

Summary Sector Subject Area Analyses of Demand and Supply

This summary indicates the key issues for the demand and supply of skills by Sector Subject Area. This has been completed on an SSA basis in order to allow easy analysis of how the supply of skills, as funded by the LSC, contributes to the identified sector demand. The analyses have identified regional alignment issues and areas for improvement and of strength, as highlighted in the tables below. Not all 15 SSAs have been included here, however this is because analysis has been aligned to the sectors identified as priorities for the region, in terms of employment and GVA, by the Regional Economic Strategy and the Regional Skills Priorities.

It is the purpose of the overview provided here to complement the skills needs identified by the Sector Skills and Productivity Alliances and to further inform the regional Commissioning Plan and in turn local plans. However, full analyses are available on request; please contact the Learning, Planning and Performance team in the North West LSC.

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Engineering & Manufacturing

DEMAND	SUPPLY
<ul style="list-style-type: none"> • This is a large & complex sector & therefore the need varies within the various sub sectors. • There is a growing demand for level three & advanced apprenticeships: there is a significant number of senior officials & professional occupations, a shortage of people qualified to level 3 & sub sectors increasingly require a level 3 to enter the sector. • There remains a substantial demand for level two qualifications & in particular the Business Improvement Techniques (BIT): as a large proportion of occupations are in skilled trade & machine operative in the sector • There is little demand for level 1 qualifications: except for fulfilling generic skill needs. • EKOS Consultants projections of annual demand for staff qualified to level 2 - 4,453 & level 3 – 1,730 (across the key sub-sectors Automotive, Aerospace, Chemicals, Energy, Food & Drink) 	<ul style="list-style-type: none"> • Need to change the mix of learning to follow regional demand: In 2005/06 the number of learners undertaking level 1 qualifications has increased from 2003/04 while the number of level three learners has decreased. • 16-18 long course success rates in 2004/05 above the national average • Need to increase 19+ long course success rates: overall lower than the national average¹ in particular long level 1 & long level 2 success rates. • Need to increase the average in learning undertaking Advanced Apprenticeships: there was a decrease in numbers undertaking AA while there was an increase in the average number in learning undertaking Apprenticeships while the sector shows a need for growth in AA • Framework success rates above the national average success rate for both Apprenticeships & Advanced Apprenticeships in 2005/06.

¹ 61% in 2004/05 compared to the national average of 64.8%

Health, Public Services & Care

DEMAND	SUPPLY
<ul style="list-style-type: none"> • Public sector services are one of the main sectors of growth for North West employment, particularly in health & social care. Predicted annual growth of 3,000 additional jobs (2004-2014) in the health & social work sector & replacement demand will represent 35,500 per annum (2004-2010). Predicted annual decline of 100 jobs in public admin & defence employment (2001-2014) & replacement demand will be 19,000 per annum (2004-2010). • There is a strong demand for level 3 qualifications: key occupation growth will be nurses, with an expansion demand of 7,300 & replacement demand of 76,200 (2004-2010). EKOS estimate an annual demand of 3,131 Health & Social Care staff qualified to a level 3. • There is a strong demand for level 2 qualifications: nursing auxiliaries & assistants will see an expansion demand of 13,800 & a replacement demand of 45,200. EKOS estimate that there is a demand for an additional 7,151 level 2 health & social care employees per annum & 2,405 level 2 public admin staff per annum. Further, approximately 20% of current employees in the health & social care sector lack a level 2 qualification. • Little demand for level one qualifications however some difficulties recruiting due to number of young people lacking basic skills. 	<ul style="list-style-type: none"> • Need to encourage more learners to this sector: overall the total volume of learners appears to be lower than the expected annual replacement demand for the sector • Continue the mix of FE provision: currently appropriate with nearly 90% of learners undertaking a level 2 or 3. • Continue to improve strong success rates: overall the success rates are above national levels • Need to improve the quality of provision at level one for 16-18year olds in line with national success rates.

Agriculture, Horticulture & Animal Care

DEMAND	SUPPLY
<ul style="list-style-type: none"> • Many employers are reporting an expected need for level 3 qualifications in 3 years • Estimated that 479 new employees needed with level 2 qualifications per year until 2014 • Areas where demand is expected to grow in the next 3 years include: Numeracy, Literacy, Communication, Planning & Organising & Technical areas, all of these are predicted to be required at level 3 	<ul style="list-style-type: none"> • Overall FE success rates for Young People in this sector have increased to 65% in 2004/05 & are similar to the national average • Need to deliver more provision at level 3 to enable progression for associate professional, technical & management occupation. • Need to make available more Higher & Management level qualifications for those aged 25+ under Work Based Learning

Construction, Planning & the Built Environment

DEMAND	SUPPLY
<ul style="list-style-type: none"> • At level 3 this sector reports Technical, Supervisory Management & Professional & IT skills gaps • 46% of employees in this sector in the North West are in skilled trades, indicating the continuing requirement for level 2 & level 3 provision • There is a steady level of staff turnover in the construction industry. As a result, analysts predict that by 2010, 88,000 jobs will need to be filled as a result of replacement demand • Employers experienced the most difficulty recruiting Supervisors (27%), Wood Trades (23%) & Plumbers (23%) 	<ul style="list-style-type: none"> • In the North West overall FE long qualification success rates for Young People in construction were 37% in 2002/03 & rose to 52% in 2004/05, this is above the National average of 49% (04/05) • Overall long qualification success rates for adults rose from 49% in 2002/03 to 62% in 2004/05, significantly above the national average • Under the <i>Success for All</i> current success rates in WBL, the framework success rate for all ages in construction apprenticeships increased from 35% in 2004/05 to 47% in 2005/06, but remained below the national average • Using the same measures, the framework success rate for construction Advanced Apprenticeships increased from 41% in 2004/05 to 58% in 2005/06, significantly above the national average • Level 2: need programme led apprenticeships linked to targets for full time employment • At level 3 need to address Technical, Supervisory Management & Professional & IT skill gaps • Overall the total volume of learners appears to meet the needs of the sector. However, the mix of provision needs to move further towards level 3 provision & less entry level & level 1 provision

Information & Communication Technology (ICT)

DEMAND	SUPPLY
<ul style="list-style-type: none"> • The region ranks fourth amongst the nine English regions according to the size of its IT workforce having: 58,836 employees in the IT industry, 58,035 IT professionals in other industries & 1.9m people who use IT in day to day work. • Growing need for graduates in the IT industry • Large demand for level 3 qualifications: Significant proportion of employees are in managers, senior officials & professional occupations. EKOS projections of annual demand in the Digital sub-sector for staff qualified to level 3 is 330 • Need for some level two qualifications: EKOS project the annual demand in the Digital sub-sector for staff qualified to level 2 is 447. There are approximately 9,142 employees without a level 2 (E-Skills footprint). • We need to significantly reduce non ITQ provision delivered. The sector has identified the new ITQ range of qualifications as the key need for the sector. 	<ul style="list-style-type: none"> • Need to address the mix of FE learners aged 19+: more than 47% of learners are undertaking level 1 & entry courses. Learners may be those who need to learn how to use a computer for everyday life, however with a high number of level 2 learners there is only 8% of learners on level 3 courses • Need to promote ITQ (accompanied by training analysis tool) to address IT user up skilling needs to address low levels of ICT skills in the regional workforce. • Need to monitor success rates for 19+ long level three courses: decreased from 52% in 2002/03 to 47% in 2004/05, although remained higher than the national success rate of 43.9%. • Need to improve Framework success rates for WBL in line with national levels: Numbers are low² however Apprenticeship success rates increased to 59% in 2005/06, but remain significantly lower than the national success rate of 67%. Framework success rates for Advanced Apprenticeships increased to 38% in 2005/06, remaining below 40% & significantly below the national average of 58%

² In 2005/06 average in work based learning = 481

Retail & Commercial Enterprise

DEMAND	SUPPLY
<ul style="list-style-type: none"> • Working Futures identify retail & personal service occupations as an area where future demand in the region is likely to be greatest • There is some demand for level 3 qualifications: store management, supervisory skills. Suggested employment growth in higher-level occupations & retail & wholesale managers to expand by 12,100 (2004-2010). EKOS consultants estimate that the demand for level 3 qualified staff will be 2,746 per annum • Significant need for level two qualifications: Retail employs a large number of people qualified at level 1 & level 2. Sales & retail assistants to expand by 24,400 with a replacement demand of 276,400 & retail cashiers & check out operator replacement demand of 60,500 over 2004-2010. EKOS consultants estimate that the demand for level 2 will be 7,547 per annum, the largest additional demand in all sectors, with a possible further 40% (Skillsmart footprint) of current employees without a level 2. 	<ul style="list-style-type: none"> • Need to address the mix of provision for 16-18 year olds: the majority of growth in the sector appears to be at level 2 occupations which suggests the mix is in line with the sector needs, however in 2005/06 the number of 16-18 year old learners undertaking level 2 decreased while level 1 numbers increased. • Need to increase the quality of provision: success rates are slightly below the national average for 16-18 year olds at level 2 & for 19+ at level 3.

Leisure, Travel & Tourism

DEMAND	SUPPLY
<ul style="list-style-type: none"> • There is some demand for level 3 qualifications: 22 percent of the work force are managers & employers are finding it difficult to recruit managers with the required skills & experience • There is a strong demand for level two & below qualifications: Nearly half of the workforce in the North West work in elementary occupations. Nationally. 39% of GoSkills sector footprint employees & 36% of People 1st sector footprint employees are below level 2. • There is some demand for level 1 qualifications: 16% of the hospitality, leisure, travel & tourism workforce in the North West do not have any qualifications. A further 22% are qualified to either level 1 or entry level 	<ul style="list-style-type: none"> • Need to increase FE 19+ success rates in line with the national success rates • Need to encourage different age groups into workforce to meet demographic pressures: 67% of waiting & bar staff are under age 25 ;recruiting an unnaturally large number from an age group that is in decline. • Sport will need more coaches: to prepare for the 2012 Olympics & Paralympics. • Need to qualify Taxi drivers to meet the changing requirements of licensing authorities being implemented by local authorities

Education & Training

DEMAND	SUPPLY
<ul style="list-style-type: none"> • 10,000 new, additional jobs will be created in education in the North West by 2014 • Teaching & Research professionals are expected to contribute almost 40 thousand extra jobs • In addition there will be replacement demand of 54,400 in primary & nursing education teaching professionals, 47,200 secondary teaching professionals & 39,500 education assistants • In the North West 16% of education & training establishments reported skills gaps, but these were mostly with regard to administrative & clerical occupations • 7% of establishments reported skill shortage vacancies. Of these, 46% were for associate professional staff & the next highest incidences were for administrative & clerical staff & sales & customer service staff • Workforce remodelling in schools to raise standards & achievements has highlighted the need to improve the skills of school support staff & to embed the new vocational qualifications at level 2, 3 	<ul style="list-style-type: none"> • Need to promote sector-wide career pathways & progression routes which recognise prior achievement & experience & increase opportunities for mobility within the sector • In 2004/5 success rates in the North West for Education & Training for 16-18 year olds were 63%, in line with the national benchmark • In 2004/05, Regional success rates for ages 19+ in this sector (FE) were 70%, compared with the national benchmark of 66% • FE needs to deliver more provision at levels 2 & 3 to enable more people to enter the sector as education assistants as well as to provide progression for associate professional, technical & management occupations • FE needs to ensure that the mix of qualifications includes courses for trainers/ teachers/tutors in Skills for Life to increase the number of accredited trainers in the region • FE needs to work with Local Authorities to explore how the learning needs of school support staff can be met from Train to Gain • WBL Needs to assess the very low volume of Apprenticeships & it may be appropriate to consider whether this is a viable set of programmes

Languages, Literature & Culture

DEMAND	SUPPLY
<ul style="list-style-type: none"> • The North West Regional Economic Strategy (RES) 2006 identifies the importance of language skills for businesses which requires more people to have language skills. Significantly, 22.4% of the sample from the 2002 audit of business demand declare that they have lost business through lack of language skills (or cultural awareness). • Well over half (57.8%) of companies surveyed make use of translators or interpreters with a significant array of 29 languages reportedly needing professional translation on a regular basis. • 46.7% of the language knowledge in NW companies is at basic or intermediate level (i.e. around GCSE level). This is a high proportion & needs to be addressed. • Over 60% of the companies that responded regularly use at least one foreign language for trade, though the level of on-site expertise is generally low. However, 40% of the companies conduct their foreign business only in English regardless of the markets they trade in. • 44.2% of the companies indicated their intention to begin trading in new non-English speaking markets • Previous SSDA employers' skills surveys revealed that employers in a variety of sectors identified the need for language skills. For example: <ul style="list-style-type: none"> - Automotive, sales (23%), customer service (17%); - GoSkills, managers & proprietors (17%), transport, drivers & operatives (21%); - SEMTA, skilled metal & electrical trades (11%); - Cogent, corporate managers (33%); - E-skills, science & technology professionals (21%); - Lantra, managers (16%). 	<ul style="list-style-type: none"> • Working with partners to encourage & support the greater take-up of language skills training by young people aged 14-19; • Embedding language skills in the total adult learning offer, encompassing workforce development & learning for individuals in the community; • Local campaigns to stimulate interest in languages, by demonstrating the benefits in terms of job opportunities, travel opportunities & the potential effect on income levels. • Need to further investigate adult learning aims & identify why there is such a large proportion of level 1 learners • Increase level 3 opportunities for adults to enable them to become proficient in the language & gain careers from their skills.

Business, Administration & Law

DEMAND	SUPPLY
<ul style="list-style-type: none"> • Skills gaps in the justice sector include many vacancies in administrative & secretarial roles, indicating a need for level 2 qualifications • Financial Services & the Justice Sector analysis indicates a requirement for leadership & management skills & a demand for higher level qualifications • No predicted net growth of jobs within the North West to 2014, but Working Futures has predicted growth of Financial Institution Managers by 6,000 & growth in Financial & investment analysts & advisers of 6,000. There will also be replacement demand for 46,600 Accounts wages clerks & bookkeepers. • The Justice Sector -- Early findings emerging from the sector skills council's skills mapping exercise in the North West indicate a requirement for Leadership & Management, ITC, Basic Skills, multi-agency & partnership working 	<ul style="list-style-type: none"> • In the North West in 2004/05, success rates were 71% for young people, this was above the national average of 69% • Need to improve the overall success rate for people age 19+, in 2004/05 for the region the rate was 62%, this was below the national average of 65.7% • Need to continue to offer an appropriate mix of levels that includes level 2 & level 3 provision • Need to identify why people aged 19+ have lower success rates & take action to address the performance gap • WBL: The mix of Apprenticeships is appropriate, although there are clearly issues with volumes.