GLOUCESTERSHIRE LEP SKILLS STATEMENT

Produced by Marchmont Observatory
University of Exeter

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Contents

1. INTRODUCTION

Growing Gloucestershire sets out an ambitious plan for growth. Achieving this will require an employment and skills system which meets the needs of the economy, employers and individuals both now and in the future. This Skills Statement has been built upon a comprehensive evidence base, the *Gloucestershire LEP Skills Statement Evidence Base* and an accompanying analysis of our key sectors, produced by the Marchmont Observatory at the University of Exeter. An online consultation process has also helped to shape the strategic priorities and recommendations for action articulated in this statement.

Local Enterprise Partnerships (LEPs) have been given a clear task by the Government - to provide the strategic leadership to set economic priorities and create the right environment for business and growth. LEPs therefore have as their focus measures to create jobs, improve business conditions and generate growth.

Current government policy on skills emphasises the need to move to a more ‘demand-led’ system, where employers and individuals have a greater ownership of the skills agenda. This is intended to strengthen the link between skills provision and the current and future requirements of the economy.

Government strategy also stresses the importance of localism: the idea that local people and businesses know best what is needed in their area. This move to localism has resulted in LEPs being given increasing strategic responsibility for economic development in their areas, including skills. An important starting point is a shared understanding of the employment and skills needs based on a clear evidence base on which to make decisions, with an emphasis on understanding the needs of local employers. The evidence base underpinning this Statement allows us to develop a picture of employer need in the Gloucestershire LEP area and compare that with the skills of the current workforce and the provision of skills and education for the future workforce.

Developing a highly skilled, highly employable and economically productive population is central to our growth ambitions. This Statement is essential in not only identifying priorities for collaborative action, but it will also underpin our investment strategy and the deployment of resources for maximum impact.

Purpose

The *Gloucestershire LEP Skills Statement*:

- sets out the skills needs of the Gloucestershire area and how partners believe that these should be met;
- allows national and European funding to be effectively targeted on local priorities; and
- can be used as a basis for ensuring that publicly-funded provision and private investment in skills reflect local labour market requirements.

This Skills Statement will form part of the LEP's overall Strategic Economic Plan, *Growing Gloucestershire,* which will be presented to government in March 2014. An important context for this work is also the LEP's new responsibilities for setting strategic priorities for the 2014-2020 European Structural & Investment Funds (SIF), including ESF, and the Local Growth Deal proposal 2015-21.

Evidence base

The research and analysis for the evidence base was carried out between October and November 2013 and draws together information from:

- An analysis of a range of data sources, including forecasts from Cambridge Economics (LEFM) provided by Gloucestershire County Council, and data on learning provision made available by the Skills Funding Agency (SFA).
- A range of reports on Key Sectors which draws on a wide range of evidence from Sector Skills Councils (SSCs) and the UK Commission for Employment and Skills (UKCES), forecasting data and supply-side data.
- An online survey which secured responses from 96 partners.
- A series of focus groups with employers undertaken by GFirst.

2. VISION

Growing Gloucestershire has set three priorities for action, including skills:

> *Producing talented people with the skills that businesses need is essential. We will develop strong partnership between business and education providers to bridge the current skills gap.*

A key aim is to build a highly employable and economically productive population. A flexible and skilled workforce will provide the resilience required in an ever-changing economic climate. Closely linked to our Connection and Promotion priorities, we will:

- develop a strong partnership between education and business;
- equip students with the skills that businesses need; and
- provide career opportunities for local skilled and talented individuals.

This Statement outlines a number of priorities and actions, which will inform the *Growing Gloucestershire Strategic Growth Plan.*

3. GLOUCESTERSHIRE'S LABOUR MARKET CONTEXT

This section provides a summary of the Gloucestershire labour market. A more detailed analysis is available from the *Gloucestershire Skills Statement Evidence Base.*

3.1 Wider economic context

The Gloucestershire LEP economy will be strongly influenced by the national economic and policy context. The adverse economic conditions and financial crisis continue but with signs of recovery. Weak demand, constrained access to finance and low levels of investment are still being felt by businesses in the Gloucestershire area. The 2013 Chancellor's Budget saw the Office for Budget Responsibility (OBR) halve the forecast growth for 2013 from the 1.2% it had predicted in December 2012 to 0.6%. However, the UK economy has gained momentum through 2013[1], GDP growth has exceeded forecasts, and there are early signs that growth is balanced across the main sectors of the economy. The factors which weighed on UK growth between 2010 and 2012 – the euro crisis, commodity price inflation and the impact of the financial crisis – are abating, but external risks remain.

Enterprise – the business start-up rate and business survival rate (2011) in Gloucestershire are in line with the national averages and higher than the averages for the South West of England. However, significant variation exists within Gloucestershire - the Cotwolds have twice the start-up rate of Gloucestershire and the Forest of Dean[2].

GVA and employment - in terms of GVA, Manufacturing is the largest sector in the area, contributing 19.7% of total output and 11.7% of employment. In terms of employment, Health is the largest sector, contributing 12.3% of employment but just 7.7% of output.

Competitiveness - the UK Competitive Index for 2013 places the Gloucestershire LEP area as the 11th most competitive LEP area in England, slightly behind the West of England, which is the eighth most competitive LEP nationally and the most competitive LEP area in the South West. The Gloucestershire LEP area has some of the most competitive local authority areas in the South West (Cheltenham, Cotswold and Stroud rank second, third and fourth within the region).

[1] 2013 Chancellor's Autumn Statement, HM Treasury.
[2] It should be noted that this dataset refers only to businesses that meet the criteria that require them to register for VAT and/or PAYE. Some of these 'new' firms may have been established some time previously and only recently met the criteria. There are certain to be a number of new firms and sole traders that are not included in the data above.

Productivity - in terms of output per hour worked, while Gloucestershire is more productive than the South West as a whole, it is one of the least productive areas within the wider Gloucestershire, Wiltshire and Bristol/Bath NUTS2 area. Perhaps, more importantly, while most other parts of the wider NUTS2 area have made productivity gains, Gloucestershire has lost ground. In 2004, Gloucestershire's GVA per hour worked was 2.2% higher than the UK average but by 2007, the productivity advantage against the UK had been eroded. Subsequent year-on-year below-average productivity gains now mean it is 6.7% less productive than the UK average.

3.2 Current skills demand

Employment structure

Gloucestershire's employment structure reflects that of the rest of the UK with Construction, Retail, Professional scientific & technical, Business administration & support services, Public administration & defence, Education and Health the major employers in Gloucestershire. However, Gloucestershire has particular concentrations of employment in Manufacturing, Public administration & defence and Agriculture.

Highly-skilled jobs account for 46.6% of local employment, higher than regional and national averages. And Gloucestershire also has particular concentrations of employment in Professional, Skilled trades and Sales & customer service occupations. Over half (52%) of people are employed in Knowledge-Intensive Sectors (KIS)[3] in line with the national picture. Most of this is in knowledge-intensive services (125,500) but medium-high technology manufacturing (9,600) and high-technology manufacturing (8,900) businesses also provide significant numbers of jobs. Four-fifths (80%) of employment within the Gloucestershire LEP area is in the private sector.

Recession and job losses

Gloucestershire lost around 1,400 jobs between 2009 and 2011 (1% of all employment). Wholesale & retail (-3,100), Professional, scientific & technical activities (-2,000) and Arts, entertainment & recreation (-1,900) saw the largest job losses. But some sectors gained - Public administration & defence gained 5,900 jobs, whilst Administrative & support service activities, 4,000 jobs, so there is little

[3] Knowledge-Intensive Sectors (KIS) are defined by Eurostat as:
- High-technology manufacturing
- medium-high technology manufacturing
- knowledge-intensive services

sign of the rebalancing towards the private sector that is the key thrust of current Government policy.

Skills shortages and skills gaps

Around 3% of Gloucestershire's employers have hard-to-fill vacancies, 77% of which were difficult to fill due to a lack of skilled applicants (around 850 vacancies). Skilled trades occupations made up 23% of these, compared with 17% nationally. At the same time, 18% of Gloucestershire LEP employers (3,600 employers) reported having a skills gap, with around 14,500 employees assessed as not being fully proficient in their jobs. This accounted for 5.6% of total employment (in line with the national average). Around 20% of these were where staff lacked proficiency, or there were insufficient strategic management skills. Over half of the employers with skills gaps felt that they were having an impact on the performance of the organisation.

3.3 Future skills demand

Employment is expected to increase by 34,000 (or 11%) between 2012 and 2025. The Health (+12,400), Business administration & support services (+6,500), Construction (+5,700) and Accommodation & food services (+4,500) sectors are projected to create the largest numbers of jobs while employment in Wholesale, Manufacturing and Education is expected to fall. The contraction in Education employment predicted is significant, representing a loss of 8,400 jobs and 30% of the 2012 workforce. Higher-skilled occupations will account for an additional 34,000 jobs and will comprise 49% of total employment in 2025, compared with 43% in 2012. The highest rate of employment growth is expected to be seen in the Professional occupations (+43%), in Caring, leisure & other service occupations (+25%) and among Managers, directors & senior officials (+22%).

Jobs growth and replacement demand

According to Working Futures forecasts for replacement demand, which occurs where there is a need to recruit and train new entrants into jobs to replace those leaving[4], when combined with jobs growth and contraction across sectors, there will be a net requirement to fill 142,000 jobs between 2010-2020. Total net requirements are positive across all occupations, which shows that there is a continuing need for relevant skills provision, even in areas where overall employment levels may be falling. The overall requirement is again skewed towards higher-level occupations. This shift towards higher-level occupations will generate a rising demand for higher levels of skills and qualifications. It is estimated that an additional 13,000 jobs will require a first degree, an additional

[4] 'Replacement demand' is defined as the number of retirements, plus occupational mobility, plus migration.

14,000 jobs, an ‘Other higher degree’, with a further 2,000 jobs requiring a doctorate. The number of jobs requiring no qualification is projected to fall by 10,000.

3.4 Skills supply

Population forecasts

Gloucestershire’s population is set to increase by around 46,000 (8%) over the next decade, rising to 644,000 in 2021, slightly less than the England average (9%). Overall, the major growth will be in the older age groups 65+, but the size of the working age population will remain static. The 16-18 and 19-24 age groups are set to shrink in absolute terms over the forecast period, with a total drop of more than 5,300 16-24 year olds (-8.2%) living in Gloucestershire in this time. This will limit the pool from which employers can recruit and may have implications for the ability of the local economy to grow, unless growth is accompanied by a rise in productivity.

Economic activity

While the size of the working age population is an important factor in looking at the volume of labour supply in the region, it is also important to look at how many people of working age are economically active. Economic activity rates in Gloucestershire are high: 81.2% in 2012 compared with 78.4% for the South West and 77.1% for England. Whilst this dipped during the recession, it recovered in 2011, with the local recovery being stronger than that seen regionally or nationally.

In 2012, the employment rate for the Gloucestershire LEP was 79.7%, well above the national average of 72.6% whereas in March 2013, the claimant count unemployment rate for the Gloucestershire LEP was 2.7% (10,270 claimants), equal to the rate for the South West (2.7%), and well below the national average of 3.8%. ILO unemployment was much higher, at 6.0% (16,200 unemployed). However, the recession had a particularly sharp impact on youth unemployment in the Gloucestershire LEP area. The unemployment rate for 18-24 year olds rose dramatically, by 4.2 percentage points between September 2007 and August 2009, compared with rises of 2.0 percentage points for people aged 25 to 49. The level of youth unemployment remains more than 50% higher than it was before the recession. Unemployment rates for older age groups also remain significantly above their pre-recession levels.

Long-term unemployment is hardening, with the proportion of the unemployed who are very long-term unemployed (more than one year) rising dramatically in the last two years, from 17.7% in August 2011 to 27.1% in August 2013. 4,050 were more than six months unemployed in the last year to August 2013. This hardening of unemployment, which leads to a loss of skills, motivation and workplace behaviours, is an important issue and one that may have a lasting legacy, as long-term unemployment is normally slowest to fall during periods of economic recovery.

Pockets of deprivation

Although unemployment rates in Gloucestershire are low compared with the national average, the LEP area includes 19 wards in which the unemployment rate is higher than the national average. At the time of Census 2011, the unemployment rate among 16-74 year old adults in the Matson & Robinswood and Barton & Tredworth wards in Gloucester were both around 50% higher than the England average (4.4%). The majority of the 19 wards with adult unemployment above the England average are in urban centres. Five are found in both Gloucester and Cheltenham. The Forest of Dean is also badly affected, including four of the worst affected wards. This shows that deprivation and high unemployment levels are by no means solely an urban issue.

NEETs

In March 2013, an estimated 4.7% of 16-18 year olds in the Gloucestershire area were NEET[5] (862 young people), lower than both the regional (5.4%) and national (6.1%) averages. A further 9.5% of this age group's activities were unknown. Of more significance, given the Raising the Participation Age (RPA) agenda is that there were 1,670 16-18 year olds in employment without training, equating to 7.2% of 16-18 year olds locally, compared with 4.9% nationally.

Participation in learning

In 2011, 87% of 16 and 17 year olds in the Gloucestershire LEP area were engaged in some form of education or work-based learning, a rise of six percentage points from 77% in 2002. The long-term increase in participation is entirely due to the rise in the number of young people continuing in full-time education, as opposed to a rise in Apprenticeships.

Recruitment of young people

In 2011, around 6,000 employers in the Gloucestershire LEP area (30% of all employers) had recruited a young person directly following their education in the last two to three years. But in the last 12 months, this had fallen to 20%.

[5] NEET = Not in Education, Employment or Training.

Skills of the workforce

Gloucestershire has a well-skilled population, with a higher than average proportion of Gloucestershire LEP's workforce qualified to Level 4 (35.5%) and Level 3 (21.8%) compared with the national averages. The proportion of those with low or no qualifications is lower than the national average and falling.

3.5 Skills pipeline

Key Stage 3

Evidence shows that, if children do well at Key Stage 3, they significantly increase their chances of doing well at GCSE and beyond. Most children are expected to achieve level 5 or level 6 by the end of Key Stage 3. The proportion of 14 year olds in Gloucestershire who attain level 5 in English, Maths and Science is roughly in line with the national average and the proportion who attain level 6 is significantly above both the national and regional averages across all subject areas.

GCSEs

In 2012/13, 61.6% of pupils in Gloucestershire schools achieved five or more GCSEs at grades A* - C including Maths and English, above both the regional and national averages of 59.1% and 58.6% respectively. However, the area has shown slower than average growth over the last seven years which means that it was just 3.0 percentage points above the average in 2012/13, narrowing the gap with the national average. In terms of achievement in Science, Technology, Engineering and Maths (STEM) subjects at GCSE level, in 2012/13, 73.8% of young people in the Gloucestershire LEP area gained a GCSE in Mathematics at grade C or above. The proportion of young people gaining the Science component of the English Baccalaureate was also high at 54.6% compared with 48.4% for England as a whole.

Attainment of Level 2 and Level 3 qualifications at 19

The achievement of a Level 2 or 3 qualification by age 19 is a key indicator for the Department for Education (DfE). The proportion of Gloucestershire LEP's 19 year olds achieving a Level 2 qualification increased significantly, by 7.8 percentage points between 2006/07 and 2011/12 to 83.1%, just above the national average (83.0%). The proportion of 19 year olds achieving a Level 3 qualification has also risen consistently over the last five years, by 7.0 percentage points to 60.7% in 2011/12. The rate of improvement has been similar to the regional average, but slightly behind that seen across England as a whole (9.7 percentage points).

Higher Education participation

44% of the young people from Gloucestershire who progressed through A Levels or other Level 3 qualifications entered Higher Education (HE) in 2010/11, above the regional average (of 40%) but also four percentage points below the average for England (of 48%). The proportion going on to Oxbridge, Russell Group or 'Top third' universities is slightly above the national average. 2,335 HE students from Gloucestershire were attending a Higher Education Institution (HEI) in the area in 2011/12, which is low compared with many other LEP areas and has fallen by 2.4 percentage points since 2007/08. The most popular institution for local people outside the LEP area was the University of the West of England. The Open University also attracted large numbers of local students. Other popular HEIs are generally those close to the area, indicating scope to increase local provision.

Learning routes

In terms of the take-up of learning opportunities funded through the Education Funding Agency (EFA) and the Skills Funding Agency (SFA)[6], in 2012/13, there were almost 76,000 learner starts with providers in the Gloucestershire area. Young people (aged under 19) accounted for more than half (55%) of starts and Adult learners (aged 19 and over) accounted for the remaining 45%. By programme, Education and Training accounted for 82% of learner starts, with Adult Safeguarded Learning (10%), Apprenticeships (7%) and Workplace Learning (2%) accounting for relatively small number of learners. Youth education and training accounted for 53% of all Government-funded learner starts in Gloucestershire. The youth share of the learning market has expanded in recent years (from 46% to 55%), while the adult share contracted, reflecting government policy. The overall volume of adults starting government-funded courses fell by 16% over the period, but the rise in adult Apprenticeships is a particularly interesting development with adults accounting for almost three-quarters (73%) of all Apprenticeships in 2012/13, compared with 56% in 2008/09.

By contrast, youth participation in government-funded education and training has increased, with volumes in 2012/13 20% higher than in 2008/9. Most of the increase was in Education and Training, although youth Apprenticeship starts increased at a faster rate.

37% of all starts in 2012/13 were at Level 2 or above and 19% were at Level 3 or above. Only 1% of starts were at Level 4, 5 or higher. Young people are more likely to be learning at Level 2 or above (46%) than adult learners (37%).

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[6] It focuses initially on learning that is delivered locally: that is it includes learners who access learning opportunities from local providers irrespective of where the learner lives (some will live outside the Gloucestershire LEP area). We then incorporate data on learners who live in the Gloucestershire LEP area to examine the extent to which learners can access learning opportunities locally.

The most common broad area of study was Preparation for Life and Work (36%). Among common sector subject areas were Arts, Media & Publishing (accounting for 8% of all learner starts) and Leisure, Travel & Tourism (6%). Compared with adult learners, young learners are more likely to study Maths and English and other ‘academic’ subjects such as the Social Sciences, and Agriculture, Horticulture & Animal Care.

Apprenticeships

Youth Apprenticeships accounted for 27% of all Apprenticeship starts in 2012/13, 34% higher than in 2008/9. The lion’s share of Apprenticeship starts continues to be at the intermediate level (69%) although there is growing interest in Advanced and Higher Apprenticeships. Construction, Planning & the Built Environment (17%), Business, Administration, Finance & Law (16%) and Health, Public Services & Care (15%) were the most popular subject areas[7] for youth Apprenticeships in 2012/13. More than 3,600 adults started an Apprenticeship during 2012/13. The number of adult Apprenticeship starts has increased year-on-year since 2008/09, to the point where, in 2012/13, the total number of starts was 176% higher than it was in 2008/9. Adult Apprenticeship starts are now broadly equally split between those at Intermediate (50%) and Advanced (47%) levels. In line with national policy, growth in 2012/13 was focused on Advanced Apprenticeships at Level 3. There is a small but rapidly growing minority at Higher level (3%). Adult Apprenticeship starts are heavily clustered in three sector subject areas: Health, Public Services & Care (30%), Business, Administration, Finance & Law (24%) and Retail & Customer Services (15%).

Local HE provision

In 2011/12,10,270 students were studying at Gloucestershire’s two HEIs. In the same year,18,100 Gloucestershire residents were students of HEIs across the UK, making Gloucestershire a net exporter of around 8,000 students. Looking first at provision being delivered by the two local HEIs, there were 2,850 students in STEM subjects in 2011/12, representing 27.8% of all students. The Royal Agricultural University has a large proportion of STEM students (74.8%); 21.6% of the students at the University of Gloucestershire study STEM subjects. This figure is considerably below the national average of 42%.

Looking at the subject choices of local residents compared with the level of provision being offered locally suggests that there are some areas of demand from local people that are not being met by the current local HE offer. This is most obviously in those subject areas not offered by the two local HEIs i.e. Medicine and Dentistry, Mathematical Sciences and Engineering and Technology. There are

[7] Note: The 233 Apprenticeship Frameworks have been classified into 25 broad sector areas to aid analysis.

other subjects where the apparent level of demand from local people is higher than the current local supply of provision, e.g. Subjects Allied to Medicine, Biological Sciences, Physical Sciences, Languages, Historical & Philosophical studies and Creative Arts and Design. While it may be unreasonable to expect an area with so few HEIs to be able to cater for all the demands for HE provision from local people, the data does suggest some areas that may have a positive impact on levels of graduate retention if provision could be expanded to meet indicative levels of demand from local people.

Employer-sponsored learning

64% of employers in the Gloucestershire LEP area had arranged or funded training for staff in the 12 months prior to the survey, compared with 66% nationally. There was a slightly lower than average incidence of off-the-job training. National data suggests that there has been a slight fall in the incidence of training since the 2009 survey, particularly in the level of off-the-job training being arranged. The fall has been most prominently in the smallest establishments employing two to four people suggesting that the impact of the recession on training has hit smallest establishments the hardest. The survey estimates that a total of 142,000 employees in Gloucestershire had received training in the last year, equating to 55% of the workforce and above the national average (51%). 24% of these studied towards a nationally-recognised qualification.

3.6 Mismatch

Arts, Media and Publishing - is the third most popular subject area among HE students (13%) and the joint second most popular choice among young people in Further Education and Training. On the face of it, it would appear that there is an over-supply of Arts, Media and Publishing courses delivered locally, given local demand for these courses. However, many students reading these subjects within HEIs locally may be anticipating employment outside Gloucestershire as only a (very) small share of local employment is supported within the formal Arts, media & publishing sector (around 3,400 jobs). The fact that creative skills are deployed across a wide variety of other sectors does mean that the proportion of employment in ‘creative’ occupations may be underestimated in this analysis.

Business, Administration, Finance and L**aw** - this sector accounts for 11% of employment in the Gloucestershire LEP area. It includes a broad range of activities including financial services (such as banking, insurance and pensions), real estate, law, the operation of head-offices and business services (such as advertising and market research). It is a popular subject area among most types of learner and, on the face of it, its large share of learner starts implies an over-supply of learners. However, many learners will find employment not just in this sector, but in business support functions in all other sectors. Interestingly, it is less popular among young people starting Further Education and Training courses.

Engineering and Manufacturing Technologies - Manufacturing accounts for 13% of employment across the Gloucestershire LEP area although many of these roles will be in support functions (for example, finance and marketing) and therefore this over-estimates somewhat employment in engineering and manufacturing technology-related occupations. The supply of apprentices in this subject area is broadly balanced with supply. Further Education and Training starts in this subject are uncommon and there is an absence of HE provision. The popularity of Engineering Apprenticeships is unsurprising given that Apprenticeships have a long tradition in this industry, and are a more established early route-way into the industry.

Health and Care - the Health & care sector accounts for 13% of employment within the Gloucestershire LEP area. Around half of employment in this sector is in activities related to human health with the remainder broadly evenly split between residential care activities and social work. Health and social care is a popular subject area among apprentices, particularly adult Apprentices but is less common among Further Education and Training and HE students. Given the importance of the sector now and in the future, there may be further opportunities to promote this sector among young people.

Information and Communication Technology (ICT) - the Information and communication technology 'sector' is relatively small, accounting for 2% of employment in the Gloucestershire LEP area. The share of starts and students on ICT-related courses in Further Education and Training and HE is higher than the sector's share of employment but this does not necessarily imply an over-supply of these subjects since ICT capabilities are valued across a wide range of sectors. ICT is a less popular subject choice among apprentices.

Logistics and Transport - Logistics & transport is a small but significant employment sector locally. Around half of employment in this sector locally is in land transport but warehousing and support activities for transportation and postal and courier activities are also important. Few learners are studying subjects allied to this sector although some may be studying Wholesaling as part of a combined course with Retailing. It is not a subject area offered by local HEIs.

Retail, Wholesale and Customer Services - Retail, wholesale & customer services is the largest sector in the Gloucestershire LEP area, providing 15% of total employment in the sub-region. The sector is also closely aligned to the Transport & logistics sector which accounts for a further 3% of employment[8]. In common with some other large sectors (i.e. Engineering & manufacturing technologies and Health & care), it accounts for very few Further Education (FE)

[8] A further 2% of employment is in Wholesale, retail & repair of motor vehicles.

and HE starts, although it is more popular among apprentices, and particularly adult apprentices.

Hospitality and Catering - Hotels and restaurants, an approximation to the Hospitality & catering sector, account for 7% of employment locally. The sector and allied subject areas are closely related to the Leisure & tourism sector, which accounts for a further 2% of employment. Hospitality and catering is not a particularly popular subject choice among young people or adults on Apprenticeships, and it is not a subject offered by HEIs within the area.

4. STRATEGIC PRIORITIES AND ACTIONS

4.1 Strategic Priorities

Through the review of the evidence and the feedback from stakeholders and partners, a number of strategic priorities have been identified:

Theme 1 Connecting young people with the world of work

Theme 2 Building the skills of the current and future workforce

Theme 3 Supporting access to employment

Strategic Theme 1: Connecting young people with the world of work

Priority 1 Independent Information, Advice and Guidance

Priority 2 Promoting Employability

Context

Information, Advice and Guidance (IAG) was the key issue to emerge from the stakeholder consultation. It was one of the primary issues identified in relation to ‘improving the preparedness of young people for the world of work’.

The statutory responsibility for careers guidance and wider IAG has now moved from local authorities to schools. The shift to school autonomy makes managing the consistency of IAG more problematic, with the potential that large numbers of young people will fail to get quality access to guidance on all of the training and career options open to them. Those responding to the consultation were dissatisfied with current IAG services. 82% of respondents when asked: ‘in your opinion is the quality of careers advice for young people good enough?’ said ‘no’.

The sectoral analysis which accompanies this report also highlighted the need to raise young people’s interest in careers in a range of sectors such as Engineering and science-related industries.

Central to this is also fostering better links between employers and local schools, so that young people can better understand and take advantage of growing employment opportunities.

Employability skills are also a critical issue for businesses recruiting in the Gloucestershire area. Lack of work-readiness in potential recruits is a major barrier for employers, even in areas and sectors where no specific skills gaps and shortages have been reported. At the same time, there is an interconnected set of factors and problems to be faced in tackling the issue of work-readiness.

Priority	Actions
Information, Advice and Guidance	**There is strong support for a single high-quality service for Gloucestershire. The LEP should build on this and work with partners to:** • co-ordinate the activities of key partners; • identify and co-ordinate bids for funding; • support schools and colleges to improve the quality and scale of provision; and • examine the feasibility of developing a single service, commissioned by GFirst, in support of schools and colleges.
Promoting Employability	**Consider the development of an employability chartermark** – where businesses are encouraged to work with educational establishments to ensure that more youngsters can get a real understanding of the world of work and become employable. **Develop and deliver an Employability Strategy** - setting out both the shared targets and actions of the partners and the individual contributions which they could make to the employability agenda.

Strategic Theme 2: Building the skills of the current and future workforce

Priority 1 Expand Apprenticeships

Priority 2 Develop STEM Skills

Priority 3 Higher Education

Priority 4 Support Sector and Business Skills

Context

The Richard's Review, commissioned by the Government, proposes to alter fundamentally the funding mechanism for Apprenticeships in England. The Review recommends that employers who take on apprentices receive remissions in either tax or National Insurance contributions that then can be used to pay for the training. The announcements made in the *Chancellor's Autumn Statement 2013* have accepted this proposal and this is likely to see a major shakeup in terms of Apprenticeship delivery. There are many examples around the region of successful Apprenticeship campaigns which could be replicated, perhaps in conjunction with the Sector groups. The sector analysis points to the possibilities for expanding Apprenticeships into sectors where penetration rates are lower than they might be.

STEM skills are a government priority and they are critical to Gloucestershire's growth sectors as reinforced by the sector analysis. Employers need to be proactive in promoting interest in engineering and aerospace-focused careers and in encouraging the acquisition of the STEM skills their industry requires. While the majority of children enjoy science at school, '*most young people's science aspirations and views of science are formed during the primary years and have solidified by age 14, by which point the idea of science as 'not for me' becomes very difficult to change'*[9].

Gloucestershire has healthy resident HE participation rates and many choose to study close to home, yet most Gloucestershire residents chose to leave Gloucestershire to study. Analysis of subject choices of local residents compared with the level of provision being offered locally suggests that there are some areas of demand from local people that are not being met by the current local HE offer.

[9] Ten Science Facts and Fictions, Aspire Project, Kings College London, 2012.

Priority	Actions
Expand Apprenticeships	**Improve penetration rates** - engage more enterprises in Apprenticeship delivery and make it easier for small companies to get involved, particularly in sectors which are underrepresented but employ a lot of young people. **Raise awareness** - work with partners to raise awareness of the opportunities that Apprenticeships provide for rewarding careers and progression in an exciting industry. **Build the pipeline** - it is also essential to build the pipeline of skills, generating interest in these new higher-level and technical occupations and to develop progression routes that allow people to move along a pathway, from the age of 14, through Advanced and Higher Apprenticeships, undergraduate and post-graduate study into the jobs that employers are looking to fill, today and tomorrow. **Higher-level Apprenticeships** - providers should review their capability of delivering a greater number of higher-level Apprenticeships in line with recent announcements (*Chancellor's Autumn Statement*). **Support for pre-Apprenticeships –** ensure that there is an effective traineeship offer, particularly in terms of access by NEETs and those in employment without training. **Support Apprenticeship recruitment** – develop a model to coordinate Apprenticeship recruitment across the county. This could act as a clearing house for Apprenticeships.

Develop STEM Skills	**STEM Strategy** - to deliver a collaborative and co-ordinated STEM provision across the county that aligns STEM education capability with STEM sector industrial growth and demand. **Foster links between employers and schools** - so that young people better understand and take advantage of growing employment opportunities available which require STEM skills. Adults need to engage better with STEM provision. **Address gender imbalances** - there is a need to develop programmes to address the gender imbalance in the sector and increase the number of young women who have an interest in careers in engineering. **STEM intelligence -** public sector partners (such as STEMNET, the local EBPs) should work together to provide a coherent package of information and support for employers, demonstrating the benefits and opportunities that exist for employers wishing to be active in improving the flow of skills into their sector. **Employer support for CPD in learning** - encourage employers to contribute to the CPD of teachers and technicians, particularly in vocational education. Curriculum enrichment projects that deliver the Science and Maths curriculum through projects jointly designed with industry, making the learning relevant to local employment, can help to engage young people in subjects and skills that might otherwise appear 'academic' or irrelevant. **Support curriculum development** - employers are being encouraged to develop qualifications that meet the needs of their industry. This could extend to the development of a qualification focused on the specific functional maths skills required by particular sectors.
Higher Education	**Review the HE offer** – evidence suggests learner demand for provision that is not supplied locally. The opportunities to extend local HE provision should be explored. **Graduate retention** – support the retention of skills in the county by facilitating work placements, work experience, graduate placements and graduate recruitment. Talent

	attraction would also be supported by providing an ‘entry’ point for graduates and international students interested in developing their skills and working in the county.
Support Sector and Business Skills	**Review provision** – work with providers to review provision in relation to the key sectors and in relation to the areas of mismatch identified in the report. **Support for enterprise skills** – provide specialist mentoring, training and dedicated resources for entrepreneurial individuals who can accelerate business start-ups and growth. This innovative programme could deliver a cohesive cross-county provision to support the development of entrepreneurs of any age by providing the fundamental skills needed to develop and grow a successful business. **Support for low carbon skills** – provide support for the regeneration and the decommissioned part of the former Berkeley Nuclear site. The proposal will ensure that the skills infrastructure supports the growth in Gloucestershire’s economy, by future-proofing and providing capacity. The focus should be on opportunities presented by infrastructure projects (e.g. Nuclear), Low Carbon and Manufacturing in which Gloucestershire leads nationally.

Strategic Theme 3: Supporting access to employment

Priority 1 Build Community Capacity

Priority 2 Address Unemployment Hotspots

Context

Whilst overall unemployment is relatively low, the recession had a particularly sharp impact on youth unemployment, prompting major concerns of a generation becoming permanently detached from the labour market. Long-term unemployment is also hardening and has risen sharply. Pockets of unemployment and deprivation exist in the Gloucestershire LEP area, with 19 wards in which the unemployment rate is higher than the national average.

Priorities	Actions
Build Community Capacity	**Support community capacity** - identify the existing network, community groups and third sector businesses supporting skills and employment delivery across the county. Share best practice between them, supporting wider communication and information-sharing in order to address the key challenge areas.
Address Unemployment Hotspots	**Address unemployment hotspots** - areas of deprivation exist in Gloucestershire where unemployment is significantly above the national average. A concerted programme of support will be required to address multiple deprivation.

5. MAKING IT HAPPEN

The Leaders of the seven Gloucestershire local authorities working as Leadership Gloucestershire are committed to working collectively to support the development and delivery of both the EU Strategic Investment Fund Strategy (EUSIF) and Strategic Economic Plan (SEP) to ensure that the actions they contain deliver successful and meaningful economic growth for the county.

Through Leadership Gloucestershire, the local authorities have worked closely with the GFirst LEP at all levels to develop the EUSIF and SEP. However, now this partnership is being developed further to deliver a new governance structure. This will ensure that the vision and plans set out in the EUSIF and SEP are shared and supported across the whole county and that decisions made by local councils in partnership to encourage growth are collective and binding. By working together effectively, all the partners are aiming to achieve successful outcomes for Gloucestershire.

The seven councils have committed to developing a Statutory Joint Committee, and on 9 January 2014, Leadership Gloucestershire established a 'Shadow Joint Committee' to lead the way to the formal establishment of the Statutory Joint Committee.

In summary, the role of the Statutory Joint Committee will be as follows, namely to:

- provide effective decision making and clear political accountability;
- take action it considers necessary to achieve the promotion or improvement of the economic wellbeing of Gloucestershire together with such additional functions as the councils may determine from time to time;
- provide local democratic and financial accountability for the EUSIF and SEP;
- act as the formal link between local government in Gloucestershire and GFirst LEP;
- co-ordinate the local government contribution to the delivery of the EUSIF and SEP;
- facilitate and enable collaboration between the local authorities on economic development and associated activities.

An Investment Board comprising representation from the public, private, education and voluntary sectors has also been proposed. This Board will consider and approve or reject all investment opportunities, and be responsible for: commissioning approved investments; endorsing investment decisions and de-commissioning approved investments which fail to deliver. The Investment Board will also be responsible for monitoring progress against the plan. There is an intention to form an Employment and Skills Group that will take responsibility for developing a Skills Plan for the county and overseeing its implementation.

6. MEASURING SUCCESS

Context

Gloucestershire LEP is committed to measuring progress towards its targets to ensure that interventions and investments are having the intended impact, and to ensure that the skills and employment planning process is efficient and effective.

The extent to which the baseline position against each of the key measures of success changes over the next three years will be influenced by a broad array of factors, including political, economic, social and technological issues. The correlation between the actions in the plan and measurable change is not a direct one. The actions in the plan have a very important part to play, but they will not be the sole drivers. It will, therefore, be important to measure performance over time and to benchmark performance against comparator areas.

Priority	Action
Performance	**Benchmarking performance –** Gloucestershire LEP should commission a set of benchmark comparator areas and develop a framework for benchmarking performance against a range of key indicators.
Quality Improvement	**Quality improvement systems** – Gloucestershire LEP should work with learning providers to review data sharing and performance measures, including monitoring the diversity of performance across Gloucestershire.

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