Position Statement on Skills Priorities - Staffordshire

1. Existing skills priorities & principles - Brief overview of any existing strategies, policies and plans that the regional bodies should be aware of

The Staffordshire Sustainable Communities Strategy has defined as one of its priorities ‘a vibrant, prosperous and sustainable economy’. Within this a number of employment and skills priorities are highlighted which include improving basic skills, reducing Worklessness and the number of young people who are Not in Employment Education or Training (NEET); raising the higher level skills base and retaining a highly skilled workforce, and so contributing to increasing Staffordshire’s GVA and encouraging graduate retention and maximising the opportunities presented by the Counties universities, and the associated networks;

The Staffordshire Local Area Agreement 2008/09 to 2010/11 contains a range of local priorities related to adult skills and worklessness. Those priorities which are related to employment and skills are:

- NI 152, the number of working age people on out of work benefits (based on 43 targeted Super Output Areas across the County); NI 163 Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher and NI 165 Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 4 or higher
- In addition for young people Staffordshire has NI 80 (Level 3 qualification by the age of 19); NI 117 (16-18 NEETS)

Staffordshire has produced an initial work and skills plan which will run from April 10 to March 11. We will produce a combined sub-regional work and skills plan by March 11 once the Local Economic Assessments and worklessness assessments for Stoke and Staffordshire have been completed.

2. Current business needs

2.1 Overview of local economy in terms of sectors, occupations, vacancies, recruitment difficulties & skills gaps etc.

Staffordshire has the second lowest GVA head in the region and the County Council see an improvement in GVA as a priority. Business structure has been capitalised by restructuring over the past decade with a decrease in manufacturing, although the sector has higher representation than the GB average (14.5% of employment in 2008).

The Public administration, education and health sector provides the greatest overall levels of employment (26% of employment), and varies according to location in the county particularly high rates in Stafford Borough (40% of employment and the highest proportion in the region) which would be affected significantly if large scale public sector jobs cuts become a reality. The second most numerous sector by level of employment is distribution/hotels and catering. The business and professional services cluster has experienced relatively strong growth, 26% over the past 5 years. Although a less important sector in terms of total employment, agriculture provides 10,000 employee jobs in Staffordshire and should be considered for its links to the wider land based industries, and the associated supply chains. There have been declines in employment among the regional priority clusters of transport technology, interiors and lifestyle and ICT over the past 5 years.

In terms of the occupational structure, Staffordshire has lower proportions in the managerial and professional SOC 1 to 3 groups, and a higher proportion of people employed in “blue collar” occupation groups (this is potentially a significant factor in the light of the recession where the more elementary occupations have tended to be the hardest hit.

Notified vacancies in Staffordshire over the period December 2009 to February 2010 totalled 14,672. This is 35.3% higher than the corresponding period 12 months ago. Although the total is 30.8% lower than the previous quarter (September to November 2009), the Christmas/New Year period is traditionally a quiet one. All sectors saw a decline in notified vacancies when comparing this quarter compared to the previous quarter. In particular, manufacturing vacancies fell by 69% to 369 and transport and communications by 67% to 371. Comparing this quarter to the same time last year, however, we can see notable increases in the construction sector (up 40% to 328) and banking, finance and insurance (up 49% to 9,671). Transport and communications vacancies rose 78% to 351. Vacancies in public administration, education and health fell by 5% to 1,752.
2.2 Skills needs identified by local businesses (i.e. through any surveys or engagement work).

An employer survey of skill need will be conducted over the next 6 months as part of the Local Economic Assessment. Anecdotal evidence suggests that businesses would welcome more focus on technical/engineering/STEM and managerial skills; apprenticeship and transferable skills. The recent North Staffordshire Chamber of Commerce & Industry Quarterly economic survey reported that between 20-38% of businesses both in manufacturing and services reported skills shortages in Skilled Manual/Technical and Professional/Managerial. We do not know the level of unaccredited training but this is likely to be large. Discussions with private sector training providers indicate that the most popular non-accredited courses are in management development, sales/marketing/customer care; IT and some H&S. We have to convince companies the benefits of accredited training but the training providers, whether they are Universities of Vocational awarding providers must be in a position to offer reasonably priced accreditation quickly with assessment methods which have relevance in the workplace. This training must be delivered flexibly to meet the needs of employers and employees particularly those whose access to such training is currently limited e.g. rural businesses.

3 Future skill needs

3.1 Forecast sector and occupation growth

Econometric projections for Staffordshire up to 2020 suggest that the greatest levels of employment growth will be in “government and other services”, however, given the pressures on the public sector, the extent of this growth may be over ambitious. More focus needs to be given to creating private sector jobs. There are additional expected future demands from the distribution, hotel and catering in particular to support our leisure and tourism industry, financial and business, transport and communications and construction sectors. (It is difficult to say with any confidence what the extent of this growth could be especially in the context of recession). It is also safe to assume that the health and social care will also grow. The same projections identify that there are likely to be decreases in the levels of employment in the manufacturing (particularly traditional manufacturing) and agricultural sectors to 2020 although these will remain important sectors. It is however possible that the agricultural sector may not decline to such extent given concerns over food security related to climate change, and a greater trend for local sourcing.

3.2 Replacement demand for employment –

Although the manufacturing sector is likely to decrease in terms of net employment, it is likely to generate a significant “replacement demand”, given the likely demographic change which may lead to significant numbers of people leaving the sector through retirement / redundancy / restructuring. The same is possibly also applicable to the agricultural and construction industries.

Staffordshire also has an ageing workforce, with over 27% of the workforce aged 50 to retirement age, above the regional average of 25%. Within some districts of Staffordshire this proportion is even higher, particularly in Stafford (29%) and Newcastle-under-Lyme (31%). More need to be done to address the skills needs of older workers.

4 Strategy-based skill needs/requirements (i.e. based on target sectors for local economy)

Despite good skills performance in some areas Staffordshire has some areas of acute underperformance which this summary will concentrate on. Attainment of level 3 qualifications by age 19 fell by 0.2% between 2006/07 and 2007/08, and attainment in Staffordshire falls behind that of the other shire counties in the region. When comparing the performance of the county against its ‘nearest neighbours’, Staffordshire ranked 13th out of the 16 authorities for level 3 attainment

The picture on adult skills across the County is by no means homogeneous. There are parts of Staffordshire where there remain significant skills needs particularly in Cannock and Tamworth. Adult skills in these areas are significantly below both national and regional averages. The situation is particularly acute for higher level skills. Only 16% of Cannock residents and 19% of Tamworth residents have higher level skills as compared to a 30.5% average nationally. We would wish to see a continuing focus in the investment in adult skills. The County is keen to invest in ‘aspirational sectors’ and we need to look at diversification of skills to exploit new markets, particularly in low carbon; medical technologies; environmental technologies; digital media and business and professional services although it is not clear whether this will be by attracting new business or by working to diversify existing business.
5 Major investments/programmes

- Major Investment Site – Regional Impact Investment Location which will generate potentially around 6,000 (largely higher value added) jobs for the Black Country / Southern Staffordshire area, and is therefore likely to generate associated skills demands.
- Growth point status of Burton-upon-Trent and Stafford, significant development is likely to generate associated skills requirements.
- Building on the success of our growing Medical Technology cluster at Keele Science Park
- JCB Academy opens Sep 2010.
- Building Schools for the Future/academy developments in Tamworth and Cannock
- There have been a number capital schemes for FE / HE. Newcastle College has just completed a new build scheme. It is noted that major re-development of the University Quarter in Stoke on Trent including the construction of a new Stoke on Trent VI form college will benefit the wider County and possible developments at Stafford College
- Major Construction activities– New County council HQ in Tipping St, Stafford (underway) and possible Stafford Western Bypass.
- Major housing development taking place in Newcastle. 380 new houses at the former Collins and Aikman site in Lower Milehouse and on the former Silverdale Colliery site. Both schemes have been heavily supported by Homes and Communities Agency; Collins and Aikman £7.5M through ‘Kickstart’ funding and Silverdale £17M to de-risk the site through extensive land reclamat ion.

6 14-19 commissioning priorities, objectives and issues

The LSC Staffordshire Local area Statement of Need (Young People) has set the following priorities:

- To commission sufficient provision to attract those not participating back into learning, including at aged 17 and 18 and currently NEET’s secure progression routes for learners undertaking Diploma at L2;
- To secure more local provision in FE for learners with LLDD;
- To encourage Learner Support Funds (LSF) policies to include supporting LLDD learners over age 19 with fee remission.
- To commission sufficient Apprenticeship places to meet the demand for Apprenticeship places

7 Tackling worklessness and economic exclusion

7.1 Overview of nature, type and scale of worklessness (including spatial concentrations).

The priority areas for tackling worklessness are identified in the Staffordshire LAA which includes 43 LSOAs which had workless rates of 20% and above at May 2007. These areas account for 18% of all benefit claimants in Staffordshire. The most recent JCP ‘state of Staffordshire’ states that claimant count unemployment is virtually the same as it was this time last year, although it remains more than double its level in June 2008 when unemployment began to rise; However, on-flow levels have fallen by 22% when compared to the same period last year; redundancy notifications are lower than they were last year; vacancy levels are 35% higher than they were this time last year

The shorter term workless, claiming JSA and including young unemployed has doubled as a consequence of the recession and presents an issue across the whole of Staffordshire, but is particularly problematic in Cannock Chase and Tamworth. Longer term workless, the majority of whom are claiming an inactive benefit (often related to incapacity benefits) is particular prevalent in former coalfield communities – Cannock Chase and Newcastle-under-Lyme and among inner areas of deprivation among the main towns Burton-upon-Trent, Tamworth, and to a lesser extent Stafford and Lichfield.

8 Review of drivers, causes and opportunities for reducing Worklessness

The decline in traditional industries such as manufacturing and former coalfield areas seems to have led to a culture of low aspiration and Worklessness. The low levels of attainment and cycle of disadvantage has also contributed to lack of suitable skills in some areas. A greater focus is required on progression from basic skills to higher skills and more of a focus on working with further and higher education. Ws need to grow, attract and retain both higher skills jobs and the new NiNJ industries and but we also need to support our traditional
industries of manufacturing and land-based industries particular by helping to raise their skills to diversify into new sectors.

Staffordshire has a growing track of working with its partners, particularly those across the sub-region and notably Stoke on Trent City Council to tackle the issues of Worklessness and low skills. Our partners in the Districts have Worklessness action groups and recent successful intervention include Jobs, Employment and Training (JETs); Connection to Opportunities and Future Jobs Fund.

9 Skills implications (scale and type) of this
Our priority focus is on progression which would include from basic skills to higher skills. We also need to encourage those transferrable skills which make an individual work-ready, which would include communication skills, confidence building etc, work readiness skills. It is also evident that the level managerial skills are also too low and we would support interventions in this area. Should public sector suggested public sector redundancies become a reality then there will be a pool of relatively high skills individuals who will need support getting back into work. It may be there will be further opportunities for these individuals to consider self employment or business start-up and training and support in this are would be useful.

10 Skills issues surrounding under-employment, in-work poverty and child poverty
Limited evidence around underemployment other than that related to the reported reduction in production/shift patterns being decreased at manufacturers like JCB and Toyota etc. In work poverty has possibly increased as a result of more people claiming tax credits etc (due to recession?) and this clearly links to child poverty which has a direct correlation to wider deprivation, and reduced levels of attainment in later life.

11 Informal learning needs
- Overview of adult community learning issues and priorities in local area
  Outcome 1 – To ensure that all adults can access and benefit from a wide range of informal adult learning opportunities delivered in their local community.
  Outcome 2 – To provide ‘First Steps’ courses for adults who are least likely to engage in learning, and support them to progress to further learning or employment.
  Outcome 3— To promote social inclusion and community cohesion across Staffordshire through the provision of positive learning experiences for adults and families in disadvantaged communities, adults with learning difficulties and disabilities, those recovering from mental health problems and other issues and by promoting community learning champions supported to recruit local residents in adult learning
  Outcome 4 - To provide targeted family learning programmes to raise the achievement of children and help parents and carers to develop their own learning by providing such interventions as family Literacy, Language and Numeracy (FLLN); family learning programmes for parents/carers and their children.
  Outcome 5 - To deliver Skills for Life programmes for County Council employees and in local communities, to meet identified gaps in provision.

12 Conclusions
- The benefit of working across sub region of Staffordshire and Stoke on Trent
- Clear progression routes from basic skills through to higher skills
- A greater focus on basic skills; technical; managerial and higher skills
- Focus on both new industries and supporting traditional industries to diversify
- The importance of tackling employment and skills issues in our most disadvantages communities, particularly in our 43 priority communities.
- Raising adult skill levels across the county particularly in Cannock Chase and Tamworth in the south as being the areas of greatest challenge
- Addressing the skills needs of the ageing workforce
- Rural business skills needs
- Working more closely with our Universities