

CONSULTATION DOCUMENT

REGIONAL STATEMENT OF SKILLS PRIORITIES FOR
2007/08-2009/10

Introduction and instructions for response

EKOS Consulting was commissioned by the North West Regional Skills Partnership in August 2006 to update the regional skills evidence base and to produce a Regional Statement of Skills Priorities for the period 2007/08-2009/10.

As part of this work, an extensive consultation exercise with partners and stakeholders across the region is ongoing. This consultation document is designed to give partners and stakeholders an opportunity to provide a written response to the development of the 2007/08-2009/10 priorities statement. It is accompanied by a pro-forma response document.

If you wish to provide a written response to the consultation document, we would be grateful if you would send your response, using the pro forma attached, to:

Laura.Lane@ekosconsulting.co.uk

Or if you prefer to fill in by hand, post or fax a copy of your response to

Laura Lane
EKOS Consulting
St James House
Vicar Lane
Sheffield S1 2EX
Fax: 08456445408
Tel: 08456445407

We would appreciate your response by 1pm on Monday 23 October.

Context

Introduction

The purpose of the Regional Statement of Skills Priorities is to provide the region with a sound basis and rationale to guide the planning and purchasing of skills provision to meet the needs of employers and the economy in general. Underlying the Statement is a comprehensive evidence base on the supply and demand for skills. The Statement is designed to reinforce and aid in the delivery of the Regional Economic Strategy (RES).

The RES identifies five areas of focus for skills policy to support employers and the overarching objective of increasing the rate of productivity growth in the North West. In summary, they are:

- Tackle the lack of basic skills and qualifications, to improve employability and reduce worklessness;
- Meet the skills needs of high growth potential sectors;
- Invest in workforce development;
- Develop leadership, management and enterprise skills; and
- Develop the educational infrastructure and skills of the future workforce.

Current Priorities

In 2005, the North West Regional Skills Partnership (RSP) identified eight regional skills priorities for 2006/07. These priorities have driven the planning, purchasing and investment activities of key partners and stakeholders in the North West in the current academic year.

The eight priorities for 2006/ 07 are:

- Increasing the proportion of young people with the skills and qualifications needed for employment, and fostering progression to Higher Education.
- Equipping adults with the skills required for employability, including the Skills for Life of literacy, language and numeracy.
- Addressing employers' skills needs by:
 - Equipping individuals with the level 3 skills required within the economy, particularly in key regional sectors.
 - Ensuring that the skills needs of the regional economy, and in key sectors in particular, are addressed at level 4.
- Tackling cross-sectoral leadership and management skills gaps.
- Developing innovation and enterprise skills.
- Tackling worklessness by linking people, jobs and training.
- Stimulating the demand for investment in skills from employers and individuals (underpinning priority).

- Providing high quality responsive support to meet regional skills priorities (underpinning priority).

Having reviewed the evidence regarding skills demand and supply, our expectation is that the priorities will not change radically, but rather that there may be scope for refinement and sharpening. This view has been endorsed by the Regional Skills Partnership Board.

Key Issues

To enable the process of refinement, we have identified thirteen key issues within the existing priorities on which we wish to consult. These issues are grouped under four themes, as follows:

Theme 1: Young People

- Issue 1: Increasing the participation of young people in post compulsory education.
- Issue 2: Increasing the proportion of young people with the skills needed for employment.
- Issue 3: Fostering progression to level 3 and to higher education.

Theme 2: Adults

- Issue 4: Tackle worklessness, by linking people, jobs and training.
- Issue 5: Increasing the proportion of adults with the skills needed for employment.
- Issue 6: Support adults to progress beyond level 2 and attain skills and qualifications at levels 3 and above.

Theme 3: Cross-cutting issues

Cross-cutting issues are specific skills needs apply across sectors.

- Issue 7: Develop innovation skills.
- Issue 8: Develop enterprise skills.
- Issue 9: Develop management skills.
- Issue 10: Develop leadership skills.

Theme 4: Underpinning issues

Underpinning issues relate to delivery.

- Issue 11: Stimulating demand for and investment in skills from individuals.
- Issue 12: Stimulating demand for and investment in skills from employers.

- Issue 13: Providing high quality responsive support to meet regional skills priorities.

Having consulted on the issues, we will then produce a new set of priorities. As currently, we would expect there to be about eight priorities.

The remainder of this document takes each theme in turn, summarises some key evidence, and poses some key issues and questions. There is also an annex which contains a summary of the key skills needs within sectors in the North West, identified through consultation with the Sector Skills Productivity Alliances.

Theme 1: Young People

Issue 1: Increasing the participation of young people in post compulsory education

Evidence Base Summary

Participation in education by 16 year olds and 17 year olds (post compulsory education) in the North West is broadly in line with England averages: 83% of 16 year olds are in formal education (England average = 84%), and 74% of 17 year olds (England average = 74%). The 14-19 Implementation Plan sets the long term ambition to transform participation, so that by 2015, 90% of 17 year olds are participating. This presents a significant challenge within the region and nationally, given that currently only 74% of 17 year olds are in formal education.

A relatively high proportion of young people in the North West are not participating in education and are not in employment (the NEET group – not in education or employment). In June 2006, 10.5% of 16-18 year olds in the North West were in the NEET group, compared to 8.6% nationally. This means that 14,600 young people in the region are currently outside education and employment.

Questions

- What changes are needed to move towards the ambition of having 90% of 17 year olds in formal education by 2015?

Issue 2: Increasing the proportion of young people with the skills needed for employment

Evidence Base Summary

Level 2 attainment (5 A*-C grades at GCSE or equivalent) at age 19 is a DfES PSA target, reflecting a belief that attainment of a Level 2 is the minimum a young person

requires for employability. Attainment of level 2 is also a platform for progression to developing intermediate and higher level skills.

Population forecasts indicate that young people will become an increasingly scarce resource in future. Set against this, future forecasts of employment by occupational category indicate significant replacement demand at Level 2 in a number of occupational categories which have traditionally been major employers of young people, in particular, Sales and Customer Services, and Personal Services.

Looking at the cohort of young people in the NW who reached age 19 in 2005, 48% had attained Level 2 at age 16, rising to 68% age 19. The performance of the North West is somewhat below the England average, with comparable figures of 50% and 70%. Concerns that many young people lack basic numeracy and literacy skills have led to an increased focus nationally on the number of young people who attain Level 2 including good GCSE passes (A*-C) in Maths and English. Of the cohort of young people who reached age 19 in 2005, 41% had attained Level 2 including GCSE Maths and English at age 16. By age 19, the figure was little changed, at 44%. Between age 16 and 19, an additional 20% of the 2005 cohort attained level 2, but only an additional 3% attained level 2 including Maths and English GCSE.

North West employers are more likely than employers in any other region to cite literacy and numeracy skills as lacking in applicants for skills shortage vacancies¹. This finding indicates a heightened need for young people in the North West region to leave education with solid literacy and numeracy skills.

A further issue that analysis of the National Employer Skills Survey (NESS) 2005 reveals is that soft skills (for example, communication, team work) are often lacking in employees working in occupations associated with Level 2 skills.

Questions

- What are the key indicators of young people's skills levels?
- Are soft skills sufficiently mainstreamed into provision?

Issue 3: Fostering progression to level 3 and to higher education

Evidence Base Summary

The Leitch review is highlighting the importance of intermediate and higher level skills to support international competitiveness and productivity, in increasingly open global markets. Sector level evidence often points to intermediate and higher level skills needs.

¹ Skills shortage vacancies are vacancies that employers have difficult filling because applicants lack the necessary skills.

In the North West, recent growth in new jobs has been concentrated in occupations requiring intermediate and higher level skills. Employment forecasts by occupational category suggest significant demand for young people with Level 3 or higher qualifications, particularly in the Associate Professional and Professional categories.

Of the cohort of young people in the NW who reached age 19 in 2004, 42% had attained level 3. There was significant variation across sub-regions, with Cheshire & Warrington at 49%, and Greater Merseyside at 39%.

We do not have up-to-date figures for the proportion of young people in the North West progressing to higher education. Given that 42% achieve Level 3 by age 19, this would indicate an upper limit to the proportion moving on to higher education. Data from 1994-2000² indicates that 28% of young people in the North West progressed to HE, compared to 30% in England as a whole. Whilst HE has expanded significantly in recent years and progression rates are higher, the study provides a useful snapshot of the position relative to England, and also of variation by Parliamentary Constituency. There are some stark differences in progression by area, with for example, just 12% of young people in Salford progressing to HE, compared to 50% in Altrincham and Sale West.

Questions

- Is better achievement at GCSE Maths and English the key to improved level 3 progression?
- Is there a sector/subject dimension to HE progression – is there a need for more young people to achieve degree level qualifications in specific subjects to support growth sectors?
- To what extent is widening access to HE a priority?

Theme 2: Adults

Issue 4: Tackle worklessness, by linking people, jobs and training

Evidence Base Summary

The proportion of the working age population in employment in the North West is 73%, which is below the England average of 75%. The unemployment rate in the North West is similar to the England average, so that the difference in employment rate is almost entirely a result of a higher rate of economic inactivity or worklessness (23% in the North West compared to 21% in England).

There is a strong local dimension to economic inactivity in the region, but the scale of the problem in some areas indicates that worklessness is a regional priority. Greater

² Young Participation in Higher Education, HEFCE (January 2005)

Merseyside has the highest rate of inactivity, with 27% of the working age population being economically inactive.

A high proportion of the economically inactive are Incapacity Benefit (IB) recipients. Analysis of data on reasons for claiming IB indicates that the most common reason for claiming is mental or behavioural disorder (40% of claimants). In many cases, to prepare IB claimants for entry to the workforce, a highly tailored package of support, including training, will be required. There is therefore a need for a high level of partnership working to address high levels of economic inactivity and in particular, to support IB claimants to access job opportunities.

For many people who are economically inactive, training needs are likely to be quite substantial. A relatively high proportion do not have a level 2 qualification, and many people are likely to have been outside formal learning for some time (inactivity rates increase with age).

The forecast decline in the young people cohort indicates that this is an important issue from an economic perspective (as well as from a sustainability perspective). For employers in sectors such as Retail, that tend to employ high volumes of young people, there will be a future need to develop strategies to employ people who are currently outside the workforce.

For individuals excluded from employment, the employer route to engaging people in training and up-skilling is not available. Across the North West region, there are some major regeneration and other projects underway or in the pipeline which will create a substantial number of employment opportunities, many of which ought to be suitable for people currently outside the workforce. However, to link local people to these opportunities will often require individually tailored support programmes to get people 'work ready'. This type of provision needs to be in place before opportunities are available, and requires a high degree of partnership working.

Questions

- Is partnership working sufficiently developed to tackle the worklessness issue?
- Which sectors need to further develop their strategies for engaging the workless.

Issue 5: Increasing the proportion of adults with the skills needed for employment

Evidence Base Summary

Adult attainment of Level 2 is a high profile DfES PSA target. The importance placed on this target reflects a number of concerns: the productivity gap with major competitor nations such as Germany and France, which have much higher proportions of their workforces qualified to intermediate and higher levels; a

resultant need to upskill the adult population, at least to level 2, and in many cases, beyond this; and the higher incidence of worklessness amongst low skilled adults.

In total, 29% of the economically active population in the NW do not have a Level 2 qualification (England = 29%). For the working age population, the figure is 36% (England = 33%). This demonstrates that low qualification levels are a particular issue for working age people outside the workforce. The employment rate in the North West for people with sub-Level 2 qualifications is 70%, compared to 74% for those with Level 2, 78% with Level 3, and 88% with Level 4 or higher. Only 45% of working age adults with no qualifications are in employment.

The National Employer Skills Survey (NESS) 2005 indicates a higher incidence of skills gaps in lower skilled occupations (Elementary and Operative) and in Sales/Customer Services. The most commonly cited 'skills lacking' are 'soft' skills (oral communication, customer handling, team working skills, problem solving skills), and technical, practical or job specific skills.

Fewer employers report numeracy and literacy needs, although when asked to identify skills lacking in applicants for skills shortage vacancies, North West employers are more likely than employers in any other region to cite literacy and numeracy skills as lacking (31% and 30% in the North West, compared to 22% and 21% in England). Based on survey proportions from the DfES Skills for Life survey (2003), it is estimated that 2.5m adults in the North West have literacy basic skills needs and 3.5m have numeracy needs.

Adult training needs can be heavily influenced by migration patterns, although currently in the North West, this does not appear to be a major factor. For example, recent in-migration from EU ascension countries is the second lowest of all the English regions. Analysis of the occupations of these in-migrants shows that most are undertaking relatively low skilled jobs.

There are therefore strong arguments for supporting adults to improve their basic skills and ultimately achieve a Level 2 qualification, both from an economic and social equity perspective. For many adults looking to attain level 2, there will be a number of intermediate steps prior to obtaining level 2 qualifications. There is a need to recognise this and ensure that provision which prepares adults with few or no qualifications to progress to level 2 is available in sufficient volume.

Questions

- What changes are needed to provision to increase adult level 2 attainment and acquisition of basic skills?

Issue 6: Support adults to progress beyond level 2 and attain skills and qualifications at levels 3 and above

Evidence Base Summary

The occupational profile of the North West workforce is now broadly in line with the England average. Recent years have witnessed significant growth in jobs in the Professional and Associate Professional occupations, where higher level skills are required. Future expansion demand is expected in these occupations. Sector evidence suggests a high demand from employers for intermediate and higher level skills in many sectors.

Currently, the North West has a deficit in intermediate and high level skills when compared to England; for example, if the qualification profile of the North West working age population was in-line with the England average, the region would currently have an additional 80,000 people with higher level qualifications.

The National Employer Skills Survey 2005 indicates that recruitment difficulties in the North West are most prevalent in Skilled Trades and Associate Professional occupations, where intermediate (level 3) and high level skills will typically be required. Sector level qualitative evidence tends to highlight skills gaps at intermediate and higher levels. This reflects the forward looking nature of these studies and the projected expansion in jobs that require higher skills levels, to support value-added corporate strategies in an increasingly competitive global market place.

There is a strong sector dimension to intermediate and higher skills needs, with significant demand from the regions high growth sectors. Specific examples taken from the RES include: Energy and Environmental Technologies - deliver the National Nuclear Skills Academy; Advanced Engineering & Materials - extend "Grow Your Future Workforce" which delivers more science and engineering skills; Digital and Creative Industries - digital content development skills to support the Media Enterprise Zone, linked to the BBC relocation; and Business and Professional Services - support the development of the regional arm of the Financial Services National Skills Academy.

Questions

- How to support adults to attain level 3 and level 4 qualifications.
- Is there a strong case for public subsidy? There are generally strong earnings returns to acquiring intermediate and higher level qualifications.

Theme 3: Cross-cutting issues

Issue 7: Develop innovation skills.

Evidence Base Summary

Innovation differs from enterprise in that the focus is not on risk, but on recognising and exploiting opportunity and creating new business activity. Innovation can relate to new products, new processes, or new organisational structures.

Much of the recent focus of Innovation Policy has been on encouraging better links between research organisations (the knowledge base) and industry. In addition to specific technological skills, innovation needs include: technology and market scanning to spot early opportunities; ability to manage finance and resources for development; ability to coordinate the contributions of others (R&D, operations, marketing, finance); and provision of staff resource and scope to carry out development. Whether process, product, or organisational, innovation should be transformational.

The region performs well on several measures of innovation and Research & Development, with relatively high levels of business R&D and a strong university research capability.

The DTi Occasional Paper no. 6: "Innovation in the UK: Indicators and Insights" (July 2006), gives a comprehensive picture of innovation performance across the UK. The North West has a similar percentage of companies (58%) that are 'innovation active' as in England as a whole (57%). However, new products or processes developed by companies in the North West are less likely to be highly innovative – the indicators for 'highly innovative' are whether a new product is new to the market, or a new process is new to the industry. In the North West, the proportion of innovators that introduced 'new to industry' processes was 26%, one of the lowest figures of the English regions (range of 22% to 38%). The proportion that introduced 'new to market' products was 51%, the lowest figure of all English regions.

Surveys of e-adoption and ICT usage give mixed messages as to how sophisticated companies in the region are in terms of ICT adoption and usage.

Questions

- Is there market failure on the demand and/or supply side, and if there is, what is the nature of it?
- What is the appropriate balance between private/public investment?
- What are the key skills interventions needed in the North West for supporting innovation?

Issue 8: Develop enterprise skills

Evidence Base Summary

Compared to the England average, the North West has 20% fewer businesses per head and a lower business start-up rate. The region would need an additional 40,000 businesses to be in-line with the England average and close the enterprise gap.

Business survival rates are also below the England average; the three year survival rate, at 63.6%, is 3.6% points below the England average. The three year survival rate is particularly low in Greater Manchester – 6.1% points below the England average.

While the existence of an enterprise gap is incontrovertible, what is less clear is the skills development (for people of all ages) required to close this gap.

The Global Entrepreneurship Monitor reports that in the UK, the ‘tendency to identify and exploit business opportunities is not well developed’. The Davies Review (2002), described enterprise capability as “capacity to handle uncertainty, respond positively to change, create and implement new ideas and ways of doing things, and make reasonable risk/reward assessments and act on them.”

Policy goals are both to create a predisposition in individuals to be entrepreneurial – to stimulate the capability above, and to develop the key skills or qualities to succeed. Entrepreneurialism has been described as ‘talent and temperament’. Of the following qualities required for entrepreneurialism, Casson³ considered all but imagination to be capable of being developed: foresight, self knowledge, autonomy, communication, search skills, analytic ability, network skills, delegation, managing risk, imagination.

Questions

- Is there market failure on the demand and/or supply side, and if there is, what is the nature of it?
- What is the appropriate balance between private/public investment?
- Is lack of skills a major contributor to the enterprise gap?
- Where should provision focus to develop enterprise skills and encourage new business formation?

³ Casson M (2003): The Entrepreneur – An Economic Theory

Issue 9: Develop management skills

Evidence Base Summary

Good management skills are vital to stability and growth in enterprises of all sizes. Management skills are focused on strategic, operational and financial aspects of the organisation, and people management skills such as delegation, motivation and communication, with specific technical skills varying across sectors. Skill levels from first level supervisory skills to higher level management skills across organisations of all sizes are reported by employers as a key gap.

This confirms findings from a national study commissioned by the Sector Skills Development Agency (Sectoral Management Priorities: Management Skills and Capacity. Research Report 8, 2005). The research shows that the national management capacity issues in the UK conceal large differences between sectors, with management skills issues being most pressing in wholesale distribution, sales and maintenance of motor vehicles and hotels and restaurants.

Labour Force Survey data (March-May 2002) indicates that just 38.5 per cent of managers and senior officials are qualified at NVQ level 4 or above, compared to 80.9 per cent of those in professional occupations.

The Chartered Management Institute, in their response to Leitch, note the additional concern that most managers lack qualifications related to their profession as managers. The response also quotes from the Final Report of the Council for Excellence in Management and Leadership (2001), which stated that on a "rough estimate ... the proportion of managers with management related qualifications will not get much above 20 per cent in the longer term". The CMI's view is that "this level should be viewed as untenable given the UK's ambition to shift to a high skills, high added-value economy". The CMI response to Leitch also notes a number of research findings on the impact of better qualified managers. Of note are that more highly skilled managers are associated with a better qualified workforce, and are more innovative.

Questions

- Is there market failure on the demand and/or supply side, and if there is, what is the nature of it?
- What is the appropriate balance between private/public investment?
- What are the key issues around management skills within sectors? (See the annex for an indication of management skills needs identified by sector consultation).

Issue 10: Develop leadership skills

Evidence Base Summary

Leadership has been identified as a key area in which UK private and public sector organisations need to develop in order for the UK economy to be more competitive internationally. Leadership skills are quite distinct from management skills, and require an ability to anticipate and react to change. Leaders need to inspire trust, develop a clear vision of the direction of travel for an organisation, and align employees behind this vision.

Qualities of leadership are considered crucial to organisational success. Collins⁴ describes the best ('Level 5') leaders as having "personal humility plus professional skill". Leaders will have characteristics such as vision and charisma, strategic ability, focus on people - the ability to communicate and motivate and to create an innovation climate in which learning can flourish. They will be able in delegating tasks and delegating decision making and will catalyse commitment and action.

This description of leadership skills suggests that training needs of leaders, or those with potential to be leaders, are likely to be quite specific to the individual. It is not clear that generic programmes in leadership skills will meet employer needs.

Questions

- Is there market failure on the demand and/or supply side, and if there is, what is the nature of it?
- What is the appropriate balance between private/public investment?

Theme 4: Underpinning Priorities

Issue 11: Stimulating demand for and investment in skills from individuals.

Issue 12: Stimulating demand for and investment in skills from employers.

Issue 13: Providing high quality responsive support to meet regional skills priorities.

Evidence Base Summary

The propensity of North West employers to provide staff with training is in line with the England average (based on National Employer Skills Survey 2005). However, international comparisons of employer training volumes indicate some evidence of under investment by UK employers, particularly when compared to our major international competitors. A significant proportion (35%) of UK employers provide

⁴ Collins (2006), "Level 5 Leadership: The Triumph of Humility and Fierce Resolve", Harvard Business Review.

no training for their staff. Smaller employers are particularly likely to provide no or little training.

Employer engagement is therefore a key issue. Measures such as the Adult Level 2 Entitlement are designed to increase demand from individuals for learning, but unless employers are actively seeking better qualified staff, the impact is likely to be limited. Individuals need to be confident that there will be benefits from undertaking significant learning programmes. For individuals, there has also been an ongoing drive to stimulate demand for basic skills training (e.g. the Gremlins TV campaign).

One major strand of policy response to inadequate demand for training has been a drive for more flexible and employer relevant provision, delivered through programmes such as Train to Gain.

Questions

- Is there a need for greater focus on employer engagement?
- Is there a risk of missing opportunities to link local people currently excluded from the workforce to job opportunities arising from major regeneration and other projects?
- Are partnership working arrangements to link the workless to employment opportunities sufficiently developed?
- What can be done to make learning more responsive to the needs of employers and individuals?

Annex: Summary of Skills Needs Identified Through Sector Consultation

Automotive

Up Skilling:

- § Entry level & part-time opportunities available in the distribution and after care sector.

Level 2:

- § Technical Apprenticeships in the aftercare sector.
- § Evaluation of the Higher Engineering Apprenticeship being piloted through the Automotive Academy required.

Higher and Management:

- § Business Improvement Techniques (BIT), Team Leader and Automotive Retail Management Standards at level 4 (ARMS).

Aviation

Up skilling

- § Pre recruitment Health and Safety and Security training.

Level 2 and 3:

- § ITC, Customer handling, Supervisory Skills and Team Building.

Biomedical

Level 2:

- § STEM subjects

Level 3:

- § STEM subjects

Higher and management:

- § Bioprocessing and pharmaceutical industry specific key skills.
- § Technical skills - supply of scientists, technologists and mathematicians.

Biotechnology

Level 3:

- § Business related skills gaps e.g. team working.

Higher and management:

- § Technical qualifications e.g. chemists.

§ Entrepreneurial skills.

Chemicals

Up Skilling:

§ 'Skills for Life' (for new migrants and existing older workers).

Level 2:

§ Development of 'hands on' skills through expansion of Young Apprenticeships in Science and Engineering and development of 14 – 19 Diplomas models.

Level 3:

§ BIT, Supervisory Management/Team Leader, Process Skills also conversion courses for individuals transferring from other sectors.

§ Process Skills through the apprentice programmes.

§ Expand Programme Led Apprenticeship model through CoVE and build capacity for apprenticeships.

Higher and Management:

§ Business related and employability skills of graduates.

Construction

Level 2:

§ Need programme led apprenticeships linked to targets for full time employment.

Level 3:

§ Technical, Supervisory Management & Professional and IT skill gaps.

§ 19+ provision requires funding to increase accessibility.

Higher and Management:

§ Assessors/Trainers needed.

Contact Centres

Up skilling:

§ Pre recruitment training including basic skills (IT, literacy, numeracy) and communication skills.

Level 3:

§ Include team leader & supervisory skills in Level 3 provision.

§ 14-19/Apprenticeships - Programme led apprenticeships.

Higher and Management:

§ Graduates with good IT, marketing and customer service skills.

§ Roll out of specialist courses to more NW universities.

Creative

Up Skilling:

- § Strengthen access routes for people without qualifications.

Level 2:

- § Continued development of 'media production' apprenticeship.

Level 3:

- § Technical and sales skills needed – flexible / modular training required.

Higher and Management:

- § Soft skills in graduates.
- § Funded post graduate entrepreneurship, support for new starts including product development and market testing.
- § Technical skills.
- § Managerial skills – strategic approach to leadership and management required.

Digital

Up Skilling:

- § Sector specific pre recruitment training, especially development of IT skills in women;
- § Promote ITQ to address IT user up-skilling.

Level 3:

- § IT user and IT Professional qualifications and 'skilled technician staff'.
- § Higher apprenticeships through the IT Diploma.
- § Shortages in networking, network architecture and web development skills.
- § Promotion of clear progression routes to higher education and employment (e.g. through The Concept (pilot) - Post 16 to HE Progression learning programme).

Higher and Management:

- § Need for graduates in the IT industry.
- § Graduate weaknesses in knowledge and interpersonal skills.
- § Access for non-traditional learners to full degree status (via foundation degree).
- § Strategic IT and innovation knowledge and skills in owner managers and senior managers.

Education

Up skilling:

- § IT literacy;
- § Equal opportunities and diversity.

Higher and Management:

§ Management skills and management development.

Energy

Level 2:

- § Level 2 and 3 in Gas, Water and Electrical Engineering, and marketing.
- § Level 2 / 3 upwards in the downstream gas industry.
- § Level 1 / 2 in the upstream gas industry.
- § At least Level 2 in the water industry (500+ required over the next 18 months).

Level 3:

- § Supervisors in upstream gas and water at NVQ Level 3 / 4.
- § More apprenticeships in Electrical Engineering, and gas, water and electricity upstream, as well as and roll out of 'Grow your future Workforce'.
- § General, Domestic NVQ, Level 3.
- § Electrical Engineers, NVQ Level 3 – electrical distribution, generation and transmission.

Higher and Management:

- § Further development of Utility Foundation Degree.
- § Develop graduate skills - include Business Skills, Project Management in Science and Engineering courses, develop new modules to include changing technologies such as Fuel Cells, Microgeneration and Renewables.
- § Shortage in Science and Engineering graduates.
- § Level 4 ~ Technical First Line Management.
- § Support entry to the sector by skilled SETs from other sectors through short course provision.
- § NVQ Level 4 in downstream gas sector to facilitate transition from technician to line manager.

Engineering & Aerospace

Up Skilling:

- § Basic skills / Skills for Life (literacy / numeracy / ICT) – bite sized training;
- § ESOL - recognised qualifications.

Level 3:

- § Acute shortage at Level 3.
- § Age 19+ apprenticeships.
- § Increase uptake of EAS / A2 in science subjects or GNVQ / OND or equivalent in science, engineering, electronic and computing sectors.
- § Funding required for training apprentices to HNC as a minimum.
- § 'Technician apprentices' capable of progressing and obtaining HNC / HND.

Higher and Management:

- § Foundation Degrees.

- § Graduate engineers and graduates with specific Technical Skills (BIT, Marketing & Project Management).
- § Progression of the Manufacturing Institute Diploma and MSc aimed at closing the leadership gap.
- § Ongoing NVQ training in project / risk management, BIT, marketing, communication and team working.

Environmental Technologies & Services

Level 3:

- § Need for science based provision in schools.
- § Development of professional apprenticeships in the sector.
- § BIT NVQ Level 3 / 4.
- § Existing NVQ provision needs improvement.

Higher and Management:

- § Encourage more SET graduates, develop general Business modules and encourage graduate placements.
- § Marketing skills in senior environmental technologies personnel.
- § Basic business skills.
- § Technical / Level 4 skills lacking and managerial skills / knowledge lacking in:
 - § Sources of and raising finance;
 - § What investors are seeking;
 - § Market strategy;
 - § Production skills;
 - § Liability management;
 - § Environmental markets;
 - § Environmental regulations and future developments;
 - § Enforcement practices;
 - § Testing, certification for environmental innovations.

Financial & Professional Services

Up Skilling:

- § Pre- recruitment – especially for women returners.
- § Modular / flexible delivery of e.g. CPD / ICT – to include work based learning.

Level 3

- § Evaluate Professional Apprenticeships.

Higher and Management

- § Include Communication Skills, General Business Skills, and Leadership and Management skills as part of graduate programmes.
- § Increase mentoring and graduate placements.

Food & Drink

Up Skilling:

- § H&S Hygiene;
- § Literacy / numeracy / ITQ training – Skills for Life, includes pre-recruitment / pre employment training (use of skills passport).
- § ESOL.
- § Cultural diversity awareness needs.

Level 2:

- § BIT (Business Improvement Techniques) for manufacturers.
- § Level 2 and Level 3 vocational modules of 14 – 19 diploma in relation to manufacturing.

Level 3:

- § Advanced apprenticeships - age 20+ needed in Electrical & Mechanical engineering to realign Engineers from other manufacturing sectors that are in decline.
- § Skills Gaps in Food Technologies & Scientists, Technical Operators.
- § Supervisory management and people management.

Higher Level and Management:

- § Operational and Engineering Management.
- § Development of foundation degrees.

Health and Social Care

Up Skilling:

- § Basic skills – Skills for Life.
- § ICT training.

Level 2:

- § Shortfall in number of colleges offering health and social care awards and Healthcare awards at Level 2 / 3.

Level 3:

- § Need for programme led provision for 16 – 18 year olds.
- § Lack of mentors and appropriate work based learning programmes.

Higher and Management:

- § Competency based programmes and placements for graduates.
- § Leadership and management skills Level 4 required (lack of funding is a barrier).

Land-based

Up-skilling:

- § Skills for Life.

§ ESOL.

§ ICT needs more flexible delivery.

Level 3:

§ Skills requirements in age 25 + cohort.

Higher and Management:

§ Technical skills & high level communication, employability skills and practical experience required in graduates.

Languages

Up Skilling:

§ Basic skills;

§ Customer service (front-of-house) skills.

Level 2:

§ Care assistants, nurses (Health) and sales in Automotive

Level 3:

§ Managers of multicultural and multilingual teams (LANTRA)

Higher and Management:

§ Shared service centre financial helpline operators (FSSC).

§ Export sales managers.

§ Development of specific foreign language skills by managers, team leaders and selected HR staff.

Logistics

Up Skilling:

§ Pre employment training (use 'Skills for Logistics' and 'Experience Booster').

§ Licence acquisition – LGV license and related skills.

§ Development of diversity in workforce.

§ Skills for Life.

Level 2:

§ Capacity to deliver Transport Diploma, sector relevant qualifications (e.g. CILT certificates), and transport related GCSEs.

§ Sector specific diplomas – technical training.

§ Roll out of Young Drivers Scheme and Experience Booster.

Level 3:

§ Young driver scheme.

Higher and Management:

- § Managerial skills in Marketing, ICT, Business Planning, Workforce Development & Diversity Awareness.
- § CPC and management training.
- § Traffic planning skills.

Maritime

Up Skilling:

- § Pre employment training and assessment and work trials.
- § Port operations (NVQ Level 1 / 2).
- § International trade and services (NVQ Level 1 / 2 / 3).
- § BIT (Business Improvement Techniques).
- § Skills for Life.
- § Adult Apprenticeships (Higher Engineering).

Level 2:

- § 14 – 19 year old priorities - specialist diploma, and Maritime Schools Challenge.
- § No provision of Stevedoring training.

Level 3:

- § National and regional shortage of work-based learning in the Port Industry, Engineering, and International Trade and Services.

Higher and Management:

- § Development of ‘softer skills’ such as communication within Graduate programmes.
- § Leadership & Management and sector specific qualifications and skills.
- § Higher level technical skills (Level 4) in:
 - § Engineering maintenance;
 - § Project maintenance;
 - § Quality management;
 - § International trade and services.
- § Level 5 or more skills required in strategic management and operational management.

Retail

Up Skilling:

- § Pre employment training – Skills for Life (especially literacy and numeracy) and sector specific skills qualifications – through development of Skill Shops.
- § ESOL.

Level 2:

- § Bite size learning opportunities e.g. Certificate in Retail Principles.
- § Skills gaps in:
 - § Customer service;
 - § Self motivation and acting on own initiative;

§ Verbal communication.

§ Implementation of new qualification framework including unitised NVQ Level 2.

Level 3:

§ First Line Management and BIT.

§ Implementation of new NVQ unitised qualifications with three Level 3 pathways.

Higher and Management:

§ Foundation degrees – in-house management development programmes – requirements for a flexible, blended learning approach.

§ Specialist skills gaps in:

§ ICT;

§ Visual Merchandising;

§ Business Planning.

Sport & Active Leisure

Up Skilling:

§ More funded pre entry level 1 provision in Health & Fitness and Coaching.

§ NVQ Level 1 in outdoor sector qualifications.

Level 2:

§ Workforce Development for volunteers at level 2, pilots for sport specific, Skills for Life in Cumbria, Greater Manchester & Greater Merseyside;

§ Roll out of Young Apprenticeship programme, more opportunities for Adult Apprenticeship and additional funding for Employer demanded vocational qualification within the Apprenticeship Framework.

§ NVQ Level 2 in Outdoor Qualifications.

§ Availability of Level 2 fitness awards.

Level 3:

§ Level 3 required in Coaching, Teaching and Instructing Courses.

§ Coaching awards including sports in UK Coaching Certificate Framework and Outdoor sector Coaching / National Governing Body Awards.

Higher and Management:

§ Roll out graduate Apprenticeship Programme and work on more flexible delivery of Foundation Degrees. Include national Governing body awards as part of Sport Science Degrees.

§ More combined health and sport degrees.

§ Improved Graduate skills in communication, motivation and practical development, advanced IT, and marketing.

§ Management Training for the Sport and Active Leisure Learning sector.

§ Leadership and Management skills and training for voluntary sector, SMEs and social enterprises.

§ Vocational workshops in:

§ Leadership and Management;

- § Business Development;
- § Sales and Marketing;
- § Advanced IT.

Tourism

Up Skilling:

- § Pre-employment training in readiness for the potential Regional Casino in particular Customer Service skills.
- § Skills for Life.
- § ICT training.
- § ESOL.
- § Cultural awareness training.

Level 2

- § Level 2 skills across the sector.

Level 3:

- § Need for more level 3 provision for 25 + linked to the development of new occupational standards.
- § Grow your own -Young Apprenticeship, need for more Apprentices in Hospitality.

Textiles

Up skilling:

- § Basic Skills.
- § ESOL.
- § More Level 2 and Level 3 training.

Level 2:

- § Operative and specialist skills e.g. sewing machinists - need for more commercial training courses which specialise in merchandising, sourcing and off-shore manufacturing.

Level 3:

- § Level 3 skills such as in machine technicians, tailors, skilled leather workers, and sample technicians.
- § Encourage NW universities to develop a better system to recognise Level 3 vocational qualifications and WBL achievements.

Higher and Management:

- § Higher level technical skills such as in designers and garment technologists.
- § Management and supervisory; and sales and marketing skills.