19%	20%	21%
Ethnic minority	8,000	27%	40%	32%
Mixed ethnic group	n/a	n/a	22%	28%
Indians	3,800	33%	35%	25%
Pakistanis/Bangladeshis	1,700	50%	48%	39%
Black or black British	n/a	n/a	32%	27%
All other ethnic groups	n/a	29%	39%	36%
16-64	**46,100**	**20%**	**22%**	**22%**

Inactivity Rate by Gender

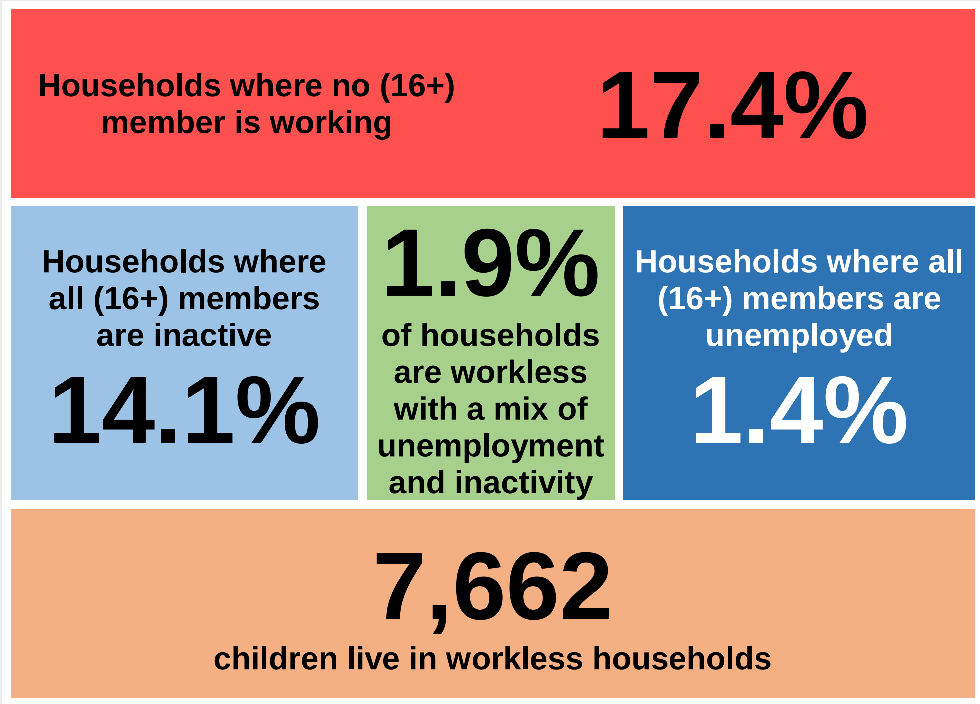
	Preston, Chorley and South Ribble		Lancashire	England minus London
Female	30,100	26%	27%	27%
Male	16,000	14%	17%	17%
16-64	**46,100**	**20%**	**22%**	**22%**

Sources: Annual Population Survey, July 2016 – June 2017

Composition of Households (2016)



Overview of Workless Households (2016)



Preston, Chorley and South Ribble has a higher share of working households than across Lancashire and nationally (both 57%). However, the TTW Area also has a greater proportion of workless households than in Lancashire as a whole (16%) and nationally (15%). This includes student households. As a result, mixed households – which contain both working and workless members – are less common in Preston, Chorley and South Ribble than across Lancashire (27%) and nationally (28%).

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Unemployment in Preston, Chorley and South Ribble

Based on the ILO definition of unemployment, 6,300 people are unemployed in Preston, Chorley and South Ribble. This equates to 3.4% of economically active residents and is lower than the Lancashire (4.2%) and national (4.5%) average. It is also one of the lowest rates across the Lancashire Travel to Work Areas (along with Blackburn, Hyndburn, Rossendale and Ribble Valley).

The unemployment rate has fluctuated over the past ten years and has been particularly low since 2015. Overall, it has decreased by 2.5 percentage points, representing a greater fall than across Lancashire (-1.2pp) and nationally (-0.5pp).

The low unemployment rate, reflects the particularly low levels of unemployment in Chorley (3%) and potentially South Ribble (although data is not available for the South Ribble due to the small sample size and confidence levels). In contrast, unemployment in Preston (5.4%) exceeds both the Lancashire and national average.

Characteristics of those who are unemployed

In line with national trends, the unemployment rate for men (5%) is higher than the unemployment rate for women (2%). While the unemployment rate for men aligns with the Lancashire and national average, the unemployment rate for women is much lower (equivalent to half the Lancashire and national average).

Where data is available, it shows that the unemployment rate varies by age group and is highest amongst those aged 20-24 (8%). In comparison, the rate for 16-19 year olds is much higher in Lancashire (15%) and nationally (20%), although data is unavailable for the Travel to Work area (due to the small size of the survey sample).

There are also variances by ethnicity. As is the case across Lancashire and nationally, unemployment is lower amongst those who are white and higher amongst ethnic minority and mixed ethnic groups.

The claimant count

Focusing on those who are receiving benefits principally because they are unemployed, there are over 4,100 claimants in Preston, Chorley and South Ribble. This is equivalent to 1.8% of the working age population, lower than the Lancashire average (2.4%) and in line with the national average (1.8%). As with unemployment, the low claimant rate is reflective of the low levels of claimants in Chorley (1.6%) and South Ribble (1.4%), while the rate in Preston (2.3%) exceeds the national average.

As all of those who are unemployed will not receive and/or claim benefits, the claimant group is a sub-set of those who are ILO unemployed. In Preston, Chorley and South Ribble, two thirds of those who are unemployed receive benefits compared to 70% in Lancashire and 52% nationally. Across the local areas, a much higher proportion of unemployed residents receive benefits in Chorley (70%) than in Preston (56%).

When the ILO unemployment and claimant counts are broken down and compared in terms of age and gender, the data shows unemployed people aged 16-24 and over 50 are less likely to receive unemployment benefits, as is the case nationally. It also showed that while there is a higher claimant count amongst males, a much smaller proportion of males who are unemployed receive benefits (57%) when compared to females (87%), although this is not the case across Lancashire or nationally and is likely to reflect the very low female unemployment rate across the travel to work area.

Economic Inactivity in Preston, Chorley and South Ribble

Across Preston, Chorley and South Ribble, 46,100 people are economically inactive (i.e. are not in work and have not sought work in the last four weeks for a variety of reasons). This equates to 20.1% of the working age population and is lower than the inactivity rate in Lancashire (22.2%) and nationally (21.7%). Along with Burnley and Pendle and Lancaster and Morecambe, it is one of the lowest economic inactivity rates across the Travel to Work areas.

Sources: Annual Population Survey, July 2016 – June 2017; Claimant Count, Nov 2017

As with employment and unemployment, levels of inactivity vary by local area. The low rate of the travel to work area is reflective of low levels of inactivity in South Ribble (16.7%) and Chorley (18.9%) which are both below the Lancashire and national average. In contrast, Preston's inactivity rate is higher (23.6%).

Reasons for economic inactivity

The three main reasons for inactivity in Preston, Chorley and South Ribble – looking after family and home (25% of those who are inactive), studying (25%), and long term sickness (21%) – are the same as across Lancashire and nationally. Although, the travel to work area has a lower share suffering from long-term sickness than in Lancashire (25%). The other main reason is being retired, which accounts for 17% of those who are inactive in the travel to work area compared to 16% in Lancashire and 15% nationally.

Characteristics of those who are inactive

As is the case nationally, a much higher proportion of working age females (26%) are economically inactive than males (14%). The lower economic inactivity rate across Preston, Chorley and South Ribble is reflective of a lower inactivity rate amongst males (14% compared to 17% in Lancashire and nationally). This does however mask differences at the local area, particularly in relation to Chorley, where the inactivity rate for males (22%) exceeds the rate for females (16%).

The inactivity rate varies by age group and is highest amongst those aged 16-19, as is the case across Lancashire and nationally. The key differences in the inactivity profile by age relate to the youngest and oldest age groups. While the inactivity rate for those aged 16-19 and 20-24 is lower in Preston, Chorley and South Ribble than in Lancashire and nationally, the rate for those age 65+ is higher.

There are also variances by ethnicity. The inactivity rate is highest amongst the Pakistani and Bangladeshi group in Preston, Chorley and South Ribble as is the case in Lancashire and nationally (although both the travel to work area and Lancashire rates for this group significantly exceed the national average). Other groups with high inactivity rates include Indian and ethnic minority groups.

Economic Activity by Household

It is also possible to look at economic activity patterns by household as well as by individual. Of the 120,500 households located in Preston, a higher share are classed as working households (61%) than in Lancashire and nationally (both 57%).

However, the TTW Area also has a greater proportion of workless households than in Lancashire as a whole (16%) and nationally (15%). This includes student households. As a result, mixed households – which contain both working and workless members – are less common in Preston, Chorley and South Ribble than across Lancashire (27%) and nationally (28%). In line with varying trends on employment, unemployment and inactivity, there are variances in the household profile at the local level including:

- ***Working households*** are more prevalent in Chorley and particularly South Ribble (accounting for 61% and 65% of households respectively). This compares to 57% in Preston which is in line with the Lancashire and national average.
- ***Workless households,*** including student households, are more prevalent in Chorley and Preston (accounting for 20% of households in both areas) than in South Ribble where there is a particularly low concentration of workless households (12%).
- ***Mixed households:*** are more prevalent in in South Ribble and Preston (accounting for 23% of households in both areas) than in Chorley (19%), although all areas remain below the Lancashire and national average.

Focusing on workless households, the large majority of workless households in Preston, Chorley and South Ribble are occupied by residents who are economically inactive. Overall, in 14% of households all (16+) members are inactive, while in 1.9% of households there is a mix of unemployment and inactivity, and in 1.4% of households all (16+) members are unemployed. Over 7,600 children live in households where no-one is in work.

Sources: Annual Population Survey, July 2016 – June 2017; Household Based Annual Population Survey, July 2016 – June 2017

Employment by Sector in Preston, Chorley and South Ribble – What sectors do people work in?

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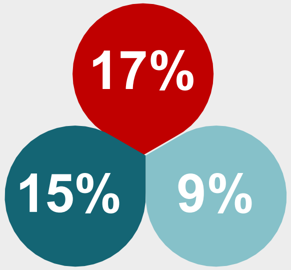
Total Employment

181,000 JOBS

28% of all jobs in Lancashire

Three Largest Employment Sectors



Wholesale and Retail
Health
Construction

Jobs in the Largest Sectors

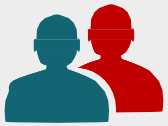
30,000 JOBS
1. Wholesale and Retail

28,000 JOBS
2. Health

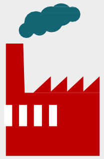
16,000 JOBS
3. Construction

16,000 JOBS
4. Administration and Support

14,000 JOBS
8. Education



13,000 JOBS
7. Public Administration



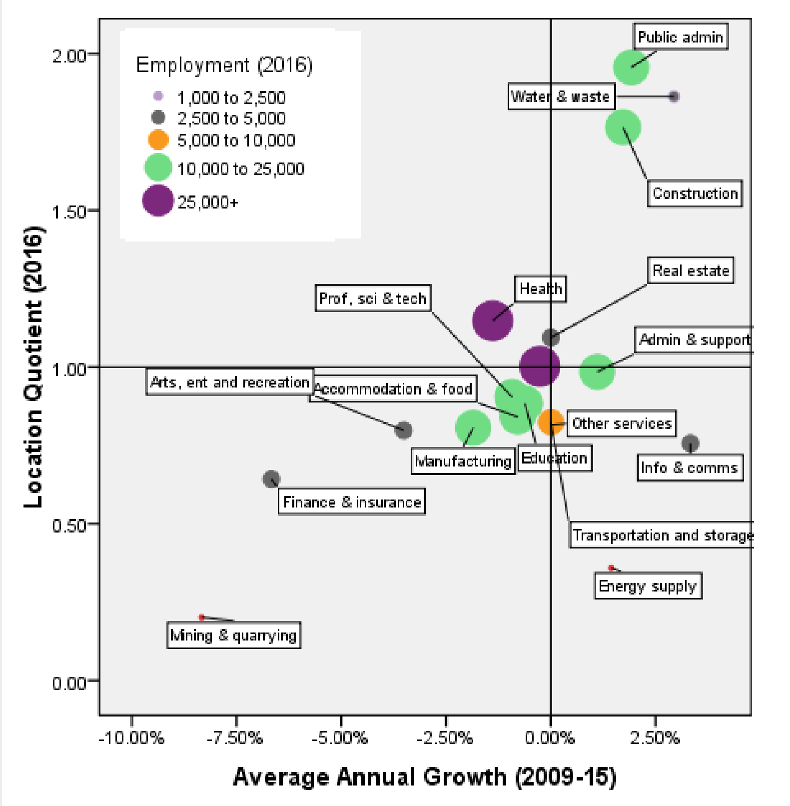
13,000 JOBS
6. Manufacturing

12,000 JOBS
5. Professional, scientific and technical

Employment Growth and Specialisation

Top left: Sectors that have seen employment fall since 2009, and are more highly represented in the local area than the national average

Top right: Sectors that have seen employment growth since 2009 and are more highly represented in the local area than the national average



Bottom right: Sectors that have seen employment fall since 2009 and are less highly concentrated in the local area than the national average

Bottom right: Sectors that have seen employment growth since 2009 and are less highly concentrated in the local area than the national average

Employment by Sector in Preston, Chorley and South Ribble – Lancashire's priority sectors

The Lancashire Skills and Employment Strategic Framework has seven designated priority sectors. The sectors have been selected due to their high replacement demand needs and significant growth potential.

Lancashire's Priority Sectors

Sector	Definition	Relation to SIC Sections	Total Employment in Preston, Chorley and South Ribble
Finance and Professional Services	From accountants and law firms, financial advisors and insurance brokers, specialist property related consultancies and recruitment agencies through to large business process outsourcing organisations.	All of: *Financial and insurance activities*; *Real estate activities* Parts of: *Information and communication* *Professional, scientific and technical activities* *Administrative and support service activities*	31,000
Health and Social Care	The sector covers a range of subsectors from hospital activities to childcare services, and from dentistry to residential and non-residential social care	All of: *Human health and social work activities*	27,500
Energy and Environmental Technologies	Includes activities relating to gas, electricity, renewables, nuclear, water, waste management and environmental technologies	All of: *Electricity, gas, steam and air conditioning supply* Parts of: *Mining and quarrying* *Manufacturing* *Water supply; sewerage etc.* *Construction* *Professional, scientific and technical activities*	17,500
Construction	Includes the construction of buildings, civil engineering and specialised construction activities.	All of: *Construction*	15,500
Advanced Manufacturing	Manufacturing which involves the use of technology to improve products and/or processes, with the relevant technology being described as "advanced," "innovative," or "cutting edge."	Parts of: *Manufacturing* *Professional, scientific and technical activities*	14,300
Visitor Economy	Includes industries relevant to the entire visitor experience. From accommodation and food and drink to attractions and tour operators.	All of: *Accommodation and food service activities* Parts of: *Transport and storage* *Administrative and support service activities* *Arts, entertainment and recreation*	13,500
Creative and Digital	Industries such as: Advertising; Architecture; Crafts; Design; Film & TV, etc.; IT and computing; Publishing; Museums & galleries, etc.; Music & arts, etc.	Parts of: *Manufacturing* *Information and communication* *Professional, scientific and technical activities* *Education* *Arts, entertainment and recreation*	4,500

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Sources: Business Register and Employment Survey, 2016

There are 13,400 different businesses in Preston, Chorley and South Ribble:

Private Businesses

The Public Sector

Charities and Voluntary Organisations

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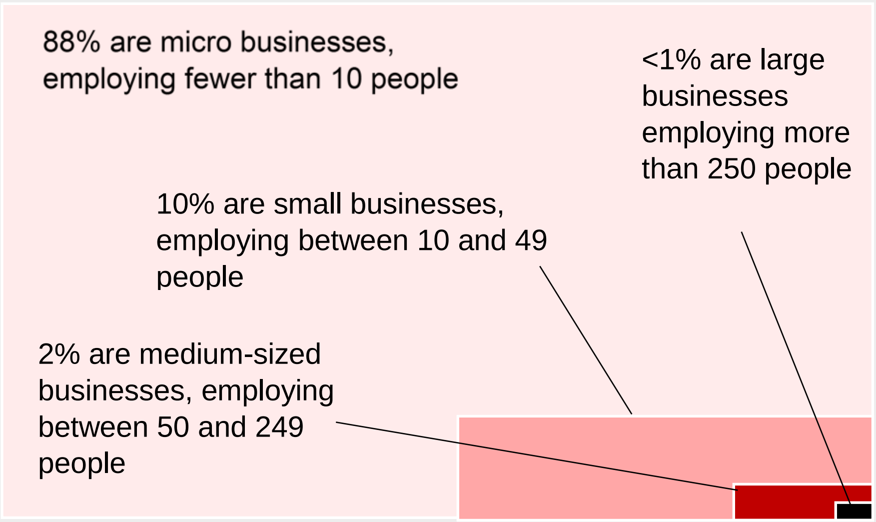
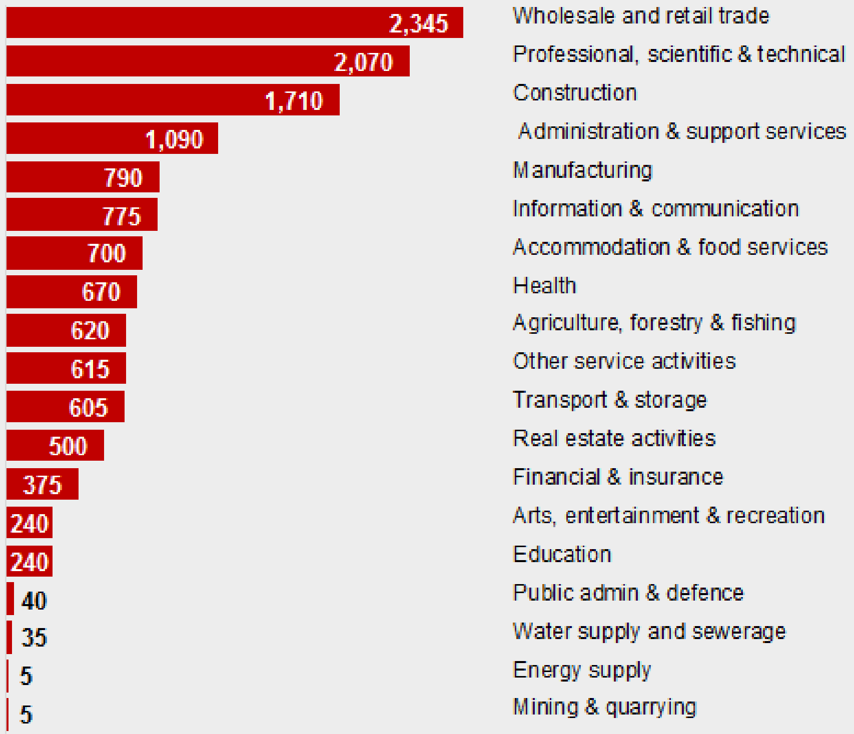




The split by size of businesses is in line with the Lancashire average. Micro businesses account for a slightly smaller proportion of the business base than nationally (89%). Fewer than 1% of employers, around 50, in Preston, Chorley and South Ribble are classed as large employers, employing over 250 people.

Sources: UK Business Counts, 2017

Location of Employment and Key Employers – Where do people work in Preston, Chorley and South Ribble?

This map shows where employment is concentrated across Preston, Chorley and South Ribble. Darker regions correspond to higher numbers of jobs. Employment is in the 13,400 micro, small, medium and large employers based in the area.

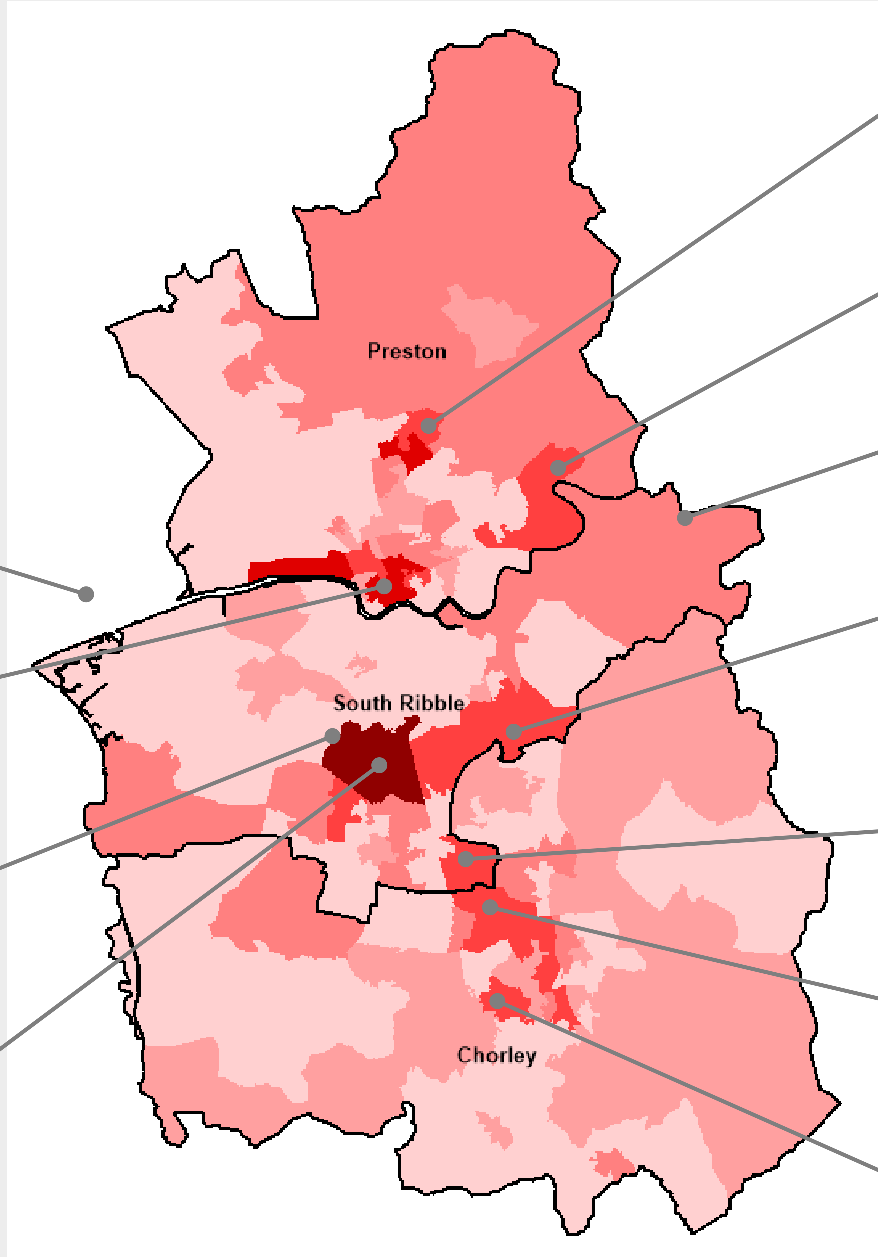
The following text boxes highlight the location some of the area's key employers.

>> Major employer just outside the area…
BAE Systems (Manufacturing)
Westinghouse Springfields Fuels Ltd (Energy supply)

Preston City Centre
UCLan (Education)
Lancashire County Council (Public administration)
Net Flights (Administrative and support service activities)
Moore and Smalley (Professional, scientific and technical activities)

Hutton
Police headquarters (Public administration)

Lancashire and Leyland Business Parks and Moss Side
Leyland Trucks (Manufacturing)
Amazon (Transport and storage)
Doctor Oetker (Manufacturing)
NHS Clinical Commissioning Group (Health and social care)
Lunar Caravans (Manufacturing)



North Preston
Royal Preston Hospital (Health)
Homeserve Insurance (Financial and insurance activities)
Royal Mail (Transport and storage)
EKM (Information and communication)

Red Scar Business Park / Roman Way Industrial Estate
James Hall & Co.(Wholesale and retail)
Motionlab (Information and communication)

Samlesbury Aerodrome/ *Samlesbury*
BAE Systems (Manufacturing)
AB InBev (Manufacturing)

Walton Summit Centre / Bamber Bridge
Evans Vanodine International (Manufacturing)
Baxi (Manufacturing)
Conlon Construction (Construction)
Bespoke Internet (Information and communication)
Eric Wright Group (Construction)

Matrix Industrial Park
Elite (Information and communication)
Waitrose (Wholesale and retail)
Synergy Health (Health and social care)
Speed Medical (Health and social care)
North West Projects (Manufacturing)

Chorley Hospital and Buckshaw Village
John Reilly Civil Engineering Ltd. (Construction)
DXC Technology (Information and Communication
Story Homes (Construction)
GA Petfood (Manufactruing)

Chorley
Chorley Building Society (Financial and insurance activities)
Forbes Solicitors (Professional, scientific and technical activities)

Sources: Business Register and Employment Survey, 2016 Market Locations, Lancashire LEP Evidence Base

The ***UK Employer Skills Survey*** provides a comprehensive source of information on employer skills needs. 1,900 businesses in Lancashire were surveyed. The sample size means that data is only available at Lancashire level.

Skills Gaps within the current workforce

17%
of employers in Lancashire report skills gaps compared with 14% in the North West and nationally

The top ten reasons reported by employers for employee skills gaps:

1.Their training is currently only partially completed 69%
2. They are new to the role 66%
3. They have not received the appropriate training 28%
4. Staff lack motivation 24%
5. They have been on training but their performance has not improved sufficiently 22%
6. The introduction of new working practices 21%
7. Unable to recruit staff with the required skills 17%
8. The introduction of new technology 14%
9. The development of new products and services 13%
10. Problems retaining staff 6%

Skills Shortages – a lack of suitably skilled people when trying to recruit new workers

17%
of employers reported at least one vacancy, lower the than the North West (18%) and national (19%) average

Lancashire employers reported a higher proportion of hard to fill and skill shortage vacancies than both the North West and national averages in:
administrative and clerical occupations;
caring, leisure and other service staff; and
machine operatives

They also reported above average skills shortages in **skilled trades**, and hard to fill vacancies in **caring, leisure and other services.**

Hard to fill vacancies in Lancashire, by occupation:

Skills shortage vacancies in Lancashire by occupation:

Sources: UKCES, 2015

Employment Numbers and Trends

The 181,000 jobs in Preston, Chorley and South Ribble account for 28.1% of the total in Lancashire, making it the largest of the six Travel to Work Areas in employment terms.

The number of jobs in the area has remained relatively stable over the past few years[2], with a 1.1% increase in the number of jobs between 2015 and 2016. This is a slightly slower rate of increase than seen in Lancashire as a whole over the period, with total employment increasing by 1.6%. It is also a slower rate of increase than in the North West as a whole (+2.3%) or nationally[3] (+1.8%).

Preston is the largest of the Lancashire local authority districts in employment terms, with 83,000 jobs (13% of the Lancashire total). There are 57,000 jobs in South Ribble and 40,000 in Chorley (9% and 6% of the Lancashire total respectively). Chorley has seen the fastest increase in employment over the past year, gaining around 1,000 additional jobs, whilst the number in Preston has fallen by a similar amount.

Sectoral Employment

Two sectors – wholesale and retail, and health – account for around one-third of all employment in Preston, Chorley and Ribble Valley, some 58,000 jobs. These are also the two largest sectors in Lancashire as a whole. However, beneath this, the sectoral pattern in Preston, Chorley and South Ribble differs markedly from that in Lancashire:

- ***Construction*** is the third largest sector in Preston, Chorley and South Ribble, with 9% of all workers employed in the sector. This compares to just 5% across Lancashire as whole and means that half of Lancashire's construction workforce (16,000) are based in the area. Construction is particularly prominent in South Ribble, where 10,000 are employed in the sector (17.5% of all employment). This reflects the location in South Ribble of a number of major construction companies[4].
- ***Administrative and support services*** is the next largest sector, accounting for 9% of total employment, compared to 6.6% in Lancashire as a whole. This sector includes business support activities such as building management, office administration and employment agencies, and the high percentage reflects Preston's role as a key business centre within Lancashire.
- Although ***education*** employs some 14,000 people in Preston, Chorley and South Ribble, the share of total employment is lower than in Lancashire as a whole (7.7% compared to 9.5%).
- Only 7% of workers in Preston, Chorley and South Ribble are employed in the ***manufacturing*** sector, compared to 13% in Lancashire as a whole. There are a number of major manufacturing plants just outside the TTW area.

Sectoral Trends

Four sectors have seen growth of around 1,000 jobs over the past six years: ***information and communications*** (part of the creative and digital Industries priority sector) (which has had the fastest growth in percentage terms); ***construction***; ***administrative and support services*** (part of financial and professional services); and ***public administration and defence*** which has grown in Preston, Chorley and South Ribble in contrast to the picture in Lancashire and nationally.

Employment has fallen in seven sectors. In percentage terms, the fall has been greatest in ***financial services***, which has seen the loss of 1,750 jobs (-44%) since 2009. This mirrors the position in Lancashire as whole. Around 2,000 jobs have been lost in the ***manufacturing*** sector, which has also seen a fall in Lancashire as a whole. The ***health and social care***, ***education*** and ***accommodation and food service*** (part of the visitor economy) sectors have all seen the total number employed fall locally,

[2] Although the dataset was subject to a discontinuity in 2015, which means that data should not really be compared before and after this point in time.

[4] Particularly in the construction sector, the place of work may not be where the job is registered in the official BRES data (e.g. if workers are employed out on site)

whilst growing across Lancashire as a whole. There have also been declines in employment in the ***transport and storage*** and ***arts and entertainment*** sectors.

Local Authority District Sectoral Employment

Preston's role as a service centre for the wider area is clear from the sectoral make-up of employment in the city. Around 40% of those employed in the city work in the health (15,000), public administration (10,000) or education (7,000) sectors, with a further 15,000 working in the wholesale and retail sector and 4,500 in accommodation and food services. Nine thousand people work in administrative and support services, with 4,500 in the professional, scientific and technical sector.

Chorley also has a largely service-based economy. The five largest service sectors account for 25,000 of the 40,000 jobs locally – wholesale and retail, health and social care, education, professional, scientific and technical services and accommodation and food services. Manufacturing, employing 3,000, is the next largest employer.

South Ribble's employment base is less service-focussed than Preston or Chorley. As noted above, employment is dominated by the construction sector, which accounts for 10,000 jobs or 17.5% of all employment. Manufacturing is also more prevalent in South Ribble than the rest of the TTW area, with 7,000 employed in the sector which accounts for over 12% of total employment. Two other sectors employ over 5,000 people – wholesale and retail, and the health and social care sector. South Ribble also hosts a significant level of business-related employment, with 4,500 people employed in the professional, scientific and technical sector (a greater percentage share (7.9%) than in Preston (5.4%)) and 4,000 in administrative and support roles.

Employment Locations

Employment is distributed across the Preston, Chorley and South Ribble area, with concentrations in the key centres, along transport routes and at major employment locations such as the Leyland and Lancashire Business Parks, where more than 10,000 jobs are located. Many local people are also employed at the two BAE Systems sites one of which (Warton) is located just outside the TTW area at Warton, while the other (Samlesbury) is on the South Ribble border.

Employer Skill Requirements

The UK Employer Skills Survey provides a comprehensive source of information on employer skills needs. Data is available for Lancashire based on responses from 1,900 businesses.

This highlights that employers continue to face skills gaps within their current workforce and experience skills shortages when trying to recruit new workers, and these issues tend to be more common in Lancashire than in the North West and nationally.

Employers have a reported a range, and often multiple reasons for skills gaps. The main reasons reported are:

- Employee training is currently only partially complete (reported by 69% of employers)
- They are new to the role (66%)
- They have not received the appropriate training (28%)
- Staff lack motivation (24%)
- They have been on training but their performance has not improved sufficiently (22%).

In terms of hard to fill vacancies and skills shortages vacancies, employers most commonly reported hard to fill vacancies in skilled trades (20%), sales and customer services (17%), caring, leisure and other services (17%) and machine operative (16%) occupations. Skills shortage vacancies were also most common across these occupations.

Compared to the regional and national average, Lancashire employers reported a higher proportion of hard to fill and skills shortage vacancies in administrative and clerical occupations; caring, leisure and other services; and machine operatives.

Sources: Business Register and Employment Survey 2016, Market Locations, Lancashire LEP Evidence Base

Employment Forecasts 2018-2028 – Which Sectors will employ people in Preston, Chorley and South Ribble in future?

Forecast 10-Year Employment Change				
	Preston, Chorley & South Ribble		Lancashire	UK
2018-2028	10,570	5.1%	2.6%	5.2%

Top 5 Sectors requiring employees due to sector growth (expansion demand)

- **Administrative and Support Services** *(+280 new jobs each year)*
- **Construction** *(+230 new jobs each year)*
- **Professional, scientific and technical activities** *(+120 new jobs each year)*
- **Wholesale and retail trade** *(+110 new jobs each year)*
- **Health and social work** *(+80 new jobs each year)*

Top 5 Sectors requiring employees to fill jobs to replace people leaving or changing jobs (replacement demand)

- **Wholesale and retail trade** *(2,650 jobs each year)*
- **Administrative and support services** *(2,520 jobs each year)*
- **Health and social work** *(1,930 jobs each year)*
- **Accommodation and food services** *(1,300 jobs each year)*
- **Construction** *(1,140 jobs each Year)*

Total Employment Requirement Across all Sectors 2018-2028

To meet sector growth and replace people leaving or changing jobs

Sector	Part of priority sector?	Average Annual Requirement	Total Requirement
Administrative and support service activities	*- Finance and Professional services* *- Visitor economy*	2,900	31,870
Wholesale and retail trade		2,840	31,240
Human health and social work activities	*- Health and social care*	2,080	22,900
Construction	*- Construction* *- Energy and Environmental tech*	1,400	15,280
Accommodation and food service activities	*- Visitor economy*	1,360	14,990
Professional, scientific and technical activities	*- Finance and professional services* *- Advanced manufacturing* *- Creative and digital* *- Energy and Environmental tech*	920	10,100
Education	*- Creative and digital*	900	9,930
Public administration and defence		890	9,770
Information and communication	*- Creative and digital* *- Finance and professional services*	720	7,870
Transportation and storage	*- Visitor economy*	700	7,680
Arts, entertainment and recreation	*- Creative and digital* *- Visitor economy*	650	7,160
Other service activities		580	6,330
Manufacturing	*- Advanced manufacturing* *- Creative and digital* *- Energy and Environmental tech*	500	5,510
Real estate activities	*- Finance and professional services*	230	2,540
Financial and insurance activities	*- Finance and professional services*	160	1,760
Water supply; sewerage etc.	*- Energy and Environmental tech*	140	1,520
Agriculture, forestry and fishing		120	1,290
Electricity, gas, steam and air conditioning supply	*- Energy and Environmental tech*	<50	160
Mining and quarrying	*- Energy and Environmental tech*	<50	<50

Sources: Oxford Economics, 2018

Click to return to contents page *24*

Employment Forecasts 2018-2028 – Future occupations in Preston, Chorley and South Ribble

Forecast 10-Year Employment Change				
	Preston, Chorley & South Ribble		Lancashire	UK
2018-2028	10,570	5.1%	2.6%	5.2%

Top 5 Occupations requiring employees due to sector growth (expansion demand)

- **Skilled trades occupations** *(+120 jobs each year)*
- **Professional occupations** *(+110 jobs each year)*
- **Elementary occupations** *(+110 jobs each year)*
- **Caring, leisure and other service occupations** *(+100 jobs each year)*
- **Managers, directors and senior officials** *(+90 jobs each year)*

Top 5 Occupations requiring employees to fill jobs to replace people leaving or changing jobs (replacement demand)

- **Professional occupations** *(2,720 jobs each year)*
- **Elementary occupations** *(2,290 jobs each year)*
- **Administrative and secretarial occupations** *(1,990 jobs each year)*
- **Caring, leisure and other service occupations** *(1,960 jobs each year)*
- **Associate professional & tech occupations** *(1,950 jobs each year)*

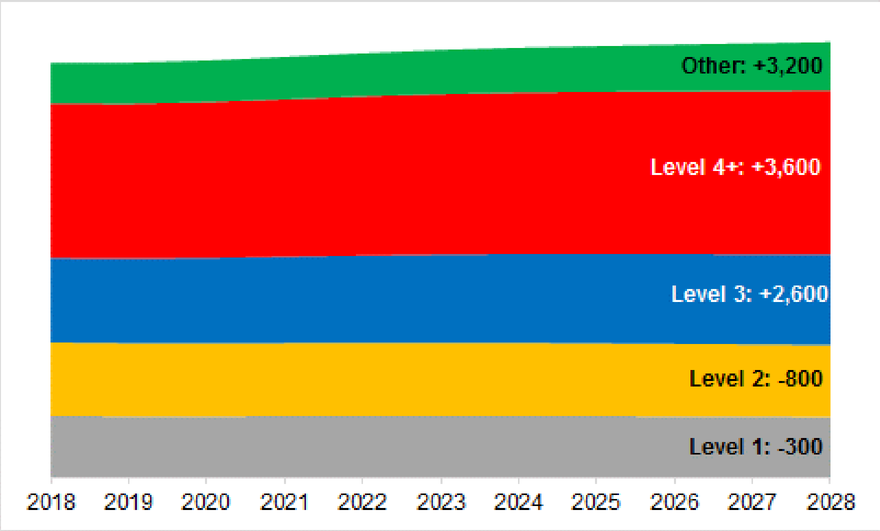
Total Employment Requirement Across all Occupations 2018-2028

To meet sector growth and replace people leaving or changing jobs

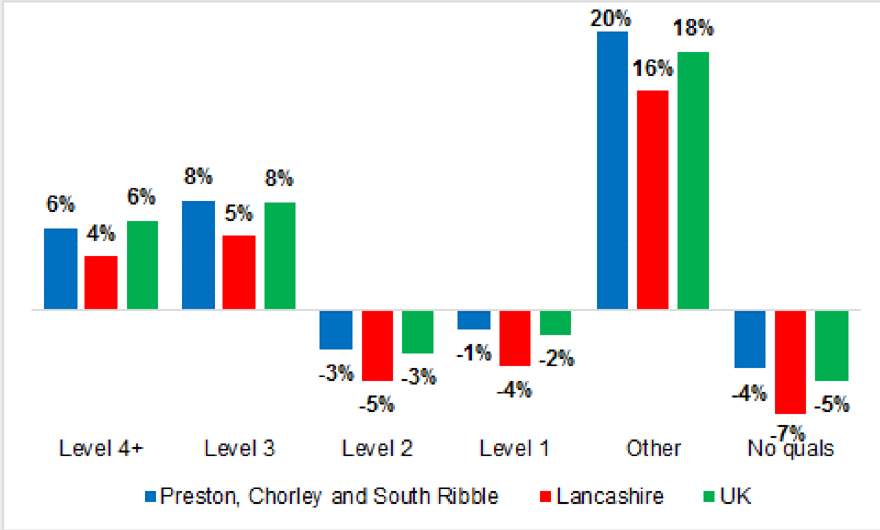
Sector	Average Annual Requirement	Total Requirement
Professional occupations	2,840	31,200
Elementary occupations	2,400	26,360
Caring, leisure and other service occupations	2,060	22,630
Associate professional & tech occupations	2,010	22,110
Administrative and secretarial occupations	1,990	21,910
Managers, directors and senior officials	1,930	21,240
Sales and customer service occupations	1,740	19,170
Skilled trades occupations	1,160	12,720
Process, plant and machine operatives	960	10,560

Sources: Oxford Economics, 2018

Change in employment by highest qualification, 2018-2028



Change in employment by highest qualification level, 2018-2028



In line with forecast trends across the county and country, the typical qualifications held by people employed within Preston, Chorley and South Ribble are expected to shift upwards. The Preston, Chorley and South Ribble economy is anticipated to employ over 6,000 more people with Level 3 or higher by 2028, whilst the total employment of people with qualifications lower than Level 2 is set fall over the next ten years.

At a Lancashire level there is forecast to be a particular rise in Level 3 and 4 qualified workers in: administrative and secretarial occupations, and caring, leisure and other service occupations. Other qualifications (mainly Apprenticeships) are expected to be required in skilled trade occupations and sales and customer service occupations.

Sources: Oxford Economics, 2018

Employment Forecasts – Total Employment

Between 2018 and 2028, over 10,500 new jobs are expected to be created in Preston, Chorley and South Ribble, representing a 5% increase in total employment. This exceeds the growth forecast across Lancashire as a whole (2.6%) and is in line with the national average (5.2%). Over the same period, the working age population is expected to fall.

Job Opportunities

There will be a wide range of job opportunities available between 2018 and 2028, with recruitment across all sectors and occupations, including in each of Lancashire's priority sectors and in sectors which have recently experienced overall employment decline such as manufacturing, accommodation and food and arts, entertainment and recreation. This will include recruitment for new jobs created through sector growth (expansion demand) and jobs that become available as people leave or change jobs (replacement demand).

Typically across all sectors and occupations, replacement demand will be much greater than expansion demand, meaning that people are more likely to enter existing rather than newly created jobs. The high levels of replacement demand reflect factors such as the ageing population with many current workers due to retire from the workforce over this period.

Job Opportunities by Sector

Administrative and support services and ***wholesale and retail trade*** will provide the highest number of opportunities in Preston, Chorley and South Ribble – both requiring over 31,000 people to fill jobs between 2018 and 2028. On average, this will equate to 2,800-2,900 people being recruited to these sectors each year.

This is followed by ***human health and social work activities***, where there is a total requirement for almost 23,000 people between 2018 and 2028 – or approximately 2,000 people per annum on average, and ***construction*** and ***accommodation and food services***, which will both have opportunities for over 14,000 people (or over 1,300 per annum).

Other sectors offering opportunities for over 5,000 people between 2018 and 2028 include:

- Professional, scientific and technical activities (920 per annum)
- Education (900 per annum)
- Public administration and defence (890 per annum)
- Information and communication (720 per annum)
- Transportation and storage (700 per annum)
- Arts, entertainment and recreation (650 per annum)
- Other service activities (580 per annum)
- Manufacturing (500 per annum)

Job Opportunities by Occupation

Across the sectors, a range of occupations will be available. In Preston, Chorley and South Ribble, there will be opportunities for at least 10,000 people within each occupational group (equivalent to at least 960 per annum) between 2018 and 2028.

Requirements will be highest for ***professional occupations***, with opportunities for over 31,000 people (2,800 per annum), followed by ***elementary occupations*** with opportunities for over 26,300 people (2,400 per annum). There will also be opportunities for over 20,000 people in ***caring, leisure and other service***; ***associate professional and technical***; ***administrative and secretarial***; and ***manager, director and senior official*** roles.

Skills Requirements

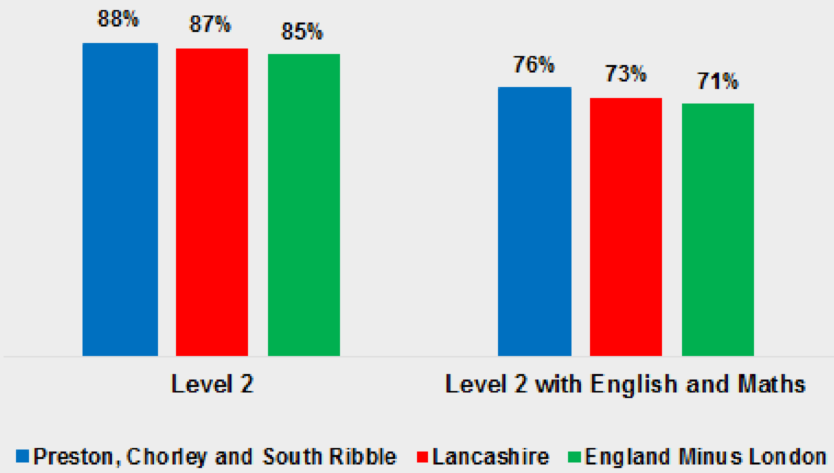
In line with trends forecast for Lancashire and nationally, demand for higher level skills is expected to increase, as reflected by an upwards shift in the skills profile of the workforce. By 2028, a higher number of people employed in the Preston, Chorley and South Ribble economy will hold qualifications at Level 3 and above, while the number in employment with qualifications at level 2 or below or no qualifications will fall. The number of people in employment with other qualifications, such as apprenticeships is also expected to increase. This trend typically applies across all occupations.

Sources: Oxford Economics

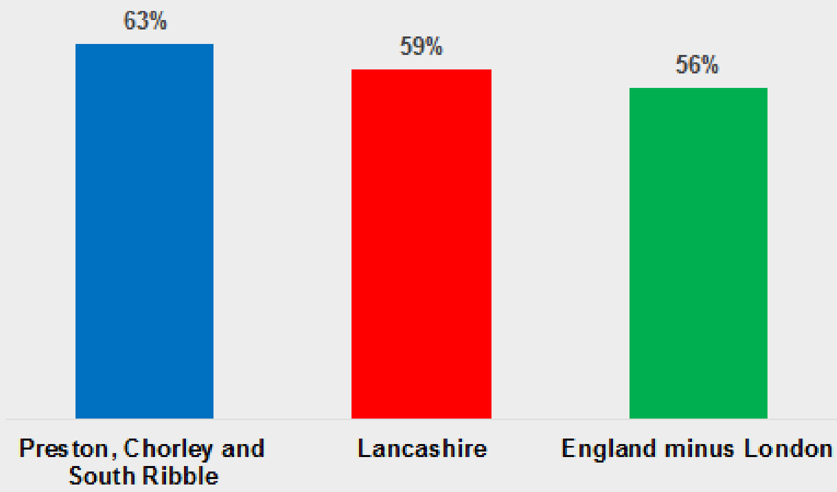
Age Group	Performance Measure	What is happening in Preston, Chorley and South Ribble?	National comparison
Key Stage 1 ***5-7 years***	% of pupils who meet the required standard of 'phonic decoding': using knowledge of phonics to accurately read words	Across the LEP area approximately **80%** of Year 1 pupils meet the standard, and **90%** of Year 2 pupils	Year 1 – 81% Year 2 – 92%
Key Stage 2 ***8-11 years***	% of pupils who meet the required standards in reading, writing and mathematics	**58%** of pupils meet the standard, ranging from 57% in Preston and South Ribble to 59% in Chorley, compared to 53% in Lancashire	North West – 53% England excluding London – 53%
Key Stage 4 ***14-16 years*** ***(Recent changes to the GCSE system mean there are three separate performance measures)***	***Average Attainment 8 score***: A measure of attainment – a pupil's average score across a set of eight subjects including English and Maths	**51,** ranging from 50 in Preston to 51 in South Ribble and 52 in Chorley, compared to 49 across Lancashire	England excluding London – 50
	Average Progress 8 score: A measure of relative progress - the comparison of pupils' Attainment 8 score with the average Attainment 8 score of all pupils nationally who had a similar KS2 results (0.0 = the national average)	**-0.03** Ranges from -0.06 in Chorley and -0.05 in Preston to 0.01 in South Ribble, compared to -0.11 across Lancashire	England excluding London: -0.06
	% achieving English Baccalaureate: grade 5 or above in English and maths GCSE, plus C or above in science, a language and history or geography	**23%** achieve the EBacc, ranging from 22% in Preston and South Ribble, to 25% in Chorley compared to 21% across Lancashire as a whole	North West – 23% England excluding London – 24%
Destinations at age 16	Percentage of pupils in overall sustained education and / or employment / training destination	**95%** compared to 94% across Lancashire as a whole	England excluding London - 94%

Sources: Department for Education, 2016

Level 2 attainment by age 19



Level 3 attainment by age 19



KS5 Destinations

90%
of students in Preston, Chorley and South Ribble enter sustained education or employment after Key Stage 5

69%
enter sustained education

20%
enter sustained employment

56%
Higher education institutions

12%
Further education institutions

Of which **9%**
are apprentices

Sources: Department for Education, 2016

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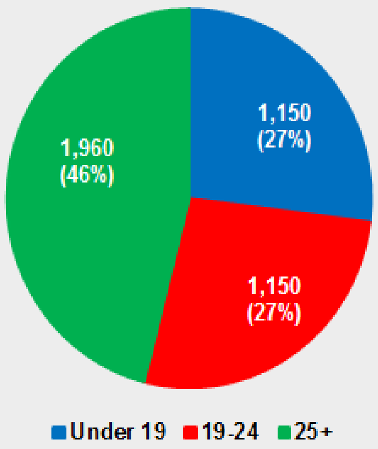
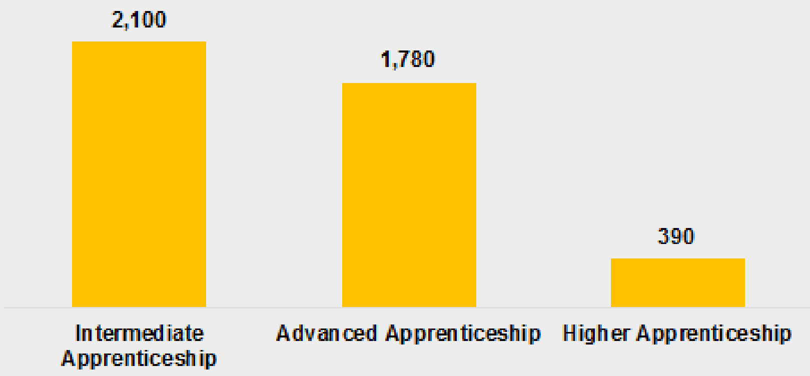
Apprenticeship starts 2016/17 in Preston, Chorley and South Ribble by age



Apprenticeships in Preston, Chorley and South Ribble by subject

Apprenticeships in Preston, Chorley and South Ribble by Level



The age profile of apprentices in Preston, Chorley and South Ribble is younger than typical. A larger proportion of apprenticeship starts in the area are by under 19s than in Lancashire (25%) and nationally (25%).

The proportion of advanced and higher starts is higher: 51% compared with 48% in Lancashire and 47% nationally.

The profile of subjects studied is largely similar to the Lancashire wide and national picture, with the main differences including:

- A higher proportion of apprentices (33%) start ***business administration and law*** than across Lancashire (30%) and nationally (28%).
- The proportion that start ***health, public services and care*** is in line with the national average (both 28%), but slightly lower than the average across Lancashire (30%).
- The proportion that start ***engineering and manufacturing technology*** and ***retail and commercial enterprise*** is lower than the Lancashire and national average (13% compared to 14% and 16% for engineering and manufacturing technology, and 12% compared to 13% and 15% for retail and commercial enterprise).

Sources: Department for Education, 2016

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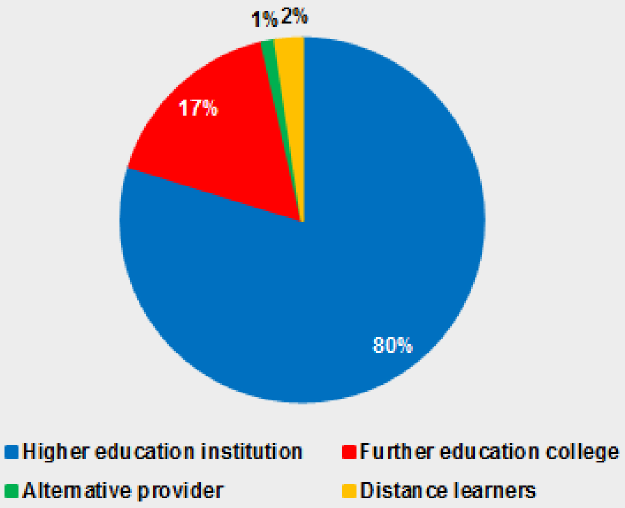
There are 53,700 students studying with 16 different higher education providers in Lancashire (including FE and alternative providers)

Location of provision for HE Students in Lancashire



Further education colleges are a very important part of higher education provision in Lancashire and teach a greater share of higher education students (17%) than nationally, where they only provide 8% of higher education provision.

Nationally more students are taught in higher education institutions (87%) and from distance (4%) than in Lancashire.

Domicile of HE students study in Lancashire by institution type

	North West	Rest of UK	EU	Rest of the World
Higher Education Institution	67%	22%	3%	8%
Further Education College	84%	13%	1%	3%
Alternative Provider	33%	59%	5%	2%

Where do Lancashire's higher education students come from?

1. **Lancashire (39%)**
2. **Greater Manchester (17%)**
3. **Liverpool City Region (14%)**
4. **Cheshire and Warrington (4%)**
5. **Cumbria (3%)**

More than two-thirds of students at Lancashire's higher education institutes are from the North West. This is a very high proportion when compared to the national position: across England less than half of students (46%) at HEIs are studying in their home region.

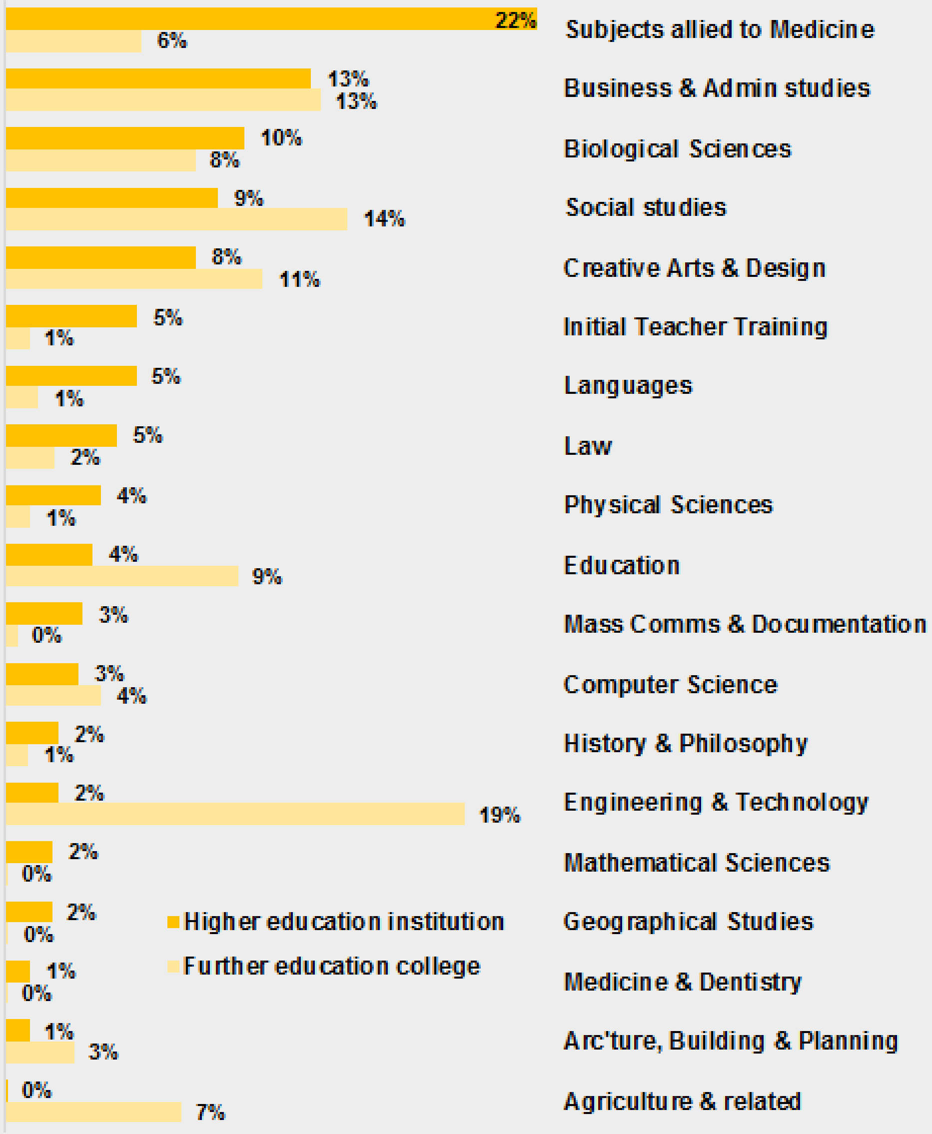
The proportion of International HEI students in Lancashire (11%) is below the national average (14%)

The proportion of HE students in FE colleges in Lancashire who are from the North West with is in line with national proportion who study in their home region: 83%.

Sources: HEFCE 2014/15

Higher Education – What HE courses are studied in Lancashire?

Higher Education students by subject in Lancashire



Higher Education Providers in Lancashire

>> Based in Preston, Chorley and South Ribble:

- University of Central Lancashire (HE)
- Cardinal Newman College (FE)
- Preston College (FE)
- Runshaw College (FE)

>> Based elsewhere in Lancashire:

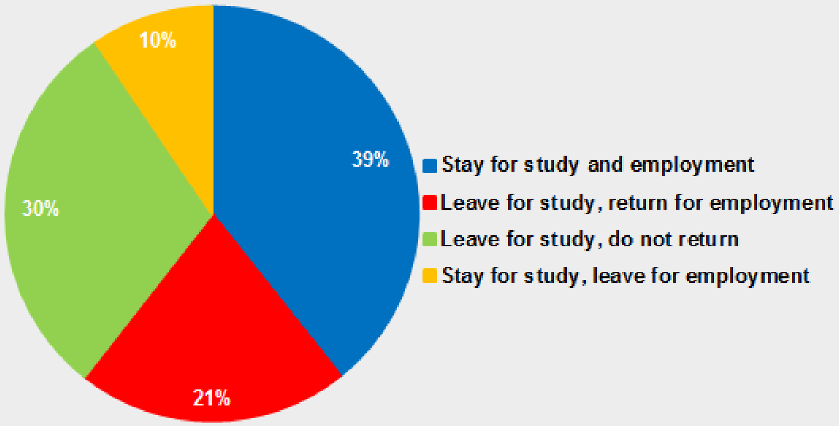
- The University of Lancaster (HE)
- Edge Hill University (HE)
- University of Cumbria (HE)
- Accrington and Rossendale College (FE)
- Blackburn College (FE)
- Blackpool and Fylde College (FE)
- Burnley College (FE)
- Lancaster and Morecambe College (FE)
- Myerscough College (FE)
- Nelson and Colne College (FE)
- St Mary's College (FE)

In Lancashire's HE institutions, more than one in five students are studying subjects allied to medicine, compared to 13% nationally. In contrast, only 2% of students at HE institutions in Lancashire study engineering and technology, compared to 7% nationally.

Engineering and technology accounts for a much higher proportion of higher education students studying in FE: 19% of higher education students. This compares to 17% nationally. In Lancashire, there are also more students choosing social studies (14% compared with 8% nationally), and fewer studying creative arts and design (11% compared with 17%).

Sources: HEFCE 2014/15

Lancashire Residents Participating in Higher Education



60% of Lancashire residents who participate in higher education go into employment in Lancashire. This proportion is similar to the national average for a LEP (59%).

The share of those who stay for study and employment is higher than the LEP average (29%) while the share of those who leave for study and return for employment is lower than the LEP average (30%).

Where do Lancashire's students go to work?

The top 5 LEP area destinations:

1. **Lancashire (37%)**
2. **Greater Manchester (19%)**
3. **Liverpool City Region (12%)**
4. **Cheshire and Warrington (4%)**
5. **London (4%)**

Outcomes achieved by students of Lancashire's Higher Education:

One year

After one year 79% of graduates from Lancashire's Higher Education Institutions are in sustained employment. 10% of graduates have no sustained destination, slightly lower than the average for all institutions in the North West where the figure is 11%.

Three years

After three years, the proportion in sustained employment rises to 81%, and only 7% have no sustained destination, again below the North West figure (8%).

Five years

After five years, the proportion in sustained employment remains at 81%. The number with no sustained destination drops again to 6%, still below the regional average (7%).

The Education and Skills System

Data is available for all levels of the education and skills system, from Key stage 1 through to Higher Education. The data to Key Stage 5 shows how well education, skills and training providers and residents in the TTWA are performing, as well as providing an indication of the choices that residents make after leaving school.

Data for Higher Education is available at the Lancashire level. It is based on data gathered for the higher education institutions (including further education colleges and alternative providers that deliver higher education) based in Lancashire and therefore generally covers students that study in the area, regardless of where they come from unless otherwise stated.

Key Stage 1 and 2

Across the LEP area between 80% and 81% of Year 1 pupils meet the required standard of phonic decoding compared to 80% in the North West and 81% across England as a whole.

Data that is available for the TTWA shows that by the end of Key Stage 2, 58% of pupils are meeting the required standards in reading, writing and mathematics in Preston, Chorley and South Ribble. This is the second highest of Lancashire's six TTWAs (after West Lancashire) and outperforms the Lancashire and national average (both 53%). Performance across the three local authorities is largely similar, ranging from 57% in in Preston and South Ribble to 59% in Chorley.

Key Stage 4 (GCSE)

In terms of measuring performance at Key Stage 4 (GCSE), the Department for Education implemented a new secondary school accountability system in 2016, using Attainment 8 and Progress 8 measures.

Attainment 8 measures the average achievement of pupils in up to 8 qualifications including English (double weighted if the combined English qualification, or both language and literature are taken), maths (double weighted), three further qualifications that count in the English Baccalaureate (EBacc) and three further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list.

Progress 8 aims to capture the progress a pupil makes from the end of Key Stage 2 to the end of Key Stage 4. It compares pupils' achievement – their Attainment 8 score – with the average Attainment 8 score of all pupils nationally who had a similar starting point (or 'prior attainment'), calculated using assessment results from the end of primary school. Progress 8 is a relative measure, therefore the national average Progress 8 score for mainstream schools is zero.

Across Preston, Chorley and South Ribble:

- The **average attainment 8 score** is 51 exceeding 49 in Lancashire and 50 nationally (excluding London). Along with West Lancashire and Lancaster and Morecambe, this is the highest average score across the Lancashire TTWAs. Performance across the three local authorities is largely similar, ranging from 50 in Preston to 51 in South Ribble and 52 in Chorley.
- On average, pupils make greater progress from the end of Key Stage 2 to the end of Key Stage 4 than across Lancashire as a whole and nationally (excluding London), although all areas are below the national average when London is included. **The average progress 8 score** in Preston, Chorley and South Ribble is -0.03 (compared to -0.11 for Lancashire and -0.06 for England minus London). Along with West Lancashire, this is the strongest progress score of the six Lancashire TTWAs. Progress is strongest in South Ribble (which has a positive score of 0.01 indicating progress ahead of the national average when London is included), compared to average progress scores of -0.06 in Chorley and -0.05 in Preston.
- Just under a quarter (23%) **achieve the English Baccalaureate** (a grade 5 or above in English and maths and a grade C or above in science, a language, and geography or history), outperforming the Lancashire average (21%), but below the average nationally (excluding London -24%). Each of the local authority areas is

above the Lancashire average, while Chorley also outperforms the national average (22% in South Ribble and Preston and 25% in Chorley).

Upon completion of Key Stage 4, 95% of leavers remain in sustained education and/or an employment / training destination. Along with West Lancashire and Lancaster and Morecambe, this is the highest proportion across all of the Lancashire TTWAs and is largely in line with the Lancashire and national average (94%). There are, however, variances by local area with the proportion in sustained education and/or an employment / training destination ranging from 93% in Preston (slightly below the Lancashire and national average) to 95% in South Ribble and 96% in Chorley.

Young People aged 16-19

Between aged 16 and 19, attainment at Level 2 / Key Stage 4 (equivalent to GCSE) and Level 3 / Key Stage 5 (equivalent to A Levels) is measured.

Across Preston, Chorley and South Ribble, by the age of 19:

- 88% have **achieved Level 2** and 76% have **achieved Level 2 with English and maths**, outperforming the Lancashire (87% and 73%) and national averages (85% and 71%). The strong performance is driven by South Ribble (88% and 78%) and Chorley (91% and 79%), although Preston is still largely in line with the national average (85% and 70%).
- 63% have **achieved Level 3**, again outperforming the Lancashire (59%) and national averages (56%). As with Level 2, the strong performance is driven by South Ribble and Chorley (both 65%), although Preston (59%) also exceeds the national average.

Upon completion of Key Stage 5, 90% of leavers enter sustained education or employment – the highest rate of the Lancashire TTWAs along with Lancaster and Morecambe, exceeding the Lancashire (88%) and national (89%) averages. This proportion is similar across all local areas within Preston, Chorley and South Ribble (ranging from 89% to 90%).

The split between education (69%) and employment (20%) is largely in line with the split across Lancashire and similar in local areas, but differs slightly from the national profile (65% and 24%) where a higher proportion enter sustained employment, although education remains the preferred choice.

The large majority of those entering sustained education (81%) go to Higher Education Institutions (within and outside Lancashire), while approximately one in five attend further education institutions. Nationally a higher proportion of students that enter sustained education attend further education colleges (23%) although higher education remains the preferred choice (73%). Just under one in ten students start an apprenticeship upon completion of Key Stage 5, in line with the Lancashire and national average.

Apprenticeships

More employers are choosing apprenticeships as a way to get the people and skills they need. In 2016/17, there were over 4,200 apprenticeship starts in Preston, Chorley and South Ribble.

This was the second highest number of starts across the Travel to Work Areas (following Blackburn, Hyndburn, Rossendale and South Ribble) and accounted for almost a quarter (24%) of the starts across Lancashire as a whole (in line with the area's share of the working age population).

The highest number of starts were in Preston (39%), followed by South Ribble (31%) and Chorley (30%).

Almost half of the starts (46%) were by learners aged 25+, while the remainder were split between learners aged under 19 (27%) and aged 19-24 (27%).

Across the TTWA, the apprentice age profile is younger than typical with a larger proportion of starts accounted for by under 19s when compared with the Lancashire and national average (both 25%). This is, however, driven by Chorley and particularly South Ribble (where 27% and 33% of starts are accounted for by under 19s compared to just 22% in Preston). In contrast, a higher proportion of starts in Preston (49%) are accounted for

Sources: Department for Education, 2016

by those aged 25 and over (this compares to 44% in South Ribble and 45% in Chorley) and is higher than the Lancashire (47%) and national (46%) average.

There are three main levels of apprenticeships:

- **Intermediate apprenticeship:** This is classed as Level 2 and equivalent to 5 good GCSEs
- **Advanced apprenticeship:** This is classed as Level 3 and equivalent to 2 A levels
- **Higher apprenticeship:** This can cover level 4, 5, 6 and 7 and is equivalent to foundation degrees and above.

Half of the apprenticeship starts in Preston, Chorley and South Ribble in 2016/17 were on intermediate apprenticeships, while a further 41% were advanced apprenticeships. The remaining 9% were higher apprenticeships.

The proportion of advanced and higher level starts in the Travel to Work Area (51%) is higher than the Lancashire (48%) and national (47%) average. This applies across all local areas (where advanced and higher level apprenticeships account for between 50% and 52% of starts).

A wide range of subjects are covered by apprenticeships, including subjects which align with Lancashire's priority sectors.

The most popular subject in Preston, Chorley and South Ribble is business administration and law (which accounted for 33% of starts in 2016/17), followed by health, public services and care (accounting for 28% of starts). There were also at least 500 starts in engineering and manufacturing technology and retail and commercial enterprise (accounting for 13% and 12% of starts respectively).

Other subjects studied include construction, planning and the built environment (5%); leisure travel and tourism (3%); information and communication technology (2%); education and training (2%); and agriculture/horticulture and animal care (1%).

The profile of subjects studied is largely similar to the Lancashire wide and national picture, with the main differences including:

- A higher proportion of apprentices (33%) start ***business administration and law*** than across Lancashire (30%) and nationally (28%). This is the same across all local areas, and particularly South Ribble (where the subject accounts for 35% of starts).
- The proportion that start ***health, public services and care*** is in line with the national average (both 28%), but slightly lower than the average across Lancashire (30%). This varies by local area and is a more popular choice in Preston (accounting for 32% of starts) than in South Ribble (accounting for 24%).
- The proportion that start ***engineering and manufacturing technology*** and ***retail and commercial enterprise*** is lower than the Lancashire and national average (13% compared to 14% and 16% for engineering and manufacturing technology, and 12% compared to 13% and 15% for retail and commercial enterprise). The profile across the local areas is similar, although South Ribble is more in line with the Lancashire and national average for engineering and manufacturing technology starts).

Higher Education in Lancashire

Overall, there are 53,700 studying at 16 different higher education providers in Lancashire. The large majority (80%) are based at the four higher education institutions– the University of Lancaster, the University of Central Lancashire (which has its main campus based in Preston), University of Cumbria and Edge Hill University. A further 17% are based in further education colleges, including Cardinal Newman, Preston and Runshaw Colleges in the TTWA. The remainder are either based at an alternative provider (1%) or are distance learners (2%).

Compared to the national profile, a much higher share of students in Lancashire study at further education colleges (17% compared to 7%). In contrast, a smaller share of learners attend higher education institutions (80% compared to 87%) or are distance learners (2% compared to 4%).

Sources: Department for Education, 2016; HEFCE 2014/15

The higher education institutions and further education colleges have a strong regional draw. Approximately two thirds of students at Lancashire's higher education institutions are from the North West, which is much higher than the proportion of students (46%) that typically study at higher education institutions in their home region across England. At Lancashire based further education providers, the proportion of higher education students from the North West is even higher (84%) in line with the national average (83%).

Overall, almost two fifths of students are from Lancashire and choose to stay in Lancashire to undertake higher education. Other LEP areas from which students are attracted include Greater Manchester, Liverpool City Region, Cheshire and Warrington and Cumbria. International students account for between 3% (at further education providers) and 8% (at higher education institutions) of higher education students in Lancashire. The latter is below the national average (10%).

A wide range of subjects are available, covering all sectors and priority sectors. The popularity of subjects varies by provider type. Across higher education institutions, the most popular subject choice is subjects allied to medicine (accounting for 22% of students), followed by business and admin studies (13%), biological sciences (10%), social studies (9%) and creative arts and design (8%). When compared with the national profile, the key differences include:

- A much higher proportion of students studying subjects allied to medicine in Lancashire (22% compared to 13% nationally).
- A lower proportion of students studying engineering and technology (2% compared to 4%)

At further education colleges the most popular subjects are engineering and technology (accounting for 19% of students), followed by social studies (14%), business and admin studies (13%), creative arts and design (11%) and education (9%). When compared with the national profile, the key differences include:

- A higher proportion of students studying engineering and technology (19% compared to 17% nationally) and social studies (14% compared to 8%)
- A lower proportion of students studying creative arts and design (11% compared to 17%)

The large majority of students (77%) at Lancashire's single alternative Higher Education provider study business and admin studies, while the remainder study mass communication (13%) and law (2%).

Higher Education Destinations

Data on higher education destinations is available for: (a) higher education students studying in Lancashire regardless of where they are originally from; and (b) Lancashire residents participating in higher education regardless of where they are studying.

Lancashire based higher education students: Over a third (37%) of students studying in Lancashire stay in Lancashire upon completion of their higher education students. Other popular destinations include Greater Manchester, Liverpool City Region and Cheshire and Warrington, which is to be expected given the high proportion of students that originate from across the North West. The other most popular destination is London, although this only applies to 4% of students.

One year after completing higher education, 79% of Lancashire's students are in sustained employment, and this increases to 81% five years after. This is slightly higher than the North West average of 77% and 79% respectively.

Lancashire residents participating in higher education: In terms of Lancashire residents that participate in higher education, 60% subsequently enter employment in Lancashire. This is similar to the national average for LEP areas (59%). However, this is made up of a much higher proportion of students that stay for study and employment (39% in Lancashire compared to the LEP average of 29%) than those who leave for study and return for employment (21% in Lancashire compared to LEP average of 30%).

Sources: HEFCE 2014/15; ONS Longitudinal Education Outcomes data 2005/06 to 2015/16

Key messages for partners across Preston, Chorley and South Ribble

The data and analysis set out in this Travel to Work Area Report and in the wider Labour Market Intelligence Toolkit provides an overview of employment and skills in Preston, Chorley and South Ribble, and across Lancashire more widely.

This provides local partners with intelligence that can be used to identify and set skills and employment priorities and to design, influence, develop and implement intervention that supports skills development and tackles skills and employment issues, maximising the resources available.

This intervention could take a variety of forms, ranging from providing advice and guidance to learners and employers through to delivering projects targeted at specific groups such as unemployed adults, and designing and shaping the curriculum in schools, further education and higher education providers.

This section of the report summarises the key messages to help guide partners in Preston, Chorley and South Ribble.

The Largest Population and Employment Centre in Lancashire

As the largest of the Lancashire Travel to Work Areas in both population and employment terms, the Preston, Chorley and South Ribble economy has an important role to play. Located in the centre of Lancashire, Preston is the administrative centre for the LEP area and acts as a service centre for residents from across and outside the Travel to Work area.

Overall the area has experienced both population and employment growth in recent years, although this has been below the national average and has varied at the local level.

A Diverse Economy with Varied Employment Opportunities

The Preston, Chorley and South Ribble economy is diverse, offering a range of employment opportunities to residents from within and outside the Travel to Work area. The employment opportunities available cover all sectors, including Lancashire's priority sectors, and all occupations. The largest sectors are wholesale and retail and health, followed by construction and administration and support services. Each of these sectors, and particularly construction, are well represented in the TTWA.

While the area has a lower concentration of manufacturing employment than other parts of Lancashire, there are a number of major manufacturing plants within and just outside the area which offer a significant number of highly skilled and high value employment opportunities for local residents.

The composition of the business base, further adds to the diversity of the employment opportunities. In addition to key large employers, there is also a significant SME base in each sector offering jobs at all skills levels.

Employment is distributed across the area, with concentrations in the key centres, along transport routes and at major employment locations such as Leyland and Lancashire Business Parks.

Overall, the diversity and distribution of the employment base helps to support a reasonably high concentration of residents to both live and work in Preston, Chorley and South Ribble. It also benefits residents from other parts of Lancashire who travel into the area to access employment (often highly skilled and well paid jobs).

Future Employment Opportunities

Employment is forecast to grow between 2018 and 2028, with the creation of over 10,500 new jobs. The level of growth in Preston, Chorley and South Ribble is expected to exceed the Lancashire wide average. Forecasts indicate that there will be recruitment across all sectors and occupations, including in each of Lancashire's priority sectors, and sectors that have recently experienced employment decline such as manufacturing. This will include recruitment for new jobs created through sector growth and jobs that become available as people leave or change jobs. Overall, there are expected to be opportunities for over 187,900 people between 2018 and 2028, equivalent to just under 17,100 per annum.

In Preston, Chorley and South Ribble, the sectors offering the most employment opportunities each year are expected to be administrative and support services, wholesale and retail, human health and social work, construction and accommodation and food services. In terms of occupations, recruitment is expected to be highest for professional and elementary occupations reflecting a more towards an 'hourglass' shaped labour market with opportunities at the top and bottom end but fewer mid-level roles.

A key trend, which will be of particular importance to local partners, is the forecast change in skills requirements. In line with trends forecast for Lancashire and nationally, demand and the need for residents to have higher level skills is expected to increase.

Specifically, the number of people in employment in Preston, Chorley and South Ribble which hold qualifications at Level 3 or above will increase, while the number in employment with qualifications at Level 2 or below or no qualifications will fall. The number of people in employment with other qualifications, such as apprenticeships is also expected to increase. This trend typically applies across all occupations.

Both the forecast growth in the economy and the changing skills requirements highlight the need to ensure that the local labour supply is of an appropriate scale and suitably qualified to meet the future needs of employers and support local economic growth. This will require partners to address a series of challenges as set out in the following sections.

Maximising Labour Supply in Preston, Chorley and South Ribble

While the population is expected to grow over the next ten years across Preston, Chorley and South Ribble, the population is ageing – as is the case nationally - and this will present challenges for the economy, and especially local employers, in terms of labour supply and recruitment.

In particular, the working age population in Preston, Chorley and South Ribble is expected to fall, reversing the growth seen over the past 10 years. To add to the challenge, this is a Lancashire wide trend (with decline at the Lancashire level expected to be more severe than in Preston, Chorley and South Ribble) further limiting the labour supply that will be available from neighbouring areas.

This challenge reinforces the need to maximise the participation of local residents in the economy. While the TTWA generally benefits from having a well-qualified working age population and high levels of working age residents in employment, there continues to be a significant cohort of unemployed and inactive adults, many of whom would like to work, as well as adults with low or no qualifications. Identifying opportunities to engage these group will help to boost prosperity and tackle wider labour market challenges across the area.

There are also variances by gender, age and ethnicity and across the local areas, including lower levels of employment and higher levels of unemployment and inactivity in Preston, which are masked by the TTWA average and which will require targeted intervention.

In addition to increasing participation, there is a need to consider how residents that are already in work are employed and if support can be provided to aid development and progression, and to ensure that these residents are able to continue to find work as employer and skills requirements continue to change.

One particular example that highlights this issue, is the lower skills profile of residents from Preston and the high proportion that work in lower skilled and lower paid occupations including elementary occupations. This is reflected in the average annual earnings of residents which are below the average for residents Lancashire wide, despite the fact that many Preston based employers offer jobs with higher wages which have been taken up by people commuting in from elsewhere.

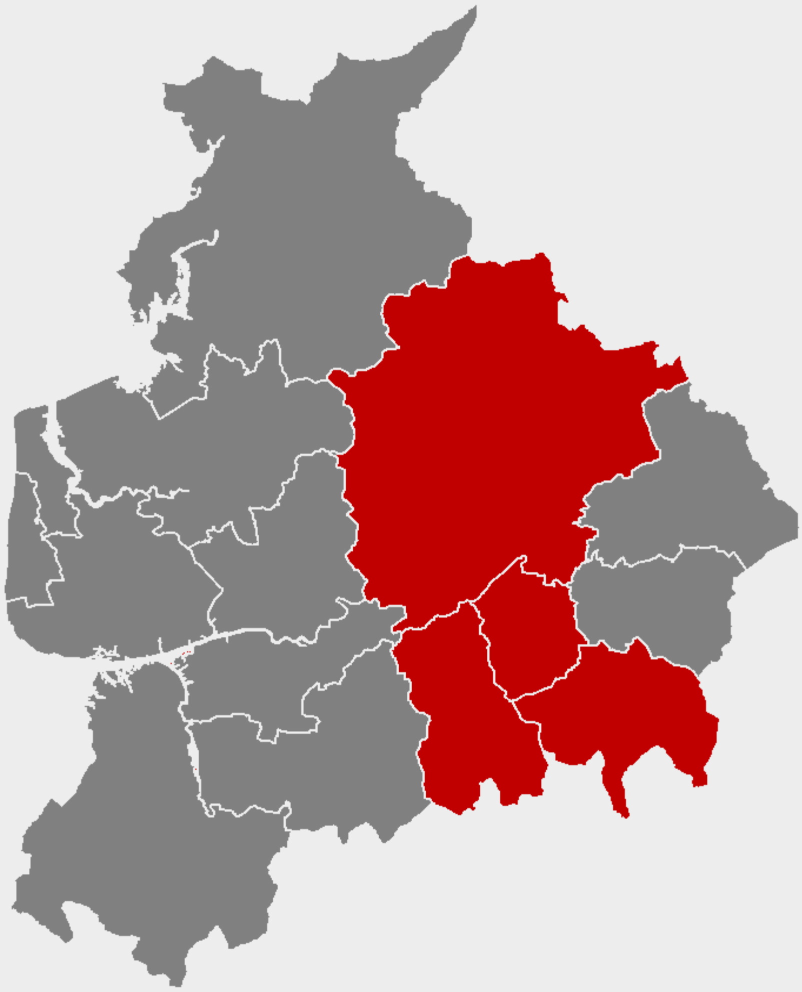
Meeting Employers Skills Needs – Now and in the Future

In recent years, there has been an increasing focus on responding to and meeting employer needs as a means of supporting local economic growth. In addition to the forecast changes in skills levels, employers continue to report skills gaps in the current workforce and skills shortages when trying to recruit new workers. Some of the most commonly reported reasons for skills gaps amongst employers relate to employees and potential recruits undertaking and completing relevant training.

The data available suggests that training provision linked to all sectors and occupations is available across Lancashire, and generally the most popular subject choices for apprenticeships and higher education align with key sectors and employment opportunities locally. Ensuring that the content, availability and level of this provision, aligns with employer needs is an important priority for local partners, especially as a number of changes in the way people learn and their learning choices, including changes through Technical Education reform, are implemented. Alongside this, and of equal importance, there is a need to ensure that the current and future labour supply are aware of employer requirements and gain the skills, qualifications and employability skills they need.

Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley

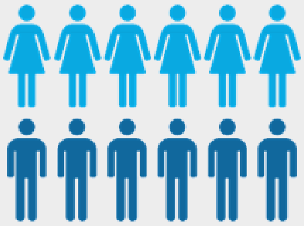
Labour Market Intelligence Factsheets



Part of the 2018 Lancashire Labour Market Intelligence Toolkit

These factsheets provide information about the labour market in ***Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley.*** The factsheets are part of the **2018 Lancashire Labour Market Intelligence (LMI) Toolkit.** More information can be found here

Introduction to the Labour Market and the Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley Travel to Work Area



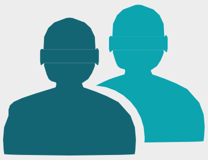
The ***Labour Market*** includes the supply of labour by households and the demand for labour from firms

The ***Supply of Labour*** is made up of the people who live and/or work in the area, the skills they have and the number of hours they want to work

The ***Demand for Labour*** comes from employers (businesses and public sector organisations) – what they need in terms of skills and the number of hours they need people to work

When there is a ***mismatch*** between supply and demand:

Some people might be ***unemployed***, or unable to find the type of job they want to do



Some ***businesses might not be able to find the workers they need***, or might have to make do with workers who don't have quite the right skills for the job

A ***Travel to Work Area*** is where most of the people who live in the area also work there. Not everyone who lives in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley works there – some people commute to jobs in the surrounding area.

356,300	People live in the area
219,700	Are of ‘working age’ (aged 16-64 years)
153,600	Are in work
Two-thirds	Work within Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley
One-third	Work outside the area (mainly in Burnley and Preston)
63,300	People of working age aren’t in work
There are lots of reasons why working age people aren’t in work:	
16,100	Have a long-term illness which means they can’t work
15,300	Are students
13,900	Have retired early or have ‘other’ reasons for not working
11,700	Are looking after the family or home
5,500	Are unemployed

Jobs held by people who live in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley – A third of these people work outside the area

People who live in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley work in the following occupations:

23,900	**Professional occupations**, including teachers, lawyers, doctors, nurses and other medical occupations, engineers, scientists, social workers, architects and surveyors
22,700	**Skilled trades occupations**, including welders, mechanics, machinists, electricians, plumbers, plasterers, chefs, cooks
19,000	**Associate professional and technical occupations**, including engineering, building and lab technicians, IT technicians, paramedics, police, prison and fire service officers, graphic designers, accounting technicians, health and safety officers
17,800	**Administrative and secretarial occupations**, including admin officers, finance officers, office managers, secretaries, Personal Assistants (PAs) and receptionists
17,200	**Caring, leisure and other service occupations**, including teaching assistants, nursery workers, care workers, hairdressers, beauticians, caretakers and housekeepers
17,100	**Managers, directors and senior officials**, including all types of managers (finance, HR, sales, production etc) in all types of organisations
16,500	**Sales and customer service occupations**, including sales assistants and shop workers, telesales and call centre workers and customer service managers
15,500	**Elementary occupations**, including construction labourers, postal workers, cleaners, security staff, catering assistants and waiting / bar staff
10,600	**Process, plant and machine operatives**, including factory workers, sewing machinists, tyre fitters, scaffolders, road and rail construction workers, lorry, bus and taxi drivers, train drivers and forklift truck drivers

Across the labour market as a whole, **the number of jobs requiring higher level skills and qualifications has been increasing**

Source: Annual Population Survey, June 2017

How much do people in different jobs earn?

Different jobs require different levels of **skills, qualifications and experience,** and pay different levels of wages. Where you live also affects how much you earn – people who live in more expensive areas (like London) need higher wages because the costs of living (like rent and travel costs) are higher

Average (median) full-time earnings range from £23,000 a year for people who live in Rossendale, to £28,000 for people living in Ribble Valley

The table below shows average salaries for some jobs. This is based on national data – wages in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley are likely to be lower, because the cost of living here is lower

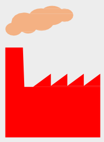
		Starting Salary	When Experienced
Professionals	Solicitor:	£25,000	£40,000+
	Architect:	£27,500	£35,000+
	Doctor:	£26,000	£37,500+
Skilled Trades	Motor Mechanic:	£18,000	£21-27,000
	Electrician:	£18,000	£25-35,000
	Chef:	£16,000	£20-30,000
Associate professionals and technicians	IT Support Technician:	£16,000	£22-24,000
	Graphic Designer:	£16,000	£20-30,000
	Paramedic	£22,000	£28,500
Administrative and secretarial occupations	Admin Assistant:	£14,000	£19-23,000
	Office Manager:	£18,000	£25-30,000
Caring, leisure and other service occupations	Hairdresser:	£14,000	£14-24,000
	Nursery Worker:	£14,000	£17-22,000
Managers, directors and senior officials	HR Manager:	£35,000	Up to £75,000
	Sales Manager:	£22,000	£30-60,000
Sales and customer service occupations	Sales Assistant:	£11,000	£16-20,000
	Call Centre Operator:	£13,500	£16-19,000
Elementary occupations	Postal Worker:	£13,500	£19,000
	Security Worker:	£13,000	£22,000
	Catering Assistant:	£11,500	Up to £16,500
Process, plant and machine operatives	Sewing Machinist:	£14,000	£15-17,500
	Scaffolder:	£14,000	£17,000

Sources: National Careers Service website, 2018

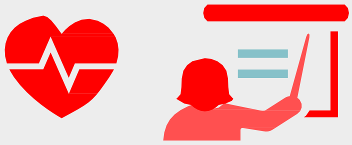
Businesses based in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley

Jobs are available with a ***range of employers:***

Private businesses



The public sector



Charities and voluntary organisations

There are ***12,800 businesses*** in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley

88% are micro businesses, employing fewer than 10

10% are small businesses, employing between 10 and 49 people

2% are medium-sized businesses, employing between 50 and 249 people

Fewer than 1% of employers in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley are large and employ more than 250 people – around 40 employers.

Location of Employment and Key Employers in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley

This map shows where employment is concentrated across Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley. Darker areas have higher numbers of jobs. Employment is in the 12,800 micro, small, medium and large employers based in the area.

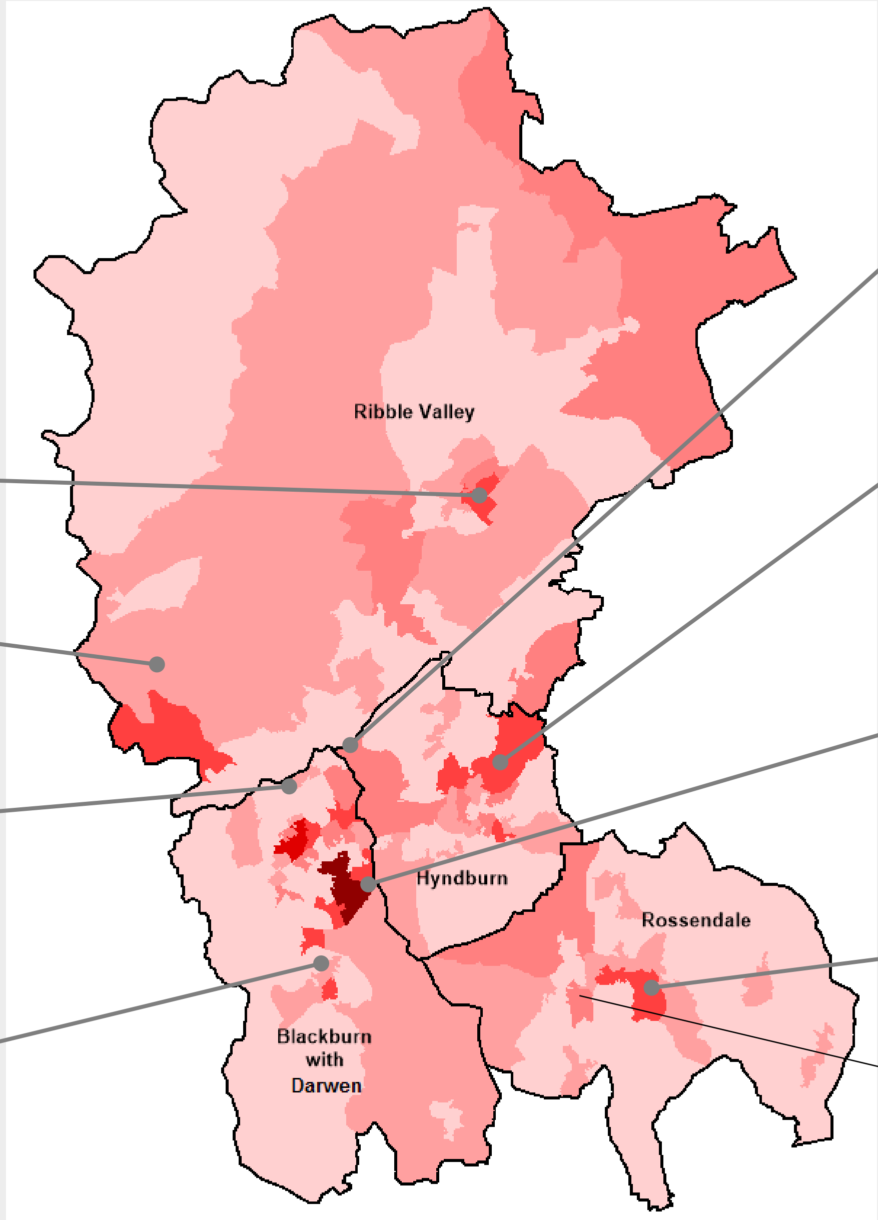
The boxes highlight some of the area's key employment locations and employers.

Clitheroe
3m Healthcare Ltd (Manufacturing)
Stoneyhurst College (Education)
Ultra Frame (Manufacturing)

Samlesbury
BAE Systems (Manufacturing)
Wade Group (Construction)

Blackburn Town Centre
Blackburn College (Education)
BT (Information and Communication)
Capita (Real Estate)
B with Us (Real Estate)
Forbes Solicitors (Professional,

Darwen
WEC Engineering & Fabrication Group (Manufacturing)
Crown Paints (Manufacturing)
Herbert Parkinson (Manufacturing)
Kaman Composites (Manufacturing)
Lucite International (Manufacturing)



North East Blackburn
Graham and Brown (Manufacturing)
Precision Polymer Engineering (Manufacturing)
Promethean
PM+M Accounting (Professional, scientific and technical activities)
Pets Choice (Manufacturing)

Accrington, Moorfield Industrial Estate and Altham, Junction 7 and Huncoat Parks
The Senator Group (Manufacturing)
24Studio (Wholesale and retail)
Exertis (Transport and Storage)
Express Gifts (Information and communication)

South East Blackburn (Inc. Shadsworth Industrial Estate and Walker Industrial Park)
Accrol Papers (Manufacturing)
Royal Blackburn Hospital (Health)
Vital Energi (Manufacturing)
BBF (Food manufacturing)
EuroGarages (Wholesale and retail)

Bacup
SPM Plastics (Manufacturing)
E Sutton Group (Manufacturing)
J & J Ormerod PLC (Manufacturing)

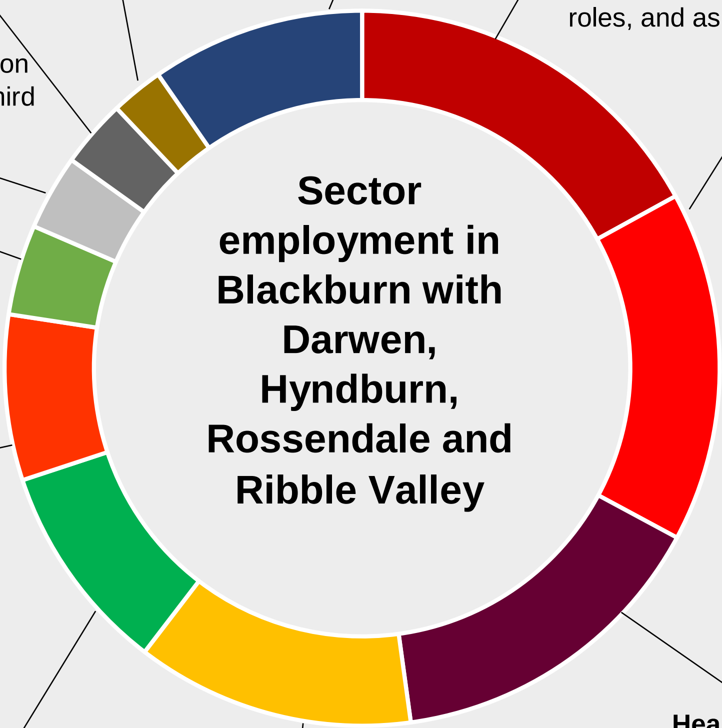
Haslingden
Holland Pies (Manufacturing)
Driver Group (Construction)
Solomon Commercials Limited (Manufacturing)

Sources: Business Register and Employment Survey 2016, Market Locations 2018, Lancashire LEP Evidence Base 2015

Employers are classed as being in different '***sectors'***, according to what they make or do

Some jobs are found in all sectors (e.g. Managers, Finance Officers, IT workers and people with digital skills); others are concentrated in particular sectors (e.g. Bricklayers work in the construction sector, Doctors work in the health sector)

The largest sectors in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley, and the jobs available within them, are shown below:



4,500 work in the **construction** sector, over half in skilled trades jobs such as bricklayers, plumbers, carpenters etc

3,500 work in the **creative and digital industries,** including IT and computing, newspapers, music and arts, design etc

All **other sectors** account for 14,200 jobs.

25,000 people work in the **wholesale and retail sector** (shops and their suppliers). As well as sales and customer service jobs, people work as managers, in finance roles, and as cleaners and security staff.

5,000 work in the **energy and environmental technology** sector, including gas and electricity production and waste and water supply. One-third work in professional, technical or managerial jobs

Advanced manufacturing is the next largest sector, employing 23,300 people in a range of jobs. 30% of workers are in professional or technical roles. One quarter are in skilled trades (e.g. welding, machining etc) and 20% are in less skilled processing and packing roles. A further 4,700 people work in other parts of the manufacturing sector .including clothes and furniture production

Transport and storage employs 6,000 people and includes road and rail transport, warehouses and the postal service. Jobs include drivers and postal workers, as well as administrative and finance roles.

The **visitor economy** sector includes hotels, restaurants, bars and take-aways and tourist attractions. 11,000 people work in the sector. Jobs include chefs, kitchen and catering assistants, waiters and waitresses, bar staff and cleaners. Some people work as managers.

Health and social work is the next largest sector, with 22,000 workers. There are lots of professional and associate professional roles in this sector, including doctors, nurses and other medical professionals, as well as social workers, care workers and administrators

The **financial and professional services** sector employs 18,500 people, in a range of business-related activities including advertising, law, accountancy, architecture and engineering services, cleaning, building management, security, employment agencies etc

14,000 people work in the **education** sector in schools, colleges and the University Centre at Blackburn College. Jobs include teachers, teaching assistants, support workers (lunchtime supervisors, learning support) and managers.

Sources: Business Register and Employment Survey, 2016

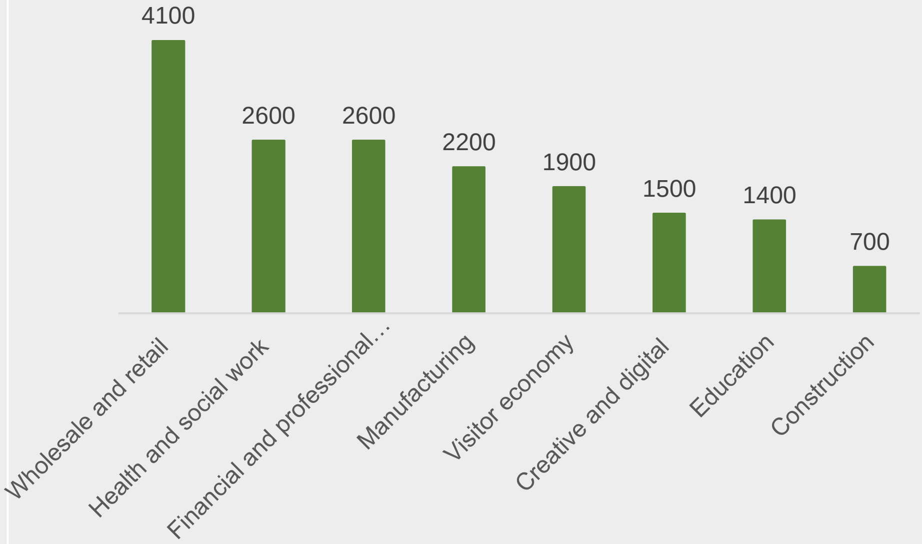
The ***economy and labour market are always changing***, with jobs being lost and new ones created.

Some job opportunities arise because businesses or sectors are ***growing***.

Others come about because of '***churn' within the labour market*** – when current workers change jobs or retire. This is called ***'replacement demand'***.

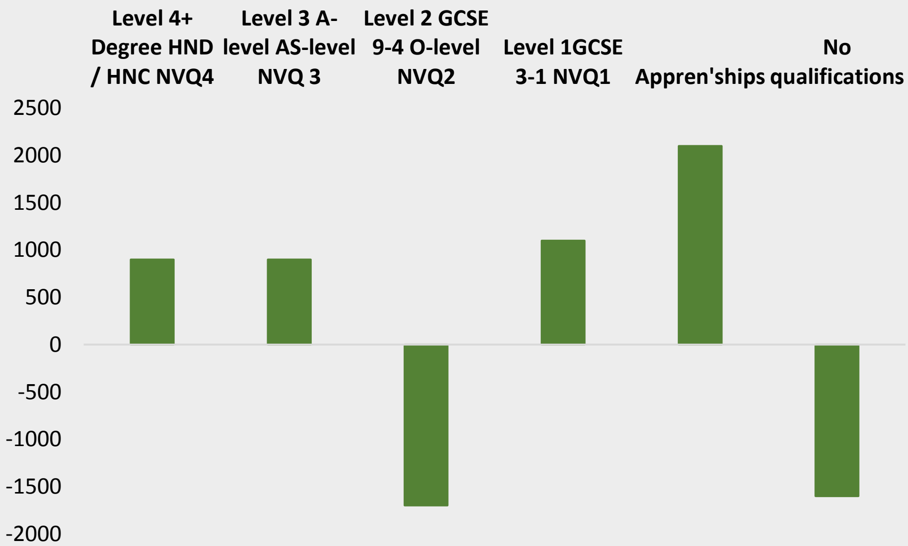
Every year, there are thousands of job opportunities in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley.

These charts show how many job opportunities are expected to be created each year. The wholesale and retail sector has a lot of 'churn' (people moving jobs), so will have the highest number of opportunities.



Demand is increasing for workers with higher level qualifications (level 3 and 4) and apprenticeships.

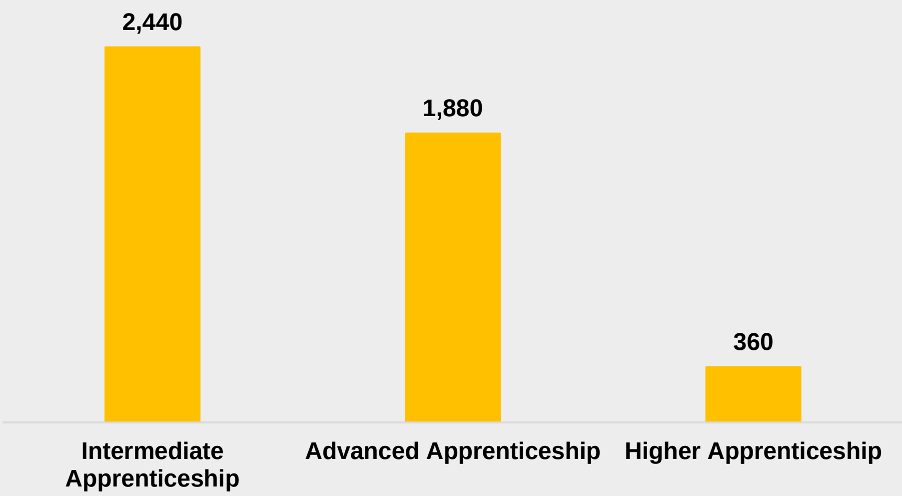
Demand for workers with no qualifications is expected to continue to fall.



Apprenticeships

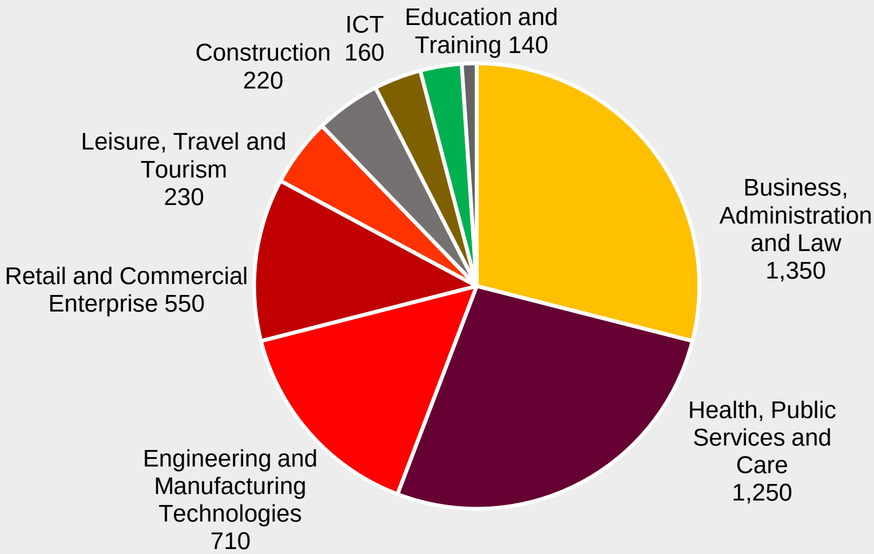
More employers are choosing apprenticeships as a way to get the people and skills they need. An apprenticeship gives people hands-on experience, a salary and the opportunity to train while they work, in a range of different industries.

4,680 people started an apprenticeship in Blackburn with Darwen, Hyndburn, Rossendale and Ribble Valley in 2016/17. Just under half of these were advanced or higher level apprenticeships.



Apprenticeship starts are broadly in line with the main employment sectors:

- Business, administration and law can prepare you for a career in the financial and professional services
- Health, public services and care for the health and social work sector
- Engineering and manufacturing technologies for the advanced manufacturing sector.



Source: Department for Education, 2018/17

Looking for More Information?

For more detailed information on the labour market in Lancashire:

Lancashire Skills and Employment Hub

https://www.lancashireskillshub.co.uk/

For more detailed information on jobs and careers:

National Careers Service

https://nationalcareersservice.direct.gov.uk/

For information on education, training and routes into work:

Colleges:

http://www.tlc.ac.uk/

Universities:

https://www.ucas.com/

Apprenticeships and Traineeships:

http://www.getingofar.gov.uk/

Training Providers:

http://www.lancsforum.co.uk/

Lancashire
Enterprise Partnership

Agenda Item 6

LEP – Sub Committee

LEP - Lancashire Skills and Employment Board

Private and Confidential: NO

Wednesday, 11 April 2018

Lancashire Skills & Employment Hub update

Report Author: Dr Michele Lawty-Jones, Director of the Lancashire Skills & Employment Hub, michele.lawty-jones@lancashire.gov.uk & Lisa Moizer, Co-ordinator of the Lancashire Skills & Employment Hub lisa.moizer@lancashire.gov.uk

Executive Summary

This paper provides an overview of Lancashire Skills & Employment Hub activity since the last formal committee meeting.

Recommendation

The Lancashire Skills and Employment Board are asked to note the update.

1. Careers Education, Information, Advice and Guidance (CEIAG)

1.1 The Lancashire Enterprise Adviser Network has grown from 97 schools and colleges in mid-November 2017, to 120 at the end of February 2018. Of the 120, 113 have been matched with at least one volunteer business leader (Enterprise Adviser). A total of 134 Enterprise Advisers have signed up to the network.

1.2 In January, an event was held at Longridge High School with Edwin Booth and the Careers and Enterprise Company (CEC) to celebrate the 100th school to sign up. A press release was issued regarding the event, with example case studies for local areas of Lancashire. These were published in a range of local newspapers and business magazines, as well as on the CEC website. See here for details of the main press release:

https://www.lancashireskillshub.co.uk/news/lancashires-enterprise-adviser-network-reaches-key-milestone-longridge-high-school-partners-motion-lab-marketing-ltd/

1.3 The Enterprise Coordinators are in the process of moving schools and colleges to the new digital tools that have been developed by the CEC, which enable schools to assess progress against the Gatsby Benchmarks. The tools are called the Career Compass and Tracker (a development plan was previously in place). As of the end of February, 91 schools had undertaken the Career Compass assessment and 59 had adopted Tracker. This number will increase over the coming months. To-note there are a few administrative niggles that are currently being reviewed and addressed by CEC; this will further support the roll out of the tools to all schools and colleges in the Lancashire network. A version of Career Compass for the FE sector is also due to be launched in September 2018.

1.4 The Government's Careers Strategy was published in December 2017, and a summary previously circulated to the board. The Careers Strategy resulted in a strengthening of the statutory guidance, and a focus on building the role of the CEC, recognising success to-date in establishing a nation-wide network of Enterprise Advisers working with the LEPs.

1.5 The CEC published a draft Implementation Plan for consultation in early March - articulating how they intend to take forward aspects of the Careers Strategy, including the piloting of 'Career Hubs', the Career Leaders programme and the release of activity funds for employer encounters and funds to test guidance models. The Hub submitted a response to the consultation before the deadline on the 23rd March. Plans to bid for a pilot Career Hub in Lancashire are in development and will be discussed further at the meeting.

1.6 In relation to the Blackpool Opportunity Area (OA), a Priority 3 Delivery Group has now been established and has met three times. The group is chaired by the Skills Hub director and supported by the Blackpool OA programme team. Priority 3, as per previous updates, aims to improve advice and support for young people when moving between schools/colleges and into work. Key is coordination and maximising impact by bringing activities together to provide a coherent, planned approach across primary, secondary and post-16 education.

1.7 All 13 of the secondary schools (including the special schools and the pupil referral unit) and colleges in Blackpool are engaged in the Lancashire Enterprise Adviser Network, and are matched with local business leaders. This includes Westinghouse UK, the Royal Bank of Scotland, Hays Recruitment, Department of Work and Pensions (DWP), Blackpool Transport, The Winter Gardens, Hilton Hotels, Blackpool Football Club Community Trust and several micro-businesses/sole traders. From September to February pupils across Blackpool, from Years 7 to 13, received 9,137 employer encounters – this includes a wide variety of different activities, from mentoring, to workplace visits, to employer talks, to careers fairs.

1.8 During National Careers Week we held a spotlight on a number of our Enterprise Advisers from across the County to raise awareness of the network with the business community. All of the Enterprise Advisers spotlights are available to be viewed on the Lancashire Enterprise Adviser Network website: https://lancashireean.co.uk/latest-news/ - please do take the time to click through and view!

1.9 A celebration / development event for all schools and colleges across Lancashire and Enterprise Advisers is being planned for Friday 27th April. Claudia Harris, CEO of the CEC will be our key note, along with Ryan Gibson who spearheaded the North East pilot of the Gatsby benchmarks.

2. European Structural Investment Funds (ESIF)

2.1 The DWP appraisals of the stage 2 project submissions against Investment Priority 2.2 were reviewed at the ESIF Committee in January. The committee supported the strategic fit of both projects ('Upskilling Lancashire' and 'EnginE'). DWP are currently working with the project applicants, UCLan and Lancaster University respectively, to clarify final points raised by the appraisers. It is hoped that the projects will proceed to contract in the near future.

2.2 The DWP appraisal of the stage 1 project submission against Investment Priority 2.1 for the call relating to widening participation / underemployment was also reviewed at the ESIF Committee, and has now progressed to stage 2. The lead applicant is UCLan and the project is called 'Learning Engagement Lancashire'. UCLan and the consortium are currently developing the stage 2 application.

2.3 We are awaiting feedback from DWP on the appraisal of the stage 2 Leadership and Management project, 'Leading Lancashire' which was also submitted against Investment Priority 2.1 earlier in the year.

2.4 The proposed ESFA extensions, and recommendations from the Skills and Employment Board, were discussed at the ESIF Committee. The ESIF Committee were supportive of the recommendations; however, we are still awaiting formal confirmation from DWP and the ESFA. It is likely that extensions, if approved, will be wrapped into the April performance management point.

2.5 It has been confirmed that the Apprenticeship levy is eligible as match funding for ESF activity. This was introduced in a (very) brief guidance note before Christmas. Discussion has taken place with the ESFA, and a telekit has been subsequently held by the LEP Network with DWP and LEPs. Both have provided useful in developing local understanding with the Northwest Universities European Unit (NWUEU) and The Lancashire Colleges (TLC). Levy match is being considered in the current directly funded projects which are being processed, as well as to support the development of future project ideas for remaining 1.2 and 2.1 funds.

3. City Deal

3.1 The City Deal skills and employment 2016/17 final year report, which was shared at the last committee meeting, was presented at the City Deal Executive on Wednesday 29th November by the chair of the City Deal Skills & Employment Steering Group, Dr Lis Smith. The report was well received by members of the Executive. The A3 presentation of the case studies was particularly welcomed, and members were pleased at the variety of activities that had taken place.

3.2 As per discussion at the informal committee meeting in January, a post is being established to drive forward skills and employment across the Cuerden development site, as part of the broader City Deal area. The post is due to be advertised shortly and will be promoted via social media once released.

4. Events

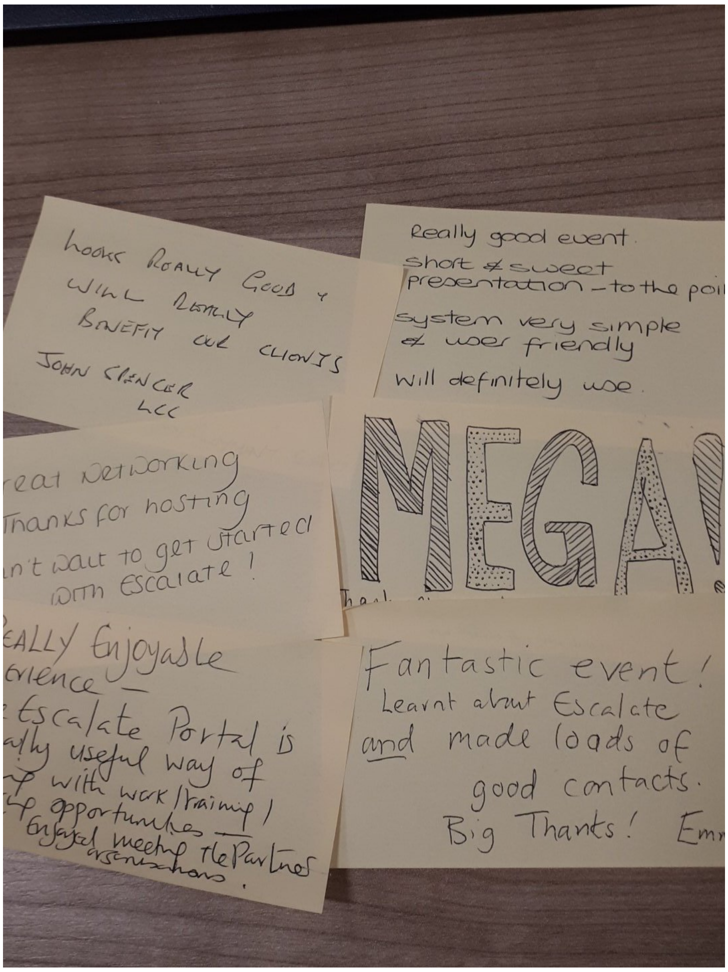
4.1 Escalate

4.1.1 The Escalate on-line tool for searching ESF provision to support people on their journey into work has been launched on the Lancashire Skills Hub website: https://www.lancashireskillshub.co.uk/escalate/ This has been a fantastic partnership effort, facilitated through the Lancashire Adult Skills Forum, with a range of partners involved in a variety of task and finish groups, alongside financial contributions from a range of projects.

4.1.2 Six launch events have been held to-date across Lancashire, with a seventh due to take place on Thursday 29th March. The events have been hosted by a number of partners across Lancashire. The events have exceeded expectation, with over 400 people attending to-date (excluding market place attendees) and 57 booked onto the final event in Blackburn. The events, as well as launching the tool, have facilitated communications between both delivery partners and referral agencies; a number of partners saw immediate results following the event and received new referrals.

4.1.3 Comments from the graffiti board at the events included:

- Good to meet others from different projects - links for referrals and provision.
- Excellent networking opps. Good contact meeting arranged with potential referral organisation.
- Really worthwhile event - great for networking + to put faces to names. Managed to get 3 appointments to meet people.
- Great event launching a great product!
- Very Informative - found new agencies.
- Really good referral pathway will use in future.
- Excellent information and a wealth of useful support for our customers.
- Super website it will be extremely useful tool for adults, young people, employers and providers.
- Brilliant great-staff eager to help. Would have liked work club to be included on the website.
- Great event! Met some amazing people who can help me deliver my service and who I can signpost to.



4.1.4 Feedback will continue to be gathered regarding the on-line tool, with view to developing Escalate further and including other provision, beyond that which is ESF funded.

4.2 Northern Powerhouse Partnership Conference

A Northern House Powerhouse Partnership Conference was held in October, to launch the Education and Skills Report. The Lancashire Enterprise Adviser Network is referenced in the report. The Hub was on the panel for the 'People's Powerhouse' discussing engagement of young people in the development of provision locally and the growth of the Enterprise Adviser Network and how this has impacted on young people's insight into the world of work.

4.3 Apprenticeships

The Hub was involved in a roundtable with BAE and the News Statesman, discussing the future of Apprenticeships and also featured in the latest LBV magazine which included a piece on Apprenticeships in Lancashire.

5.0 Growth Deal Programme

5.1 The Growth Deal Programme team continue to monitor the Growth Deal Skills Capital investments across the Lancashire area. All skills capital projects are currently RAG rated green, and the majority of completed the capital phase and are now collecting evidence of learner outputs.

5.2 The launch of the Lancashire Energy HQ at Blackpool and The Fylde College took place earlier in the month. The facility, which was part-funded through Growth Deal Skills Capital, was officially opened by the Northern Powerhouse Minister, Jake Berry MP. See here for the press release:

https://www.blackpool.ac.uk/news/08-03-2018/bfcs-lancashire-energy-hq-officially-opened-northern-powerhouse-minister

6. Technical Education – Visioning Piece

6.1 A draft of the Technical Education Vision for Lancashire was discussed at the informal committee meeting in January. A final draft has now been circulated to the sixty plus stakeholders that were involved in the development of the vision – either through an interview or via attendance at the workshops. A foreword to the report is being drafted from the chair of the LEP and the chair of the Skills and Employment Board, with view to the report being formally published on the LEP and Hub websites.

6.2 The Hub are currently in discussion with SDG regarding next steps and the development of the route map, reviewed at the last committee, and the development of an action plan. Consideration is being given as to whether further consultancy days from SDG should be funded, to support the development of the action plan (the commission with SDG focused on the development of the vision and the high lever route map).

6.3 Following the confirmation of funds from the Gatsby Foundation, initial work has begun to plan the collaboration with the colleges and providers in relation to the development of the Technical Education route ways and the T Levels. A presentation outlining the collaboration was delivered by the Hub director and the executive director of The Lancashire Colleges (TLC) at the January meeting of the Lancashire Principals' group. The regional manager of the Association of Colleges (AoC) was also present – AoC are also working closely with Gatsby to support areas to be 'routes ready'.

6.4 The Hub also attended a joint AoC and Gatsby event in Manchester – the first of a series of 'route ready' workshops being delivered across the Country. There will be a workshop in Lancashire in May – it is anticipated that the Hub and TLC will contribute to the workshop to talk about the Technical Education Vision and the evolving work with the Gatsby Foundation in Lancashire. The Hub also attended a joint meeting at the Gatsby offices in London with the other three areas receiving funds from the trust (West Midlands, Manchester and Sheffield). The meeting involved interesting inputs from Behavioural Insights and the Gatsby research team, and discussion about the evolving approaches in each of the areas which was very useful.

6.5 The Technical Education Project Manager, supported by Gatsby, has been advertised and interviews took place on Wednesday 27th March. The outcome of the interview process will be discussed at the committee meeting.

7. Skills Advisory Panels

7.1 Following discussions at the informal committee meeting in January, a first draft of the data framework and methodology was received from the Department for Education (DfE). This was reviewed by the Hub team, and feedback was fed into the University of Warwick IER, who have been commissioned to support the development of the data framework and methodology by DfE.

7.2 Following discussions with all 7 areas involved in the SAP trialling, IER fed back to the DfE. DfE are now reviewing the feedback and revisiting the methodology. The timeline is now being revised for the development phase. It is understood that DfE remain fully committed to the development of the SAPs but that the development phase will be longer than previously anticipated, to ensure that the approach adds value. It is understand that DfE are also liaising with other Government departments to consider a joined up approach – which is very much welcomed.

8. Marketing and Communications

8.1 The Lancashire Skills and Employment Hub website has been refreshed and was re-launched on Friday 2nd March. The website landing page remains aimed at businesses, and the support directory has been amended so that it is more easily accessible. New elements of the website include:

- A page for partners, including information on ESF and City Deal.
- A Skills Facilities page showcasing the Skills Capital investments made through Growth Deal Skills Capital funding.

- Apprenticeship page outlining benefits of Apprenticeship, where to find further information and highlighting key initiatives such as the Apprenticeship Ambassador Network.
- The Escalate tool which is hosted on the website.
- An updated Evidence Page which now includes the recently published Construction Skills Gap Analysis study and the three NEET research reports.

8.2 It has been a really positive month on Twitter, with the Escalate events and the relaunch of the Skills Hub website getting a lot of attention and attracting more followers. As of 28 March 2018 @LancsSkillsHub had 1,155 followers, which is a fantastic team achievement.

Lancashire
Enterprise Partnership

Agenda Item 8

LEP – Sub Committee

LEP - Lancashire Skills and Employment Board

Private and Confidential: NO

Wednesday, 11 April 2018

Lancashire Digital Skills Partnership
Appendix A refers

Report Author: Lisa Moizer, Coordinator of the Lancashire Skills & Employment Hub,
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Executive Summary

The Lancashire Skills and Employment Hub have built a relationship with the Department for Digital, Culture, Media and Sport (DCMS) and as a result Lancashire are now working with DCMS to help shape the development of the local Digital Skills Partnerships (LDSP). Lancashire will be the first area in the country to launch a LDSP, in partnership with DCMS which will take place at the Digital Skills Summit on 18 March 2018. There is also potential to secure funding for one year from DCMS for a Digital Skills Coordinator role.

Recommendations

The Lancashire Skills and Employment Board are recommended to:
1. Support the developing collaboration with DCMS
2. Give approval for the Skills Hub to progress the proposal for a DCMS funded Digital Skills Coordinator post

1. Background

1.1 The formation of local Digital Skills Partnerships (LDSP) was announced in the 2017 UK Digital Strategy and also referred to in the Industrial Strategy. The aim of the local partnerships is to *'increase collaboration between public, private and charity sector organisations and help address local digital skills needs in more targeted and innovative ways.'*

1.2 The Department for Digital, Culture, Media and Sport (DCMS) have set up a national Digital Skills Partnership Board*, which merged with the government's Council for Digital Inclusion. The Board met for the first time in November 2017** and set up four delivery groups***, one of which is dedicated to supporting the establishment and development of LDSPs.

* https://www.gov.uk/government/publications/the-digital-skills-partnership
**https://dcmsblog.uk/2017/11/3345/
*** https://digitalskillspartnership.blog.gov.uk/2018/01/26/introducing-the-dsp-delivery-groups/

1.3 The Skills Hub made contact with DCMS just before Christmas, and have been building a relationship with the Department, to describe the work we have done, and how Lancashire is addressing local digital skills needs.

1.4 The result is that two LEP areas, including Lancashire, are working with DCMS to help shape the development of the local Digital Skills Partnerships (LDSP). The other LEP is Heart of the South West. Lancashire is going to be the first area in the country to launch a LDSP, in partnership with DCMS.

2. Proposed Partnership Model

2.1 DCMS have set out a draft local Digital Skills Partnership Model - please see the diagram below taken from the DCMS briefing document for LEPs which you can see in full in Appendix A. We are working closely with DCMS and other key organisations to help shape its development.

2.2 DCMS are looking to LEPs to bring together local partners and foster collaboration so that silos are removed and there is a coherent and joined up approach locally.

2.3 As a pilot area they want Lancashire LEP to develop the framework and share best practise to enable other LEP regions to fast-track their own development of a LDSP.

2.4 DCMS want to support LEPs and their LDSPs by:

- Working collaboratively across Government departments to raise awareness of the local partnerships and their key role in the delivery of numerous digital initiatives being funded by a number of Government departments.
- Better matching corporate support to local needs identified, for example, encouraging corporate organisations to co-create skills initiatives that match local needs and test new skills programmes though working with the LDSP.
- Provide implementation support, particularly in meeting data and evaluation requirements.

2.5 DCMS have a limited amount of funds allocated to support the development of LDSPs in a small number of LEP areas. This fund could support a Digital Skills Coordinator post in Lancashire for one year, if a business case from Lancashire was supported by the Department.

Lancashire
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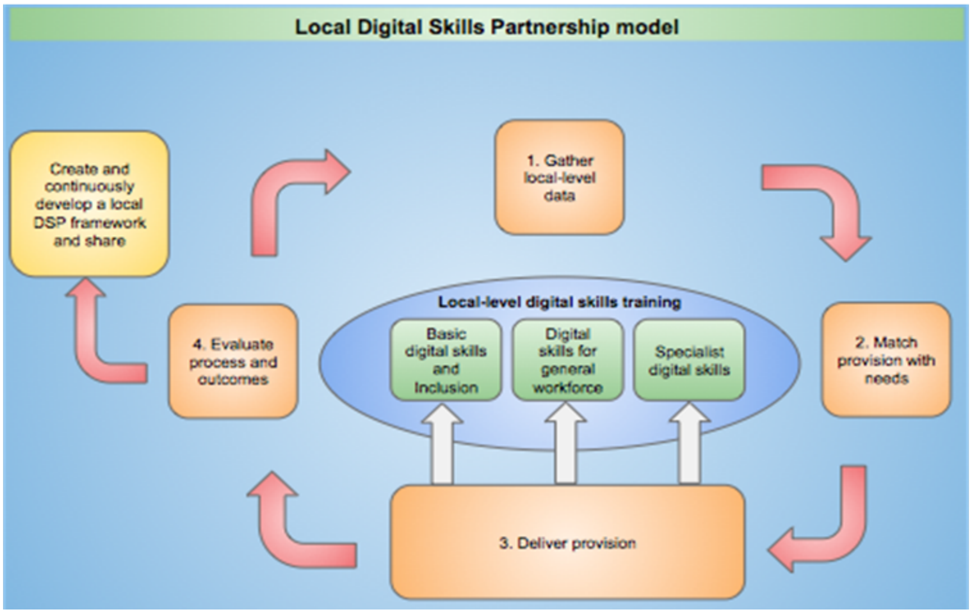


3. Digital Skills Summit

3.1 We are launching the Digital Skills Partnership at an event called the Lancashire Digital Skills Summit event, which will be held at EKM, Caxton Road, Fulwood, Preston PR2 9ZB on Wednesday 18th April 2018, the event runs from 12:00 to 16:15.

3.2 Being the first to launch we have an opportunity to showcase the digital industry in Lancashire, what we have done and intend to do in partnership to address digital skills needs in Lancashire. The engagement with DCMS links us to working across government and with large tech companies. We have the opportunity to influence government departments and build partnerships to attract further resources into the area.

3.3 DCMS have collaborated closely with us regarding the event and they have invited a representative from Amazon Web Services to provide a key note. Freeformers, who are being funded by Facebook to roll out a digital skills initiative that they would like to run in Lancashire, are contributing to one of the panels at the event, alongside a host of local partners delivering activities in the digital space. The final version of the agenda will be tabled at the committee meeting.

4. Recommendation

It is recommended that the committee support the developing collaboration with DCMS and that approval is given for the Skills Hub to progress the proposal for a DCMS funded Digital Skills Coordinator post.

Department for
Digital, Culture
Media & Sport

Local Digital Skills Partnerships:

Information document for

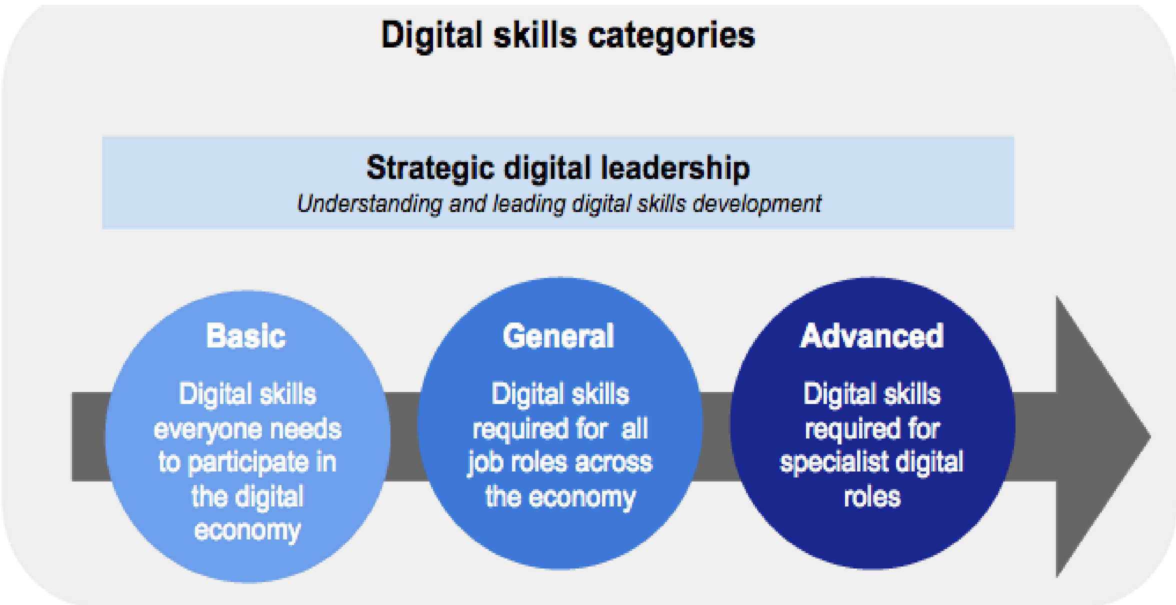
Local Enterprise Partnerships (LEPs):

January 2018

1: Introduction:

In the Digital Strategy, published in March 2017, the Government set out its commitment to improving the digital skills capabilities of individuals and organisations across England. The digital skills gap, however, is not a problem that Government can tackle alone. That is why Government announced the formation of a Digital Skills Partnership (DSP) which will bring together the public, private and charity sectors and key regional stakeholders to develop a more collaborative, coordinated and innovative approach to meeting the digital skills challenge. To support the Digital Strategy, partners pledged more than 4 million digital skills training opportunities, symbolising the beginning of partnership working.

For the Digital Skills Partnership to be successful, it needs to have an impact at a local level. Local communities and regional stakeholders need to consider their local digital skills needs and draw up action plans to provide the skills and support needed locally. There is currently little consistency between regional initiatives, and efforts to increase digital skills for the benefit of local economies and communities are disjointed. Although there are some great examples of local good practice, very few look at digital skills across the spectrum.



There is a strong correlation between digital exclusion and other forms of exclusion (poverty, age, gender, disability, work status, education, and proximity to services). If left unchecked it is likely to exacerbate other forms of exclusion. Lack of basic digital skills and the ability to use the internet safely and securely is a key barrier to digital inclusion. 11.5 million people (over the age of 15) lack one or more of the five basic digital skills (Lloyds/Ipsos Mori 2017).

On advanced digital skills side it is estimated that 1.2 million new technical and digitally skilled people will be needed by 2022 to satisfy future skills needs. A more data-driven and action-focused local approach to tackling digital skills shortages will help drive the growth of local digital economies. It could provide more local employment opportunities by better matching demand and supply. Encouraging stronger partnerships between industry and schools/colleges, encouraging more innovative ways to fill local digital skills shortages and creating more diverse talent pools could also help to fill local talent shortages.

We are also living in a world where it is increasingly important to develop and maintain the general digital skills needed at work and to get the most out of a digital economy. The majority of the population sit in this big middle. And helping our small businesses and charities thrive in the digital world is also crucial to their success.

Local action can be a key driver: trusted faces in common places and joining up local organisations have been shown to have the most impact. There is an opportunity to ensure that different localities take advantage of innovations, data, evaluation and a broader evidence base by sharing and incentivising best practice. The Government therefore wants to incentivise and support the creation of Local Digital Skills Partnerships across the country - local partners coming together to look at how best to tackle local digital skills needs across the spectrum.

Importance of Local Enterprise Partnerships:
Local Enterprise Partnerships (LEPs), supported by key regional stakeholders, can play an important role in bringing together local partners so that silos are removed and there is a coherent and joined-up approach. LEPs are well placed to encourage and foster regional collaboration with these key stakeholders. The LEPs provide full geographical coverage of England, which gives the DSP reach to local organisations and delivery networks. (Digital skills and inclusion policy is devolved to the nations, but Government will share findings and best practice with Northern Ireland, Scotland and Wales).

2: Digital Skills Partnership, Board and Delivery Groups:

Government has previously used its convening power to bring partners together to tackle digital inclusion issues - for individuals and organisations - through the Council for Digital Inclusion. As set out above, it is crucial that we look at the digital skills needs across the spectrum. The Council has therefore been merged with the Digital Skills Partnership Board (List of DSP Board - Annex B).

The first DSP Board meeting, co-chaired by the then Minister for Digital, Matt Hancock (now Secretary of State), and Phil Smith, Chair of Cisco UK & Ireland, was held in November 2017. Twenty four organisations representing the public, private and charity sectors (including Google, Microsoft, BT, Barclays, Lloyds, AbilityNet, Good Things Foundation, Amazon Web Services, and Nominet, came together to start discussions on how best to collaborate to tackle the digital skills gap, including regionally.

In order to maximise impact, the DSP Board will focus on a set of clearly defined work-streams with members leading or co-leading or supporting Delivery Groups to drive forward action. These Groups will have representation from a wider range of partners to maximise diversity of thought, resources and experience. The four Delivery Groups that are currently being established are: the Local Digital Skills Partnership (LDSP) Delivery Group, National Coherence Delivery Group, Digital Enterprise group and Computing in Schools Delivery Group.

It is important to emphasise that the Digital Skills Partnership is not just comprised of the the DSP Board and the Delivery Groups - it is a partnership with a wide range of partners across the country who want to support this agenda. We also recognise the need to work collaboratively within Government. Over the last few months we have engaged with colleagues within DMCS and across other Government departments to raise awareness of the DSP and LDSPs and have explained how the DSP could be utilised in the delivery of numerous complementary digital skills initiatives currently being funded by a number of Government departments.

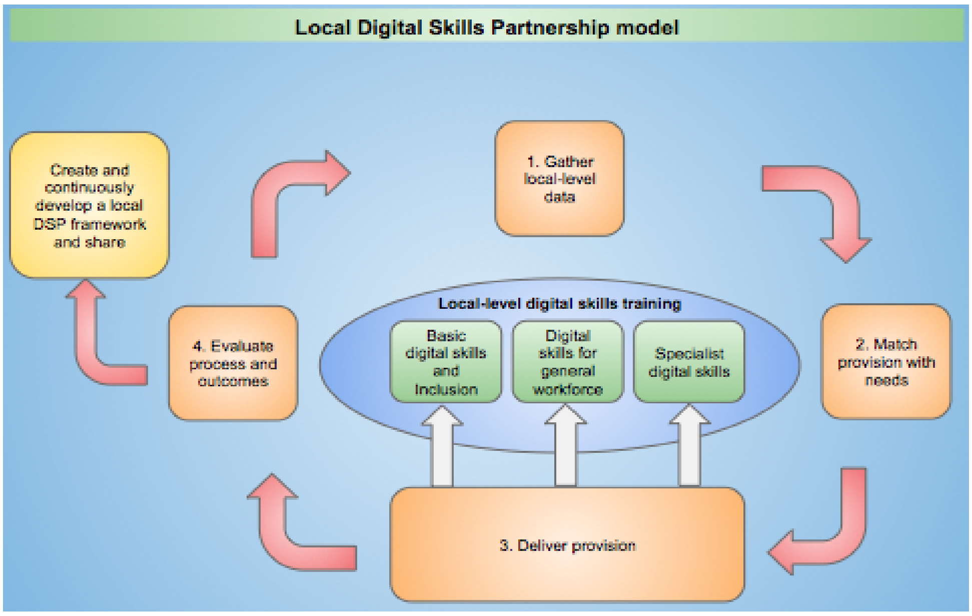
3. The Local DSP Delivery Group and developing best practice:

The Local DSP Delivery Group will be tasked to consider how we can better share and incentivise best practice at a local level so that supply can better meet the demand for advanced digital skills and and the needs relating to digital inclusion/basic digital skills and general digital skills for individuals and organisations can be better met/targeted.

In consultation with a wide range of stakeholders we have started to develop a basic 5-step model to support LDSPs. The Delivery Group in consultation with a wide range of stakeholders will further develop the framework and continue to iterate it. The immediate aim is to initially work intensively with two LEP regions to help shape its development.

Government will encourage other LEP regions to consider setting up and developing their own local digital skills partnerships and will seek to support this activity with the necessary partner support to help deliver digital skills training where needed.

The Local Digital Skills proposed Partnership model:



4. Incentivising and Supporting LDSPs

The Local Digital Skills Partnership framework will be designed to ensure it can be replicated across England working closely and in partnership with LEPs. In return for adopting best practice of support that could be provided to Local DSPs include:

- Better matching corporate support to local needs identified. For example, encouraging corporate organisations to redirect and deliver existing digital skills training pledges where there is a match in regional demand for individual programmes. Influencing corporate organisations to design and test new digital skills programmes across basic, general and advanced digital skills opportunities in your region

- Promoting the Local Digital Skills Partnership framework to other Government Departments that are funding existing digital skills programmes and complementary initiatives, and encouraging them to deliver relevant digital skills training to match the regional need.

- Providing implementation support, particularly in meeting data and evaluation requirements.

- Considering offering some financial support where need is identified - any funding will need to be considered on a case by case basis.

5: Next steps:

The DSP would like to work with LEPs that are committed to tackling the digital skills challenges in their region. Government recognises the importance of LEPs and other regional stakeholders in providing valuable regional insight and expertise to help shape and develop the LDSP model to work effectively at a local level.

To assist Government in mapping the level of digital skills provision that is already being provided, and to gather more general information on LEPs and their region, please can you help us and complete a short survey which will be emailed to you on the 26th January.

If you would like further information, Navroza Ladha, Deputy Director of Digital Skills and Inclusion at DCMS and Gary Coyle, Head of the Local Digital Skills Partnership will be presenting at the next LEP Network event in London on the 25th January.

Main point of contact:

Gary Coyle: gary.coyle@culture.gov.uk

M: 07876 190424

Annex A:

Proposed 5 step model:

Step 1: Data gathering:

In order to understand where the gaps are in regional digital skills provision, LDSPs will work with regional business, academic data experts and Government departments, who will help gather detailed regional data to capture the demand for digital skills from individuals, employers and other organisations and to identify existing digital skills provisions. This data will inform LDSPs when they are designing relevant digital skills programmes for basic, general and advanced digital skills.

The Department for Education (DfE) will shortly rollout Skills Advisory Panels (SAPs) to assess skills levels and provision across 7 LEP regions across England. Where LDSPs gather data on digital capability and training provision, they will share findings with the SAPs programme, and vice versa, so that work is not duplicated. (In LEP areas where LDSPs are established at the same time, LDSPs will agree with SAPs on which of the programmes will collect the data).

Step 2: Matching digital skills provision:

Matching digital skills provision will be the responsibility of the LDSP and other regional stakeholders. DCMS support will be relatively light touch: but we will help local partnerships to adopt best practice and will make the necessary introductions to other Government departments and corporates where there is a potential match.

Step 3: Delivering digital skills provision:

Targeted digital skills training will be delivered by the LDSP to the individuals, businesses, and charities identified in each region. As face-to-face and online interventions are delivered, it will be necessary to record take-up and collect anonymised data from learners for longitudinal evaluation of the impact of the LDSP. Digital tools/systems will need to be developed to facilitate the recording of learner data. It will be also be important for the LEP to engage with local businesses and digital skills training providers where possible to assist in providing this regional support.

Step 4: Evaluating process and outcomes:

LDSPs will work with partners, academics and experts (including the DCMS Digital Skills and Inclusion Research Working Group (RWG)) to design evaluation processes that gather the data necessary to track social and economic outcomes and return on investment (ROI). These evaluation processes will be designed for practical, user-centric deployment at operational-level. Members of the national-level LDSP Delivery Group will seek to develop digital tools/platforms to facilitate the evaluation process in partnership with the regional LEPs. A continuous cycle of evaluation will allow LDSPs to make quick improvements to their programmes while simultaneously providing real time outcomes data and benchmarks for longitudinal tracking.

Step 5: Open sharing of best practice, data, tools and innovations with other LEP regions: LDSPs will work with partners to develop a framework which will allow other LEP regions to fast-track their own development of a Local Digital Skills Partnership. DCMS will encourage the sharing of best practice, highlighting which digital skills programmes worked well and importantly, which programmes failed and why. Given that no two LEP areas are the same, a 'one-size-fits-all' approach is not appropriate; but there will be many practices, processes and tools that are either universally applicable or serve the needs of more than one LDSP area. It may therefore be advantageous to create a central, national-level framework which houses the learnings from individual LDSPs. It is clear that the 5 step process described above will need to be carefully coordinated to ensure that LDSPs can take full advantage of the support and contributions from both regional and national partners.

Annex B: Digital Skills Partnership Board:

The following organisations are represented on the Digital Skills Partnership Board:

AbilityNet
AWS
Barclays
BBC
BT
Federation of Small Business
Global Tech Advocates
Good Things Foundation
Google
LEP Leader
Lloyds
Microsoft
Nominet
Oxford Internet Institute
Rasberry Pi
Stemettes
Tech Partnership
Tech Partnership
Tech UK

The following Government Departments are also represented on the Digital Skills Partnership Board:

DCLG
DWP
DCMS
DfE
BEIS

Agenda Item 9

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