

Local Enterprise Partnership Skills Needs Research (Including a York Perspective)

Summary of Findings

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Overview of Research

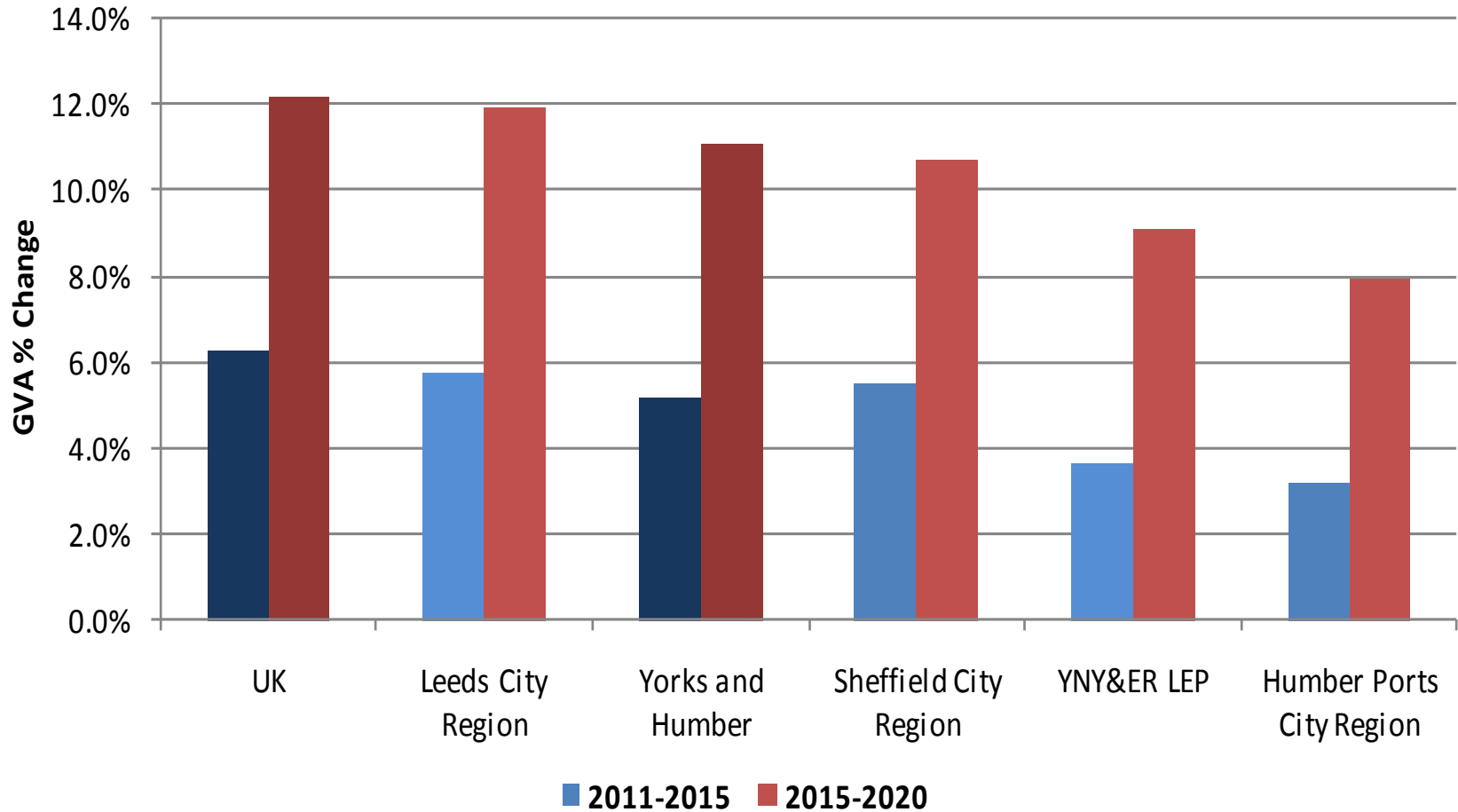
- Aims:
 - Identifying employers' skills and occupation needs
 - Understanding what better labour market information would look like and how it might be used by providers
- Approach:
 - A telephone survey and follow up case study work with FE and work based learning providers
 - A telephone survey of businesses
 - Follow up qualitative work with businesses and practitioners
 - Economic forecasting

Messages from economic/employment forecasts

- Sector differences – strong growth in business services , public sector and manufacturing under severe pressure
- York – workplace-based employment forecasts predict at best flat employment growth over the medium and long-term, below regional and national rates of growth
- This prediction is driven by the City’s current economic structure and recent history
- Mixed messages on resident-based measures of employment and workplace-based measures of employment
- Future potentially ‘transformational’ projects job creation impacts
- Replacement demand/ageing workforce

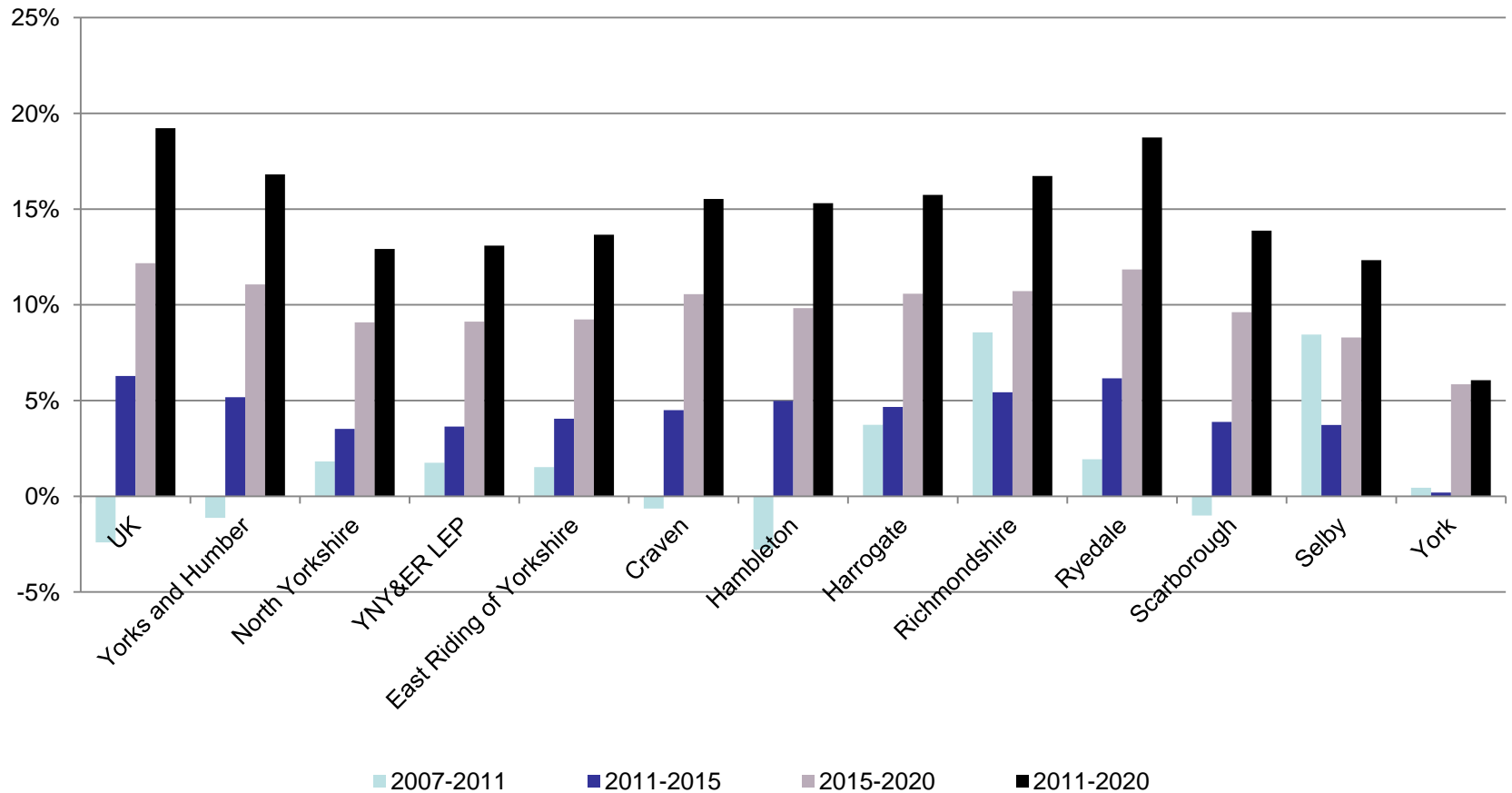
Change in GVA, by total net increase 2011-2020

Source: Regional Economic Intelligence Unit, 2012

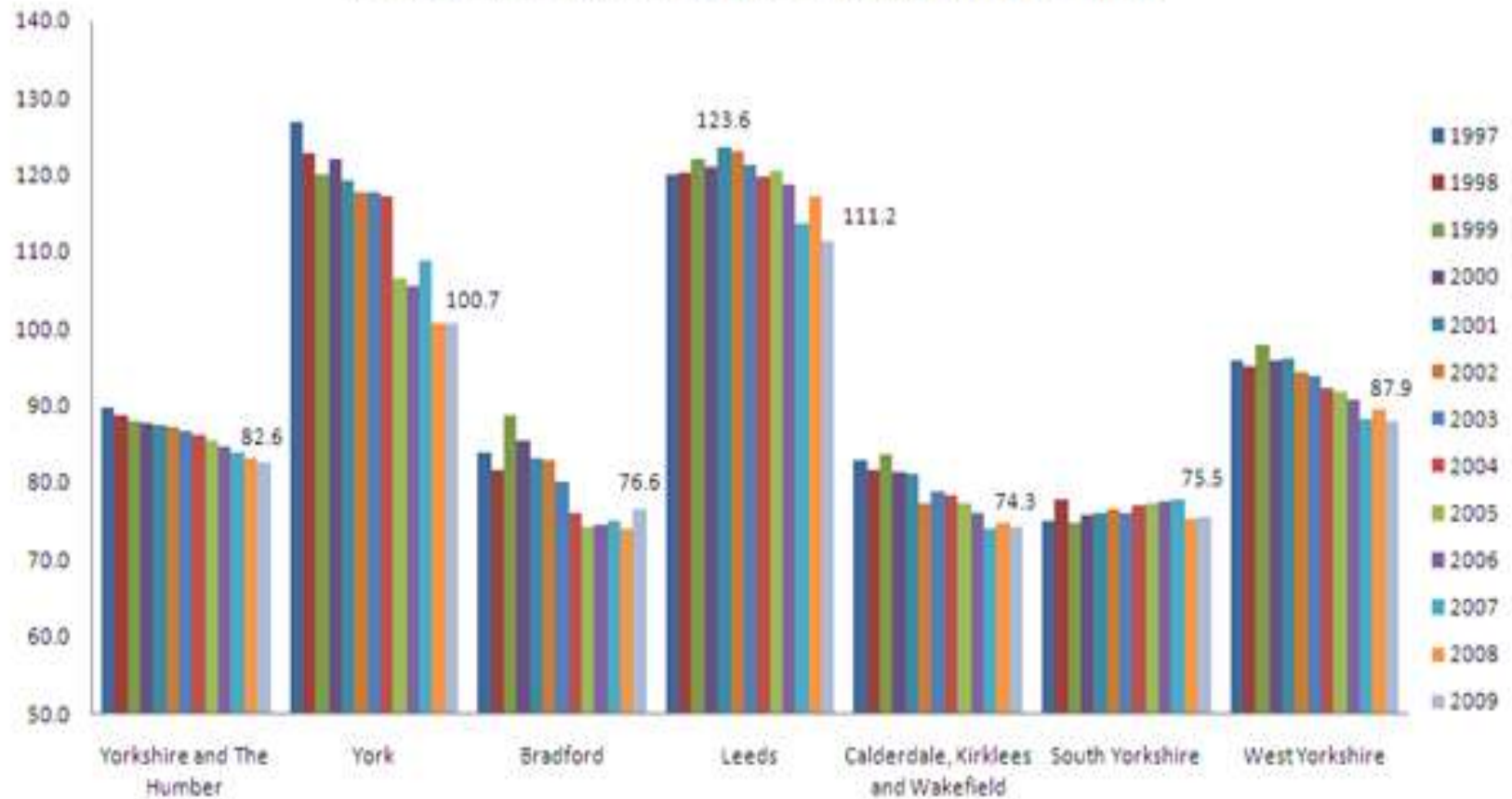


Change in GVA – Local Authority comparisons: 2007-2020

Source: Regional Intelligence Unit 2012



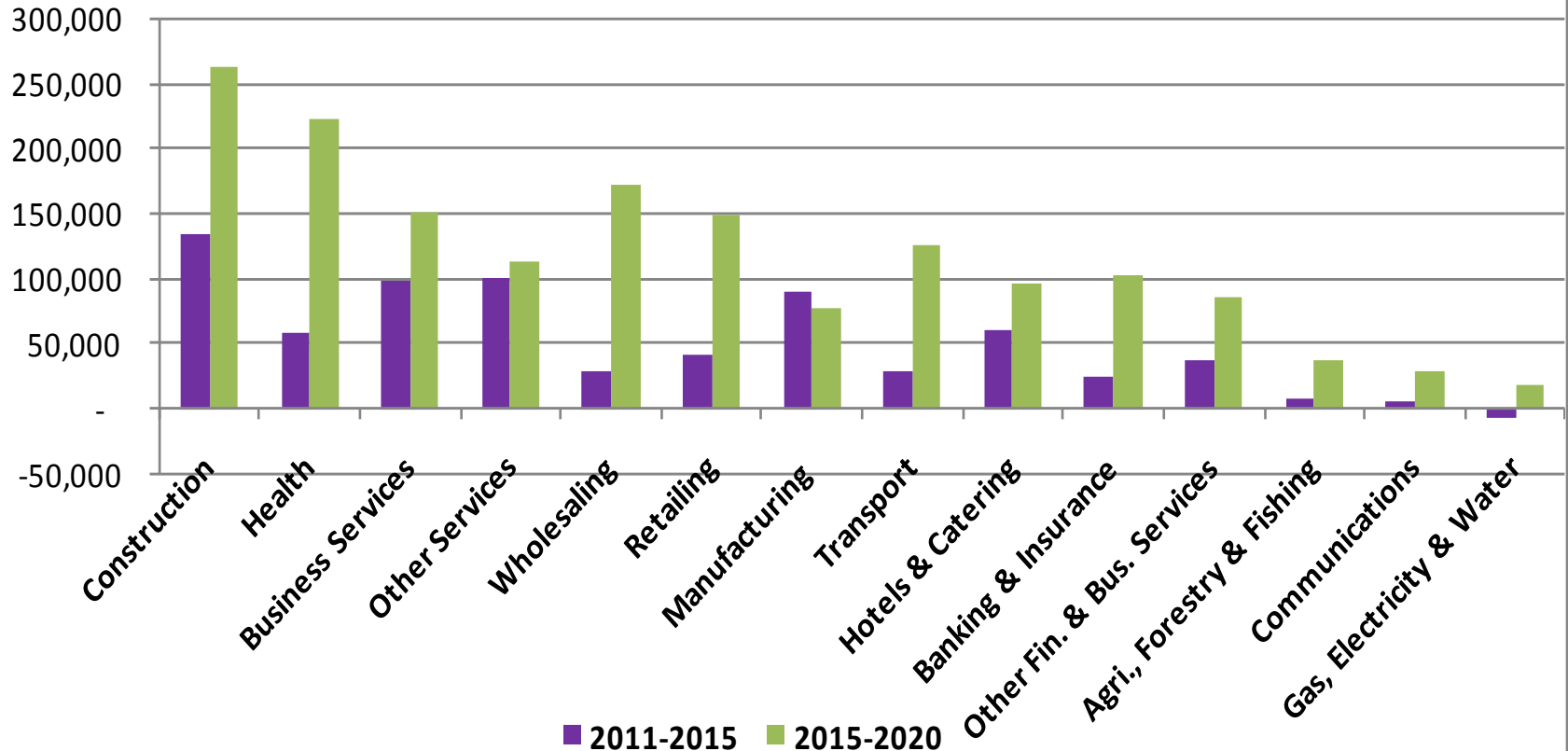
Local GVA indexed to UK average, 1997 to 2009



YNYER LEP, net change in GVA by sector 2011-2020

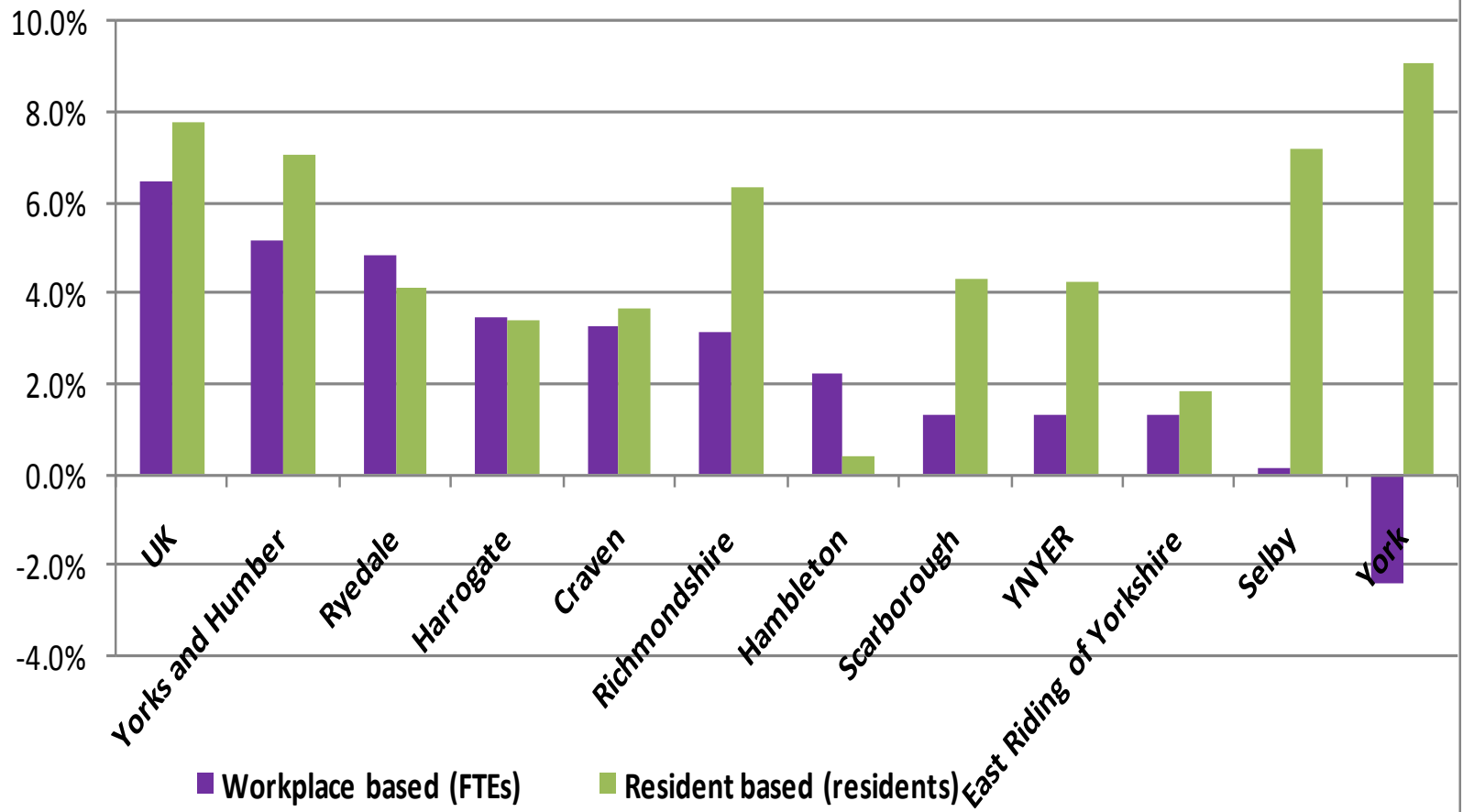
Source: Regional Economic Intelligence Unit, 2012

Net Change £000s



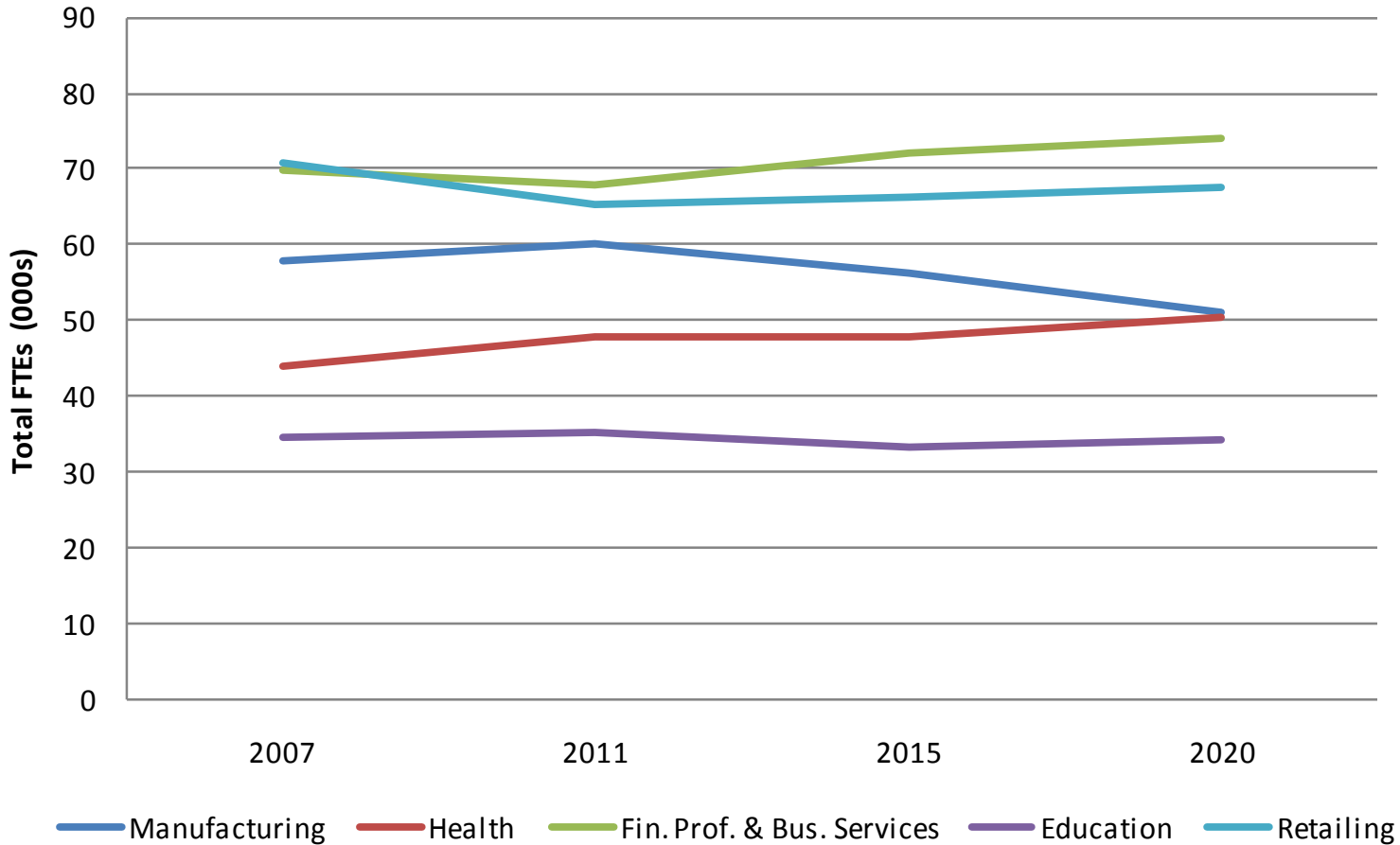
YNYER LEP, employment change 2011-2020

Source: Regional Economic Intelligence Unit, 2012



YNYER LEP, FTE change in major sectors 2007-2020

Source: Regional Economic Intelligence Unit, 2012

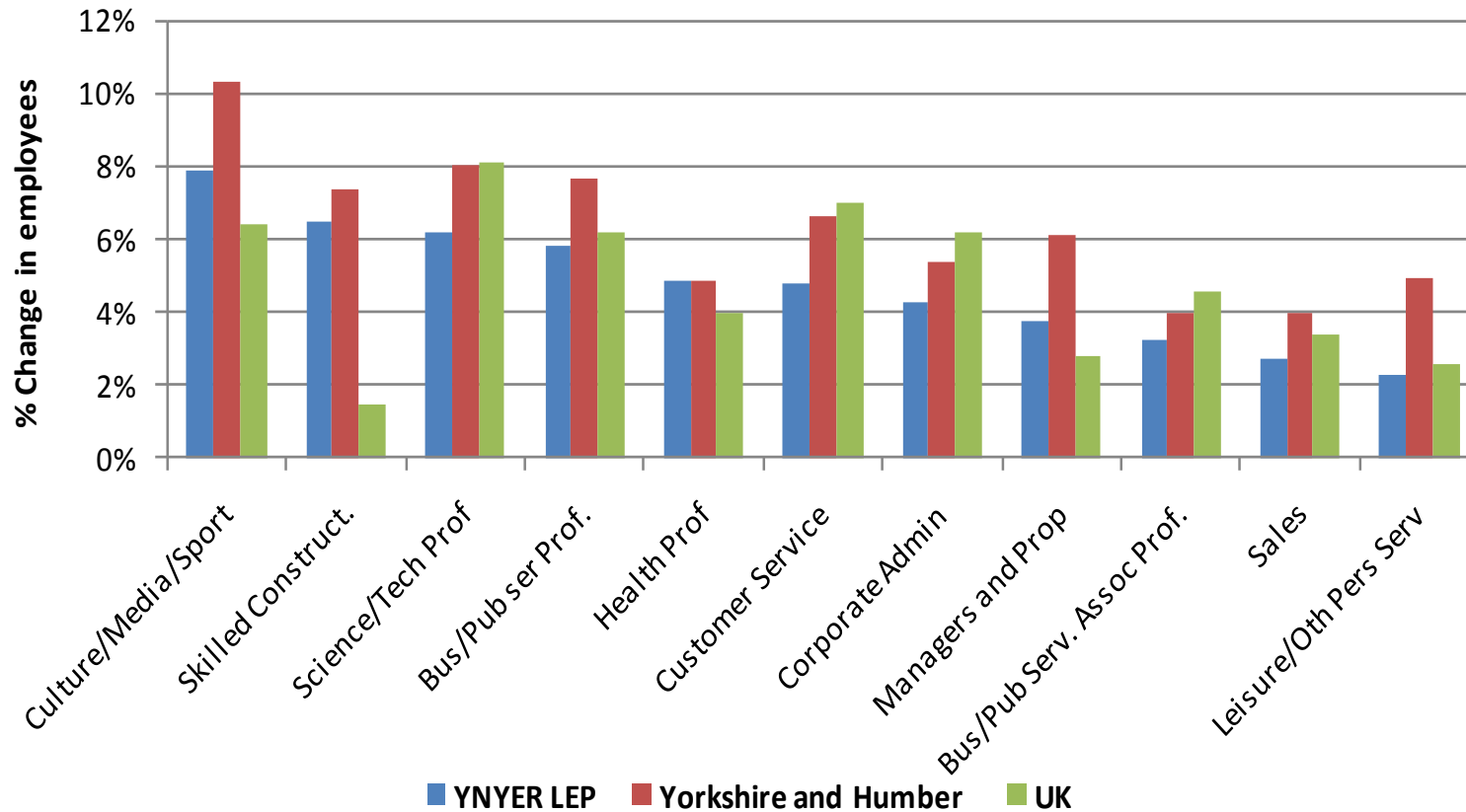


Occupational Change

- The demand for higher-level and specialist skills will continue to increase
- Increase driven both by the industrial structure and longer-term trends in the labour market
- The decline in lower skill jobs in sectors under pressure will continue
- In spite of an up-skilling of the workforce, substantial numbers will remain in employment with qualifications below Level 2 suggesting that basic skills training will remain a priority
- Sectors such as tourism, retail and care-related services will offer a range of employment opportunities

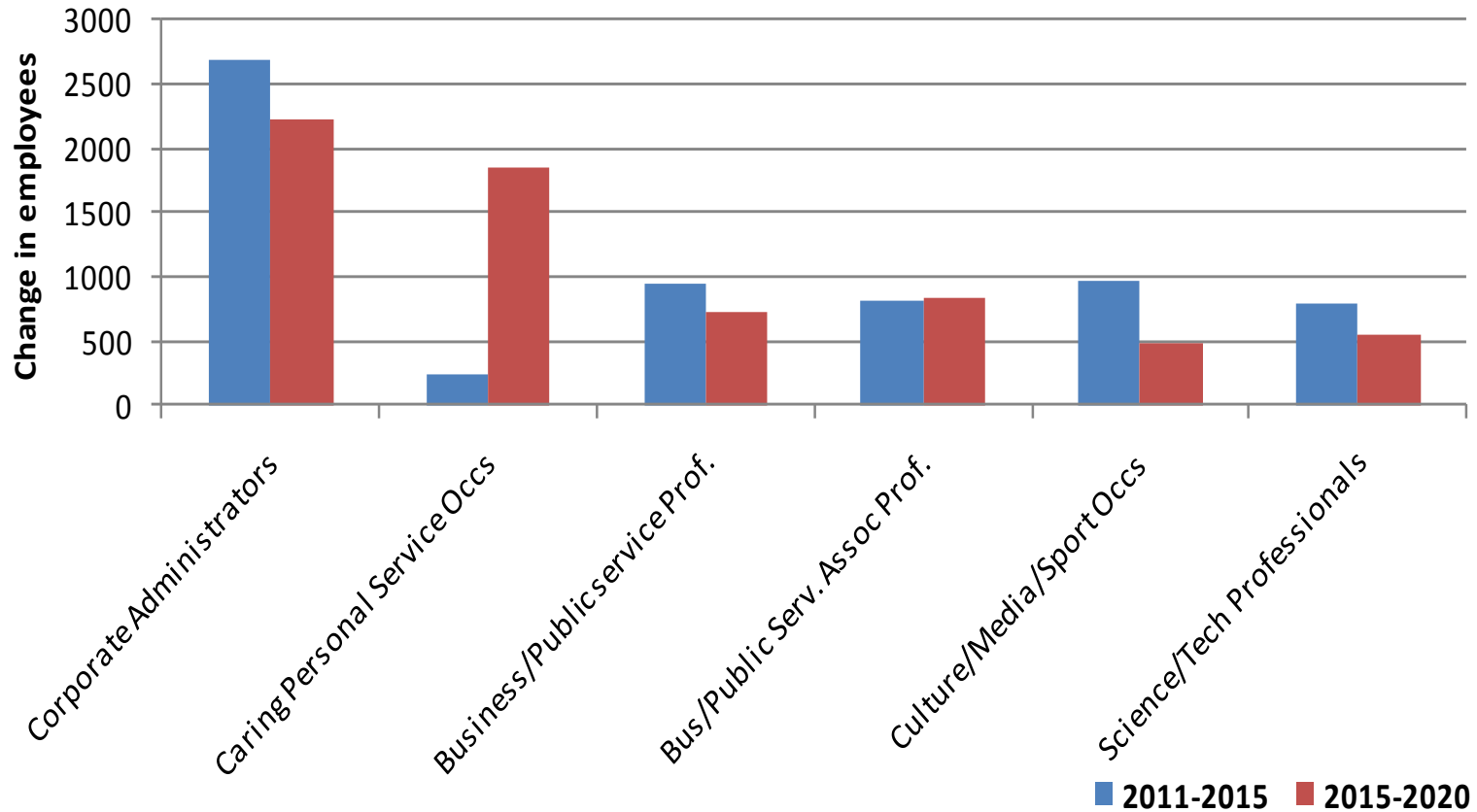
YNYER LEP, fastest growing occupation groups 2011-2015

Source: Regional Economic Intelligence Unit, 2012



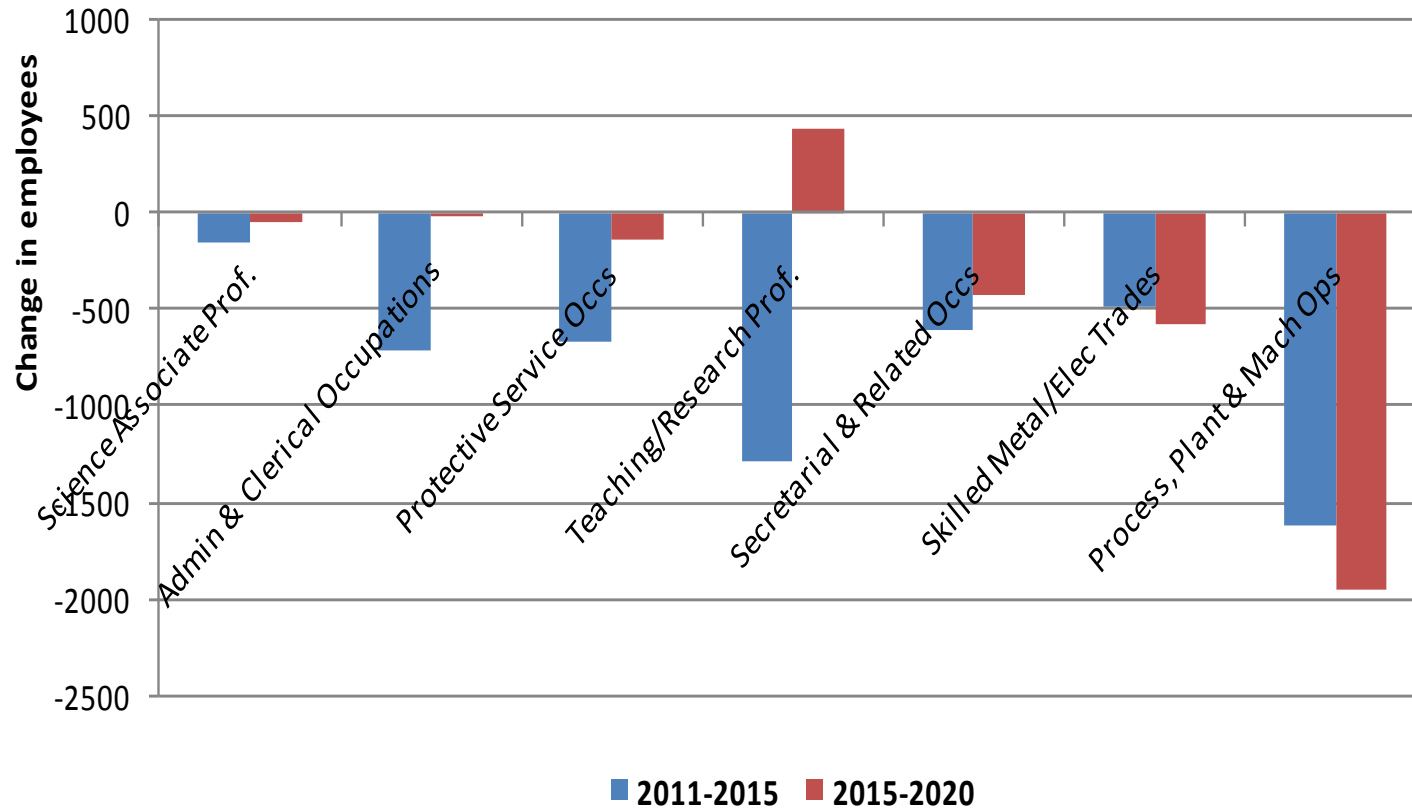
YNYER LEP, occupations - largest net increases 2011-2020

Source: Regional Economic Intelligence Unit, 2012



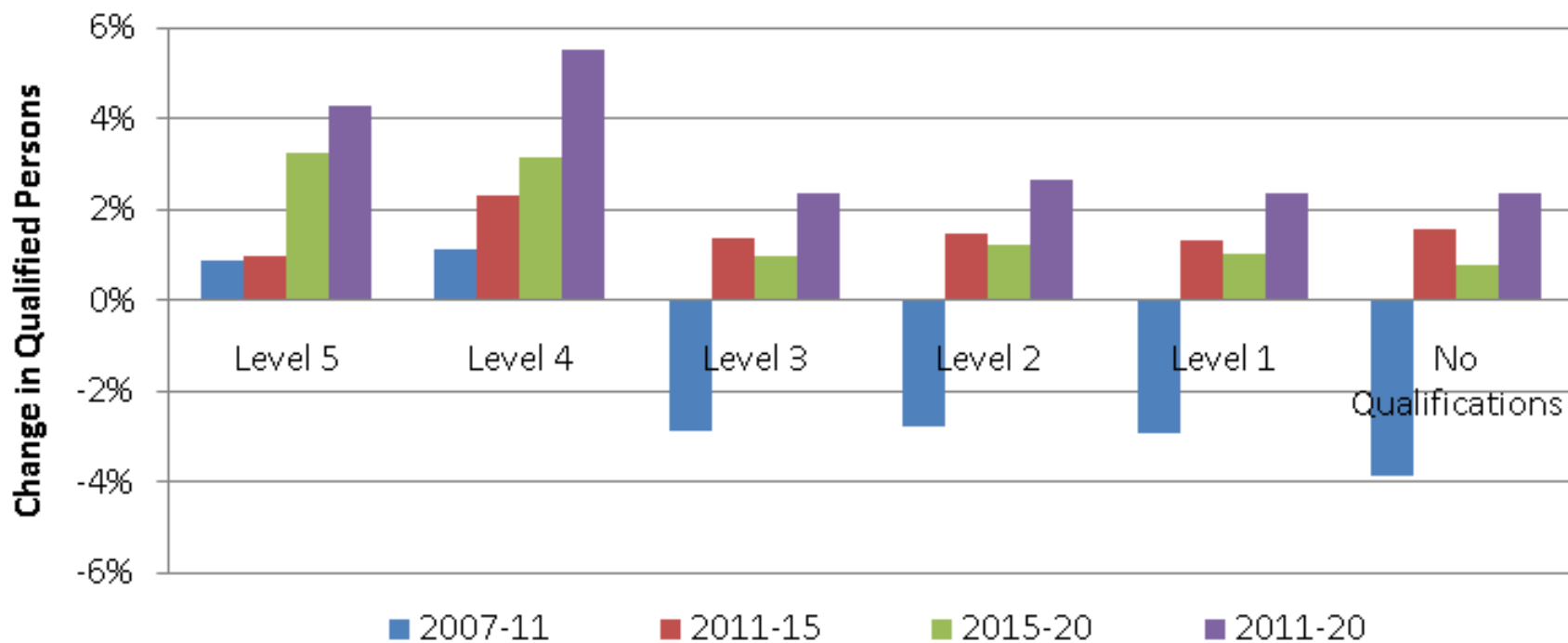
YNYER LEP, declining occupations - by total net decline 2011-2020

Source: Regional Economic Intelligence Unit, 2012



Changes in Qualification Profile, 2007-2020

Source; Regional Economic Intelligence Unit, 2012



Employer Survey - Key issues

- Across all occupations, the majority of businesses expect employment levels to stay the same over the next three years
- Slight increases were most frequently reported for skilled trade occupations, admin/secretarial occupations and sales and customer service occupations
- Reflecting long term trends - industry standard qualifications and NVQs seen as being the most important, although degrees and A levels also identified in York
- By contrast, employers are forecasting that they will need a more skilled workforce. IT and software skills were most frequently reported, followed by technical or practical skills, customer handling skills, team working and planning and organisation and management skills
- Longer term outlook: the vast majority of businesses expect their three year projections to continue post-2015, i.e. they expect to go on needing a more skilled workforce and do not forecast significant growth.

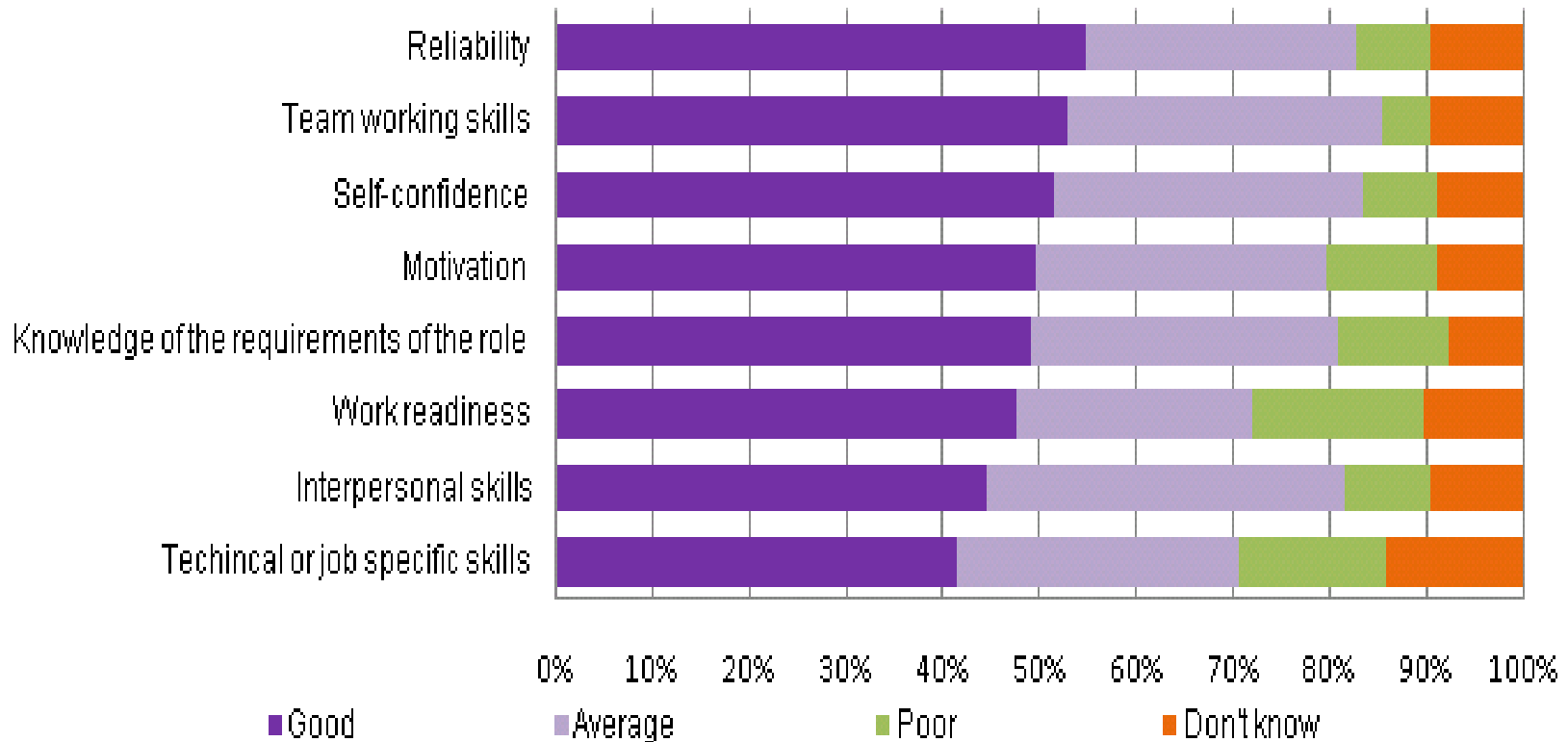
Employer Survey - Key issues

- Less than 20% of businesses currently employ graduates (in graduate level jobs), and around two-thirds of these businesses expect to recruit additional graduates over the next three years
- Only 4% of businesses who do not currently employ graduates expect to recruit graduates in the next three years – so, those who employ graduates expect to go on doing so and those who don't do not expect to recruit any
- Just over fifth expect to recruit new apprentices over the next three years – lack of business need and size of company most frequently identified reasons for not recruiting
- The top three factors that would encourage businesses to procure more training from FE colleges and training providers were:
 - More public subsidy for training
 - Training that is more tailored to business needs
 - Location of delivery

Employer Survey - Key issues

- Two thirds of businesses expect staff to receive formal training over the next 3 years with 43% expecting expenditure on training to increase significantly or slightly – static training budgets for majority
- Any lack of confidence in provision was linked to relevant courses not being available and the courses not being sufficiently tailored to the needs of the business
- Where businesses do not expect staff to receive training, all staff being fully proficient was the most frequently cited response (83%)
- No 'silver bullet' that would encourage employers to invest more in staff training: the top three reasons that would encourage businesses to commit more financial resources to training were:
 - Nothing (41%)
 - More stable trading conditions (19%)
 - Increased training budget (13%)

Business views of young people's skills and aptitudes



Source: LEP Skills Survey 2012. Sample of 157 responses.

FE/Training Providers – Key Issues

- Fewer than 10% of providers rate current labour market information as ‘very good’
- Lack of (local) detail and timeliness are the main issues
- 50% of providers would consider introducing new provision if labour market information was better
- Mixed and misunderstandings about the role of the LEP, its priorities and direction of travel

FE/Training Providers – Key Issues

- **To improve labour market information:**
 - Less not more
 - Short and accessible paperwork that is up to date and localised
 - Specific skill needs and levels highly desirable
 - Facility to follow-up directly with employers
- **Barriers to responsiveness:**
 - Funding: uncertainty and eligibility changes
 - Employers' ability/willingness to pay
 - Need capacity to digest and engage, and investment to respond

Challenges and Opportunities

- **For Education**
 - Improve basic skills and further develop attitude and employability skills
 - Better employer engagement and promote STEM subject choices
- **For Funders**
 - A more stable environment with the right incentives for providers
- **For FE and HE:**
 - Design provision to meet skills shortages, to better connect with the workplace, make the commercial case for training, and to further build attitude and employability skills
- **For Business:**
 - Raise skills levels in business, especially higher level
- **For the LEP and Local Authorities (local level)**
 - Accelerating transformational projects, bringing it all together and driving change...
 - Continue to promote the benefits of skills investment to employers