
Developing a Skills Strategy for LCR

Workshop 1

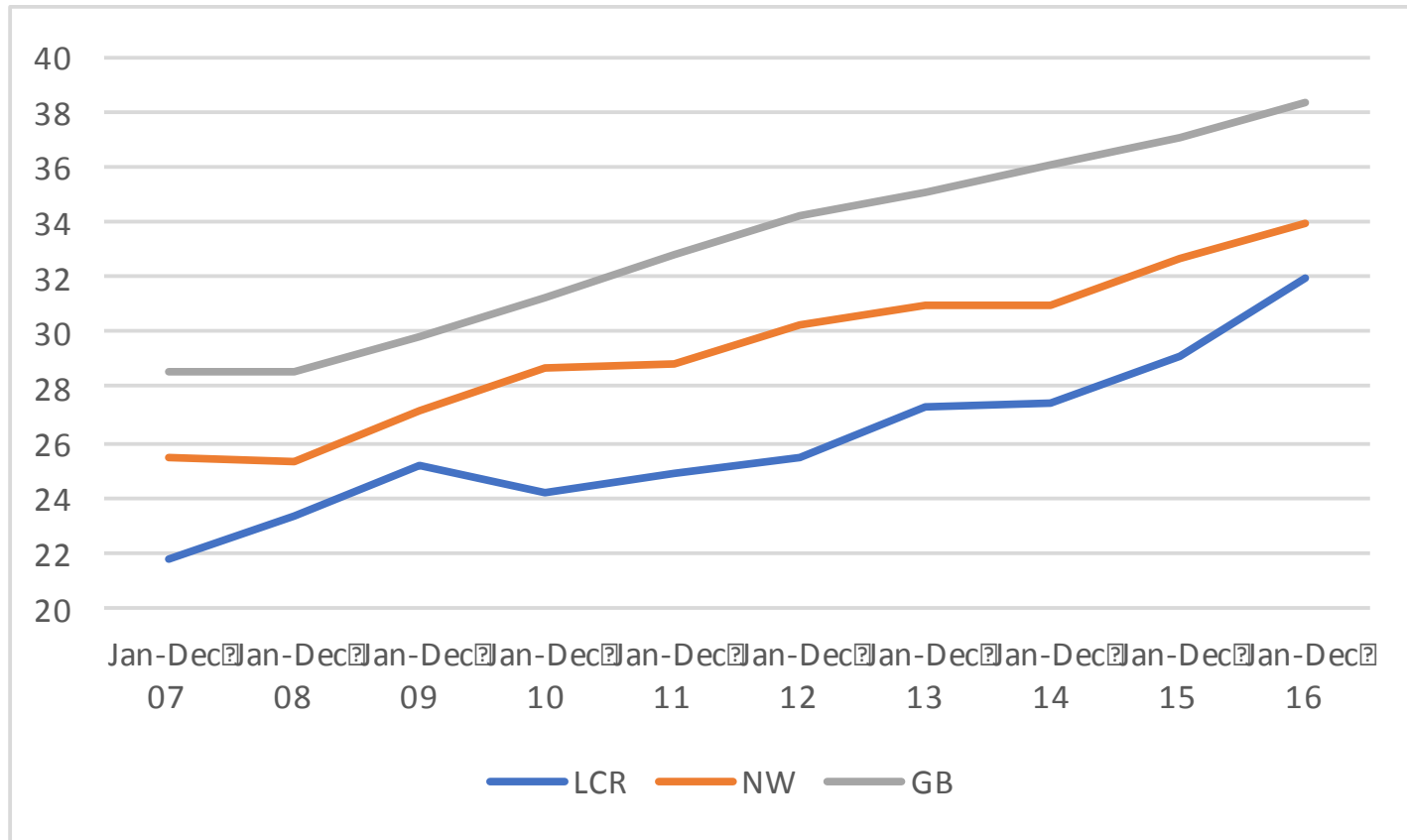
13 October 2017

Improving economy

- Employment growth closer to national average in past five years – 43,000 jobs or 6.8%
- Types of jobs have become more highly skilled over the past 10 years, Level 4 occupations now 28% of workforce
- Reduction in proportion without qualifications
- Distribution & Transport, Public admin, Manufacturing, Business services and Information & Comms key sectors
- Baseline forecast 3.3% or 22,200 jobs in next decade & Transformational 11% or 75,000
- These are net new jobs to LCR and need to consider replacement demand from labour turnover – UKCES estimate for NW 8.5 times net growth – c 26k p.a.

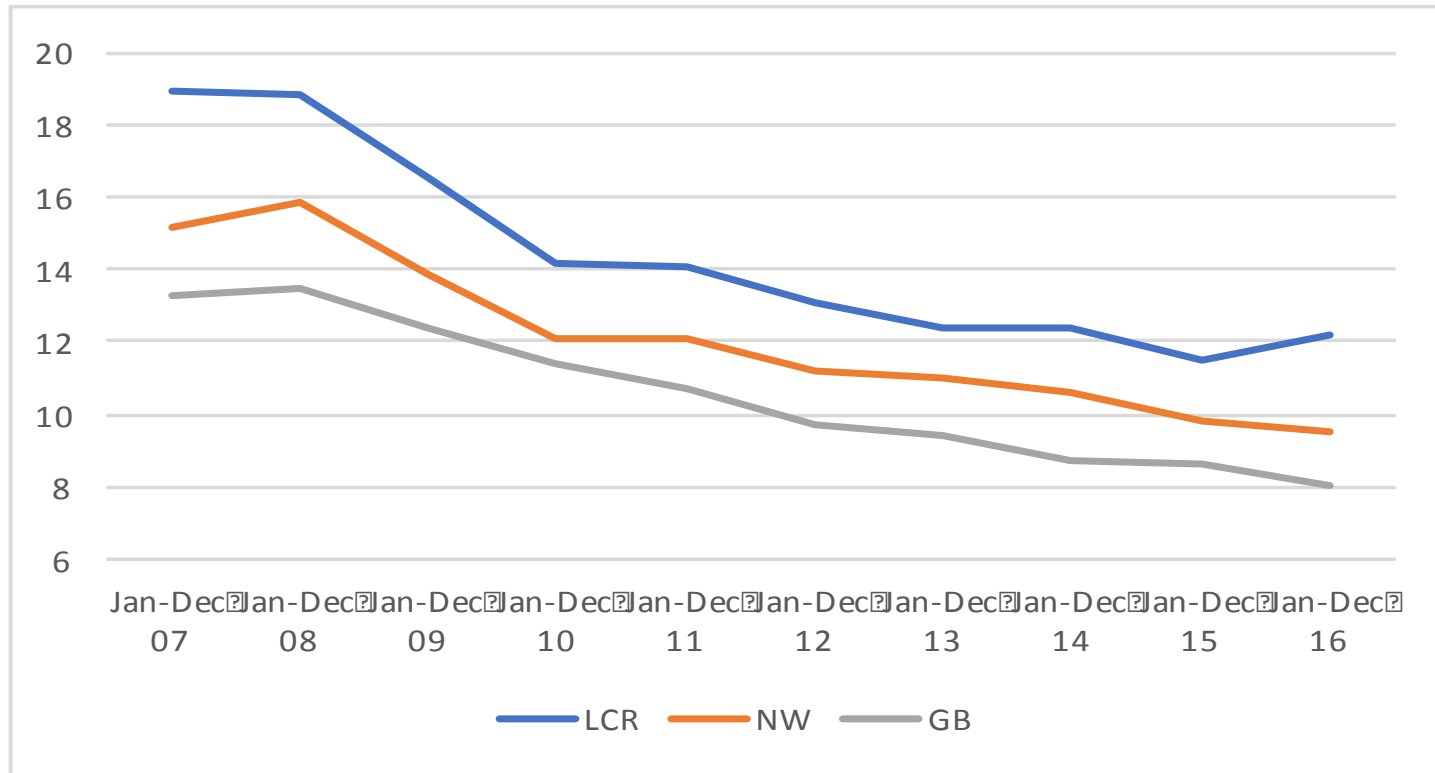
Improving Workforce Higher Skills

Percentage of residents with Level 4+



Reduction in those without qualifications

Percentage of residents with no qualifications

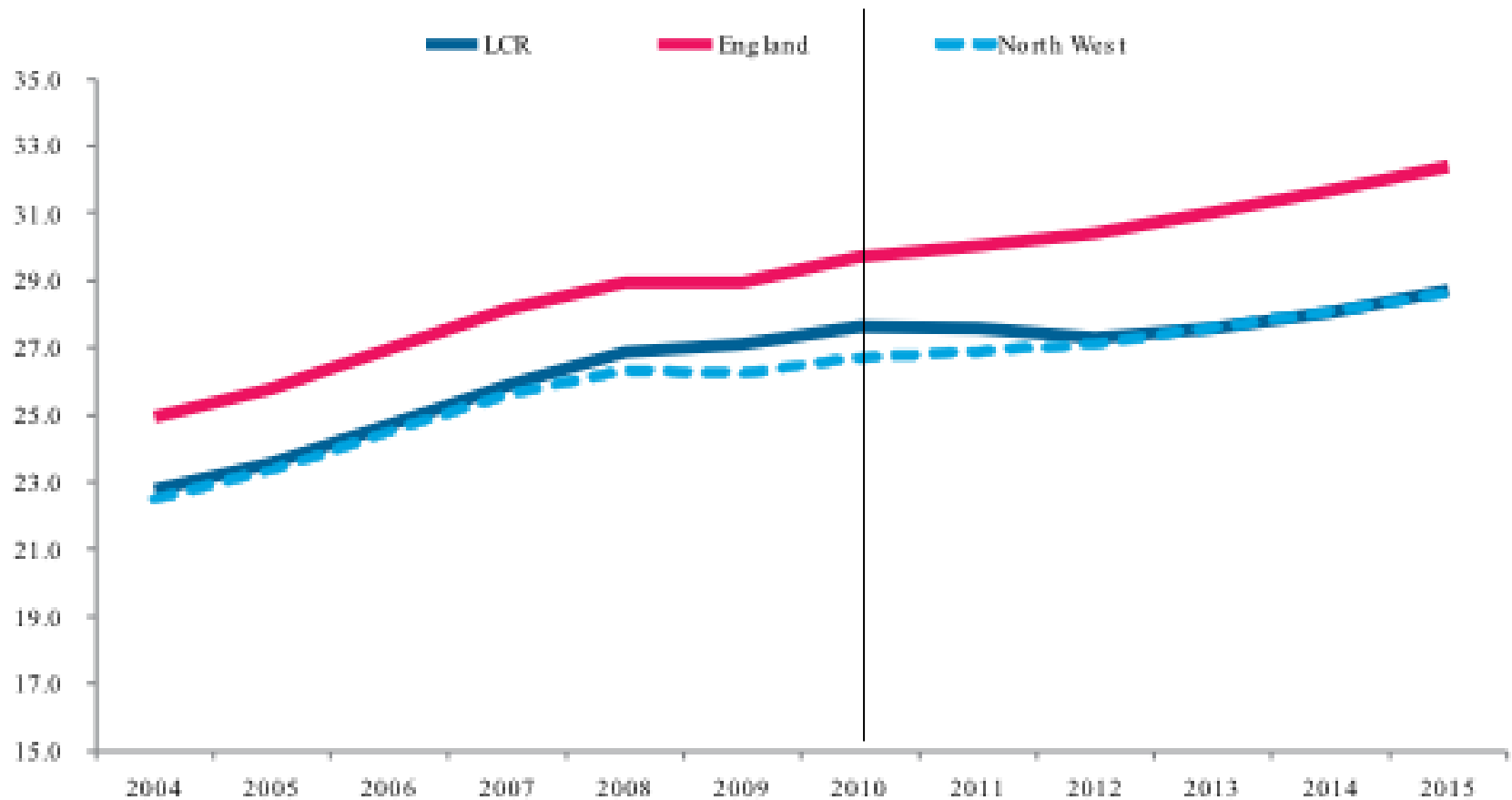


However...

- Growth not matched in all areas and rate not returned to that of 2001-07
- Changes in full-time equivalent jobs show widening disparity in real GVA growth rates - LCR gained 23k jobs in below av wage sectors and lost 1k in above average wage sectors
- Population shifts not working in LCRs favour leading to fall in working age population (-3.7 or 36k to 2030):
 - Significant decline in people young people 16-24s -25k to 2022
 - Increasing proportion of 50-64s – peak in 2022 at over a third of WA – activity rates?, retraining and health issues
- LCR inactivity rate has fallen by 3% while that of England has fallen by 6% - rate of long term sickness key difference (86k)
- Low in-commuting and relatively low migrant labour also limit supply-side

LCR Productivity

GVA per hour worked 2004-15



Stakeholder Perspectives: Challenges for LCR (1)

- Low aspiration levels
- Stubbornly high portion of young people in NEET group
- Too many with poor basic education – current workforce and new entrants
- Consistently high levels of economic inactivity – mental & physical health, disability and other issues
- Not enough focus on in-work poor – need to deliver more support to progress

Stakeholder Perspectives: Challenges for LCR (2)

- Poor job quality – 47% of NW jobs deemed precarious
- Employer diffidence around pay and skills investment
- Optimism & opportunities in growth sectors – but need effective skills pipelines

Stakeholder Perspectives: System Issues (1)

- Skills pathway complexity – need fewer pathways with clearer entry points
- Apprenticeship brand weakened
- Independent CEIAG needs to be made more robust building on existing work
- Lack of robust LMI:
 - To feed CEIAG process
 - To guide LCR skills planning and investment
- Limited effective partnership working between employers & education and skills players. *‘Get employers more at the heart of things’*

Stakeholder Perspectives: System Issues (2)

- Over-dependence on short term funding of skills provision
 - Pilots are followed by more pilots – ‘*too much stop start*’
 - ESF viewed as mainstream funding for some
- Competition between providers for limited funding & clients
- Services need to be more responsive:
 - For individuals looking for skills and jobs
 - For employers looking to recruit and/or upskill
- But ‘*Colleges closed for the summer*’ – also felt slow to respond to emerging needs
- But employment & skills resources increasingly stretched

Stakeholder Perspectives: System Issues (3)

- Finding sufficient funding to help people sustain & progress in work
- Long way to go in joining up cognate public sector services
- Worse – a perception of duplication and lack of co-ordination across LCR
- Specifically education & skills provision too fragmented:
 - What do we need?
 - How do we best get this?
- Westminster a lot of the problem – lack of alignment of objectives, KPIs, budgets & agencies
- For schools, national curriculum & atomised delivery means limited LA & LCR leverage