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Leading learning and skills

Leeds in Depth 2006

A Learning, Skills and Labour Market Profile of Leeds

'A comprehensive Assessment of the learning and skills market in Leeds'

January 2006

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Introduction

This is the second Economic, Education, and Labour Market Profile of Leeds produced by the Learning and Skills Council West Yorkshire. Its production develops our understanding of the learning and skills issues within Leeds and offers a range of information indexed in a user friendly way.

This report contributes information and intelligence on Leeds. Information is required of the Learning and Skills Council by an ever-increasing number of private and public sector organisations for planning, bidding, and numerous other purposes. We are asked to produce intelligence rather than information. Given the uses to which the information we provide is put, it is impossible to analyse the information to produce 'intelligence' to fit the exact needs of all users. However, we do undertake in-depth in-house research and commission surveys of employers and individuals, together with having access to employment forecasting software from the Learning and Skills Council National Office and our partners Yorkshire Forward. Complementing our own research, we manage the region's European Social Funding research budget and undertake research activity into the needs of disadvantaged groups on behalf of a wide range of interested partners. This provides an additional valuable source of information. Results of all our research can be found on our website www.lsc.gov.uk/westyorks.

In our previous 'Leeds In Depth' we gave economic analysis equal importance to the analysis of learning and skills issues. 2005 marked a change to this approach. Although we will continue to produce a degree of economic data, this report will focus much more on the supply and demand for learning and skills, plus a detailed look at the learning infrastructure.

The assessment will provide an overview of the present and to some degree the predicted state of the District's learning needs. As a coherent and integrated skills strategy is essential to ensure that active decisions on the future shape of Leeds training and labour market are taken at the right levels based on the right intelligence. The economic performance and the quality of life in Leeds District and Leeds City Region are dependent on the ability to drive forward sustainable growth in competitive sectors. Therefore, plans need to be clear on the types of skills needed to support sustainable economic development and growth at the local level. It is imperative that there is a focus on the key elements of the local economy in order to identify:

- The key sectors that exist and which can clearly sustain economic growth in the medium to long term.
- The key measures and interventions that can unleash the full potential of the City.

To a large extent Leeds has developed the conditions within which effective and sustainable growth can be generated and has, already, a highly diversified economy built around high value added and knowledge based activity.

This report offers an understanding of the issues that contribute to Leeds' competitiveness and productivity; it also raises questions for further consideration. In it we emphasise education, skills, and exclusion issues.

We trust that you will find it informative, thought provoking, and useful.

Phillip Hunter
Research Analyst

Chapter 01

Economic & Policy Context

Key Points

- Leeds' economy is the most diverse of any major British city with a critical mass of high value added businesses providing an accelerator for growth for the City Region.
- Leeds is the regional centre for finance and business services, a key sector for accelerated growth. It makes a significant contribution to both employment and gross value added in the City.
- Leeds has enjoyed a sustained period of economic growth and low unemployment.
- Leeds is the largest employment centre in the region with 396,668 people employed.
- Although the manufacturing sector is in decline, in terms of employment it remains an important sector. And Leeds manufacturing sector is the second largest, by the size of its workforce, outside London.
- There is a competitive property market with a wide range of office and business sites in a variety of locations around the city centre.
- There are several major growth corridors and development zones.
- The service sector as a whole employs 329,582 people – 83 percent of total employees.
- Average full-time earnings in Leeds are nine percent below the national average.
- In terms of deprivation, as a whole Leeds is ranked 68th out of 354 Local Authority Districts, with one being the worst.
- Leeds population is forecast to grow to 744,600 by 2028.
- In February 2005 the claimant rate of unemployment was 2.7 percent compared with a Labour Force Survey unemployment rate estimate of 4.3 percent.
- There are concentrations of deprivation in Leeds demonstrated by seven inner city wards that have claimant counts twice the City's average.
- Leeds is a diverse and multicultural City with over 57,000 people from minority ethnic groups – eight percent of Leeds population.

Key Issues

- Leeds lags behind many European cities in terms of productivity, innovation, transport, information and communication technology, and skills.
- There are great inequalities in wealth between different parts of the city. Of particular concern is jobs and wealth in the city centre are not being spread to neighbouring communities. There are areas of urban decline, including edge of town housing estates, experiencing a poverty of opportunities that are a barrier for investment and community development.
- Economic growth places stress on the environment.
- Long-term pension needs of those employed in entry/low level service sector occupations and increasing non-standard and part-time employment.
- No clear gateway for businesses to access enterprise support for innovation activity.
- Lack of innovative approaches in industry that promote partnership working frameworks to share good/innovative practice.
- How to continue to encourage inward investment.

Economic and Policy Context – An Overview

There is no going back to the old routine, mass-production economy. The new 'knowledge-based' economy is driven by creativity, innovation, skills, and entrepreneurship. Local areas that have the diversity of people, ideas, specialised skills, infrastructure, and markets will succeed in the global economy. Leeds can improve its competitive position by building on its most important strength – its people. In particular, growth can be fostered by focusing on the three success factors for the knowledge economy – innovation, skills development, and entrepreneurship.

There is a clear relationship between economic competitiveness and quality of life. The sustainable development of communities, neighbourhoods, housing mix, schools, colleges, universities, and other human services are all important to the future success and well-being of Leeds. It is important to implement proactive policies to encourage business start-ups and expansion. And to support a sustainable redevelopment and revitalisation of employment opportunities throughout Leeds by giving people the skills they need to compete in the labour market.

A good infrastructure – transit, roads, airports, utilities, public buildings – is a prerequisite to the economic success of the District. Telecommunications and transportation are indispensable to being globally connected. In the 'knowledge economy' investing in infrastructure, research, education and training provide the foundations for economic development and success. For building strong interconnected networks of people to advance technology transfer, design, and e-communication is essential for developing a sustainable economy.

Leeds can only achieve its' full economic potential by leveraging and linking business, labour, government, research, education, and communities. Through enhancing these partnerships we will improve Leeds competitive position and improve the quality of life. For no one agency or group can improve the district's position or quality of life alone. Successful economies require public investment, private investment, and public-private partnerships.

There is recognition of the need to engage in closer partnership working at the city-region level, this stems from the acknowledgment that neither the city nor the region as a whole is an appropriate spatial planning level at which to tackle economic competitiveness. The Northern Way highlights the role of city-regions in closing the national productivity and output gap between the North and the UK average. The Leeds city-region has been defined in the 'Leeds and Environs Spatial Scoping Study' as consisting of the five West Yorkshire Districts (Leeds, Bradford, Calderdale, Kirklees, and Wakefield) in addition to Barnsley, Selby, York, Harrogate, and Craven. The strategy intends to ensure that the North of England is an area of exceptional opportunity combining a world-class economy with a superb quality of life through driving forward sustainable growth in competitive sectors.

Leeds plays a fundamental role as a driver of economic growth for the region. To further economic growth and the development of the Leeds conurbation there has to be a concentration on key assets and opportunities. In addition the barriers that limit the city's growth and the inability to deliver benefits to local residents have to be addressed. There are three imperatives for maintaining sustainable growth:

- Skills development and integration of the labour market to equip residents across the city to retain and pursue job opportunities in existing and growth sectors and to improve the competitive advantage of the city.
- Promote and provide assistance to the development of higher value, high growth business and innovation across the city to support and complement existing growth areas and to retain high skill workers.
- Partnership working through the provision and sharing of information, skills, knowledge and communication between organisations to understand different ways of working, priorities, and national policy contexts.

1.1 The Local Economy

Introduction

Leeds is not a homogenous area but a diverse mix of high value and performing economic areas adjacent to some of the most deprived communities in England. It can be rightly claimed as being the economic centre of Yorkshire and the Humber being the second largest Metropolitan District in England, covering an area of 562 square kilometres. Leeds makes a distinctive contribution to the Region's economy, has enjoyed sustained economic growth and has become known as an international centre for knowledge intensive activity. The city has been transformed from a mainly industrial city into a diverse commercial centre, being a regional hub for financial, legal, and business services. Leeds has also enjoyed a historically low unemployment rate, an indicator of a sustained period of economic growth and has seen major investment in housing, offices, shops, transport, and other facilities. The population of the City has grown to more than 700,000, this reflects the confidence in the future of the City. The City has a combination of assets within the regional centre. It can justly be claimed that Leeds is at the crossroads of the major transport routes from North to South (M1) and from West to East (M62) – the latter linking the west coast ports to those on Humberside which form a gateway to Europe. In addition, the city is served by Leeds Bradford International Airport that was used by over 2 million passengers in 2003. In summary Leeds has a critical mass of surrounding towns, transportation links, communication infrastructure, growth sectors, education establishments, and research institutions to achieve a successful sustained economic performance.

Table 1.1: Population of Leeds and District split by Age and Gender, 2001

Age Range	Total	Percentage	Males	Percentage	Females	Percentage
0-14	133,989	18.7	68,506	19.8	65,483	17.7
15-19	48,536	6.8	24,129	7.0	24,407	6.6
20-24	58,167	8.1	28,577	8.3	29,590	8.0
25-34	105,757	14.9	51,756	15.0	54,181	14.7
35-39	53,882	7.5	26,248	7.6	27,634	7.5
40-44	48,434	6.8	23,606	6.8	24,828	6.7
45-49	41,777	5.8	20,833	6.0	20,944	5.7
50-54	45,661	6.4	22,483	6.5	23,178	6.3
55-59	36,479	5.1	18,121	5.2	18,358	5.0
60-64	33,157	4.6	15,934	4.6	17,223	4.7
65-69	30,476	4.3	14,665	4.2	15,811	4.3
70-74	27,250	3.8	11,961	3.5	15,289	4.1
75-79	22,677	3.2	9,380	2.7	13,297	3.6
80-84	15,579	2.2	5,796	1.8	5,796	1.6
85-89	8,972	1.3	2,711	0.8	6,261	1.7
90+	4,606	0.6	1,047	0.3	3,559	1.0
Total	715,399	100	345,753	100	369,646	100

Source: Office for National Statistics (2001)

Population

The people of Leeds are one of the City's key economic assets. Quite simply the size of the local population has a direct impact on the potential of a district's workforce and hence determines the size of the potential economic output. In the short run the population, and thus the potential workforce, is relatively fixed. As shown by the last Census of Population reporting in 2001 Leeds' population stood at over seven hundred and fifteen thousand (715,339), accounting for 34 percent of the West Yorkshire's population. However, not all the population can work, in particular the age structure of the local population is indicative of the potential workforce. The 2001 Census reveals that people in Leeds aged 14 years or younger accounted for 18 percent of the population, those too young to be included in the workforce. The combined age group of 15 to 64 year olds (15 to 59 for women) that makes up the potential and existing workforce accounts for 64 percent of the population (or 454,807 people). Those considered being post retirement age accounted for 13 percent of the population (or 90,908 people).

Of course the local population is not just classified by age, in fact there are many ways to classify and divide the local population that can have an effect on the potential local labour pool. The size of the local labour force is influenced by a number of demographic factors, such as ethnicity, disability, and gender.

- Fifty-two percent of the Leeds population (or 369,646) are female and 48 percent (or 345,753) are male. This ratio mirrors the gender structure of West Yorkshire, Yorkshire and Humber, and England.

- There are a higher number of males aged 0-15 years than females. But the number of females aged over 60 years significantly outnumbers the male population.

- The Census identifies those respondents with a limiting long-term illness that we tend to use as a proxy measure for disability. This group forms 13 percent of the total Leeds population (or 89,109 people).

Table 1.2: Ethnic Population of Leeds, (%) 2001

	Leeds	England
White – British	89.2	87.0
White – Irish	1.2	1.3
White – Other	1.5	2.7
Mixed - White and Black Caribbean	0.6	0.5
White and Black African	0.1	0.2
Mixed - White and Asian	0.4	0.4
Mixed – Other	0.2	0.3
Asian or Asian British – Indian	1.7	2.1
Asian or Asian British – Pakistani	2.1	1.4
Asian or Asian British - Bangladeshi	0.4	0.6
Asian or Asian British - Other	0.3	0.5
Black or Black British - Black Caribbean	0.9	1.1
Black or Black British - Black African	0.3	1.0
Black or Black British – Other	0.2	0.2
Chinese	0.5	0.4
Other ethnic group	0.4	0.4

Source: Office for National Statistics (2001)

Taken from the 2001 Population Census the black and minority ethnic (BME) population of Leeds makes up eight percent of the total population of the Leeds District, reflecting the national averages (as shown by table 1.2). The largest BME group is Pakistani origin (2%) accounting for one quarter of the BME population.

If we look to the future, the population of Leeds is estimated to increase by four percent by 2028, as shown by table 1.3. In particular, growth is expected in the elderly cohorts, as a result of the post-war baby boom getting older and the increase in life expectancy. As an example the population of those over 85 is expected to increase by 66 percent by 2028. This has important implications for the local labour market as the district's labour force ages and subsequently on economic development opportunities. Participation in the labour market reduces with age, and age is also an important factor in the take up of adult learning.

Table 1.3: Population Projections in Leeds, 2003 – 2028 (in thousands)

Age Group	2003	2009	% Change between 2003-2009	2013	% Change between 2003-2013	2028	% Change between 2003-2028
Ages 0-4	38.7	39.5	2.1	40.3	4.1	41.4	7.0
Ages 5-9	42.8	37.1	-13.3	38.0	-11.2	40.5	-5.4
Ages 10-14	46.8	40.5	-13.5	36.4	-22.2	39.2	-16.2
Ages 15-19	50.7	51.7	2.0	47.3	-6.7	43.5	-14.2
Ages 20-24	64.7	71.3	10.2	72.4	11.9	63.2	-2.3
Ages 25-29	47.5	58.8	23.8	62.3	31.2	55.5	16.8
Ages 30-34	52.7	45.9	-12.9	53.0	0.6	55.5	5.3
Ages 35-39	53.6	49.0	-8.6	43.4	-19.0	55.9	4.3
Ages 40-44	49.7	51.3	3.2	48.8	-1.8	52.0	4.6
Ages 45-49	43.3	47.6	9.9	48.8	12.7	45.1	4.2
Ages 50-54	41.3	41.4	0.2	44.3	7.3	37.2	-9.9
Ages 55-59	41.2	37.9	-8.0	38.3	-7.0	41.5	0.7
Ages 60-64	32.1	38.3	19.3	35.3	10.0	40.3	25.5
Ages 65-69	30.7	28.9	-5.9	34.0	10.7	35.3	15.0
Ages 70-74	27.0	27.3	1.1	25.8	-4.4	29.2	8.1
Ages 75-79	22.2	21.9	-1.4	22.9	3.2	25.5	14.9
Ages 80-84	17.1	16.4	-4.1	16.8	-1.8	21.7	26.9
Ages 85+	13.1	15.3	16.8	16.3	24.4	21.8	66.4
All ages	715.2	720.0	0.7	724.3	1.3	744.6	4.1

Source: Office for National Statistics (2004)

Economic Activity

Whilst Leeds is clearly on a growth trajectory, there are serious issues that constrain performance and limit the scope for sustainable growth. As already mentioned people are one of the city's key economic assets. A major influence on the size of the labour force is the proportion of the population actually participating in the labour force. This is usually expressed as the economic activity rate. The economic activity rate measures the percentage of the population who are in employment or unemployed and therefore a useful guide to the health of the local labour market and the opportunities available. Despite falling unemployment, the city has disproportionate numbers of people that are economically inactive and excluded from mainstream employment support services. Low economic activity rates have severe consequences for a growing economy, reducing the available workforce and reinforcing concentrations of deprivation. Low activity rates also reduce overall productivity and gross value added (GVA) performance.

Table 1.4: Economic Activity Rates (%) by Age and Gender in West Yorkshire's Local Authority Districts, November 2003

Age/gender	Bradford		Calderdale		Kirklees		Leeds		Wakefield	
	%	Number	%	Number	%	Number	%	Number	%	Number
All of working age	75.1	231,000	80.2	91,000	80.5	198,000	78.0	366,000	78.4	154,000
Males of working age	82.2	133,000	86.8	51,000	83.6	110,000	80.3	202,000	83.2	84,000
Females of working age	67.2	98,000	73.2	40,000	77.0	88,000	75.3	164,000	73.3	70,000
All aged 16-24	63.2	39,000	68.0	11,000	80.5	29,000	63.5	69,000	76.9	27,000
All aged 25-49	80.9	139,000	86.6	58,000	84.7	122,000	86.3	215,000	84.4	97,000
All aged 50+	39.2	58,000	36.4	24,000	39.3	50,000	39.4	96,000	33.2	31,000

Source: Office for National Statistics (2005a)

As mentioned above the size of the local labour force is influenced by a number of demographic and socio-economic trends. These include factors such as age, gender, and ethnicity, as well as trends such as early retirement and increased participation in further and higher education. A key influence though is the employment opportunities offered by the local labour market. The overall economic activity rate in the Leeds District is 78 percent for those of working age. Similar to national trends female activity rates are lower than males. 80 percent of males are economically active compared to 75 percent of females. Male economic activity rates in Leeds are lower than the national rates. Female rates in Leeds are slightly higher than national rates and suggest that the local labour market is as buoyant as the national one, but still there is high levels of economically inactive.

Generally, economic activity rates increase with age, up to the age of fifty. Since many of the younger population are still in full-time education the economic activity rates of this age group tend to be lower. Leeds has the lowest proportion of it's 16 to 24 year old cohort economically active when compared with the other local authorities in West Yorkshire, suggesting that there are higher rates of young people in education and training (as shown by table 1.4).

Table 1.5: Working-Age Employment Rate by Ethnic Group, 2002/03

	All	White	All Non-white	Mixed	Indian	Pakistani & Bangladeshi	Black	Other
Bradford	67.8	74.8	45.2	55	68.7	39.3	63.5	54.9
Calderdale	77.5	79.8	52.1	61	90.5	42.8	100	59
Kirklees	74.4	77.9	53.3	73	44.2	57.4	58	45
Leeds	73.9	75.7	56.8	47.5	68.7	46.6	64.1	48.9
Wakefield	73.0	73.7	54.9	..[1]	72	33	..	100
West Yorkshire	72.9	76.0	50.8	53.9	61.9	43.7	64.4	54.8
Yorkshire and the Humber	73.3	74.9	51.3	53.0	66.1	42.4	66.1	52.4
England	74.5	76.3	57.4	60.7	68.5	42.4	60.3	55.1

Source: Office for National Statistics (2005b)

When considering the labour market experiences of black and minority ethnic groups, it is important to appreciate their diversity. Not only are there considerable differences between the groups, but also within groups and between sexes. Both supply and demand side factors are likely to explain these differences. Among the supply side factors to bear in mind are the age structures of the minority ethnic populations, the relationship between age structures and participation in education, and the likely influence of cultural factors. On the demand side, are factors such as education and skills, and discrimination. According to the Labour Force Survey (Office for National Statistics, 2003), economic activity within the black and minority ethnic categories (Table 1.5) in the Leeds District is 57 percent. This is far lower than the overall average for the district (74%) but is equal to the national minority ethnic economic activity rate (57%). This under representation in the labour force is particularly acute in the Pakistani and Bangladeshi origin population, part of which can be attributed to the lower participation in the labour force of the female population.

..[1] Denotes statistically unreliable

Employment and Future Prospects

Creating a dynamic and successful knowledge economy relies on a range of interconnected factors and conditions. Leeds has much of the infrastructure, business activity, and the research base to continue to develop as a high value added and modern economy. Central to the growth of the economy is the continuing stimulation of key knowledge and creative sectors.

The specific business and employment structure of Leeds provides an essential context for a more detailed examination of labour market issues. There are two official measures of employment in the economy – a measure called 'workforce jobs' and the Labour Force Survey (LFS) measure. 'Workforce jobs' data are obtained from firms. They record the number of jobs, so the measure may overstate the number of people employed because some people may have more than one job. The LFS data are based on responses from households and measure the number of people employed rather than the number of jobs.

The numbers of people in work provide important indications of the level and growth of economic activity, and of the level of pressure on the supply and demand for labour. Latest figures on employment numbers show that there are 331,000 people employed in Leeds. Currently the most important industries in terms of employment and output are engineering, printing and publishing, chemicals, and food and drink.

Leeds is one of the UK's principal manufacturing centres. Manufacturing remains an important but declining element of employment a trend common in the rest of the UK. The decline in manufacturing employment is due largely to improvements in productivity, the decline of traditional industries, and a reclassification of jobs to the service sector. One must bear in mind that this overall sector contains a wide variety of sub-sectors and a decline in labour intensive low-value added production may not be as inhibiting to future economic growth as losing capital-intensive high-value added production. Whilst employment in the manufacturing sector has fallen significantly, the sectors contribution in terms of GVA has remained stable. This illustrates that there has been a strong shift up the value chain. Indeed the city has started to develop a number of high value niche specialisms in areas such as pharmaceuticals, agro-chemical products, and medical equipment. A fundamental challenge for the City will be to continue to increase the value of manufacturing activity and introduce knowledge intensive processes into industry that can raise the international competitiveness of the sector.

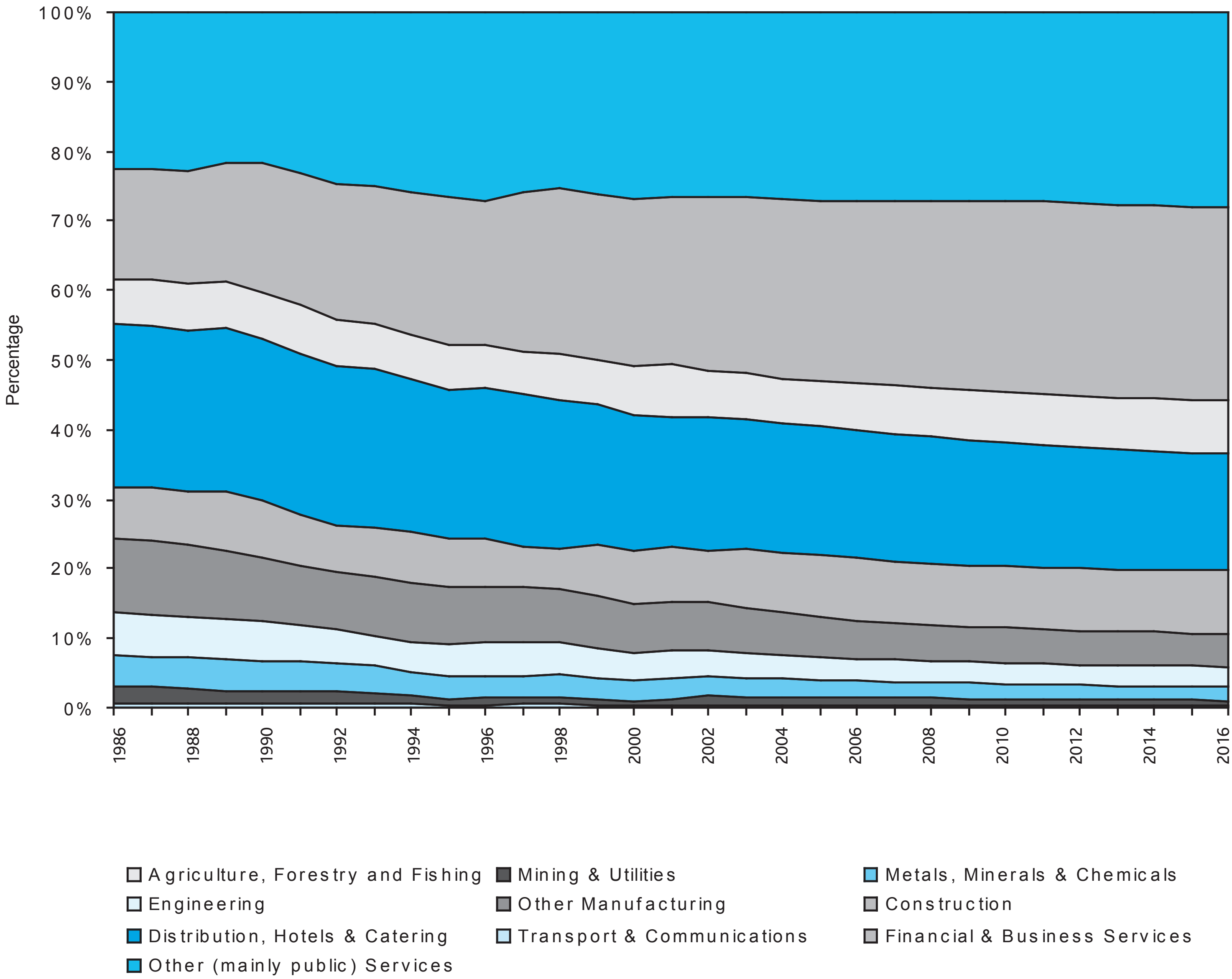
As shown by figure 1.1 future employment growth places Leeds as a service led economy. Growth is expected in the other (mainly public) services, communications, financial and business services, and distribution, hotels and catering. A vital accelerator for Leeds is the financial and professional services sector. The sector has a broad definition including banking, fund management, pensions, insurance, legal, accounting, management consultancy, architectural, engineering, and real estate. This is a dynamic sector with significant merger and acquisition and convergence of functions and it is important the sector continues to flourish.

Leeds is seeing considerable action in major construction projects and a key employment growth sector is projected to be the construction sector, having had a 28 percent increase between 1998 and 2003 (as shown by table 1.7) although the growth is predicted to plateau (shown by figure 1.2). This shows the investment that Leeds has enjoyed in its property markets since the beginning of the 1990s.

The growing importance of the service sector is also in evidence when looking at occupational areas. As shown by figure 1.1 greatest occupational increases in numerical terms are forecast for caring/personal services, administration and clerical, and health associate professionals. Not surprisingly then the largest occupational areas for job losses are expected in process, plant and machine operating.

Expected sectoral changes in employment are closely linked to shifting patterns in the nature of work and the profile of those working. With the projected shift in employment towards service sector it is expected that there will be an increase in the proportion of part-time employment. This is evident in Leeds as part-time employment increased by 13 percent between 1998 and 2003; increasing numbers of males are engaged in part-time employment (as shown by table 1.6).

Figure 1.1: Projected Proportional Change in Industrial Sectors in Leeds, 1986 - 2016



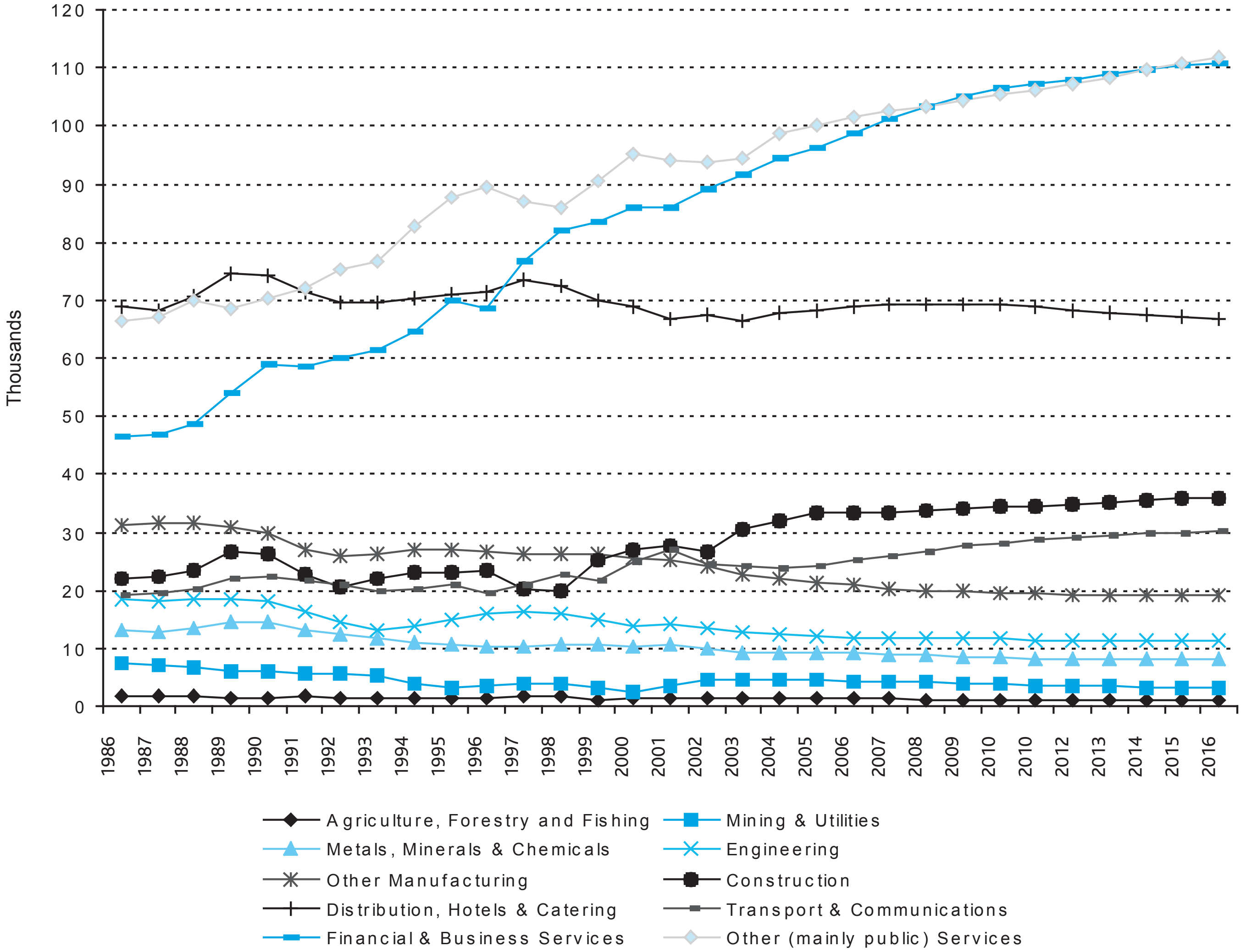
Source: Yorkshire Futures (2005)

Table 1.6: Change in Employment by Gender and Status in each of the Local Authority Districts in West Yorkshire (%), 1998-2003

	Bradford	Calderdale	Kirklees	Leeds	Wakefield
Male Full Time Workers	-2.1	-11.9	-2.8	4.4	12.1
Male Part Time Workers	25.6	17.9	37.8	20.2	46.9
Female Full Time Workers	1.0	-9.5	3.0	11.4	2.7
Female Part Time Workers	0.1	1.9	5.4	10.6	12.4
Male	1.5	-9.1	2.0	6.4	15.9
Female	0.5	-4.1	4.3	11.0	7.7
Full Time Workers	-1.0	-11.1	-0.9	6.9	8.8
Part Time Workers	5.2	4.9	11.5	12.9	18.6
Total	1.0	-6.8	3.1	8.6	11.8

Source: Office for National Statistics (2005c)

Figure 1.2: Growth and Decline of Full-time Employment in Leeds by Broad Industrial Sectors, 1986 – 2016



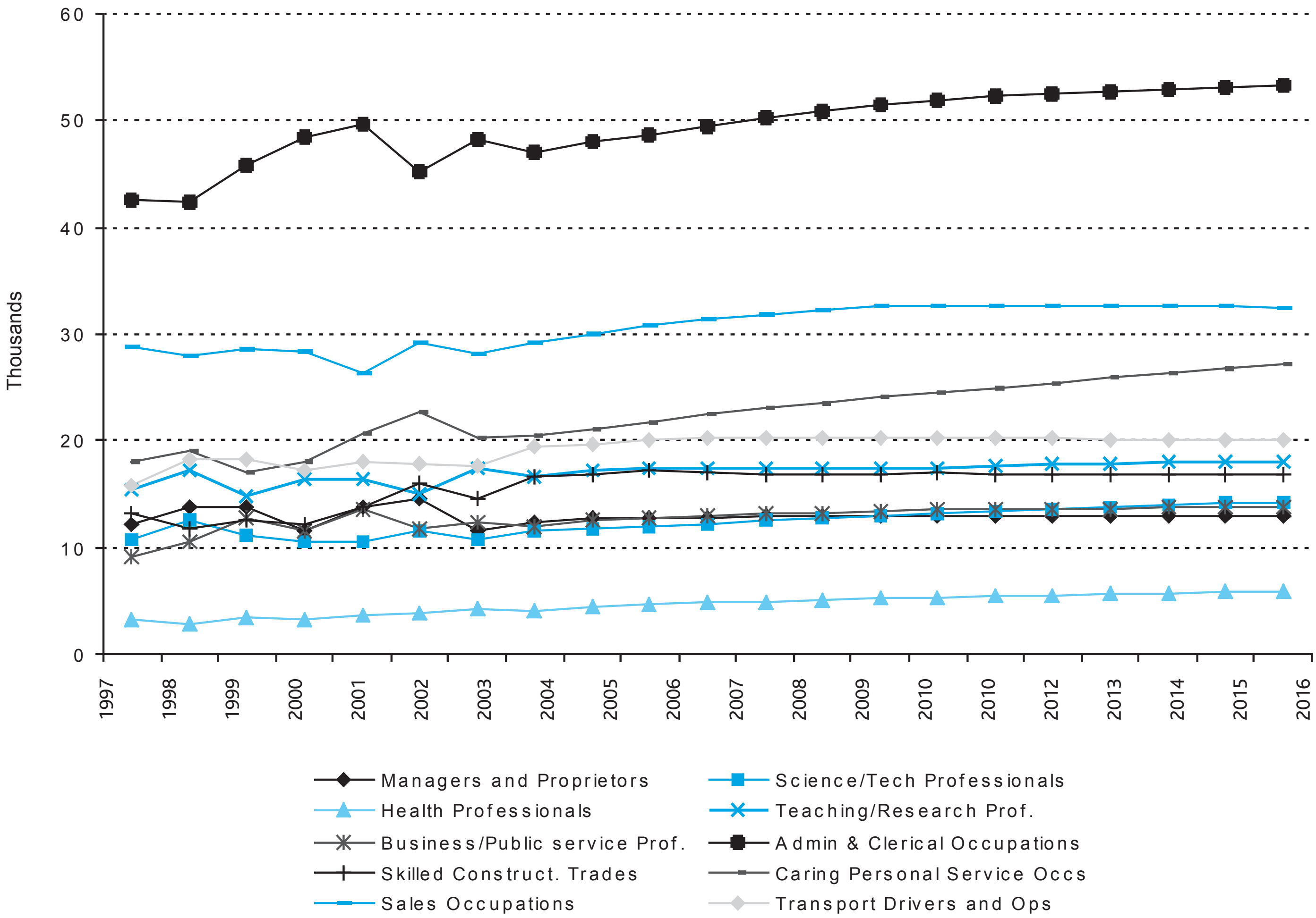
Source: Yorkshire Futures (2005)

Table 1.7: Growth/Decline in the Proportion of Employees in Employment by Sector across West Yorkshire (%), 1998-2003

Sector	Bradford	Calderdale	Kirklees	Leeds	Wakefield
Agriculture and fishing	52.4	13.5	14.0	17.5	4.4
Energy and water	-33.5	-67.6	-50.8	-43.6	-52.1
Manufacturing	-21.5	-20.9	-18.9	-14.9	-23.4
Construction	-2.7	1.2	0.2	27.7	-4.6
Distribution, hotels and restaurants	2.6	8.8	15.9	3.9	11.0
Transport and communications	14.8	14.3	18.8	15.0	142.8
Banking, finance and insurance, etc	16.9	-21.6	18.7	14.6	12.0
Public administration, education & health	8.7	2.1	8.7	17.9	22.4
Other services	18.8	34.2	11.9	13.8	12.7
Total	1.0	-6.8	3.1	8.6	11.8

Source: Office for National Statistics (2005c)

Figure 1.3: Growth and Decline of Selected Occupational Areas, 1996 - 2016



Source: Yorkshire Futures (2005)

Table 1.8: People in Employment of Working Age by Gender, 2003

Area	Males	Females	All
Bradford	108,000	83,000	191,000
Calderdale	50,000	41,000	91,000
Kirklees	96,000	81,000	177,000
Leeds	175,000	155,000	331,000
Wakefield	80,000	62,000	142,000
West Yorkshire	509,000	422,000	931,000
Yorkshire & Humberside	1,210,000	1,003,000	2,213,000
England	12,291,000	10,185,000	22,476,000

Source: Office for National Statistics (2005b)

Opportunities through Economic Development/Inward Investment

In recent years Leeds has become an investment location of choice for many national and international companies. Leeds seeks to attract inward investment and the 'Leeds Initiative', the Local Strategic Partnership for Leeds, is actively pursuing this objective. Successful inward investment is an important aspect in the regeneration and development of the local economy. It helps create new jobs, new opportunities for existing companies, opportunities for educational institutions, and environmental improvements.

The European Commission in 1994 identified seven major factors that influence inward investment, these are:

- Proximity to the market.
- Quality and availability of labour.
- Infrastructure.
- Quality of life.
- Cultural affinity.
- Promotional policies.
- Clustering and existence of related firms.

Looking at these seven factors for growth Leeds ranks highly. The district has good communication links lying on crossroads of the major transport routes from North to South (M1) and from West to East (M62). There are seven airports within easy reach of Leeds; Leeds/Bradford, Manchester, East Midlands, Humberside, Sheffield City Airport, Liverpool John Lennon Airport, and the Robin Hood Doncaster Sheffield Airport. Leeds/Bradford Airport operates short and medium haul flights to UK and European destinations. Extensive development work has taken place over recent years. Leeds/Bradford is located approximately 13 km (10 miles) from Leeds and can be reached within 30 minutes by car. The district has access to a large labour supply with an estimated 2.2 million people living within a 30 minute commuting distance.

Leeds Initiative provides any business, whether an established company or a new investor, with co-ordinated service to support their business activity in Leeds. To contact them email invest@leeds.gov.uk

The following lists some of the major initiatives and developments current within the district.

- Six mixed-use schemes totalling £650 millions at Brewery Wharf, City Island, City Walk, Clarence Dock, West Central, and Whitehall Riverside.
- Plans have also been received for two further major mixed-use developments, the £500 millions development of City One and the £100 millions development of Quarry Hill.
- There are also major proposals for non mixed-use developments including phase two of Wellington Plaza and the £21 millions City Point redevelopment on King Street.
- Other developments include significant proposals in the health sector, where St James Hospital could see a £170 millions Cancer Centre, and the £158 millions development of children and maternity services.

- A £170 millions investment has been proposed to regenerate Beeston Hill and Holbeck and £300 millions investment to redevelop the 58 acre Kirkstall Forge site that is expected to create up to 400 construction jobs.
- The ongoing redevelopment of Headingley to ensure the continuation of test match cricket in the city.
- A £16.6 millions, 50 metre swimming and diving facility, will provide a landmark facility for the people of Leeds and further enhance the already impressive range of facilities available at the South Leeds Stadium complex site.
- A major grant from the New Opportunities Lottery fund, together with funding from Leeds City Council will transform the site of John Smeatons Sports Centre into a first class £5 millions leisure centre, providing a wide range of opportunities for the adjacent school and the wider community.
- Phase I of the £28.5 millions transformation of the Grand Theatre is scheduled for 2005. The works will see Opera North moving to a new headquarters accommodation in Premier House and the construction of a new production rehearsals rooms, a revamp of the auditorium, improved access for the people with disabilities, new seating in the stalls, and improved ventilation.
- The Heritage Lottery Fund has agreed to contribute almost £19.5 millions towards the £26.9 millions cost of transforming the Leeds Institute building into a museum.
- Work is being undertaken to progress a major housing-led regeneration intiative in East and South East Leeds in partnership with Leeds East Homes and Leeds South East Homes. The project will be delivered through public-private partnership and will involve the comprehensive physical, social, economic and environmental regeneration of a 17,000 hectare area covering the social housing estates of Burmantofts, Gipton, Halton Moor, Osmondthorpe, Richmond Hill, and Seacroft and mixed tenure properties in East End Park and Harehills. The population of the areas has a population of almost 79,000 people living in 36,500 houses.
- Aire Valley Leeds is an area of 1000 hectares that aims to transform the area into a high quality sustainable employment base for the long-term benefit for the people of Leeds. The area has the potential to create up to 30,000 new jobs and deliver one million square metres of new employment floorspace, whilst the river and canal corridors offer residential and leisure opportunities.

Unemployment

Leeds is enjoying a sustained period of growth that presents an ideal opportunity to spread the economic benefit and increase active participation of hard-to-reach groups in the economy; however worklessness persists. Worklessness, or unemployment, is particularly concentrated in inner city[2] areas and is associated with poverty, poor health, poor housing quality, and low skills. The unemployment rate is the key measure of the balance between labour demand and labour supply. It can be thought of as the number of people available and looking for work, expressed as a proportion of the working population. Over the last 25 years Leeds has lost many jobs, mainly in the manufacturing sector, this has resulted in high levels of unemployment. However, today the situation is improving as the district is creating new employment opportunities. The official measure of unemployment is the unemployment rate from the Labour Force Survey. The unemployment rate is based upon the International Labour Organisation definition, which counts the numbers of jobless people who want to work, are available to work, and who are actively seeking employment.

- The Labour Force Survey is a sample survey, not a complete count of everybody. Therefore the data is more accurate for larger areas (such as for the regions) and data for smaller areas (for example local authority districts) is less robust.
- In addition to the Labour Force Survey, claimant count data are published monthly to provide further information about the labour market, although these figures are not an alternative measure of unemployment.
- The claimant count is taken from monthly records of people claiming unemployment-related benefits (Job Seekers Allowance) on a particular day in each month. The claimant count is always lower than the unemployment rate as not all people are entitled to claim benefits, or choose to do so.
- Prior to January 2003, claimant count rates were workplace-based; this expressed the number of claimants of Job Seekers' Allowance as a percentage of the corresponding mid-year estimates of the number of the workforce jobs in the area plus the number of claimants (workplace-based rates). These rates were distorted by significant commuting to work into and out of an area.
- From January 2003 workplace-based rates were replaced with residence-based rates, which express the number of claimants resident in an area as a percentage of the working age population in an area. Working age is defined as 16-64 for males and 16-59 for females.

[2] See table 1.10

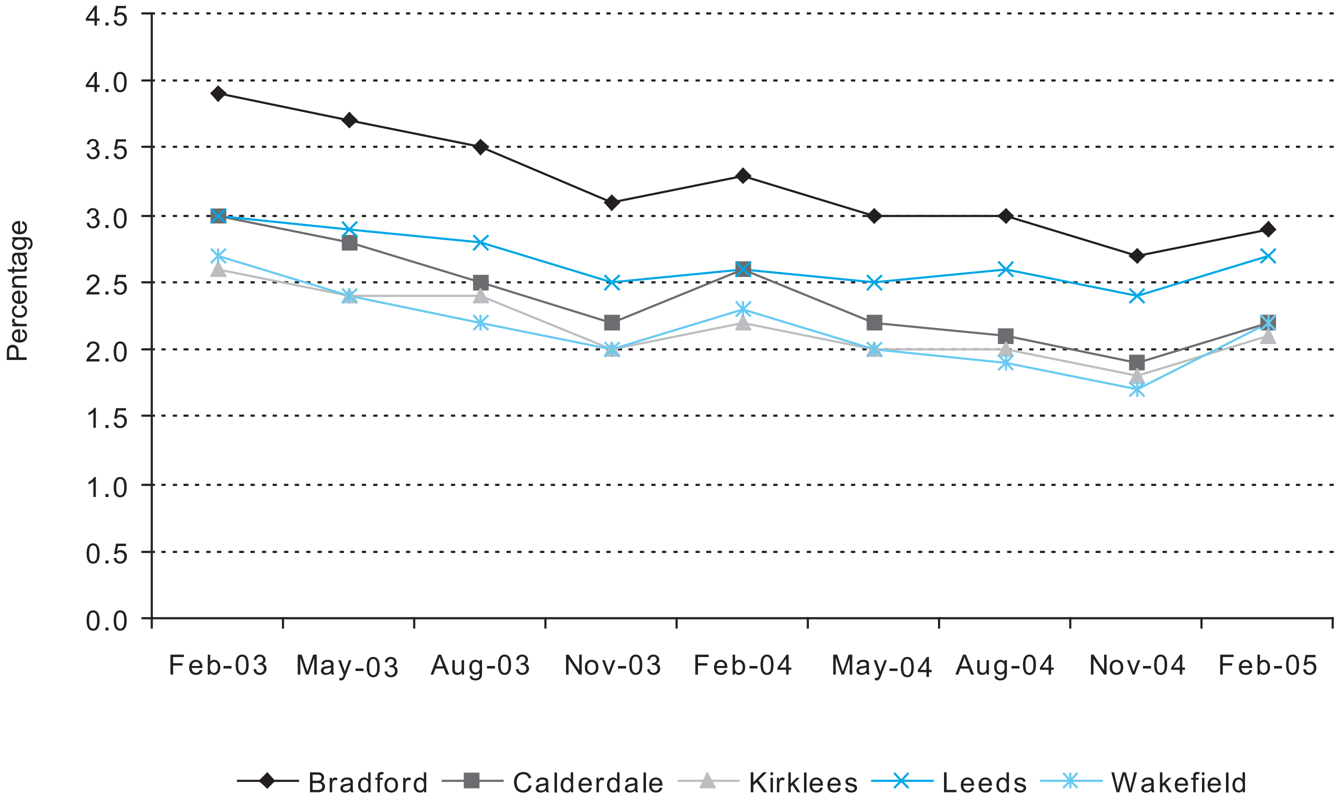
Table 1.9: Unemployment Rates, February 2005

	All Persons - Working Age		Males - Working Age		Females - Working Age	
	Number	Percent	Number	Percent	Number	Percent
England	1,174,000	4.9	685,000	5.3	489,000	4.6
West Yorkshire	49,000	4.9	31,000	5.7	18,000	3.9
Leeds	15,000	4.3	11,000	5.9	4,000	2.4

Source: Office for National Statistics (2005b)

Unemployment rates give a measure as to the strength of the local economy and the demand for labour. It could be argued that Leeds is close to or at full employment, as one would expect some frictional or structural unemployment as people move between jobs and jobs are lost due to changing industrial patterns. Unemployment within the Leeds District has historically been slightly below the national and sub-regional averages. This is reflected in unemployment rates for February 2005 (table 1.9) showing that the overall unemployment rate in Leeds is below the sub-regional average. Comparing between male and female unemployment rates is difficult, as many married women looking for work do not register. However, there has been a trend of lower female unemployment rates and this fall is uniform across skill groups and is particularly significant among women with young children.

Figure 1.4: Claimant Count Rates by Local Authority District February 2003 - February 2005

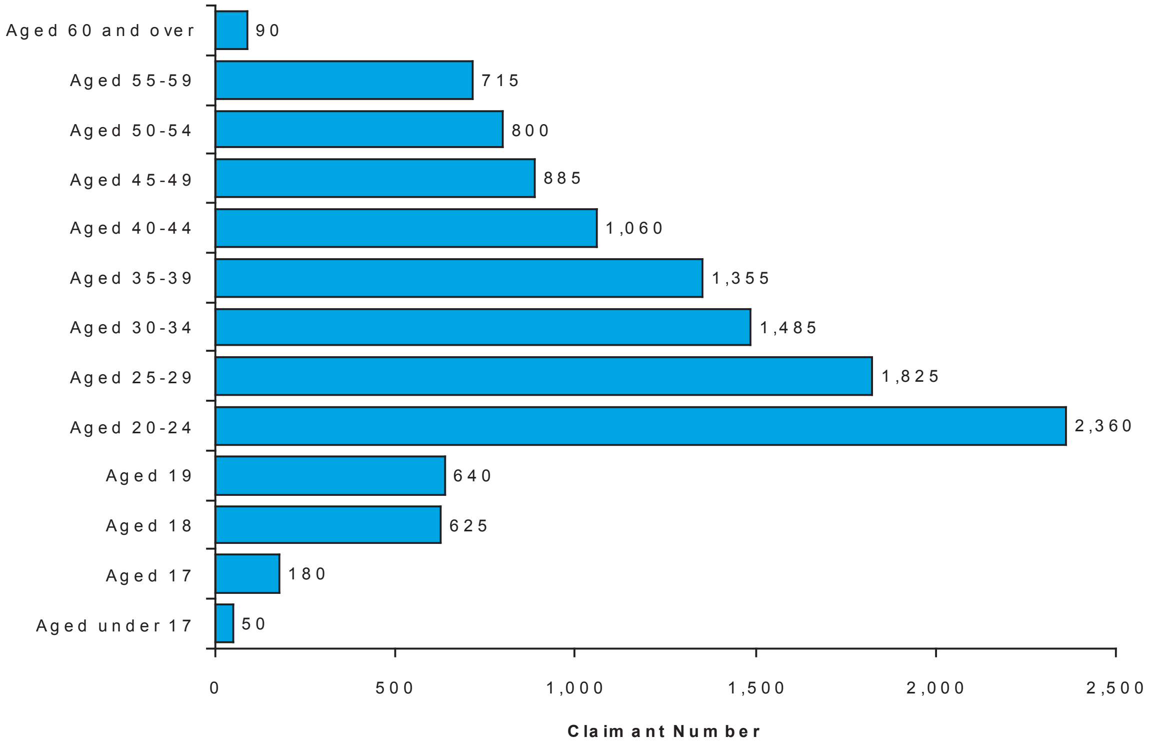


Source: Office for National Statistics (2005e)

Looking at claimant rates the unemployment picture does not look as healthy. As shown by figure 1.4 the claimant count between February 2003 and February 2005 has been slightly higher than three of the other local authority districts in West Yorkshire. There has been a downward trend during this period, as the rate of decrease in Leeds has mirrored the other local authority districts.

The unemployed group are not all the same, the group is constantly changing as people become unemployed and regain employment. The unemployment rate tends to differ by age, duration, gender, and ethnicity.

Figure 1.5: Number of Claimants by Age Range in Leeds, April 2005

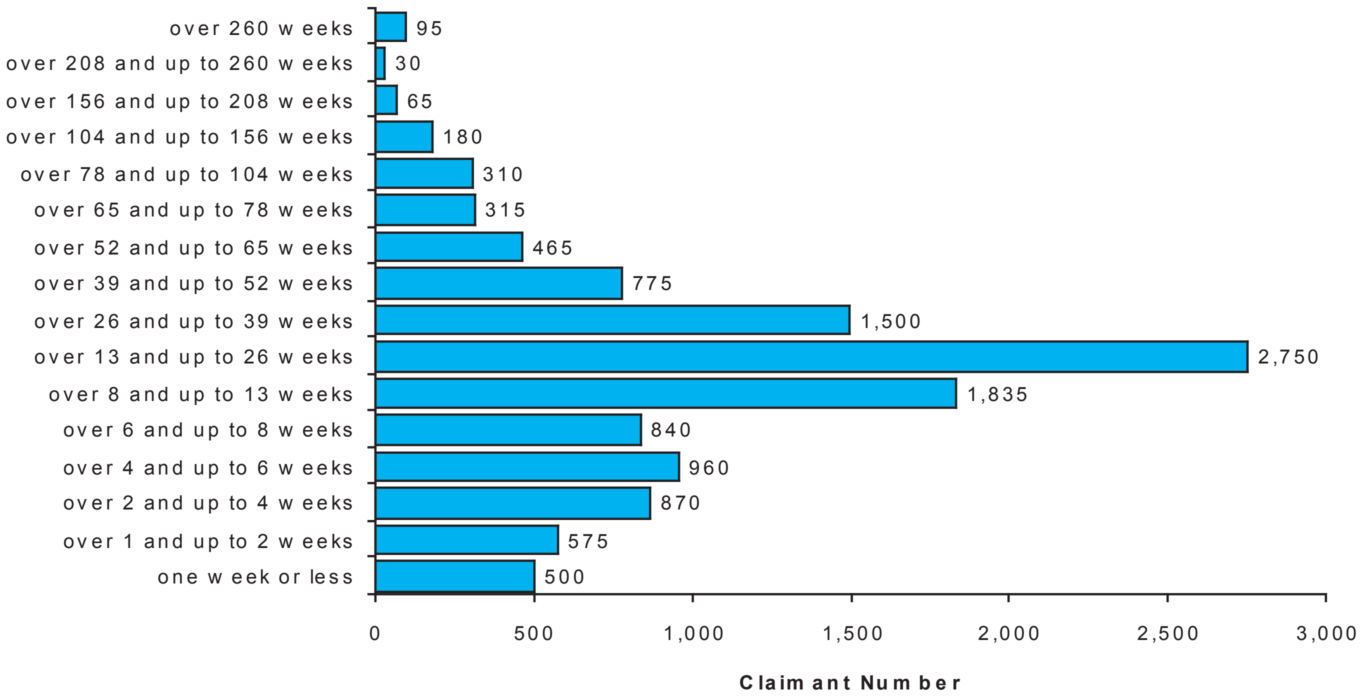


Source: Office for National Statistics (2005e)

One way to analyse unemployment statistics is by age to help us understand patterns of unemployment. Generally, young people and older people tend to experience labour market difficulties that might lead to unemployment. Figure 1.5 shows that in Leeds in April 2005 the age group most vulnerable to unemployment were young people aged 20 to 24 years old. This reflects the fact that the labour market for young people is different from the rest of the labour force, tending to be characterised by higher amounts of temporary and casual work. In addition young people also have difficulty accessing the labour market due to lack of training/education and experience. Also, young people are more likely to leave employment than their older colleagues and firms are more likely to make younger people redundant than older workers. As shown by table 1.10 the female claimant rate is low compared with the male rate, running at 1.3 percent and 4.1 percent respectively.

Claimant duration refers to the amount of time that an individual claims Job Seekers Allowance, a proxy that we can use to measure the duration of unemployment. It is debated whether the typical unemployment duration is best described as long or short. This distinction is important for assessing the economic efficiency and equity aspects of unemployment. The short view emphasises the dynamic nature of unemployment, focusing on job turnover and implying that the pool of unemployed typically is dominated by a large number of individuals who experience relatively short spells of unemployment (a month or two at most). This view generally is consistent with voluntary search activity by unemployed individuals and employer reliance on temporary layoffs for cyclical employment adjustments. In contrast, advocates of the long view argue that the pool of unemployed typically is dominated by individuals who experience relatively long spells of unemployment (three months or more) and are best described as "involuntarily" unemployed, often through permanent job loss. Thus, the two views pose the extremes of a well-functioning market for matching workers and employers in which the burden of unemployment is widely

Figure 1.6: Duration of Unemployment in Leeds, April 2005



Source: Office for National Statistics (2005e)

dispersed and a situation in which a relatively small number of workers bear the burden of a persistent shortage of appropriate jobs. The truth about unemployment lies somewhere in between the extremes of short and long durations, it does show that unemployment is increasingly becoming frictional and structural in nature. Figure 1.6 illustrates that the most common durations of unemployment in April 2005 were over 13 and up to 26 weeks, followed by over 8 weeks and up to 13 weeks. These figures suggest that unemployment duration is not especially long with the majority of people claiming for less than 26 weeks suggesting a healthy labour market close to full employment. Although a relatively high number of claimants had been unemployed for 26 to 39 weeks.

Although the overall unemployment figure has fallen in the district, there are still considerable variations by ward. There are high levels of unemployment in specific wards within the district, especially in the inner city areas. This is an indicator that in some Wards there are high levels of deprivation. The highest rates are found in the inner city wards of University, Richmond Hill, Harehills, City and Holbeck, Chapel Allerton, and Burmantofts (see table 1.10). In Leeds East the male claimant rate is over twice the District's average.

It is pertinent to note that these figures mask those that are defined as 'hidden unemployed'. Hidden unemployment refers to those people who have been transferred from unemployment related benefits onto other benefits (such as sick related benefits) or those who are out of the benefit system altogether (for example those aged 50 plus who take early retirement and therefore do not qualify for unemployment related benefits). These groups of people are excluded from the monthly claimant count, which only count those claiming Job Seekers' Allowance.

Available data on unemployment by ethnic group is limited. Much of the data at a local level comes from the 2001 Census. From this source, unemployment would appear to vary by ethnic groups with Pakistani being most affected (see table 1.11). White: British do account for the largest ethnic group unemployed, making up 85 percent of those that are unemployed in the District. When comparing unemployment by other ethnic groups it tends to reflect the demographic make-up of Leeds.

Table 1.10: Claimant Unemployment Rate by Ward and Gender in Leeds, April 2005

	Male		Female		Total	
	Number	Rate	Number	Rate	Number	Rate
Aireborough	113	1.4	32	0.4	145	0.9
Armley	388	5.4	113	1.7	501	3.6
Barwick and Kippax	129	1.7	49	0.7	178	1.2
Beeston	349	6.8	106	2.2	455	4.6
Bramley	284	4.1	94	1.3	378	2.7
Burmantofts	529	9.9	160	2.9	689	6.3
Chapel Allerton	584	10.7	155	2.7	739	6.6
City and Holbeck	811	11.9	205	3.4	1,016	7.9
Cookridge	177	2.8	57	0.9	234	1.9
Garforth and Swillington	117	1.6	48	0.7	165	1.1
Halton	130	1.8	50	0.8	180	1.3
Harehills	604	9.9	195	3.1	799	6.5
Headingley	270	2.4	93	0.8	363	1.6
Horsforth	83	1.2	30	0.4	113	0.8
Hunslet	377	8.1	106	2.3	483	5.2
Kirkstall	356	5.0	96	1.4	452	3.3
Middleton	347	5.5	114	1.8	461	3.6
Moortown	215	3.4	72	1.2	287	2.3
Morley North	132	1.6	49	0.6	181	1.2
Morley South	153	1.6	67	0.7	220	1.2
North	158	2.4	61	1.0	219	1.7
Otley and Wharfedale	104	1.4	39	0.6	143	1.0
Pudsey North	114	1.6	39	0.6	153	1.1
Pudsey South	126	1.8	37	0.6	163	1.2
Richmond Hill	451	9.0	152	2.9	603	5.9
Rothwell	147	2.2	59	0.9	206	1.6
Roundhay	143	2.1	59	0.9	202	1.5
Seacroft	392	8.3	140	2.8	532	5.4
University	859	10.4	190	2.4	1,049	6.5
Weetwood	180	2.6	54	0.8	234	1.7
Wetherby	80	0.9	22	0.3	102	0.6
Whinmoor	180	3.5	43	0.9	223	2.2
Wortley	285	4.0	104	1.5	389	2.8
Total	9,367	4.1	2,890	1.3	12,257	2.7

Source: Office for National Statistics (2005e)

Table 1.11: Numbers Unemployed by Ethnicity in West Yorkshire, 2001

	Bradford	Calderdale	Kirklees	Leeds	Wakefield	West Yorkshire
British	9,169	4,331	7,049	14,595	7,727	42,871
Irish	106	55	82	227	27	503
Other White	185	66	92	288	64	695
White and Black Caribbean	96	18	89	186	12	399
White and Black African	19	6	11	42	9	85
White and Asian	105	19	49	60	15	249
Other Mixed	26	9	16	51	6	108
Indian	413	25	516	282	13	1,251
Pakistani	3,458	554	989	533	113	5,737
Bangladeshi	196	4	16	161	3	383
Other Asian	126	21	59	101	13	325
Black Caribbean	186	6	260	342	10	804
Black African	28	10	14	109	6	163
Other Black	19	6	41	89	0	158
Chinese	17	12	15	94	12	154
Other Ethnic Group	45	6	19	120	17	208
All People	14,284	5,148	9,317	17,280	8,047	54,093

Source: Office for National Statistics (2001)

Earnings

The New Earnings Survey (2003) shows males in Leeds are earning nine percent less than the England average (see table 2.7). Of the local authority districts in West Yorkshire, Leeds has an above average hourly weekly wage; more details on this subject can be found in section 2.3.

The National Minimum Wage was introduced in April 1999 entitling workers, for the first time ever in Great Britain, to a guaranteed minimum pay rate. The general rule is that all workers aged 18 and over are entitled to the minimum wage – full-time, part-time, temporary, agency or casual workers as well as home workers and piece workers. There are exceptions: these include children and young workers aged 16 and 17, members of the armed forces, share fishermen and those who are genuine volunteers. According to the Low Pay Unit, certain groups of workers are most at risk of low pay: women, minority ethnic workers, young workers and older workers, those with low qualifications, part time workers and home workers.

From October 2005, there is a new rate for the minimum wage bands.

Table 1.12: Current Rates for the National Minimum Wage, 2005

The full NMW rate All workers aged 22 and over, who qualify for the NMW and who are not "accredited trainees" (see below)	£5.05 per hour
The "accredited training" rate Workers aged 18-21 inclusive in the first 6 months of their job, who are receiving "accredited training" for at least 26 days, are entitled to the "development rate" for the first 6 month period only. After this they are entitled to the full NMW.	£4.25 per hour
Rate for 16 and 17 year olds	£3.00 per hour

Source: Low Pay Commission (2005)

Indices of Deprivation

Leeds' overall economic prosperity masks areas of significant deprivation. In short there still exists poverty and inequality and the Index of Multiple Deprivation (IMD) is the official measure of this poverty. People experience poverty and disadvantage in various ways and the Index of Multiple Deprivation 2004 (IMD 2004) seeks to capture this. The model of multiple deprivation which underpins the IMD 2004 is based on the idea of distinct dimensions of deprivation which can be recognised and measured separately. The index contains seven domains of deprivation, which are health deprivation and disability, education, skills and training deprivation, barriers to housing and services, living environment deprivation and crime. Individuals living in an area experience these. People may be counted as deprived in one or more of the domains depending on the number of types of deprivation that they experience. The overall IMD is conceptualised as a weighted area level aggregation of these specific dimensions of deprivation.

It is not possible to give comparisons with the previous IMD because the elements are different as is the overall equation. Using this calculation all five Local Authority Districts (LAD) in West Yorkshire are in the worst 25 percent of all authorities in the country in terms of deprivation. Each LAD does have areas of affluence but this cannot disguise the overall view that deprivation is still around, perhaps in more localised concentrations. As noted these indices demonstrate that Leeds ranks high in its level of deprivation and there is considerable deprivation across all domains in Leeds. Although people have benefited from the booming economy, others have not, and many of these are residents of the inner-city areas, in this respect Leeds has been termed a 'two-speed' economy. According to the average ward scores Leeds is ranked 68 out of 354 local authority districts (1 being the worst) and is the third most deprived across the whole of the sub-region when compared to the other West Yorkshire areas.

Table 1.13: Rank of Each District within West Yorkshire According to the Indices of Deprivation, 2004

	Indices of Deprivation 2004, rank of average of Ward scores (out of 354 districts)[1]	Indices of Deprivation rank of average of Ward ranks (out of 354 districts)[2]	Indices of Deprivation 2004, extent rank (out of 354 districts)[3]
Bradford	30	51	31
Calderdale	86	87	83
Kirklees	77	81	73
Leeds	68	91	64
Wakefield	54	53	56

Source: Office for the Deputy Prime Minister (2004)

[1] Population weighted average of the combined scores for the wards in a district. The advantage of this measure is that it describes the wards by retaining the fact that the more deprived wards may have more 'extreme' scores, which is not revealed to the same extent if the ranks are used.
[2] Population weighted average of the combined ranks for the wards in a district. This measure is useful because it summarises the district taken as a whole, including both deprived and less deprived wards.
[3] Proportion of a district's population living in the wards that rank within the most deprived 10% of wards in the country. It aims to show how widespread high levels of deprivation are in a district. This measure only includes districts that contain wards that fall within the top 10% and therefore some districts will have no overall score for this measure.

Table 1.14: Deprivation by Super Output Area[3] Level Indicators across West Yorkshire

	Multiple deprivation	Income	Employment	Health	Education	Housing	Crime	Living Environment
Bradford	143	127	125	142	150	5	197	198
Calderdale	44	36	36	34	35	13	52	74
Kirklees	90	77	75	82	79	32	109	174
Leeds	177	132	129	158	190	80	282	281
Wakefield	88	66	108	123	105	7	85	30
Number of SOA ranked in top 10% of deprivation by indicator								
Bradford	93	72	42	67	98	0	107	121
Calderdale	15	17	11	8	14	4	22	39
Kirklees	33	20	19	23	31	6	34	108
Leeds	100	62	61	67	100	17	171	170
Wakefield	29	19	48	60	54	0	24	12

Source: Office for the Deputy Prime Minister (2004)

[3] For an explanation of super output area, please see Glossary of Terms and Conditions.

A more detailed look at the IMD shows that:

- In Leeds, 21 percent of all its' super output areas fall into the top ten percent in the country in terms of overall deprivation and 37 percent fall into the top 25 percent. That is out of the 477 SOAs in Leeds, 100 falls into the least deprived 10 percent of wards in the country and 177 into the least deprived 25 percent.
- From the index of deprivation crime is highly evident in Leeds. Fifty-nine percent of all SOAs in Leeds fall into the top 25% in the country and 36 percent in the top ten percent.
- Fifty-nine percent of all SOAs in Leeds have living environments ranked as in the worst 25 percent, 36 percent are within the worst in the country. The inner city SOA of Harehills in Leeds is placed second worst in the country out of 32,482.

Table 1.15: Extent Score for West Yorkshire

	Extent Score
Bradford	43%
Calderdale	25%
Kirklees	28%
Leeds	31%
Wakefield	35%

Source: Office for the Deputy Prime Minister (2004)

The five local authority districts in West Yorkshire fall into the most deprived (top 10%) in England for 2004. The extent of the deprivation showed that the percentage of the population within the districts experiencing some form of deprivation range from 25% of the population in Calderdale, right up to 43% in Bradford and District, in Leeds 31 percent of population experience some form of deprivation.

Social Exclusion

Low economic activity rates have severe consequences for a growing economy, reducing the available workforce and reinforcing concentration of multiple deprivation. The City is enjoying a period of sustained growth that presents and ideal opportunity to spread economic benefit and increase participation of hard-to-reach groups. People and communities that experience multiple deprivation can be viewed as being socially excluded. There are many groups of people and individuals within society that face exclusion, not only from the labour market but also from society as a whole. People are excluded for very different and in some cases very unfortunate reasons. Certain groups are more prone than others to face social exclusion, here are some:

- Ethnic minorities
- Asylum seekers
- Older workers
- Younger workers
- Lone parents
- Women
- People with disabilities

Table 1.16: Gross Value Added (Workplace Based at Current Basic Prices), 1995-2002

£million	1995	1996	1997	1998	1999	2000	2001	2002	1995 to 2002 Average Annual Growth (%)
UK	639,115	679,526	719,565	761,539	797,116	838,490	881,163	926,275	5.4
West Yorkshire	21,237	22,519	23,979	25,416	26,520	27,522	28,978	30,767	5.4
Bradford	4,375	4,629	4,900	5,182	5,335	5,629	5,839	6,083	4.8
Leeds	8,712	9,222	9,897	10,530	11,114	11,520	12,258	13,114	6.0
Calderdale, Kirklees, Wakefield	8,151	8,668	9,181	9,704	10,071	10,373	10,881	11,569	5.1
£per head	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**1995 to 2002 Average Annual Growth (%)**
UK	11,015	11,683	12,339	13,023	13,583	14,239	14,906	15,614	5.1
West Yorkshire	10,246	10,857	11,569	12,260	12,797	13,272	13,911	14,716	5.3
Bradford	9,285	9,833	10,444	11,072	11,426	12,050	12,404	12,832	4.7
Leeds	12,206	12,883	13,817	14,709	15,546	16,148	17,129	18,305	6.0
Calderdale, Kirklees, Wakefield	9,180	9,765	10,348	10,914	11,310	11,614	12,134	12,853	4.9

Source: Office for National Statistics (2005f)

Leeds Economic Performance

Measures of local income and output are used in economics to estimate the value of goods and services produced in a local economy. For local data the term gross value added (GVA) is now used to denote estimates that were previously referred to as gross domestic product (GDP) at basic prices. GDP is now classified as GVA plus taxes (less subsidies) on products, in other words at market prices. It measures the total value of final goods and services produced within Leeds' borders in a year. It counts income according to where it is earned rather than who owns the factors of production, such as factories and shops. Leeds needs to create and sustain the conditions for growth to achieve full GVA potential.

As shown by table 1.16, in 2002 Leeds GVA was £13,114 million. GVA per head expresses economic performance as the average output of members of the workforce. GVA per head stood at £18,305, which since 1995 has had an average annual growth of six percent, above the average national and sub-regional growth rates. However, there are difficulties relying on per head population measures as large numbers of people commute to Leeds, this distorts the GVA per head upwards.

A healthy economy is characterised by a mix of small and medium sized enterprises (SMEs) and large firms. A key indicator of a contestable and competitive local market is the number of SMEs, generally the higher the number of SMEs the more contestable and competitive the market is deemed to be. As shown by table 1.17, Leeds has an estimated 25,141 workplaces that made up 36 percent of the total workplaces in West Yorkshire in 2002. The local economy is dominated by small organisations (those with ten or less employees) making up the largest proportion of businesses within Leeds, accounting for 80 percent of total businesses (as shown by table 1.18). Large organisations, employing more than 200 employees, account for just over one percent. In terms of structure the wholesale/retail distribution sector and real estate, renting, and business activities sector are the two largest sectors in Leeds.

Table 1.17: Comparisons of Industrial Structures in West Yorkshire, 2002

Industry	Percentage of workplaces							
	Bradford	Calderdale	Kirklees	Leeds	Wakefield	West Yorkshire	Yorkshire & Humber	GB
Primary Industries	0.4	0.5	0.4	0.3	0.4	0.4	0.8	0.7
Manafacturing	11.4	13.4	13.1	8.4	8.1	10.4	9.5	8.0
Construction	7.5	8.0	9.4	7.9	9.4	8.3	9.1	8.9
Wholesale/retail distribution; repair etc	28.7	24.4	27.8	24.5	26.3	26.2	26.3	23.0
Hotels and restaurants	7.1	7.5	7.0	3.2	8.2	7.1	7.7	7.2
Transport, storage, and communication	4.6	4.3	4.7	4.9	5.5	4.8	5.4	4.7
Financial intermediation	2.7	1.6	1.4	2.9	1.4	2.3	2.1	2.2
Real estate, renting, business activities	19.8	21.5	19.7	27.0	18.8	22.4	21.3	27.3
Public admin/defence; social security	1.2	1.5	0.9	1.2	3.1	1.4	1.4	1.3
Education	2.2	2.7	2.6	2.3	4.3	2.7	2.7	2.6
Health and social work	6.5	5.3	4.3	5.0	5.8	5.3	5.3	4.7
Other community, social/ personal service	7.7	9.3	8.7	8.9	8.7	8.6	8.7	9.4
Total	14,582	7,495	12,850	25,141	9,783	69,851	164,204	2,180,425
Percentage of the business within West Yorkshire	21	11	18	36	14	100		

Source: Office for National Statistics (2004a)

Table 1.18: Percentage of Businesses within each District by Size, 2002

Size of business by number of employees	Bradford	Calderdale	Kirklees	Leeds	Wakefield	West Yorkshire
1-10	82	83	83	80	80	81
11-49	13	13	13	15	16	14
50-199	4	3	4	4	3	4
200+	0.9	0.5	0.6	1.2	0.8	0.9
Total Count	14,582	7,495	12,850	25,141	9,783	69,851

Source: Office for National Statistics (2004a)

1.2 The Learning and Skills Council

The Learning and Skills Council (LSC) exists to make England better skilled and more competitive. It has a single goal: to improve the skills of England's young people and adults to make sure we have a workforce that is of world-class standard.

The LSCs vision is that by 2010, young people and adults in England have the knowledge and skills matching the best in the world and are part of a truly competitive workforce.

- The LSC plan and invest in high quality education and training for young people and adults that will build a skilled and competitive workforce.
- The LSC helps employers to get the training and skills they need for their business.
- The LSC is transforming the further education sector to meet the needs of employers and the local community.
- The LSC is committed to improving learning opportunities for everyone.

Agenda for Change

Over the next 12 months the LSC is implementing a dynamic programme for change in its relationship with Further Education providers. A move that will ensure that the network of colleges is at the heart of the skills agenda and embrace the reforms brought about by the 14 to 19 policy. It is a programme of reforms that seek to make colleges world-class in what they provide, how they are managed, and its' building and technologies. A network that is truly responsive to the needs of employers, learners, and the local community they serve. The Agenda for Change is not just a response to present circumstances but an attempt at shaping the future. It is organised around six themes:

- Skills for Employers
  There is a clear need to bridge the productivity gap with our international competitors. As such, colleges and other training providers have to offer employers the opportunity to prepare the skilled employees they require. The post-16 sector has to become the partner of choice for employers looking to develop their workforce.
- Quality
  The ambition of the reforms is to achieve a position where all colleges are famous for the consistent delivery of outstanding quality. Working with the new Quality Improvement Agency (QIA) and our partners, the LSC plans to support improvements in quality among all providers and across subject areas, building on what has already been achieved through the Success for All reforms.
- Funding
  The current funding mechanisms are complex and bureaucratic and cause difficulties for colleges, other providers, and the LSC itself. The way colleges are in the future will be streamlined, focused on a plan, with a greater equity of funding methodology across different providers, and will allow a new level of certainty that will enable colleges to plan more effectively.
- Data
  Good quality data is essential to the effective management of colleges. The key is to identify what data is conducive to effective management and then declutter the way in which it gets collected.
- Business Excellence
  Colleges are businesses as well as education and training providers, and to respond to both learners and employers they need lean and agile underpinning business mechanisms.
- Reputation
  An improved reputation for colleges is the 'golden thread' that ties all the elements of agenda for change together. Research suggests that while colleges enjoy the esteem of their local communities, that esteem fails to aggregate nationally. It is essential to help colleges to secure the reputation they deserve at all levels.

For further details on the agenda for change please visit our website www.lsc.gov.uk.

National Framework

The LSC has a clear remit from government to take the lead on the skills agenda. It is mandated to provide effective co-ordination and planning of learning provision, and to drive up standards in post-16 learning. In order to deliver this agenda, the LSC has focused on three key goals:

- Improving participation in learning by young people.
- Raising the level of skills.
- Improving the quality and responsiveness of provision through taking forward the agenda for change.

The government has set challenging skills targets that the LSC is committed to delivering:

- An increase in the proportion of 19 year olds who achieve at least an National Vocational Qualification (NVQ) level 2[4] by three percentage points between 2004 and 2006, and by a further two percentage points between 2006 and 2008.
- By 2008 the numbers completing apprenticeships will have risen by three-quarters.
- An improvement in the basic skills of 2.25 millions adults between 2001 and 2010, with a milestone of 1.5 millions in 2007.
- A reduction by at least 40 percent the number of adults in the workforce who lack an NVQ level 2 by 2010.

Local Priorities 2005/6

- Position the LSC as the strategic organisation that leads on learning and skills.
- Provide high quality learning opportunities that meet the needs and aspirations of both individuals and employers.
- Work with partners to increase the number of young people aged 19 with a level 2 qualification.
- Raise the literacy, numeracy, and language skills of adults.
- Address the needs of adults without a level 2 qualification.
- Invest in the skills needed by business to improve economic performance.

1.3 Funding

The Learning and Skills Council receives funding from a number of sources totalling over six billion pounds. Primarily the Government provide the largest funding, which is mainly spent on core activities such as Work Based Learning, Further Education, and Adult Community Learning. In addition the LSC seeks to attract funds from alternative sources. We have a history of successfully securing funds from a range of European initiatives including European Social Fund (ESF) Objective 3. Some of these funds are used to supplement, increase and enhance existing programmes, whilst others are used to pilot new approaches or to undertake research or evaluation.

1.4 Partnerships

Productive partnerships are crucial to our success. A number of organisations share the learning and skills agenda and it is important we agree with them the key issues to be addressed, and the most effective approaches to address them.
At a regional level a key driver is our work with Yorkshire Forward in determining and agreeing action to address the skills needs identified in the Regional Economic Strategy. This has developed strongly over the last 12 months as Yorkshire Forward has brought partners together in a Regional Skills Partnership. This collaborative work will be enhanced in the next 12 months as Yorkshire Forward and the LSC join with the Sector Skills Councils and employers to deliver the priorities outlined in the Skills Strategy. The strength of our joint work is demonstrated by the £3.8m worth of Regional Development Agency contracts we hold for 2006.

Sub-regionally our relationship with Connexions West Yorkshire is developing, with the 16 to 19 Participation Trial a good example of the collaborative work we are undertaking to enhance young people's future prospects. These relationships are being enhanced further through strategies and action plans to help raise attainment at key stage 4 and improve the information, advice, and guidance service for young people.

[4] For explanation of NVQ level please see section 4.2

Collaboration with Business Link West Yorkshire and the Jobcentre Plus is also an important factor in supporting the needs of employers and adults. Business Link is a key provider in our brokerage arrangements with employers, whilst joint planning with Jobcentre Plus has enhanced the outcome of our Strategic Area Review and we are now taking forward an action plan for welfare to workforce development.

Our work at a district level is an important aspect of our business, as we are keen to ensure we have the right solutions for each local authority district, as well as for the sub-region as a whole. Each member of the Executive Team has responsibility for a Local Authority District and is a member of groups such as the Local Strategic Partnerships. This has facilitated relationships, provided a strong overview of geographically based issues and ensured appropriate links between learning and other social and economic issues. The introduction of geographical responsibilities for our middle management has further enhanced these arrangements.

Relationships with the Local Authorities are continuing to develop as we seek to ensure a coherent and integrated approach to the planning of 14 to 19 provision, and post-16 learning in general. This has been particularly important in the last 12 months with Area Inspections and the subsequent action planning process, and will be a key feature of our work future work with the 'Every Child Matters' agenda and the development of children and young people's plans for local authority districts.

Our role is one of a catalyst, not a provider, and as such we need to continue to work together with our delivery network. Attention will continue to be dedicated to fostering relationships with them, with regular meetings between the Executive Team and representatives from schools with sixth forms, colleges and work based learning providers. This will continue to help to create and develop the productive partnerships with shared ambitions and targets that we need in West Yorkshire.

Learning Partnerships are an important facilitator of partnership working and provider engagement at a local authority district level and we continue to support our five.

The last two years has seen significant growth in Learning Partnership workloads, primarily because we have chosen to route through them a series of discretionary funds to provide a close fit with needs at a local authority district level. We are keen to continue with this, as we believe it is appropriate to do so, but we are aware it has caused attention to be diverted away from their core functions. We are looking at alternative arrangements for the management and delivery of this activity, to ensure they bring the value added we expect from them on provider collaboration and the contribution of learning to local regeneration.

Many other organisations are important in helping us to realise our ambitions. These include a significant number of voluntary and community groups, many of which have taken on ESF funded activity. This support will continue through our working together strategy to enable them to help individuals most in need within our local communities.

Our Council members also provide a valuable resource for successful partnership working at a regional, sub-regional, and local level. We will continue to make full use of their contacts with local authorities, learning providers, employers, the voluntary and community sectors, and trade unions to drive forward the learning agenda locally.

Chapter

02

Skills and Demand

Key Points

- Leeds is not dependent on a limited number of companies or sectors.
- Leeds is a net importer of labour; the main flows are from Bradford, Wakefield, and Kirklees.
- The majority of Leeds' employers are medium and small scale.
- Leeds has a large number of organisations that employ over 200 people and are extremely important to the economic well being of the City.
- Job vacancies reported to Jobcentre Plus continue to remain buoyant.
- Nearly one-third of businesses surveyed by the LSC in 2003 reported that the skills of their workforce did not need improving.
- There is a growing recognition by businesses of the need for customer care training to make the difference between business success and failure.
- Sixty-nine percent of businesses surveyed by the LSC in Leeds reported that they had trained some of their staff.
- There is a correlation between business size and the propensity to train staff, the larger the company the more likely they are to train their staff.
- There is significant interest reported by individuals for learning in Leeds in the latest LSC household survey (2005), especially in ICT, languages, literature, and culture, and business, administration, and law.

Key Issues

- The impact and implications of increasing flexible working patterns on skills demand.
- Ensuring that future replacement skill needs are met whilst meeting the demand from business growth, as a result of expansion or movement into higher value product/service market.
- How to engage small employers in committing to devising clear training plans and strategies in advance, rather than having training on an ad hoc and unstructured basis.
- Whilst the focus is on improving lower level skills, key for improving the City's productivity performance is by raising the demand for higher-level skills.
- Targeted effort is needed to raise the demand for skills and learning within sectors with lower relative productivity and with a low participation in learning.
- Identifying local core skills that employers need.
- Developing a greater understanding of labour migration and mobility issues, especially its impact on the skills agenda.
- It continues to be essential that equal opportunities policies are encouraged for all businesses, and not just at the recruitment stage, but when considering training, progression and promotion.

Skills Demand – An Overview

Economic growth is dependent, in part, on technical progress. In the rapidly changing economy workers must constantly acquire new skills to incorporate new knowledge into actual production techniques and to deliver research and development. Firms can no longer rely on new graduates or new labour market entrants as the primary source of new skills and knowledge. Instead, they need workers who are willing and able to update their skills throughout their lifetimes to keep pace with technical progress.

Employers in Leeds experience changing skill requirements due a number of factors, such as:

- The changing sectoral structure of employment.
- Changing occupational structures.
- Technological changes.
- Change in work practices.
- Replacement demand.
- Business formation and survival rates.

Education, training, and labour force experience increase the productivity of the local labour market and are essential for economic growth and development. Education and training gives employees an opportunity to enhance their own performance in their current or future workplace, and firms with a highly trained workforce have greater productivity rates. The level and type of training has an impact on an employee's earning potential and career development. Training also contributes to the larger goal of improving the quality of life for the workforce and enhancing national competitiveness. Hence insights into the factors affecting the demand for skills is important to help develop policies to encourage training, by offering better incentives tailored to participants, whether firms or individuals, and for increasing the effectiveness of existing programmes.

The demand for skills can be satisfied in a number of ways:

- Education and training for the potential workforce.
- Upskilling the existing workforce.
- Inward migration of labour.

The demand for learning therefore derives from two main sources:

- The demand from employers for learning that meets skill needs.
- The demand from individuals to improve employability and for career development.

2.1 Business Diversity

Economic success is built on having an array of successful manufacturing and service sectors, and clusters by not being reliant on one or two major industries. The size, number, and diversity of sectors and clusters are indicators of a healthy economy. Business diversification means that the fortunes of the local economy are not all in one basket. The economic risk is pooled, so if one sector declines this can be offset in growth in another sector. As shown by table 2.1 Leeds diversity is increasing and becoming less reliant on any one particular sector.

A good indicator of the health of a local economy can be gauged by the examination of the number of business start-ups in an area. A high number of business start-ups suggests good business confidence. As shown by table 2.4 business start-ups as a percentage of business stock in Leeds are higher than both the regional and national average for both 2002 and 2003.

Table 2.1: Change in the Number of Workplaces in Leeds by Broad Industrial Sector, 1998 - 2003

Industry	1998		2003		Percentage change in the number of workplaces 1998-2003
	Number	Percent	Number	Percent	
Agriculture and fishing	37	0.1	34	0.1	-8.1
Energy and water	55	0.2	42	0.2	-23.6
Manufacturing	2,260	9.1	2,103	8.2	-6.9
Construction	1,925	7.7	2,148	8.4	11.6
Distribution, hotels and restaurants	8,324	33.4	7,637	29.7	-8.3
Transport and communications	1,042	4.2	1,782	6.9	71.0
Banking, finance and insurance, etc	7,020	28.1	7,693	29.9	9.6
Public administration, education & health	2,066	8.3	2,109	8.2	2.1
Other services	2,210	8.9	2,156	8.4	-2.4
Total	24,939	100.0	25,704	100.0	3.1

Source: Office for National Statistics (2005g)

Table 2.2: Number of Employer Establishments by Industry, by Local Authority District and West Yorkshire, 2003

Industry	Bradford	Calderdale	Kirklees	Leeds	Wakefield	West Yorkshire
Agriculture, hunting and forestry	24	16	31	34	20	125
Mining and quarrying	21	12	7	31	13	84
Manufacturing	1,669	1,006	1,677	2,121	793	7,266
Electricity, gas and water supply	15	*[5]	11	20	*[5]	59
Construction	1,095	600	1,205	1,989	921	5,810
Wholesale/retail trade; repair, etc	4,187	1,829	3,574	6,159	2,571	18,320
Hotels and restaurants	1,038	560	903	1,644	800	4,945
Transport, storage and communication	677	321	601	1,244	535	3,378
Financial intermediation	399	121	185	738	140	1,583
Real estate, renting, business activities	2,891	1,613	2,526	6,799	1,839	15,668
Public admin /defence; social security	181	112	112	292	303	1,000
Education	317	206	337	573	424	1,857
Health and social work	943	395	556	1,253	565	3,712
Other community, social/personal service	1,123	697	1,124	2,242	852	6,038
Total	14,582	7,495	12,850	25,141	9,783	69,851

Source: Office for National Statistics (2005g)

Table 2.3: Number of Employees by Size of Business, 2003

Size band	Bradford		Calderdale		Kirklees		Leeds		Wakefield	
	%	Number	%	Number	%	Number	%	Number	%	Number
1-10 employees	36,541	18.7	18,815	24.6	31,996	20.9	62,014	15.6	25,672	19.9
11-49 employees	44,541	22.8	21,357	28.0	38,286	25.0	87,655	22.1	34,439	26.6
50-199 employees	49,447	25.3	19,532	25.6	39,725	26.0	93,393	23.5	30,503	23.6
200 or more employees	64,867	33.2	16,699	21.9	42,978	28.1	153,605	38.7	38,679	29.9
Total	195,396	100.0	76,403	100.0	152,985	100.0	396,668	100.0	129,292	100.0

Source: Office for National Statistics (2005g)

Table 2.4: Business Start-ups in West Yorkshire Local Authorities as a Percentage of Business Stock, 2002-2003

	2002	2003
Bradford	10.3	11.5
Calderdale	9.9	10.9
Kirklees	10.2	12.1
Leeds	10.9	11.4
Wakefield	11.4	12.9
West Yorkshire	10.6	11.7
Yorkshire and Humber	9.7	10.7
England	10.3	10.9

Source: Small Business Service (2005)

[5] Denotes low data field

2.2 Jobs and Occupations

The occupational structure of Leeds' economy has changed over the last 25 years. It is important to track changes in the proportion and numbers of people employed by different industrial sectors over time to gain an understanding of the dynamics of the local economy. As shown by table 1.7 we have experienced the largest reduction of employment in the manufacturing sector, the proportion of manufacturing employment falling by 15 percent between 1998 and 2003. However, there have been some manufacturing sectors, especially high-value added sectors, which had employment growth between 1998 and 2003, as shown by table 2.6. Unfortunately these growth areas have not off set the overall decline of manufacturing jobs.

Table 2.5: Employment Growth in Selected Manufacturing Sectors in Leeds, 1998-2003

Industry	Growth 1998 - 2003 (%)
Manufacture of dairy products	189.5
Manufacture of grain mill products, starches and starch products	13.6
Manufacture of other food products	22.2
Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards	2.0
Manufacture of pesticides and other agro-chemical products	365.2
Manufacture of pharmaceuticals, medicinal chemicals and botanical products	69.7
Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	24.2
Manufacture of man-made fibres	4400.0
Manufacture of plastic products	26.9
Manufacture of glass and glass products	13.6
Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products	8.2
Manufacture of articles of concrete, plaster and cement	1.0
Manufacture of basic iron and steel and of ferro-alloys	129.2
Manufacture of tubes	28.3
Manufacture of basic precious and other non-ferrous metals	9.7
Manufacture of structural metal products	34.8
Manufacture of steam generators, except central heating hot water boilers	15.4
Manufacture of office machinery and computers	3.8
Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods	1.4
Manufacture of medical and surgical equipment and orthopaedic appliances	45.7
Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment	49.0
Manufacture of bodies (coachwork) for motor vehicles: manufacture of trailers and semi-trailers	0.6
Manufacture of railway and tramway locomotives and rolling stock	220.6
Manufacture of motorcycles and bicycles	100.0
Manufacture of sports goods	2.8
Manufacture of games and toys	10.1
Total	30.2

Source: Office for National Statistics (2005)

Table 2.6: Percentage of Employment within Selected Manufacturing Sectors, 2003

Industry	England		Leeds	
	Number	Percent	Number	Percent
Manufacturing of food and beverages	359,849	1.6	4,697	1.2
Manufacture of tobacco products	2,954	0.0	0	0.0
Manufacture of textiles	81,943	0.4	1,227	0.3
Manufacture of wearing apparel; dressing and dyeing of fur	43,438	0.2	830	0.2
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	66,511	0.3	659	0.2
Manufacture of pulp, paper and paper products	69,521	0.3	1,886	0.5
Manufacture of chemicals and chemical products	189,220	0.8	3,107	0.8
Manufacture of rubber and plastic products	181,470	0.8	1,835	0.5
Manufacture of other non-metallic mineral products	98,976	0.4	1,803	0.5
Manufacture basic metals	70,117	0.3	969	0.2
Manufacture of fabricated metal products, except machinery and equipment	294,175	1.3	4,245	1.1
Manufacture of machinery and equipment not elsewhere classified	249,553	1.1	3,784	1.0
Manufacture of electrical machinery and apparatus not elsewhere classified	109,880	0.5	1,888	0.5
Manufacture of radio, television and communication equipment and apparatus	56,112	0.3	205	0.1
Manufacture of medical, precision and optical instruments, watches and clocks	102,376	0.5	2,433	0.6
Manufacture of motor vehicles, trailers and semi-trailers	179,410	0.8	1,280	0.3
Manufacture of furniture; manufacturing not elsewhere classified	164,227	0.7	4,174	1.1
Total	2,486,073	11.1	36,522	9.2

Source: Office for National Statistics

2.3 Earnings

Labour costs consist of a number of elements. These include wages and non-wage costs, such as pensions and national insurance contributions. They are a major component of firms' total costs. The actual proportion will vary depending on the activities of each business. For example, in the manufacturing sector, labour costs amount to about 40 percent of total costs. In the service sector the proportion is likely to be higher.

Earnings reflect two main economic indicators. Firstly, it shows the cost of labour, which is also a reflection of the health of the local economy. For example, if demand for goods and services is strong, firms are likely to need to recruit more employees to increase production. If their extra demand for labour exceeds the supply, available firms may need to increase wages. Secondly, wages are also the main source of income for most people/households and therefore a determinant of the amount that they can spend, so provide a good indication of consumer spending power in the economy.

Overall earnings in Leeds are the highest in West Yorkshire but remain lower than the national average. The weekly earnings for full-time employees are £439.06. However, as shown by table 2.9 there is a similar pattern for average hourly earnings for full-time employees, which in Leeds in 2003 stood at £11.15. This was higher than the sub-region's average of £11.02 but lower than the national average of £12.22. Care must be taken when comparing earnings, as factors such as the cost of living may be lower than in other parts of the country. Average growth in earnings for full-time employees between 2002 and 2003 in Leeds was two percent (as shown by table 2.11).

In Leeds, women working full-time earn on average per hour just 86 percent of the average male hourly wage. There is an even larger discrepancy between male and female earnings across the country. The main reasons for the discrepancies are twofold, first women tend to work in occupations that traditionally pay less. And secondly women tend to take time off work to care for families more than males; the length of time they have been in employment may affect their levels of pay. The difference in hourly pay does not reflect that males are necessarily paid more for comparable jobs.

Table 2.7: Average Full-time Earnings (£) by Gender, 2003

	Male	Female	All persons
England	533.51	400.92	483.39
Yorkshire and The Humber	463.75	360.41	425.51
West Yorkshire	475.81	368.97	434.56
Bradford	472.85	357.60	426.55
Calderdale	499	384.29	449.90
Kirklees	454.66	352.06	415.97
Leeds	477.09	378.16	439.06
Wakefield	478	359.61	437.60

Source: Office for National Statistics (2005h)

Table 2.8: Average Hourly Earnings (£) by Gender (Excluding Overtime), 2003

	Male	Female	All persons
England	13.09	10.69	12.22
Yorkshire and The Humber	11.19	9.59	10.62
West Yorkshire	11.70	9.88	11.02
Bradford	11.71	9.58	10.88
Calderdale	12.82	10.67	11.92
Kirklees	10.90	8.86	10.21
Leeds	11.77	10.11	11.15
Wakefield	11.41	9.79	10.89

Source: Office for National Statistics (2005h)

Table 2.9: Part-time Average Earnings (£) by Gender in, 2003

	Male	Female	All persons
West Yorkshire	168.75	149.53	152.74
Bradford	131.95	147.68	145.31
Calderdale	193.33	167.31	171.12
Kirklees	156.57	147.76	149.38
Leeds	185.58	154.16	159.99
Wakefield	166.97	127.75	133.41

Source: Office for National Statistics (2005h)

Table 2.10: Change in Full-time Average Earnings (£) by Gender in Leeds, 2002-2003

	2002	2003	Change (%)
Male Full Time Workers	472.69	477.09	0.9
Female Full Time Workers	361.49	378.16	4.6
Full Time Workers	428.93	439.06	2.4

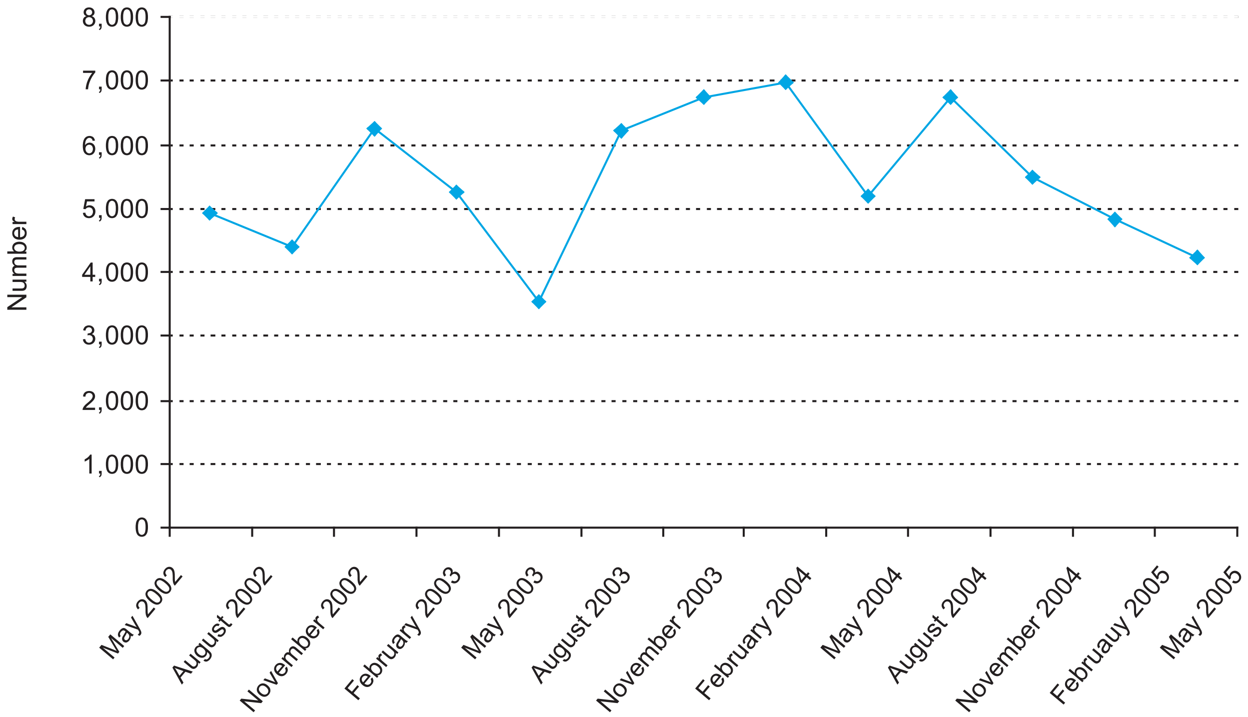
Source: Office for National Statistics (2005h)

2.4 Vacancies and Recruitment Difficulties

Employers may find it difficult to fill vacant posts because of a shortage of workers or mismatches between the available workers and skills required to undertake particular jobs. Such recruitment difficulties can hinder employment growth and business performance as vacancies go unfulfilled.

There is a solid base of vacancy notification available through Jobcentre Plus figures, which we compare year on year. Jobcentre Plus receives between a quarter and a third of all vacancies in the economy; these proportions also vary depending on occupational area. That is, for some lower level occupations the rate may be higher whilst for managerial or professional positions the proportions may be lower. Employers still rely on word of mouth as the main method of recruitment, or may use newspaper advertising as an alternative for getting the message out that recruitment is taking place.

Figure 2.1: Quarterly Notification of Vacancies to Leeds Jobcentre Plus, May 2002 – May 2005



Source: Office for National Statistics (2005)

The use of informal recruitment methods such as word of mouth has implications in terms of adherence to equal opportunities policies. If the advertising of vacancies is restricted in this way and they are not coming to the attention of the wider public it may mean that specific or key groups, often those already disadvantaged in the labour market, are not given the opportunity to apply. Whilst being peripheral to this overall section, it does raise the issue of bringing equal opportunities policies to the attention of a much larger group of companies. The LSC has recently managed a research project that looked at good practice in terms of equal opportunities in the workplace.

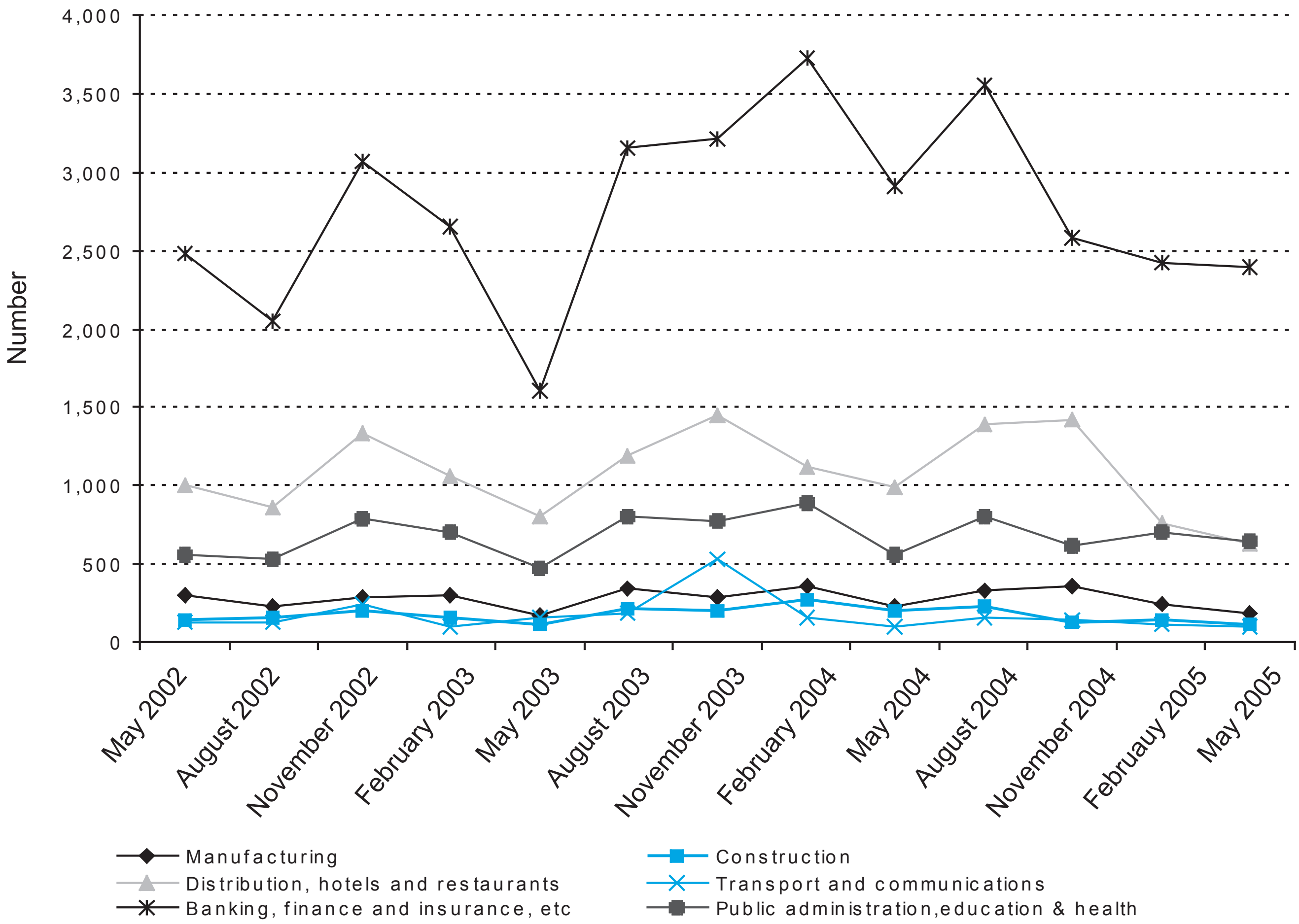
The report found that the advantages of actively implementing/adopting an equal opportunities policy need to be more widely disseminated and that managers wishing to actively implement/adopt equal opportunities across the workplace should seriously consider undertaking whichever of the following they are not already doing by:

- Devising a clear implementation plan with specific objectives and a realistic time-scale.
- Ensuring they are au fait with the most recent equal opportunities legislation and taking appropriate action.
- Taking positive action with regard to discrimination and inequalities.
- Being proactive, especially when dealing with challenging circumstances.
- Ensuring that the company has clear, written policies that apply to everyone (a key issue for smaller companies to address in preparation for growth).
- Ensuring that all staff understand and practise equal opportunities across the workplace.
- Demonstrating how much they value and support equal opportunities.
- Investing in training for both managers and other employees.
- Examining the company's recruitment policies and practices and deciding where improvements can be made – introducing, for example, selection criteria based on job specifications.
- Actively monitoring the equal opportunities policies of suppliers, such as recruitment agencies.
- Examining the company's grievance procedure and managers' ability to tackle discrimination, bullying and inappropriate attitudes at work
- Really listening to staff; finding out what they would value and what improvements they can suggest.
- Working with staff to enable them to fulfil their goals and ambitions through the company.

- Showing staff they are appreciated in ways that they value
- Considering the company's induction practices and procedures and what improvements can be made.
- Recognising the link between effective communication and the successful implementation of equal opportunities in the workplace.
- Conducting an in-depth study of communication in the company to see where improvements can be made and implementing these.
- Taking steps to become more aware of the company's external context from the point of view of all staff.
- Considering what can be learned from the companies who participated in the present study and from other sources of support, education and training, which are often freely available.

Figure 2.2 shows a selected industrial breakdown of the vacancies notified to Leeds Jobcentre Plus offices between May 2002 and May 2005. It represents a general indication of vacancies available in the local economy – whilst not providing the total picture. We can see that there are substantial numbers of opportunities available in the finance/business sector. Distribution, hotels, and restaurants also have large numbers of vacancies and there are also a good number of jobs in manufacturing, despite overall negative trends in this sector.

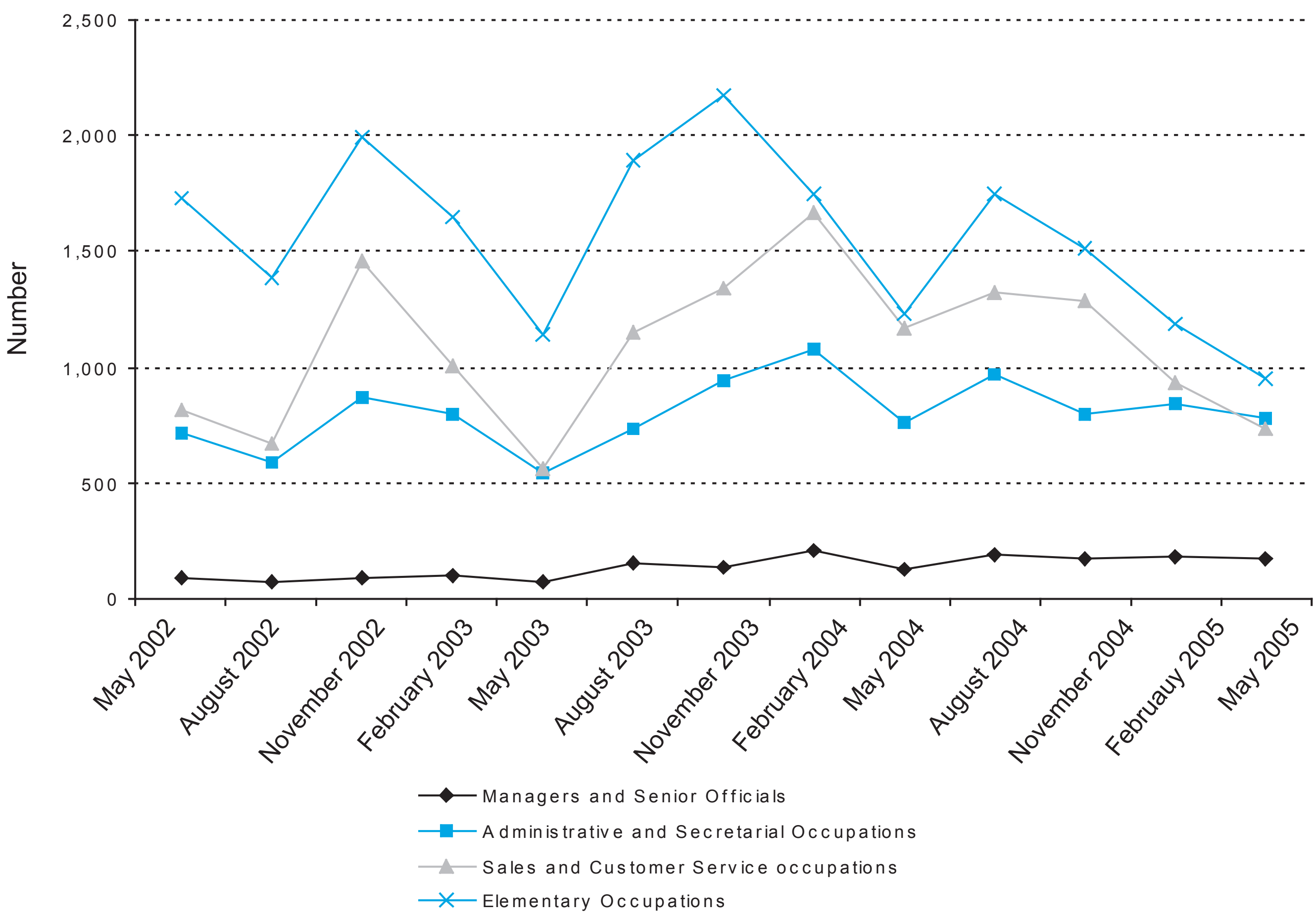
Figure 2.2: Vacancies Notified to Jobcentre Plus in Leeds between May 2002 and May 2005 by Selected Industrial Group



Source: Office for national Statistics

When considering the same dataset from an occupational perspective there are clearly some areas where vacancies are more plentiful and more likely to be notified to Jobcentre Plus. Despite the LSC drive towards a more highly skilled workforce, interestingly there are still opportunities for unskilled work with these vacancies making up the majority being advertised by Leeds' Jobcentre network in this reporting period (see figure 2.3). However, this area of job opportunities continues to decrease and is often linked to short-term employment.

Figure 2.3: Vacancies Notified to Jobcentre Plus in Leeds between May 2002 and May 2005 by Selected Occupational Group



Source: Office for National Statistics (2005)

In the latest LSC employer skills survey (2003) we found that 53 percent of employers in Leeds had recruited in the last 12 months and 36 percent had experienced recruitment difficulties. Some employers were even claiming that there were skill shortages, but we must always be cautious of endorsing this skill shortage view, as there may well be other reasons why employers are finding it hard to recruit such as location of the company, poor wage rates or reputation of the business or industry. However, the following table highlights a number of occupational areas where vacancies had been hard to fill in Leeds (see table 2.12)

Employers were asked to indicate what they think the potential solutions are to address the recruitment difficulties they have experienced. Tables 2.13 and 2.14 indicate the top solutions given by each sector across West Yorkshire and in Leeds. It was encouraging to note that four of the main responses – recruit apprentices, provide better training, recruit more young people, and use pre-16 work experience – are all key elements for the LSC. Two of the responses 'create a higher profile' and 'improve image' are parts of a marketing strategy for the companies themselves, whilst employers are also aware that they can entice more workers by improving the remuneration packages on offer.

One thing that seems clear from these responses is that both employers and business support agencies such as the LSC have a role to play in creating the right conditions for successful recruitment.

Table 2.11: Occupations Which Have Been Hard to Fill in Leeds (in order of difficulty)

Hardest	Percent
Clerks	10
Catering occupations	10
Other occupations sale/ service	10
Secretary/ personal assistant/ typist/ word processor operatives	9
Other	5
Sale representatives	3
Sale assistant/ checkout operatives	3
Health/ relate occupations	3
Vehicle trade	3
Childcare/ related occupations	2

Source: Learning and Skills Council (2003)

Table 2.12: Top Potential Industry Solutions to Recruitment Difficulties by Industry in West Yorkshire

Industry	Top Answer	% of respondents
Manufacturing	Recruit more apprentices	20
Construction	Recruit more apprentices	25
Distribution	Promote job stability	19
Retail	Provide more and better training	16
Transport	Provide more and better training	17
Finance	Create a higher profile	26
Public services	Improve salaries	13
Other services	Provide more and better training	18

Source: Learning and Skills Council (2003)

Table 2.13: Top Potential Industry Solutions to Recruitment Difficulties by Industry in Leeds

Industry	Top Answer	% of respondents
Manufacturing	Create a higher profile	18
Construction	Recruit more apprentices	32
Distribution	Create a higher profile, recruit more apprentices, recruit more young people	37
Retail	Improve wages	19
Transport	Promote job stability	29
Finance	Create a higher profile	40
Public services	Create a higher profile	26
Other services	Improve image, none	23

Source: Learning and Skills Council (2003)

2.5 Future Skill Needs

A fairly recent innovation has been the development of the Sector Skills Development Agency, which oversees the work of newly formed Sector Skills Councils. Each of the Sector Skills Councils covers specific industrial groups and provides information on the skill needs of those industries. For the purpose of West Yorkshire we have drawn together the results of their research to produce a brief summary of specific and generic skill needs.

Industry Specific

IT Professionals
Construction manufacturing
Skilled Chemical trades
Skilled textile trades
Utility craft skills
Drivers (LGV, bus, coach, taxis)
Food and Drink technologists

Generic

Numeracy and literacy
Project Management
Financial Management
Leadership
Key Skills
Basic Skills
Customer Care

Definition of a Skills Shortage

Skills shortages occur when there are simply not enough people available with the skills to do the jobs that are vacant. Although the definition is fairly straightforward distinguishing between real and apparent skills shortages is more difficult and open to interpretation. But shortages are not just a concern for firms, but they also have consequences for the local and national economy. When firms report recruitment difficulties it does not necessarily mean that there is a skills shortage as they could be due to firms' unattractive pay, conditions or location. In addition, research highlights that firms also might not recruit because of the 'right' social characteristics and temperament rather than a lack of skills.

In this report, we are interested in the question of whether Leeds is subject to a generalised shortage of skilled labour, not limited to any particular fields. There are always specific shortages and this is not necessarily a cause for concern. Also if we establish the existence of a generalised shortage of skilled labour, the question arises as to whether current institutions and incentives are adequate to ensure efficient adjustment. In the case of a large-scale technological upheaval, for example, we can imagine that changes in the skill set required for new production processes may be sufficiently drastic and widespread to impact on a large proportion of the working population, possibly creating a generalised shortage of skilled labour.

It is also important not to confuse a shortage of skilled labour with a labour shortage. One of the limiting factors in the growth of any economy is the available amount of labour at any point in time. It is well known that economies are subject to cycles characterised by under- and over-utilisation of available human resources. During boom periods, as at the end of the eighties, labour shortages are more prevalent at nearly all skill levels. These cyclical shortages, principally attributable to macroeconomic phenomena, are difficult to avoid. In particular, increasing investment in training cannot avert them.

Skills Gaps and the Impact on Business

The identification of skill gaps is the first step in progressing towards a higher skilled workforce and competitive local economy.

Table 2.14: Highest Priorities for Improving Skills among the Workforce

Skill Need	% West Yorkshire	% Leeds
None – no improvement needed	35	31
Updating skills	13	16
Information technology	11	15
Customer care	6	8
Technical/product training	4	4
Health and safety	3	5
Communication	2	4
Ongoing NVQ training	2	2
Sales	2	3
Administration	1	1
Basic skills	1	1
Management	1	3
Multi-skilling	1	1
Quality control	1	1
Other	5	5
Don't know	5	4

Source: Learning and Skills Council (2003)

The fact that nearly one third (31%) of businesses in Leeds from the last LSC Skills Survey felt that the skills of their workforce did not need improving is disturbing, but not a surprising statistic. Similar results have been noted in other skills surveys. The results relate to both a lack of planning of training and more crucially to a lack of relating business to training plans.

A further 16 percent said that updating current skills was the most important priority. In terms of specific skills, 15 percent said that information technology (IT) skills could be improved, with the next most common answer being customer care skills (8%).

These two latter responses signify a pronounced trend in workforce skills development with companies becoming ever more reliant on IT to compete successfully. There is also a definite recognition today that improving levels of customer care can be the difference between business success and failure.

Solutions for Skills Gaps

So what are, or should, employers be doing to alleviate these problems? First there is a need to determine what skills gaps or training needs there are within a company's workforce and following this is the requirement to find and access appropriate learning. There may be a need to be willing to release individuals from their workplace to undertake this training. Some employers may feel that this investment in an individual could prove counter-productive, as they become a more marketable commodity in the labour market. But surely investment of this kind will encourage an employee to stay with a forward thinking, supportive employer.

Some of the most important indicators with which to measure progress in the wider government skills agenda are those regarding employers' attitudes and investment in training. Leeds organisations are the most likely to have undertaken some training in the last 12 months compared with the other local authority districts in West Yorkshire (as shown in table 2.15).

Table 2.15: Proportion of Organisations that have Trained Any of their Staff in the Past 12 Months

District	Percentage
West Yorkshire	66
Bradford	61
Leeds	69
Calderdale	68
Kirklees	67
Wakefield	65

Source: Learning and Skills Council (2003)

There seems to be correlation between business size and propensity to train staff, the larger the company the more likely they are to train their staff (as shown by table 2.16).

Table 2.16: Proportion of Organisations that have Trained Any of their Staff in the Past 12 Months (by size)

Size	% West Yorkshire	% Leeds
1-4 employees	58	63
5-10	72	66
11-24	86	89
25-99	94	93
100-249	96	100
249+	100	100
All organisations	66	69

Source: Learning and Skills Council (2003)

As shown by table 2.17 public services employers consistently demonstrate their commitment to workforce development, with 74 percent in Leeds undertaking some form of training in the last 12 months. Notably 89 percent of the distribution sector companies and 81 percent of finance companies undertook some form of training in the same period.

Table 2.17: Proportion of Organisations that have Trained Any of their Staff in the Past 12 Months in Leeds (by Standard Industrial Classification)

Sector	Percentage
Agriculture	37
Energy	71
Manufacturing	70
Construction	59
Distribution	89
Hotels etc	60
Transport	69
Finance	81
Public Services	74
Other Services	52
All industries	69

Source: Learning and Skills Council (2003)

Employer Demand for Skills

One key issue when assessing employer demand for skills is the amount of planning that employers actually do. Do employers actually know the skills they need in the future? To what extent do they plan ahead? For some this may be considerable and they can anticipate increases or decreases in orders several months away. For others, perhaps the end of the week may be the horizon.

Leeds organisations are just as likely as others in West Yorkshire to have a specific training plan in place (as shown by table 2.18), particularly those in the public sector and banking, finance and insurance industries (as shown by table 2.19). However, seven out of ten companies don not have a training plan.

Table 2.18: Companies That Have a Specific Training Plan (by Local Authority District)

	West Yorkshire (%)	Bradford (%)	Leeds(%)	Calderdale (%)	Kirklees (%)	Wakefield (%)
Yes	27	26	28	28	24	27
No	72	73	71	71	76	73
Don't know	1	1	1	1	0	1

Source: Learning and Skills Council (2003)

Table 2.19: Companies that have a Specific Training Plan in Leeds (by Standard Industrial Classification)

	Yes (%)	No (%)
Agriculture & fishing	0	100
Energy and water	0	100
Manufacturing	28	62
Construction	37	63
Distribution	23	77
Hotels & restaurants	15	85
Transport and communications	24	75
Banking, finance and insurance	38	61
Public administration, education & health	51	49
Other services	16	84
Total	28	71

Source: Learning and Skills Council (2003)

Forecasts of Future Skills Needs and Qualifications

There are organisations that specialise in forecasting the skill needs (and associated qualification levels) of an area. It is not always possible to do this to a very localised level, but Experian Business Strategies do this as do IER/Cambridge Econometrics. The question that constantly surrounds this forecasting attempt is around its reliability and accuracy. Naturally, this can only be assessed over a period of time and use of such trend analysis into the future requires something of a "leap of faith". Forecasts can only be based on current knowledge. If significant changes occur in the local or National economy, then this can have a positive or detrimental effect on employer orders, recruitment and skill requirements, subsequently having significant effects on the accuracy of these forecasts. Therefore forecasts often reflect the future that will occur if nothing circumstantial changes, such as the recent oil price rise. So it may be possible to develop interventions that will change the forecast and move it in a desired direction.

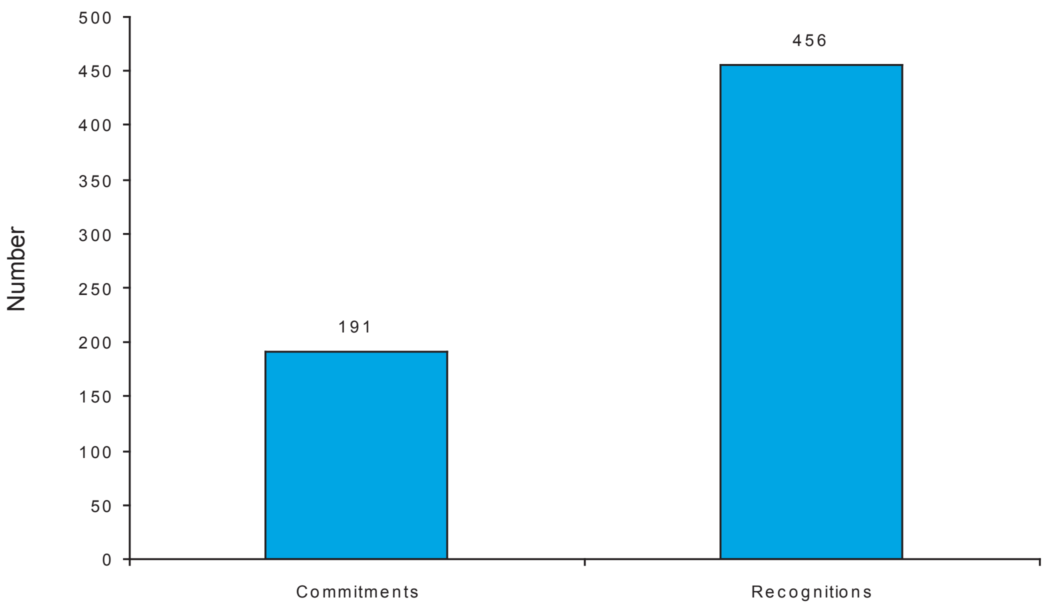
2.6 Future Learning Demand

Employer Demand for Learning

Employer knowledge of the learning infrastructure is often very limited and can vary considerably between businesses. Therefore, so can their views of its standard and their ability to take advantage of it. However, in our latest Employer Survey we found that employers were seeking to develop their employees in updating their current skills, in IT, customer care, technical/product training, in health and safety issues and in communication. Employers also believed that this required learning provision could be sourced mainly from within the local LSC boundaries. This suggests that local learning provision meets their requirements and that there are no significant gaps that are sourced outside the West Yorkshire area. What was not as apparent was the amount of cross LAD boundary travelling that was taking place in order to access that learning.

One indication of employer's commitment to the training of their workforce is the involvement in, and achievement of, the Investors in People (IiP) standard. The following tables show the number achieving commitments and recognitions for the last full year and for 2004/05 to date.

Figure 2.4: Investors in People Commitments and Recognitions in Leeds, 2004 Individual Demand for Learning



Source: Learning and Skills Council (2003)

Individual Demand for Learning

In the latest West Yorkshire Household Survey (Learning and Skills Council, 2005b) of individuals, there was interest among respondents in undertaking further learning in Leeds (52%) at a slightly higher rate than the West Yorkshire average (51%). As has been identified before, there was a disparity between the interest of young people in training and that of older people. While well over half (58%) of those aged 16 to 24 were interested in further training, older employees showed less interest (39%). Older workers and those on higher incomes were more likely to consider they already have all the skills and qualifications they need, despite being less likely to hold a formal qualification. People with disabilities also reported relatively low future learning aspirations even though they were relatively less likely to hold a formal qualification and if they did have a qualification it is more likely to be at a lower level.

Those with the highest future learning aspirations are those working for small-sized employers (1 to 10 employees), they were more likely to be motivated to undertake training to do their current job better. Workforce development in SMEs has traditionally been slower than in larger organisations. Despite this interest there is relatively less employer support for training in SMEs suggesting that there are more complex barriers to learning and training in SMEs, such as time and cost constraints. Also high and middle-income earners and full-time employees also reported high level of future learning aspirations.

Table 2.20 shows the types of training highlighted by residents in Leeds for those interested in learning. A key area of interest is in information, communication and technology (ICT) training with 30 percent of those unemployed and those inactive declaring an interest. Nine percent of those in work are interested in undertaking training in business, administration and law.

We have also tried to assess the level of qualification wanted by those interested in pursuing learning or training, linking them to NVQs (or equivalents). Thirty-one percent of respondents indicated an interest in unspecified training level or did not know, perhaps suggesting a lack of interest in formal qualifications or a lack of awareness about which level to choose. Twenty-two percent were interested in training below level one, particularly older people and those on low incomes. Seventeen percent of respondents declared an interest in attaining a level 4 or above qualification, especially young people (29%).

Table 2.20: Areas of Knowledge or Skills Residents of Leeds would like to Learn or Develop in the Future for those Interested in Learning (%)

	In Work	Unemployed	Inactive
Health, Public Services & Care	6.6	14.5	8.7
Science & Maths	4.1	9.9	7.1
Agriculture, horticulture & Animal Care	1.3	0	0.6
Engineering & Manufacturing Technologies	3.0	4.6	4.1
Construction, Planning and the Built Environment	3.3	3.5	1.8
ICT	26.6	30.1	30.2
Retail and Commercial Enterprise	2.7	0	0.4
Leisure, Travel & Tourism	0.3	0	2.7
Arts, Media and Publishing	8.8	7.8	9.8
History, Philosophy & Theology	0.7	3.5	2.0
Social Sciences	1.1	0	1.2
Languages, Literature & Culture	18.3	20.2	14.4
Education & Training	4.9	5.9	1.7
Preparing for Life & Work	1.3	0	4.5
Business, Administration & Law	12.4	0	4.7
Work related (non specific)	1.7	0	0
Other	3.0	0	6.2

Source: Learning and Skills Council (2005b)

Chapter 03

Skills Supply

Key Points

- There has been an improvement in Key Stage 4 achievement with levels improving faster than national and sub-regional averages.
- Levels of attainment remain below the national average at Key Stage 4, and male Black Caribbean, Pakistani, and Bangladeshi pupils do less well than the Leeds average.
- There has been an increase in the number of Year 11 students remaining in learning post-16. This includes rises in the numbers in school sixth forms and those employed with training. However this does not represent an improvement in percentage terms as this has remained rather static, it indicates a growth in the size of the cohort.
- A low proportion of Year 11 boys stay on in full-time education.
- There has been a growth in the number of FE learners.
- There is high attainment in some schools, colleges, and training providers.
- Over seven percent of pupils leaving Year 11 have no GCSEs.
- Despite the high employment rate and relatively low unemployment rate, there remains a significant potential source of labour in the Leeds' unemployed and inactive. Yet this population is largely unskilled or have poor skills. Raising the skills and employability of this group needs to be addressed.
- Attainment is improving at GCE A level, but remains slightly below the national average.
- There is a broad curriculum for students aged 16 to 19.

Key Issues

- Training and educational providers are not fully responsive to skill shortages in key growth sectors. Inaccurate targeting of training maybe hampering economic success.
- The demographics of an aging population may exacerbate Leeds' below average adult skills.
- Lack of generic and people skills in addition to technical skills.
- The inequitable take up of training due to such factors as employment status, nature of business type and industry, age, gender, and existing skill level.
- The growing importance of non-formal learning to be recognised, and of particular importance to employees in micro and smaller businesses.
- Insufficient level 1 and 2 provision to meet local demand, and city-wide shortages in several key vocational areas including construction trades, motor vehicle, and hairdressing.
- The lower than average intermediate and advanced achievement rates in schools compared to national and regional averages.
- Low levels of participation and achievement in work based learning across the age range compared to the sub-region.
- Low achievement of learners with learning difficulties and/or disability on work based learning.
- Low skills of adults in particular areas of Leeds, notable in more central areas of the City.
- Increasing the numbers of learners and attainment from minority ethnic groups, especially males from Black Caribbean, Pakistani, and Bangladeshi groups.
- Improving Key Stage 4 pupils' knowledge and direct experience of work-based training and college courses.

Skills Supply – An Overview

It is recognised that Leeds economy is best served by full engagement in the global economy. We need to ensure that as many people as possible have the opportunity to capture the benefits that flow from that engagement. It is of critical importance to provide opportunities for education and ongoing training to all members of our society. One of the main elements required for economic growth is the general level of knowledge and skill of a population. The rising complexity of economic processes has required the labour force to be more and more technically orientated requiring ongoing learning and training. People and organisations have to prepare for a lifetime of learning. As a good supply of skilled labour, which meets the current and emerging skills demands of employers particularly in growth sectors, will be critical to the success of the City's knowledge economy.

Higher and more relevant skills generate increased output both directly and indirectly. The direct effect is well catalogued, contributing to higher productivity and higher value in goods and service industries alike. But the indirect effect is substantial too. Higher skills improve the attractiveness of the City to businesses thinking about growing and investing. Higher level skills, especially in the service sector, improve the quality of life, for example improving the local shopping and leisure experiences.

It is important for people to have pathways and entry points that enable them to return to learning at various stages in their lives. The new economy needs workers who are constantly engaged in education and training throughout their lives. Continuous participation in learning across the population is necessary for skills development, economic innovation, and the development of new services, products and processes. The 'failure' in educational terms is increasingly associated with 'failure' in the labour market. People who are alienated from education and training are the most vulnerable in the new economy, facing a lifetime of low income and unstable employment.

3.1 Key Stage 2 and 3 Results

The age of 11 continues to be regarded as an important stage in the school career of young people. It is at this stage (Key Stage 2) that measurement of abilities is made in the three principle subject areas of English, Maths, and Science. In this report we have compared information at sub-regional and local authority district level with performance in England.

In all three-subject areas Leeds performs consistently above sub-regional averages and well against national averages. Ability at this level forms the basis of future educational development and progress, so it is a fundamental concern that these figures see short and long-term commitment for achievement.

Table 3.1: Key Stage 2 Attainment in 2003/04 for each Local Authority in West Yorkshire

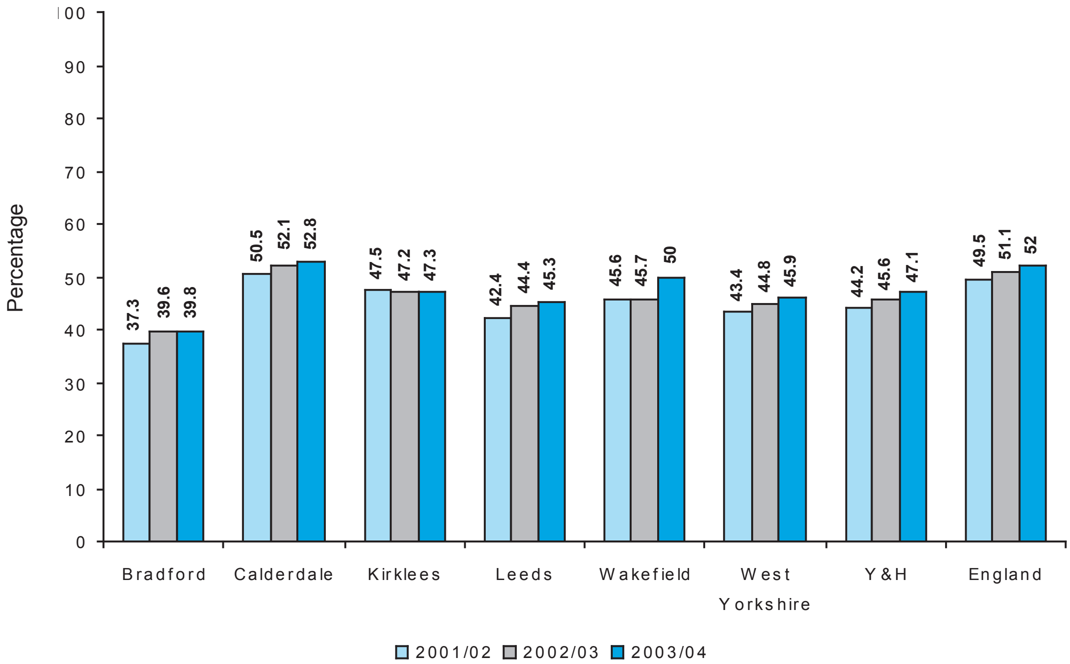
LA	Percentage of pupils who achieved Level 4 or above at Key Stage 2			Percentage of pupils who achieved Level 5 at Key Stage 2			Average Key Stage 2 point score per pupil	KS1-KS2 Value Added Measure
	English	Maths	Science	English	Maths	Science		
West Yorkshire	76	72	83	24	29	39	27.1	99.8
Bradford	71	66	78	21	24	34	26.4	99.6
Calderdale	81	77	87	29	33	41	27.8	100.0
Kirklees	73	72	84	20	30	39	27.0	99.6
Leeds	78	75	85	27	30	42	27.4	100.1
Wakefield	76	72	85	24	29	39	27.2	99.9
England Average	78	74	86	27	31	43	27.5	100.0

Source: Department for Education and Skills (2005a)

3.2 GCSE/GNVQ Results

As individuals progress through education the next key point is the achievement at GCSE level at 16 years old. The attainment of five or more passes at grades A*-C is regarded as the key measure of level 2 success so that individuals, schools, Local Authorities, and increasingly larger geographic areas are assessed. There is a national, sub-regional, and local upward trend in GCSE achievement. This trend is quite significant in Leeds, which show that results in 2003/04 are continuing to increase year on year (see figure 3.1).

Figure 3.1: Percentage of 15 year old pupils achieving 5+ A* - C grades at GCSE for Maintained Schools



Source: Department for Education and Skills (2005)

Girls have traditionally outperformed boys at GCSE level by several percentage points, and although this level of breakdown is not available yet one would expect this trend to continue (as shown in table 3.2).

Table 3.2: GCSE Attainment Levels by Gender (Provisional) 2005

% of 15 year old pupils	Bradford	Calderdale	Kirklees	Leeds	Wakefield	England
% of all pupils achieving 5+ A*-C GCSEs/GNVQ equivalent	45.6	54.4	49.9	48.3	55.5	55.7
% of boys achieving 5+ A*-C GCSEs/GNVQ equivalent	40.2	50.1	46.1	43.6	48.8	50.8
% of girls achieving 5+ A*-C GCSEs/GNVQ equivalent	50.9	58.8	53.7	53.2	62.4	60.8
% of all pupils with no GCSE/GNVQ passes	6.7	2.6	3.4	5.2	3.5	3.7
% of boys achieving no GCSE/GNVQ passes	7.9	2.6	3.7	6.1	4.1	2.9
% of girls achieving no GCSE/GNVQ	5.4	2.5	3.1	4.3	3.0	4.5

Source: Department for Education and Skills (2005c) Figures include maintained and independent schools

Although there is a drive to concentrate on achievement, perhaps of greater significance and concern are those young people at the other end of the scale. Five percent of Leeds' pupils leave school after Year 11, following 11 years in the education system, without any qualifications that incurs a significant negative effect on their life chances.

3.3 Year 11 School Leaver Destinations

When reporting details of the destinations of Year 11 there is usually a delay as it can be difficult for Connexions to contact and gain responses from the entire cohort.

Connexions are keen to minimise the numbers that do not respond and in recent years have managed to reduce this number into very low percentages. 2004 saw a slight increase in those who continued in learning. Of those who stay on in learning, in Leeds, there are larger proportions of girls and this is consistent for all Local Authority Districts right across the West Yorkshire area.

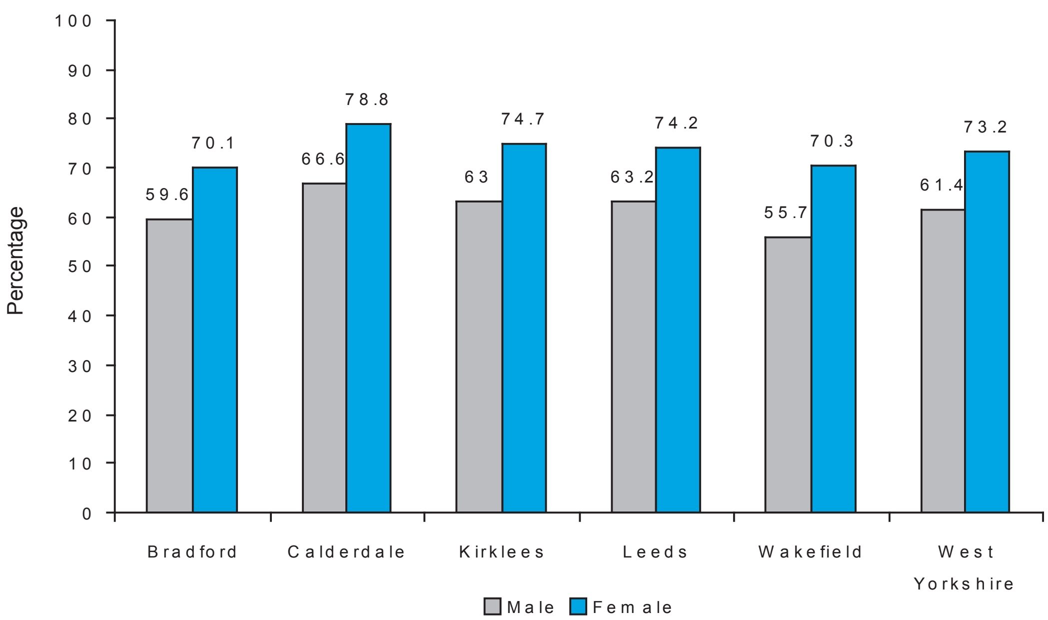
Changes to the 14 to 19 curriculum are starting to provide more options for young people. This is important given that research into the experiences of non-learners aged 19 to 24 has found some disillusionment with school before GCSEs are taken. Also, many non-learners said they would prefer more interesting vocational options with a more practical focus.

Evidence from Area Inspections and the Strategic Area Review (StAR) indicates we need to develop the range and number of opportunities at level 1 or 2 to meet the needs of students with fewer than five GCSE passes at higher grades. In Leeds for example, 46 percent of all 16 year olds achieve five or more GCSE passes at higher grades, yet most sixth form programmes are at level 3 restricting access to schools for the majority of the cohort who cannot progress to this level having not achieved a level 2 pass.

There have been too few learning opportunities available for young people at the lowest levels of attainment. The introduction of Entry to Employment (E2E) has, in part, addressed this situation but there is evidence that there are substantial numbers of learners who are not ready for E2E.

With more options and routes available the need for effective, impartial information, advice and guidance is more critical than ever. Most young people have access to it, but many still rely on the advice of their school, which may not be entirely impartial, so we need to ensure that the full range of learning opportunities and options are completely understood.

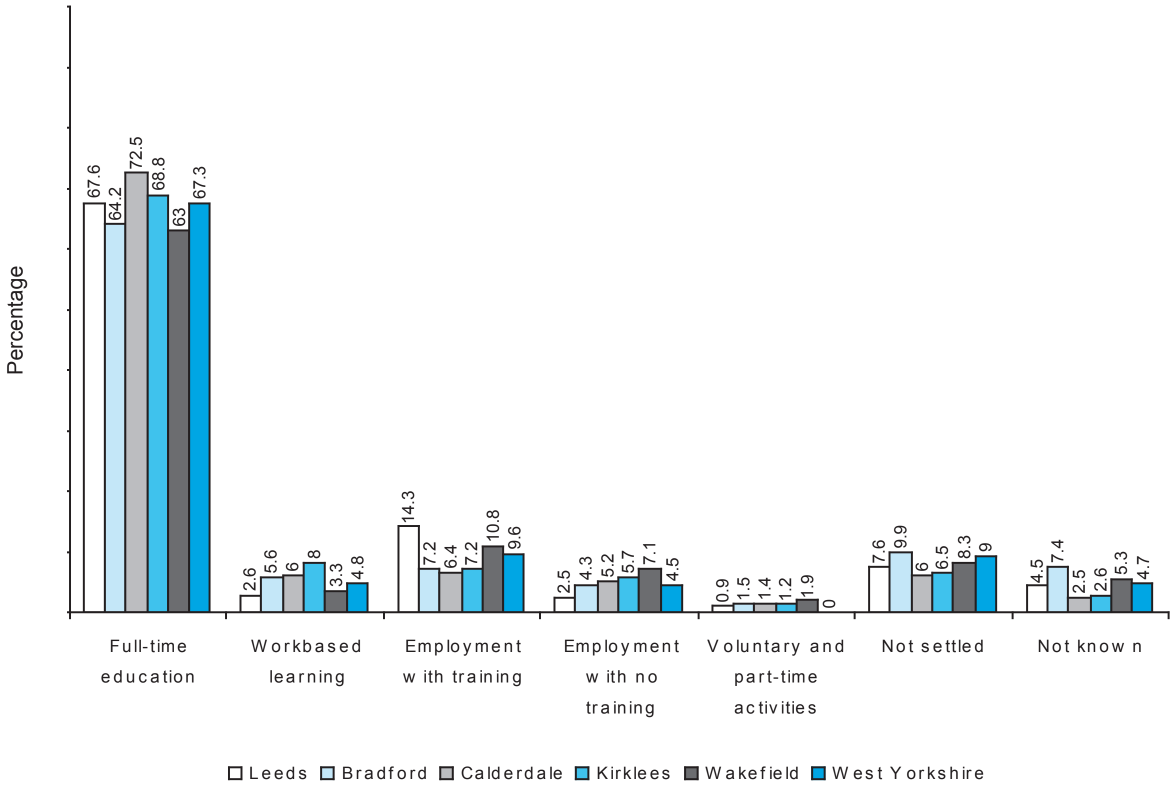
Figure 3.2: Percentage of Year 11 Males and Females in Each Area of West Yorkshire who are Staying in Full-time Education, 2004



Source: Connexions (2005)

The numbers staying in learning have continued to move upwards, within these figures those opting for the further education route appear to be on a steady proportional increase, along with those choosing to take employment with training. This movement is quite significant and it suggests young people are realising that there are a number of learning routes available to them and are, to some extent, identifying the different routes for themselves and exercising their options. It is important that this identification of different routes is identification of the right route for the learners.

Figure 3.3: Year 11 Pupil Destinations in West Yorkshire, 2004



Source: Connexions (2005)

When asking about destinations Connexions also seeks information about the occupational area that young people have entered. The following table 3.3 gives that detail by Local Authority District, clearly showing that gender stereotyping prevails in the demand for particular learning/employment areas. If we look for absolute equality, there are only limited areas where this is apparent. These are clerical, textile trades, catering and unskilled service sector occupations. Construction, engineering and vehicle trades are completely dominated by males with childcare and hairdressing being similarly dominated by females. Will, or should, these stereotypes ever move closer towards a more equal gender division, or is it acceptable for specific job areas to be regarded as the domain of a single gender group?

One answer is that we should ensure that access to all occupational areas is easy for both men and women offering the choice to go into areas or barriers are removed where current employee groups should accept any individual based on merit.

Figure 3.3: Occupational Breakdown For Young People In Training Or Employment In West Yorkshire - Year 11 Destinations 2004

	Bradford		Calderdale		Kirklees		Leeds		Wakefield		W.Yorkshire	
	M	F	M	F	M	F	M	F	M	F	M	F
Managerial / professional	13	7	2	1	1	2	70	6	28	2	114	18
Clerical / secretarial	32	76	5	28	19	54	116	142	70	83	242	383
Skilled construction	65	1	65	2	142	2	216	0	89	4	577	9
Skilled engineering	21	0	15	1	47	3	11	1	0	0	94	5
Electrical/electronic	37	0	24	1	38	0	81	0	22	0	202	1
Metal forming trades	53	0	8	0	8	0	33	1	11	0	113	1
Vehicle trades	59	1	25	0	62	2	75	0	45	2	266	5
Textile/garments trades	1	3	1	0	3	1	1	0	2	7	8	11
Other skilled trades	95	2	16	0	36	3	27	1	68	7	242	13
Protective service occs	29	0	13	0	20	3	0	0	11	0	73	3
Catering occs	18	13	13	7	26	16	34	21	18	15	109	72
Health care occs	1	22	0	3	1	8	0	28	0	4	2	65
Childcare & related occs	0	79	2	17	2	62	0	40	1	23	5	221
Hairdressing & related occs	5	70	3	12	2	66	1	126	7	62	18	336
Other personal service occs	6	5	1	8	4	14	3	19	8	9	22	55
Sales occs	46	62	13	17	26	40	101	136	37	68	223	323
Plant/machine ops	58	21	4	0	7	1	80	8	43	20	192	50
Agric/forestry/fishing occs	4	2	1	3	20	4	17	8	14	4	56	21
Labouring/unskilled industrial	67	12	30	21	60	25	51	6	11	0	219	64
Mail workers	0	0	0	0	1	0	1	0	4	0	6	0
Unskilled service sector	2	5	6	2	17	3	0	0	7	4	32	14
Other elementary occs	2	0	77	45	127	76	71	57	88	34	365	212
Unknown occupations	65	28	5	3	14	3	0	0	0	0	84	34
TOTAL	679	409	329	171	683	388	989	600	584	348	3,264	1,916

Blue: Dominated by males
Grey: Dominated by females
Source: Connexions (2005)

In 2003/04 there were over 40,000 people taking part in Further Education in Leeds, over 60 percent of them being female. Leeds has several large colleges; Park Lane is by far the largest college, educating 47 percent of the FE students in Leeds.

Table 3.4: Number of Students Receiving Further Education Funding at Institutions in Leeds by Gender (2003/04)

	Leeds Residents					Non-Leeds Residents					Grand Total
	Female		Male			Female		Male			
College	Number	Percent	Number	Percent	Total	Number	Percent	Number	Percent	Total	
Joseph Priestley College	4,034	72.3	1,545	27.7	5,579	961	76.0	303	24.0	1,264	6,843
Leeds College of Art and Design	793	65.5	418	34.5	1,211	356	65.6	187	34.4	543	1,754
Leeds College of Building	109	7.3	1,380	92.7	1,489	252	16.8	1,249	83.2	1,501	2,990
Leeds College of Music	112	37.6	186	62.4	298	83	24.9	250	75.1	333	631
Leeds College of Technology	1,452	36.3	2,552	63.7	4,004	397	33.9	773	66.1	1,170	5,174
Notre Dame Sixth Form College	631	54.5	527	45.5	1,158	57	55.9	45	44.1	102	1,260
Park Lane College	12,877	67.4	6,240	32.6	19,117	7,270	67.7	3,473	32.3	10,743	29,860
Thomas Danby College	5,477	69.6	2,393	30.4	7,870	1,813	65.0	978	35.0	2,791	10,661
Grand Total	25,485	62.6	15,241	37.4	40,726	11,189	60.7	7,258	39.3	18,447	59,173

Source: Learning and Skills Council (2005)

3.4 Young People (16 to 18 years)

Profile/Distribution of Young Learners

Table 3.5 shows the number of pupils from Year 10 through to Year 14 in West Yorkshire. These figures suggest that only around 39 percent of those from Year 11 in Leeds stay on into the sixth form education.

Table 3.5: School Cohort 2004/05 - Those Attending a School within West Yorkshire

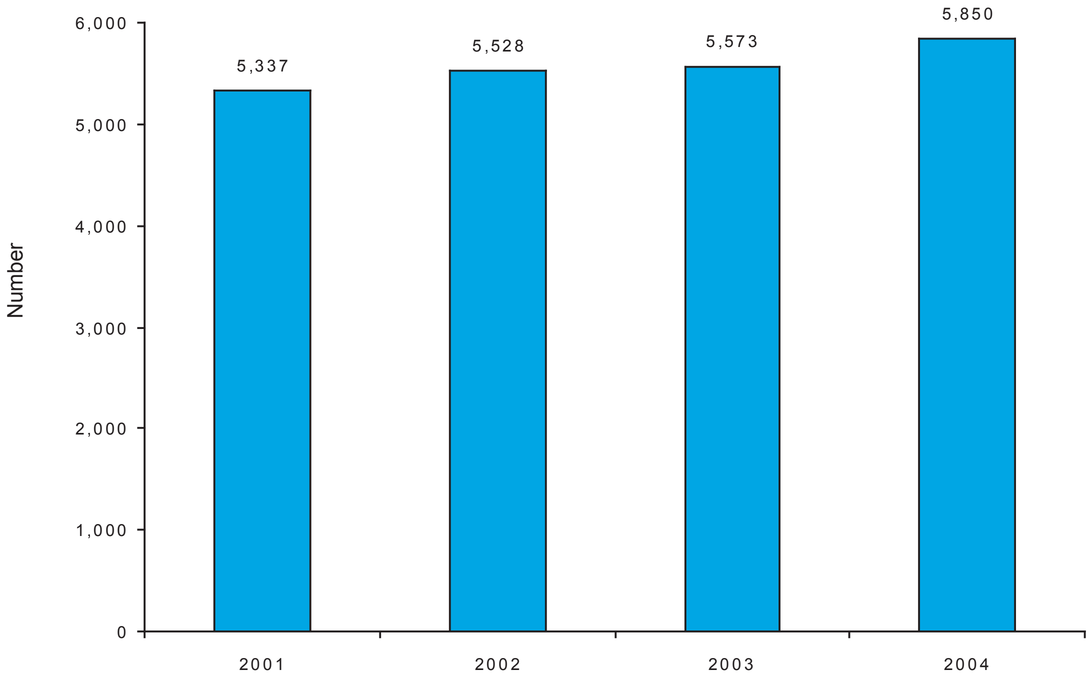
	Year 10	Year 11	Year 12	Year 13	Year 14	Total
Bradford	6,205	6,035	3,258	2,086	89	17,673
Calderdale	2,671	2,594	1,321	984	37	7,607
Kirklees	4,865	4,580	844	661	21	10,971
Leeds	8,617	8,519	3,313	2,372	87	22,908
Wakefield	4,298	4,020	827	543	38	9,726
Grand Total	26,656	25,748	9,563	6,646	272	68,885

Source: Department for Education and Skills (2005)

Patterns of Participation in Learning (WBL, FE and School Sixth Forms)

There has been a steady increase in the numbers of learners staying on into Sixth Form education (as shown by figure 3.4). However, with more options and routes available the need for quality and independent information, advice and guidance is more critical than ever. Most young people have access to it, but many still rely on the advice of their school and so may not be fully aware of or choosing the appropriate learning mode for them.

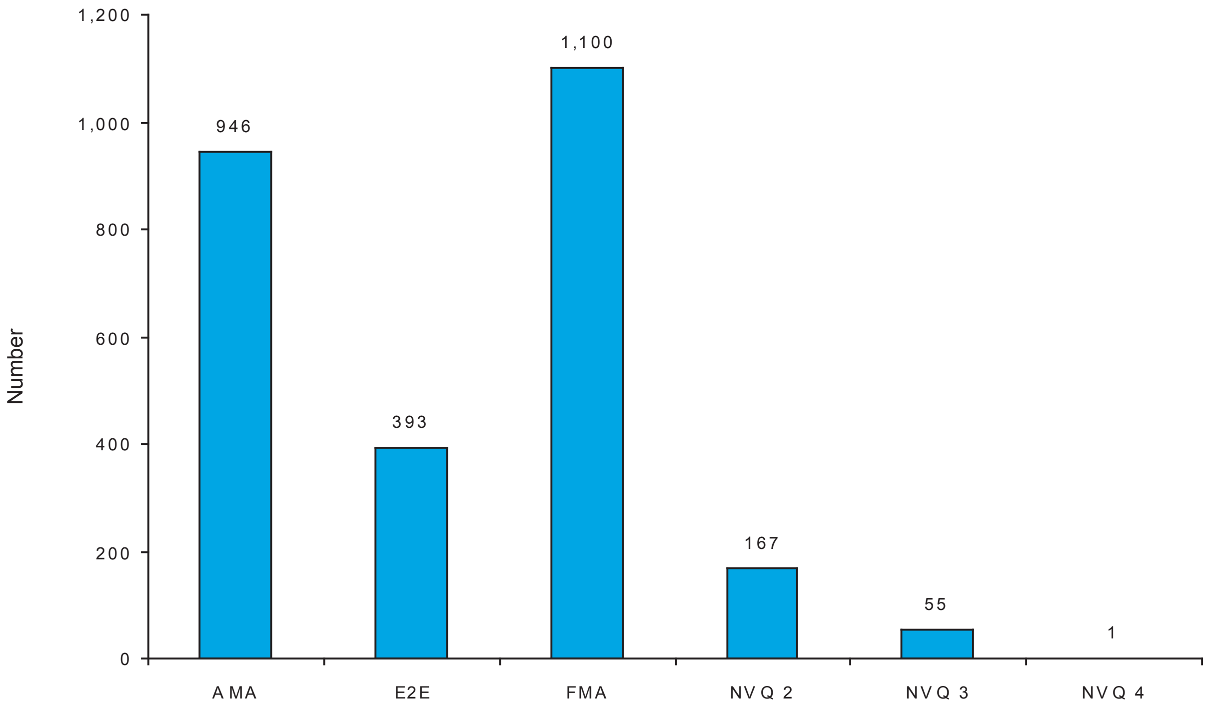
Figure 3.4: Number of 16-18 Year Olds in School Sixth Forms in Leeds, 2001 - 2004



Source: Department for Education and Skills (2005)

WBL participation has shown a fractional increase over the past year, but all increases are to be welcomed.

Figure 3.5: Work Based Learning Participation for 16 to 18 Year Olds by Type of Programme in Leeds, 2003/04



Source: Learning and Skills Council (2005)

Table 3.5: Numbers in Work Based Learning Training for 16 to 18 Year Olds by Area of Learning in West Yorkshire, 2004

	Bradford	Calderdale	Kirklees	Leeds	Wakefield	Grand Total
Business administration, Management and Professional	325	124	364	419	168	1,400
Construction	255	148	275	266	155	1,100
Engineering, Technology and Manufacturing	395	234	509	400	260	1,798
Hairdressing and Beauty Therapy	197	73	123	233	161	787
Health, Social Care and Public Services	470	204	376	285	173	1,508
Hospitality, Sports, Leisure and Travel	145	91	121	217	91	664
Information and Communication Technology	44	10	30	63	24	170
Land based provision	40	4	29	29	13	116
Retailing, Customer Service and Transportation	286	113	289	298	209	1,194
Visual and Performing Arts and Media	8	1	6	36	4	55
Total	2,523	1,246	2,493	2,648	1,428	10,337

Source: Learning and Skills Council (2005)

Achievement (WBL, FE and School Sixth Forms)

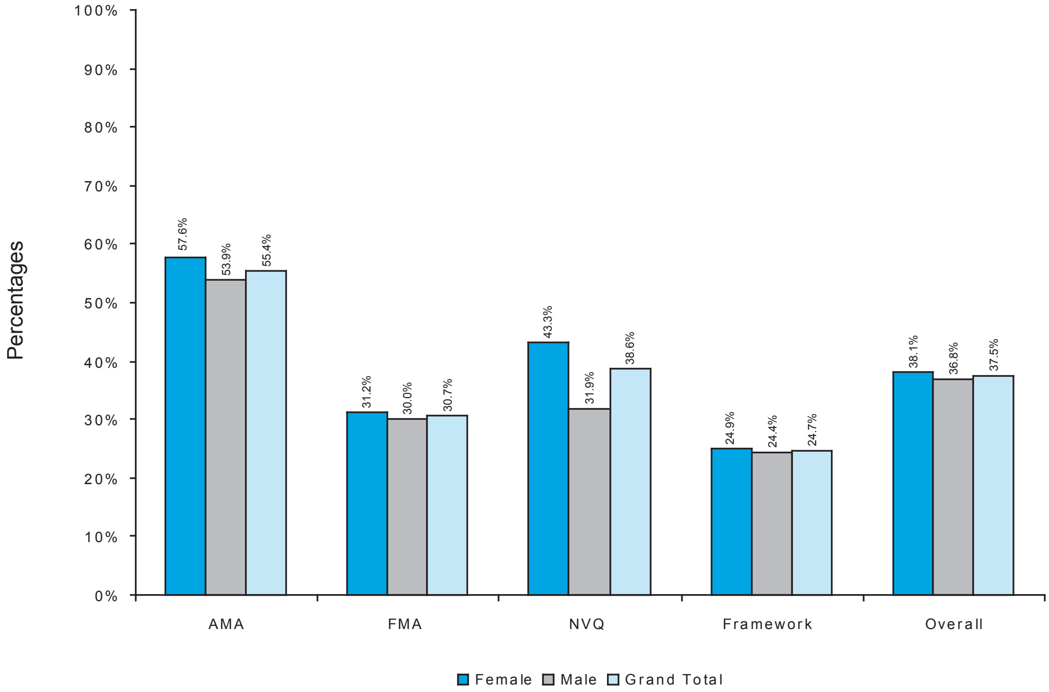
Once individuals are attracted to learning, in whatever form, it is important that they continue with that education. If they leave it can be difficult to rekindle their interest. Therefore, we set great store by looking to increase retention rates throughout learning.

When commencing learning it is possible for individuals to make a wrong choice of learning mode and if this is the case there needs to be mechanisms to safeguard them as they, hopefully, transfer between learning options.

At the end of all this learning activity it is important that we measure success. Presently, we include individuals who achieve a qualification. We need to ensure that qualifications offered by learning providers are needed and recognised by employers as well as demanded by learners. Further local research around the currency of particular qualifications is being considered.

Overall WBL success rates slightly are below the national average (38%). A breakdown by gender shows a minimal difference between male and female success rates. When considering BME success rates shows that there is a wide variability in success rates. The lowest success rate for a ethnic group are found in Black Caribbean at 29 percent, far below the overall success rate. However, there are some minority ethnic groups that have higher success rates such as Black other (67 percent) and Indian (50 percent). The overall success rate for people with disabilities or learning difficulties is 31 percent.

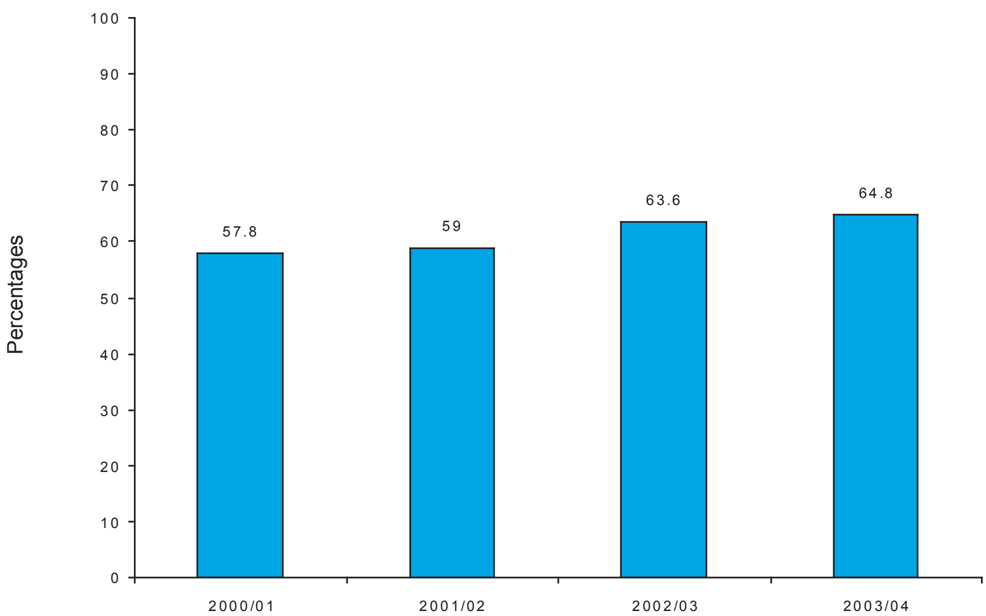
Figure 3.7: Overall Work Based Learning Success Rates in Leeds for 16 to 18 Year Olds by Programme, 2003/04



Source: Department for Education and Skills (2005)

A breakdown by gender shows that female success rates in FE in 2002/03 at 71 percent were much higher than the male success rate at 63 percent. There are some significant variations by ethnicity. Strongest performance is from the Other Asian sub-group at 72 percent, weakest from the Bangladeshi at 58 percent. Achievement for persons with learning difficulties or disabilities was 62 percent.

Figure 3.8: Further Education Success Rates in Leeds for those Aged 16 to 18, 2000-2004

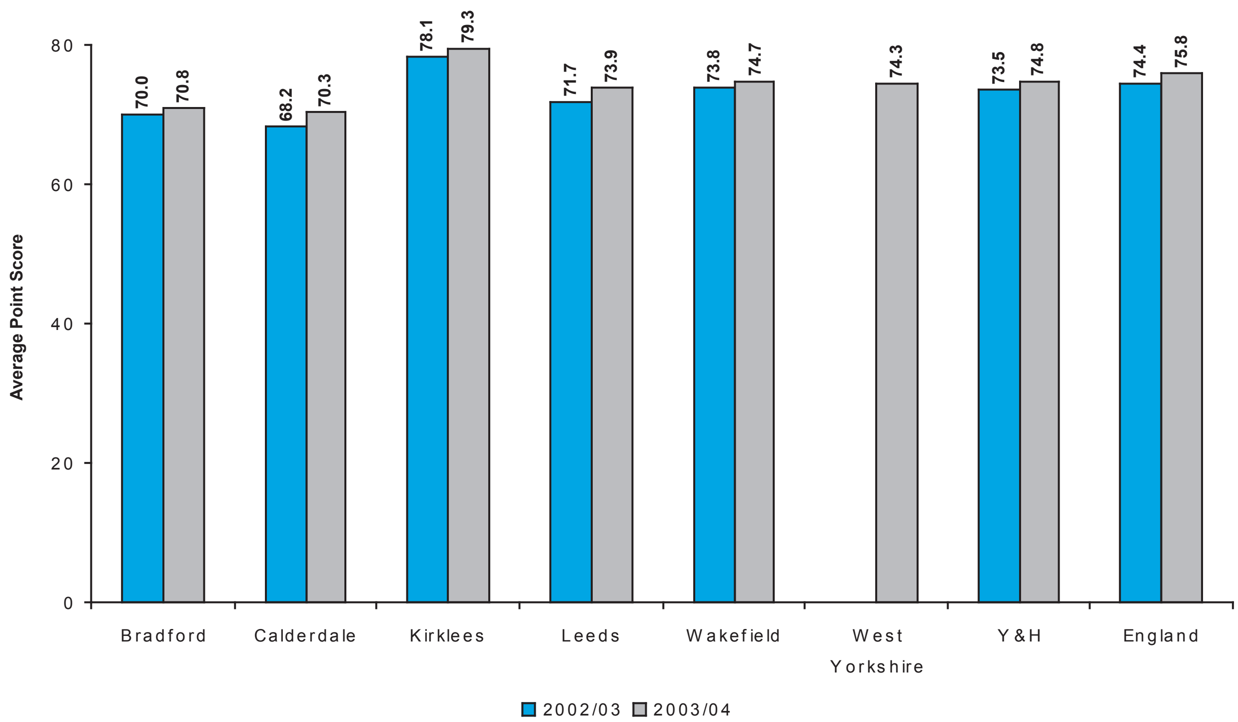


Source: Department for Education and Skills (2005)

A/AS/AGNVQ Results

The success and attainment of young people post-16 is relative to the success in education that they have had up to that point. Therefore it is no surprise to see that attainment in Leeds is slightly below the regional average and slightly below the national average attainment patterns.

Figure 3.9: Average Point Score per Entry for Candidates Aged 16 to 18 Achieving GCE/VCE A/AS

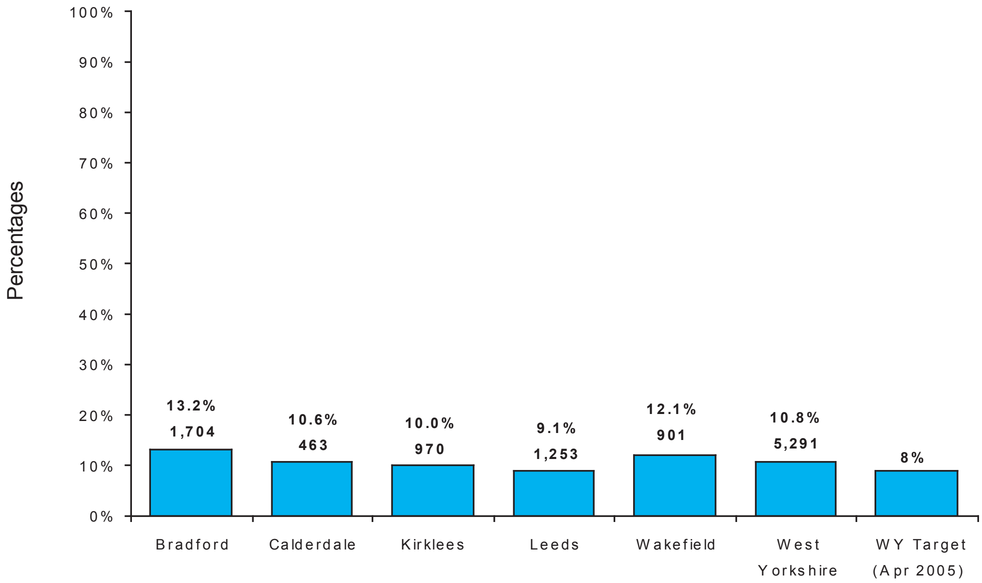


Source: DfES October 2004 SFR 38/2004 and SFR 24/2004.
Definition: Data is for the maintained sector, which includes LEA maintained schools, CTC's and FE Colleges.

Most of what has been included in this report up to this point is about those starting learning, those staying in learning and the achievement of qualifications. However, the LSC interest does not only include these factors. A key area of interest for the LSC is those persons aged 16 to 18 who are not engaged in employment, education or training, otherwise known collectively as the NEET group. The danger is that these young people will become lost to the world of learning and employment. When individuals leave full-time education it is important that they maintain their interest in learning and are aware of the different routes available for that continuing involvement. Recent research with young non-learner groups highlight that too many regard their school experience negatively and it is ironic that it is the experience of education that puts them off learning.

There are over 1,200 16 to 18 year-olds that are in the NEET group in Leeds, a problem for the LSC is that they are not easy to identify and engage. They can be difficult to target for further learning other than via the Connexions service. We can count how many people are in the NEET group, but knowledge of their characteristics is not easy to come by. Although Leeds has the second highest number of its 16 to 18 year old cohort identified as NEET, proportionately it is the lowest in West Yorkshire.

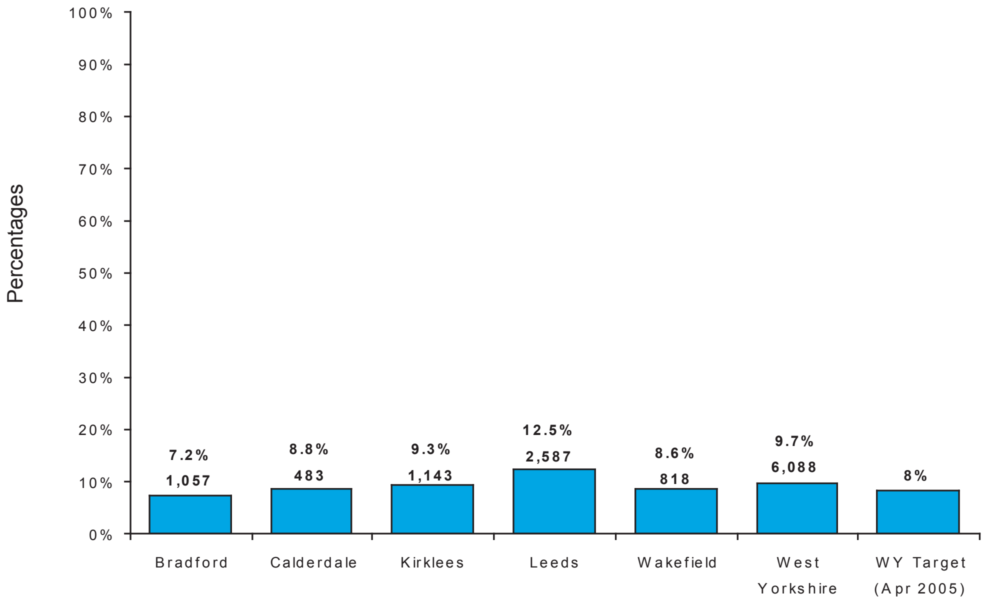
Figure 3.10: NEET Group (16 to 18 Age Group) April 2005



Source: Connexions (2005)
Definition: NEET = Not in employment, education or training. NEET % is calculated by dividing the number in the NEET group, by the total group, less that in the 'situation not known'.

There is a further 2,587 for which we do not know their destination post-year 11 (as shown by figure 3.11) the highest both numerically and proportionately in West Yorkshire. Perhaps these are the groups that need to be re-engaged even more than the NEET group. It may be that individuals in this 'situation not known' group are engaged in learning or have a job with training, it is just that we do not know as they have not responded to the survey conducted by Connexions.

Figure 3.11: Situation Not Known (16 to 18 Age Group) April 2005



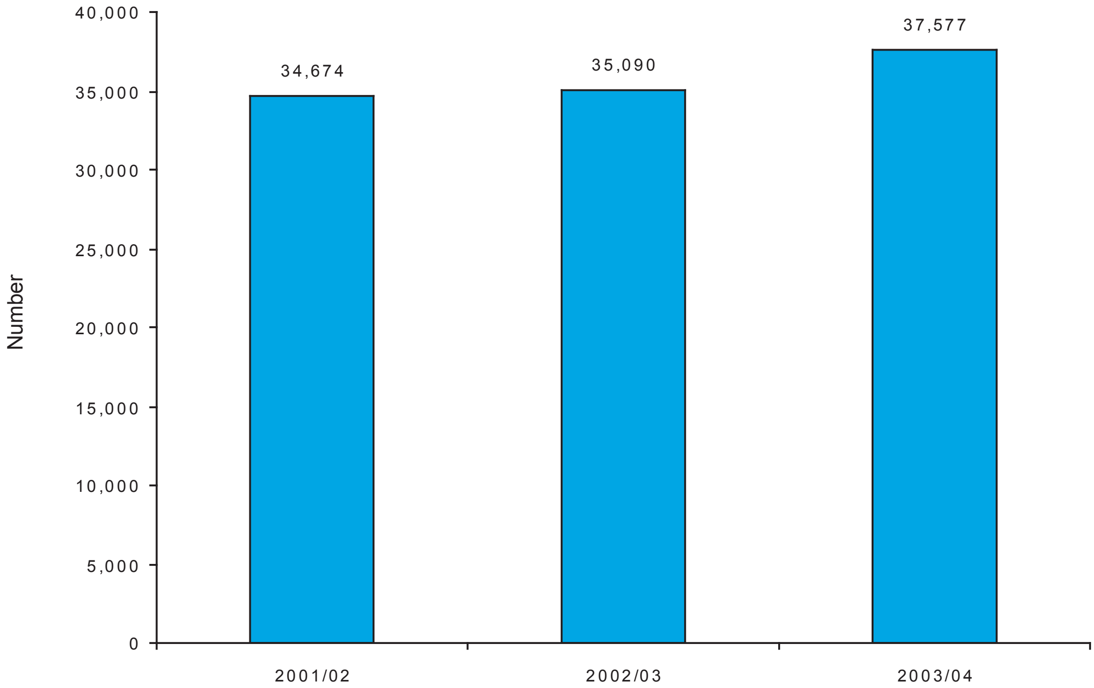
Source: Department for Education and Skills (2005)

3.5 Adults (Aged over 19 Years)

Patterns of Participation in Learning (WBL, FE and Adult and Community Learning)

There are over 37,000 people (see figure 3.12) aged over 19 participating in further education in Leeds, this figure is increasing year on year. It is important that the learners that start further education programmes complete their studies and achieve a qualification, nearly three-quarters (71%) achieving a qualification (see figure 3.19).

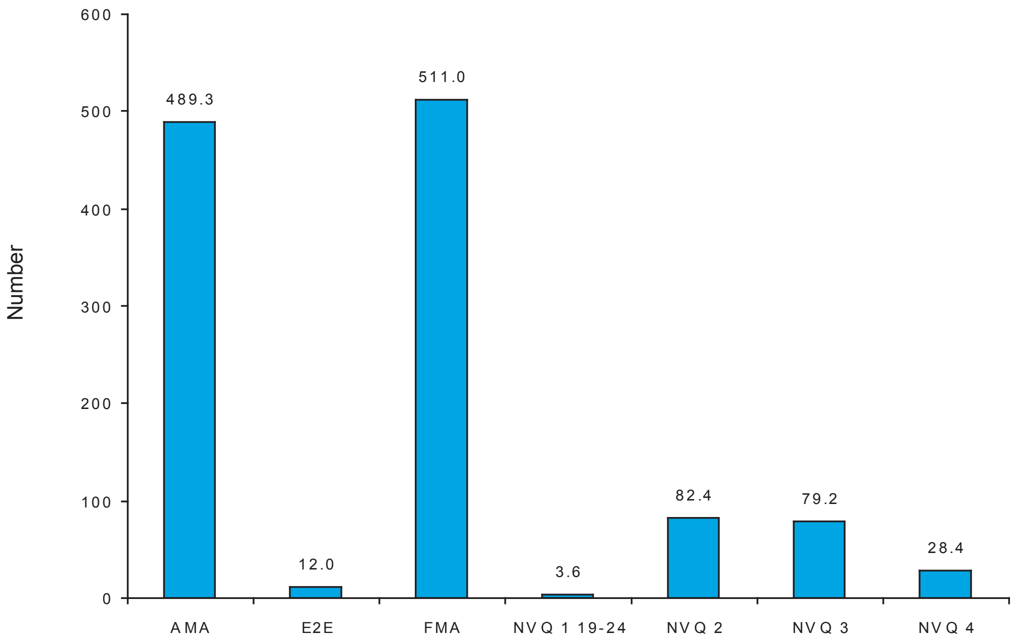
Figure 3.12: Further Education Participation in Leeds Aged Over 19, 2001-2004



Source: Department for Education and Skills (2005)

Although WBL is a programme that is primarily aimed at young people between the ages of 16 to 18 there are a number of participants aged over 19 (see figure 3.13).

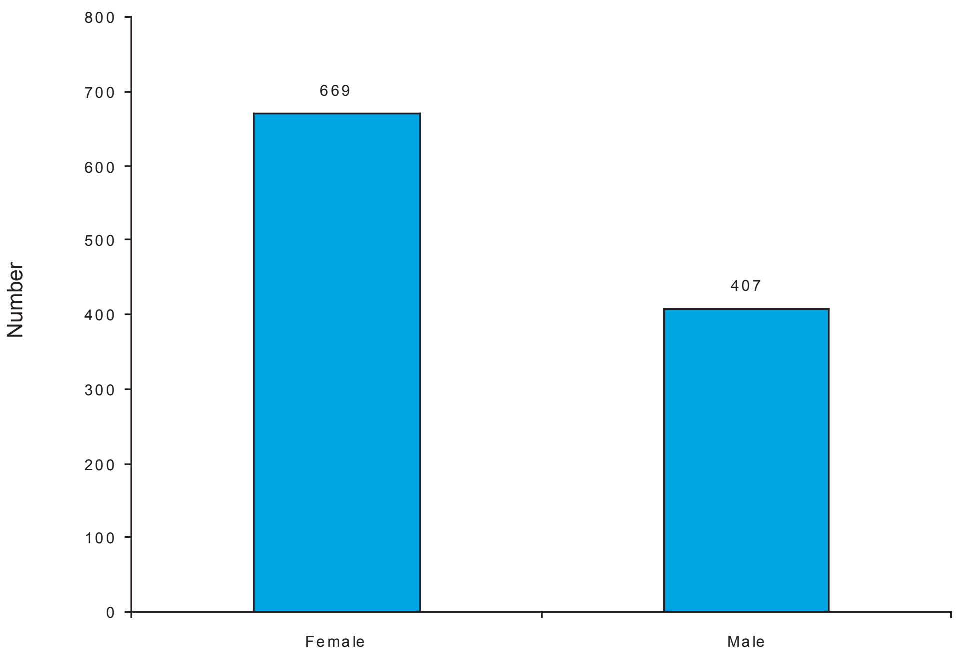
Figure 3.13: Work Based Learning Participation in Leeds by Type of Programme (Excluding E2E) Aged Over 19, 2003/04



Source: Department for Education and Skills (2005)

Adult and Community Learning (ACL) has two important roles, firstly it provides an opportunity for people to learn for the love of learning as a leisure and social activity. Secondly, the LSC regard ACL as an important tool to engage individuals to re-enter learning. If people are willing to spend their time in this type of first rung learning then it is not such a big jump to engage in learning that could lead to a qualification or vocational learning. As can be seen from figure 3.14, the LSC expects there to be well over 1,000 people in ACL each year. In 2005 of the LSC undertook further research into the issue of progression from ACL to WBL or FE in order to quantify the impact of ACL.

Figure 3.14: Adult and Community Learning Participation in Leeds by Gender, 2003/04



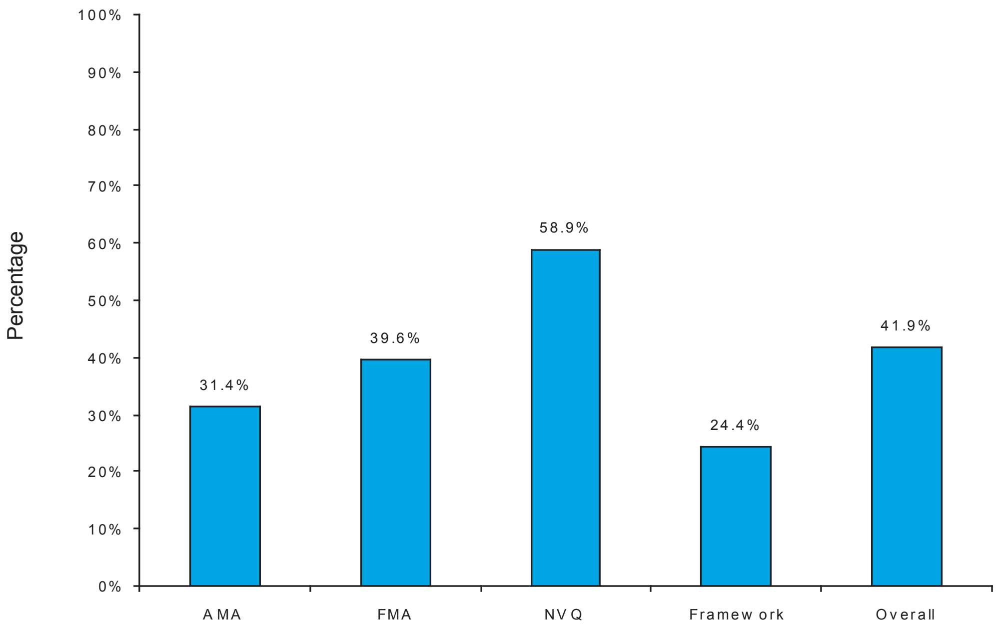
Source: Learning and Skills Council (2005)

Achievement (WBL and FE)

If learners leave their course early for employment it may make it feel that that learning was worthwhile but learners need to stay the distance with their learning to gain the full benefits. WBL achievement increased between 2002-03 and 2003-04 to 48 percent. A breakdown by gender shows only marginal differences between male and female success rates.

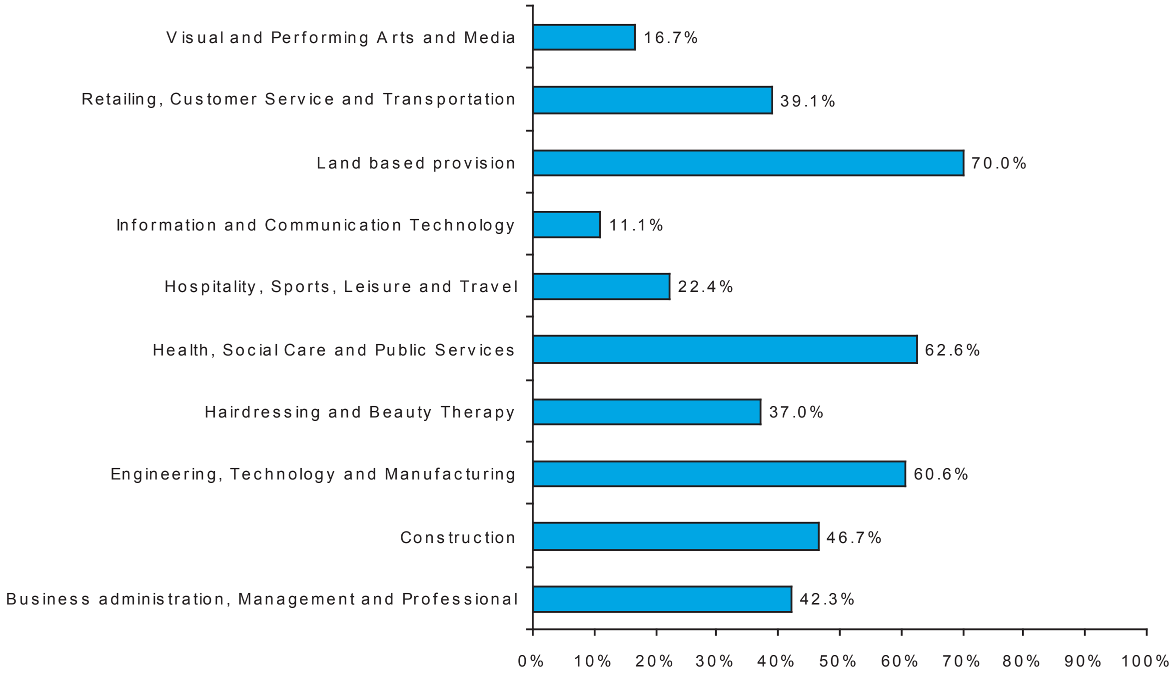
A breakdown by level show higher success rates for NVQ programmes than for apprenticeships (see figure 3.16). When looking at success rates for programme areas the strongest performance is in land based provision. More worryingly in light on the importance of ICT to economic competitiveness, the weakest performance is found in ICT provision (as shown by figure 3.17).

Figure 3.15: Work Based Learning Success Rates in Leeds by Programme Aged Over 19 (2003/04)



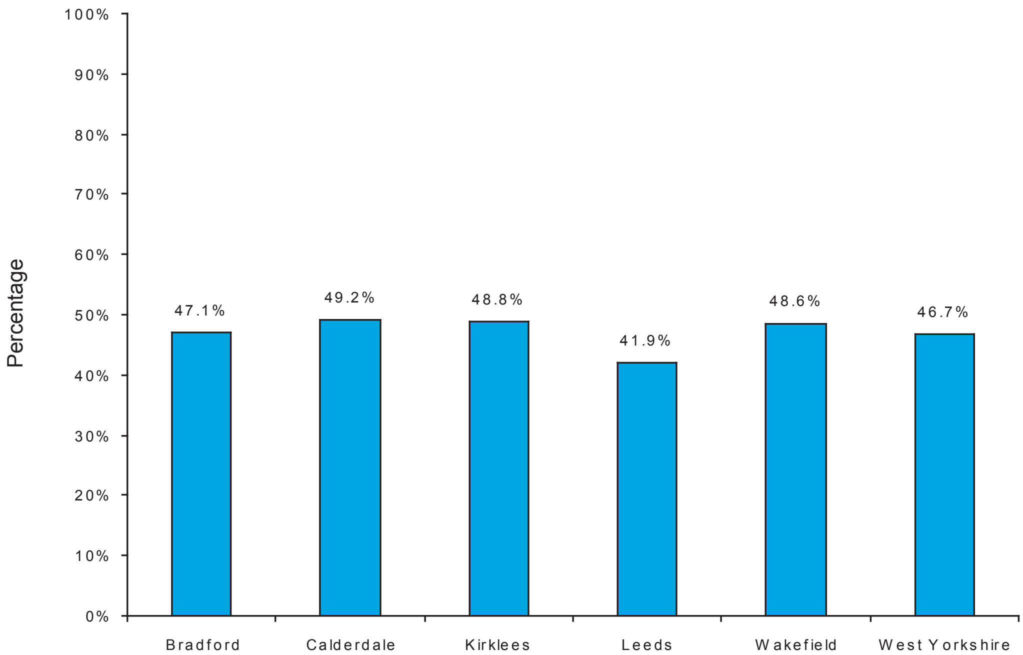
Source: Learning and Skills Council (2005)

Figure 3.16: Work Based Learning Success Rate in Leeds by Programme Area Aged Over 19, 2003/04



Source: Learning and Skills Council (2005)

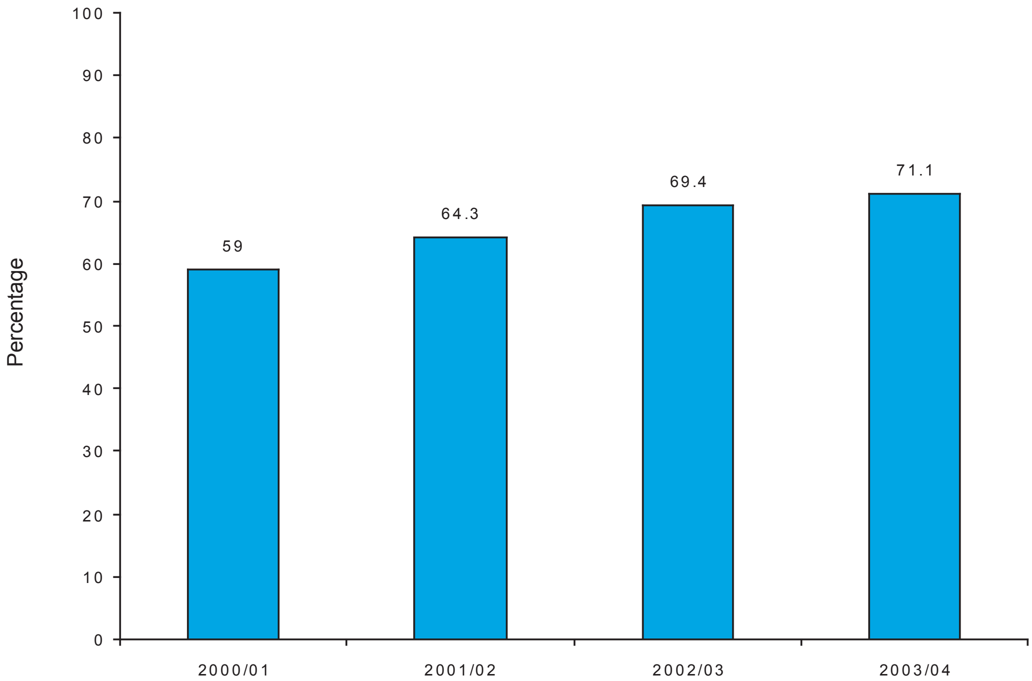
Figure 3.17: Work Based Learning Overall Success Rates by Local Authority District 2003/04 – Aged Over 19



Source: Learning and Skills Council (2005)

Further education success rates are continuing to increase year on year. For those aged over 19 the success rate for 2003/04 was 71 percent. There are variations by gender and ethnicity. Data for 2002/03 shows female success rates at 70 percent against 68 percent for males. When considering ethnicity the strongest performance is from the Chinese group at 71 percent and the weakest from the Black Caribbean group at 59 percent. Learners with learning difficulties or disabilities have a success rate of 69 percent.

Figure 3.18: Further Education Success Rates in Leeds Aged Over 19, 2000-2004



Source: Learning and Skills Council (2005)

3.6 Basic Skills

The LSC sponsors a series of providers who deliver basic skills education. An amount of this is provided in educational establishments, but it is an area of learning that lends itself to delivery in outreach/community centres. Places where people undertaking the learning can feel 'comfortable' in a local environment, not under pressure and in situations where they do not feel self conscious. This kind of environment has been highlighted as appropriate for the attraction of non-learners in reports commissioned by the LSC.

The LSC sets targets for the number of residents to achieve a basic skill qualification. This is measured as an entry-level certificate or a national test at level 1 and/or level 2. The original targets set for West Yorkshire were based on research conducted by the Basic Skills Agency. These figures produced in table 3.7, suggest that Leeds has a significantly high proportion of its 16 to 60 population with basic skills needs.

Table 3.7: Basic Skills Needs in West Yorkshire, 2000

	% population aged 16-60 with poor literacy skills				% population aged 16-60 with poor numeracy skills			
	Low	Lower	Very Low	Total	Low	Lower	Very Low	Total
Bradford	15.7	5.8	6.2	27.7	13.2	8.3	7.3	28.8
Calderdale	15.8	5.4	5.2	26.3	13.3	7.8	6.5	27.6
Kirklees	15.7	5.5	5.6	26.8	13.1	8.1	6.7	27.8
Leeds	15.2	5	4.8	25.1	12.4	7.5	6	25.8
Wakefield	16.2	5.4	5.3	27	13.8	8.1	6.7	28.6
UK	15	5	4	24	12	7	5	24

Source: Basic Skills Agency (2000)

Information from the 2001 Census suggests that the figure may be higher (although not exact) if we use the proportion with no qualifications as a proxy for those with basic skills needs – Leeds has the lowest proportion of its working age population without any qualifications in West Yorkshire (see table 3.18).

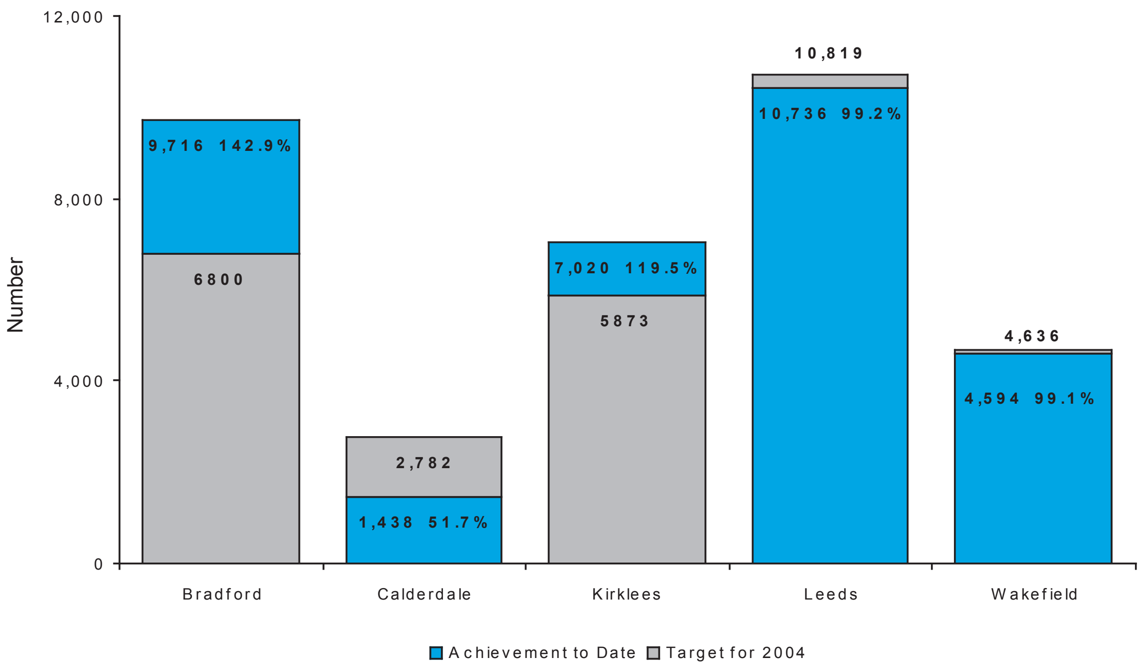
More targeted activity is still required in this area in the coming year to help identify specific groups and geographies where basic skills learning is required.

Table 3.8: Proportion of 16-74 Population by Level of Qualification in West Yorkshire, 2001

	Bradford	Calderdale	Kirklees	Leeds	Wakefield	West Yorkshire	England
% of the population aged 16-74 with no qualifications	35.1	31.2	32.9	30.9	39.1	33.5	28.9
% of the population aged 16-74 with highest level of attainment at Level 1	16.8	17.8	16.7	15.9	17.9	16.7	16.6
% of the population aged 16-74 with highest level of attainment at Level 2	17.6	19.1	17.8	16.8	16.8	17.4	19.4
% of the population aged 16-74 with highest level of attainment at Level 3	7.4	6.8	7.5	10.3	5.6	8.1	8.3
% of the population aged 16-74 with highest level of attainment at Level 4+	15.9	17.1	16.9	19.2	12.5	16.8	19.9

Source: Office For National Statistics (2001)

Figure 3.19: Skills for Life (Basic Skills) Achievement Levels by Local Authority District 2004/05



Source: Learning and Skills Council (2005)

We have experienced good movement towards having more accredited provision for basic skills learners. However, nearly 50 percent of those learners are still in provision that will not contribute to the national target. Although these individuals may be in learning to a point where they have satisfied their desire to improve, and believe they have reached a high enough standard, it is important these learners are encouraged to achieve a qualification and continue with further learning activities.

The West Yorkshire Employer Survey 2003 (Learning and Skills Council, 2003) found that a high proportion of employers in Leeds felt that few of their staff had problems with literacy (78%), numeracy (82%) or English as a second language (ESOL) (88%). Of those employers that acknowledged basic skills needs as an issue, 14 percent felt that this was a big enough issue on which to take action.

Developing the skills of existing tutors and attracting and training new ones have been at the core of our drive to raise basic skills levels. Much has already been achieved but this momentum must be maintained if we are to continue to have the capacity to tackle this priority.

Whilst emphasis has been placed on developing the general basic skills infrastructure, attention has only recently started to focus on English for Speakers of Other Languages. This is a key issue for some of the minority ethnic communities in West Yorkshire.

The West Yorkshire Household Survey (Learning and Skills Council, 2005) reports that nearly one half (47%) of the employed workforce, and also two-thirds of the unemployed, have no qualifications or qualifications below NVQ level 2 in Leeds. Even poorer attainment levels are found for older age groups, some minority ethnic groups and those in unskilled occupations. This is a particular concern as many of these adults live in deprived wards, include those with poor basic skills and are from certain ethnic groups. We need to target this group with the learning pays message in order to promote a step change in this level of under-performance.

3.7 Labour Supply

Economic Activity

People who are economically active are those of working age who are either in employment or unemployed but seeking work. Table 3.9 shows economic activity rates for West Yorkshire and its districts compared to the regional and Great Britain average.

Table 3.9: Economic Activity Rates of Working Age Population, 1999-2003

	Mar 1999- -Feb 2000	Mar 2000 -Feb 2001	Mar 2001 - Feb 2002	Mar 2002 - Feb 2003	Actual % Mar 99- Feb 2003
Bradford	75.3	76.3	73.6	72.5	-2.8
Calderdale	79.0	79.7	81.2	80.5	1.5
Kirklees	81.2	77.3	75.9	78.8	-2.4
Leeds	79.3	83.5	80.3	77.7	-1.6
Wakefield	77.0	78.5	76.0	75.7	-1.3
West Yorkshire	78.4	79.7	77.4	76.7	-1.7
Yorkshire and Humber	77.6	78.3	77.4	77.2	-0.4
Great Britain	78.5	78.3	78.3	78.3	-0.2

Source: Office For National Statistics (2004b)

The latest economic activity rate for Leeds' working age population currently stands at 78 percent, which is just above the regional average of 77 percent. Leeds' activity rate has been consistently higher than the rate for West Yorkshire, Yorkshire and the Humber and Great Britain.

People who are economically inactive are those of working age who have withdrawn from the labour market for different reasons. This could be voluntarily or otherwise, although data tells us that the majority of the inactive in West Yorkshire are those not selecting work. Students, carers, those who are sick or disabled and those who have taken early retirement all fall into this category. The Local Area Labour Force Survey estimates economic inactivity in Leeds to be higher in the 16-19 age group and the 50 to retirement age group that can be attributed to study and early retirement.

3.8 Qualifications and Skill Levels of the Population/ Workforce

The skills of the population are central to the economic success and the competitiveness of a locality. Organisational performance is highly reliant upon the skills of their workforce and an individual's earning and employment prospects can be optimised with the acquisition of relevant skills. With fewer jobs now lasting a lifetime and the ever-changing face of business and industry, the participation of the workforce in further learning and training in order to increase the skills base has become increasingly more important.

Table 3.10: Economically Active by Level of Qualification, 2003

	West Yorkshire		Leeds	
	Number	Percent	Number	Percent
NVQ4+	258,000	25.8	98,000	28.0
NVQ3	151,000	15.1	58,000	16.7
Trade apprenticeships	81,000	8.1	30,000	8.7
NVQ2	159,000	15.9	53,000	15.2
NVQ1	150,000	15.0	49,000	14.0
Other qualifications	78,000	7.8	23,000	6.5
No qualifications	122,000	12.2	38,000	10.9

Source: Office for National Statistics (2005)

When comparing the overall level of educational attainment of the working age population it shows that Leeds' attainment levels are considerably higher than the West Yorkshire averages. However, it must be of some concern that nearly one in six (18%) of the Leeds working age population has no qualifications. Nearly one-half (48%) of the working age population have a level 2 qualification or below.

Table 3.11: Working Age by Level of Qualification, 2003

	West Yorkshire		Leeds	
	Number	Percent	Number	Percent
NVQ4+	292,000	22.7	115,000	25.4
NVQ3	193,000	15.0	82,000	18.2
Trade apprenticeships	98,000	7.6	38,000	8.3
NVQ2	195,000	15.2	64,000	14.3
NVQ1	191,000	14.8	60,000	13.2
Other qualifications	103,000	8.0	30,000	6.5
No qualifications	215,000	16.7	63,000	13.9

Source: Office for National Statistics (2005)

In keeping with national trends it is the more vulnerable sections of the community that have a higher likelihood of having no qualifications. Older workers, part-time workers, semi and unskilled workers, the disabled and those on low incomes are all likely to fall into this group. It is also more likely that those from certain BME groups are found to have a higher incidence of having no qualifications.

There remains a significant difference in the skill levels of different occupational groups. Sales and customer service occupations, process, plant and machine operatives and the elementary occupations; these occupations all have high levels of employees with low accredited skill levels. These occupations also make up a higher percentage of employment in the district than the sub-regional average.

3.9 Qualifications and Skills Levels of the Unemployed

According to the 2001 Census (Office for National Statistics, 2001) over two-fifths (44%) of those unemployed in Leeds do not have any qualifications. Whereas, only 13 percent of those unemployed held a higher-level qualification.

Table 3.12: Highest Qualification for Those Unemployed, 2001

	Bradford	Calderdale	Kirklees	Leeds	Wakefield
No Qualifications	6,848	2,284	4,226	7,697	3,975
Lower Level Qualifications	5,965	2,307	4,010	7,421	3,485
Higher Level Qualifications	1,468	564	1,091	2,180	590

Source: Office For National Statistics (2001)

Nearly three-fifths (56%) of those economically inactive had no qualifications. In comparison only one in ten had a higher-level qualification.

Table 3.13: Highest Qualification for Those Economically Inactive, 2001

	Bradford	Calderdale	Kirklees	Leeds	Wakefield
No Qualifications	73,801	26,207	56,908	100,211	56,382
Lower Level Qualifications	34,916	12,436	27,005	58,340	19,105
Higher Level Qualifications	11,662	4,493	9,161	19,222	5,980

Source: Office for National Statistics (2001)

Notes:
1. The term 'no qualifications' describes people without any academic vocational or professional qualifications. The term 'lower level' qualifications is used to describe qualifications equivalent to levels 1 to 3 of the National Key Learning targets (i.e. GSCE's 'O' levels, 'A' levels, NVQ levels 1-3).
The term 'higher level' refers to qualifications of levels 4 and above (i.e. first degrees, higher degrees, NVQ levels 4 and 5, HND, HNC and certain professional qualifications).
2. 'Other economically active' includes looking after home/family, permanently sick or disabled and other.
Figures have been randomly adjusted to avoid the release of confidential data.

Table 3.14: Proportion of Population in Leeds with Qualification, 2005

	Hold any Qualifications (%)	Feel the Need to Gain Qualifications (%)	Needed for Current/Last Job (%)	Happy with Qualifications (%)
Employed	84.9	32.6	41.0	64.2
Unemployed	81.3	79.3	36.0	41.1
Economically Inactive	76.0	21.5	39.1	52.2

Source: Office for National Statistics (2005)

Table 3.15: Distribution of Qualification Levels (NVQ Equivalents) in Leeds, 2005 (%)

	NVQ 0	NVQ 1	NVQ 2	NVQ 3	NVQ 4
Employed	19.2	8.5	18.8	16.1	37.4
Unemployed	18.7	14.3	32.5	8.6	25.8
Economically Inactive	25.8	6.4	20.0	24.7	23.1

Source: Learning and Skills Council (2005)

In our latest Household Survey (Learning and Skills Council, 2005) it showed that in Leeds 85 percent of those in work hold some form of qualification compared to 81 percent for the unemployed and 76 percent for those economically inactive (as shown in table 3.15). Those people who did not have any qualifications were invited to state whether they felt they need to gain any. Seventy-nine percent of the unemployed group felt that they needed to gain a qualification compared with 33 percent of employed people and 22 percent of those economically inactive. In Leeds 37 percent of those employed hold a NVQ level 4 or equivalent qualification. This compares to 26 percent of those unemployed and 23 percent of those economically inactive. Of those in work 19 percent no qualification of NVQ equivalence compared to 19 percent of those unemployed and 26 percent of those economically inactive.

3.10 Learning Activity of the Population/Workforce

The latest detailed information on the learning activities of the local population is based on the data produced in the West Yorkshire Household Survey (Learning and Skills Council, 2005). This predominantly examined the workforce and found that 64 percent of Leeds' population had taken part in formal training or learning activities in the past 12 months. Although this survey focuses on those in work there are sufficient responses across West Yorkshire from those who are not in work to make the data robust. When we examine the responses to this question with them, it is perhaps heartening to find that 70 percent of this group had undertaken formal training or learning over the past 12 months in Leeds. This will probably include quite a number of students who will inflate the numbers, but it is pleasing to see this level of participation/commitment to learning.

Younger age groups were more likely to have undertaken training, with 79 percent of 16-24 year olds receiving some form of training. Females, white respondents, part time workers, those employed in large companies and those in higher income groups were also more likely to participate in learning.

Of those in work who do undertake learning in Leeds the majority take work related courses such as information, communication, and technology courses (15%) and health, public and care services courses (20%). Forty percent of those who had been involved in learning rated it either better or much better than expected.

3.11 Workforce Development and Training

Some of the most important indicators with which to measure progress in the wider government skills agenda are those regarding employers' attitudes and investment in training. A substantial part of the last Employer Skills Survey in 2003 undertaken across West Yorkshire was devoted to probing into the training activity of Leeds employers. It found that employers in Leeds are more likely to have trained some of their staff in the 12 months prior to the research being conducted than the West Yorkshire average. More information on this subject can be gained by accessing this full report on our website at www.lsc.gov.uk.

Consistent with previous skill surveys, there is a direct correlation between business size and propensity to train staff (i.e. larger organisations are more likely to do so). Given some of the current economic uncertainties, organisations may cut back on training budgets. Similarly, companies are less likely to spare their staff for training if they are trying to fulfil customer orders or contracts in times of faster growth. So when is a good time to train? Is there a good time to train?

When we look at this data at industrial sector level distribution employers demonstrate their commitment to workforce development more than any other sector, with 89 percent firms offering some form of training in the 12 months prior to the research being carried out. Of the other sectors, finance sector firms proved to be the next highest (81%) followed by public services (74%).

Companies in the agriculture sector (37%) were the least likely to have offered train any of their staff, followed by other service employers (56%).

The survey also asked for the proportion of staff that undertook training in the past 12 months, although this only provides a fairly blunt instrument view to training activity - which companies train at all and which does not. At the extreme, it would be possible that a company with several hundred employees may send one or two people on a short course at some stage of the year and are therefore classed as a company that actively trains. Therefore, it was necessary to supplement this information by asking what proportion of their employees had received training in the 12 months prior to the research being conducted.

These results are encouraging as there are a healthy proportion (45%) of businesses that train all of their staff in Leeds, overall representing a large amount of training activity. However, the data indicates that small to medium companies are more likely to train a smaller proportion of their staff than large organisations.

According to this data, the five most commonly accessed training areas in the 12 months prior to the survey were IT, health and safety, customer service, first aid and sales. Clearly heath and safety and first aid are related subjects that, if combined, would make it the most common type of training course. Health and Safety is, in many cases, a compulsory requirement of businesses and therefore one of the main drivers of training could be legislation. Secondly, with IT being popular as a training course, it is fair to say that technology is also a key motivational factor. It may also be that computer training comes easily to the mind of employers, so it may be an easy answer when responding to a survey.

These five most commonly offered types of training have been broken down by LAD and by industry in the following tables.

Table 3.16: Top Five Subjects, which Employees Have Undertaken Training over the Past 12 Months (by Local Authority District)

	West Yorkshire (%)	Bradford (%)	Leeds (%)	Calderdale (%)	Kirklees (%)	Wakefield (%)
Information Technology Skills / ICT Skills / PC Skills	27	20	29	40	23	15
Health & Safety	19	17	21	13	16	21
Customer Service Skills	10	11	10	7	10	9
First Aid	9	10	8	6	7	15
Sales	9	9	9	4	12	5

Source: Learning and Skills Council West Yorkshire (2003)

There is little variation in the undertaking of these courses across the LADs. Leeds has the greatest amount of first aid and health and safety training suggesting that statutory requirements are driving training demand.

Once the concept of formal, accredited training towards a qualification is introduced, the picture changes slightly again. In Leeds, 48 percent of training undertaken does not result in a formal qualification. The next table shows the type of qualification gained by district and reveals some geographic differences.

Table 3.17: Types of Qualifications Gained, or Likely to be Gained, by Employees as a Result of Training (by Local Authority District) (%)

Type of qualification	West Yorkshire	Bradford	Leeds	Calderdale	Kirklees	Wakefield
NVQ: Foundation Modern Apprenticeship (FMA): Advanced Mode	18	16	17	15	19	25
Other national recognised qualifications (e.g. City and Guilds, BTEC)	13	12	15	10	14	11
Qualification specific to your company	18	13	21	27	15	18
No formally recognised qualification involved	51	59	48	48	52	47

Source: Learning and Skills Council West Yorkshire (2003)

The propensity to train towards formal qualifications is largely proportional to company size, with the larger companies more likely to do so. It is also the larger organisations that tend to have qualifications specific to their own organisation. A further National Employer Skills Survey took place in the summer of 2005 and the LSC West Yorkshire will produce a local report on its findings to be published in early 2006.

Training Delivery Mechanisms

Respondents were also asked how the majority of their training was delivered. These results offer the opportunity to base the marketing and promotion of training on the custom and practice of organisations in Leeds. Here we have analysed the degree to which employers are using external or internal training provision.

Table 3.18: Modes of Training Delivery by Local Authority District (those that received training)

LAD	In-house %	External training provider %	Both of these %
West Yorkshire	44	27	29
Bradford	49	21	30
Leeds	40	27	33
Calderdale	41	37	22
Kirklees	52	26	22
Wakefield	42	25	34

Source: Learning and Skills Council West Yorkshire (2003)

Just over one-quarter of all businesses that train use external training providers solely (27%) and two-fifths of employers utilise in-house training only (40%). One-third (33%) use a combination of these methods.

There is a greater tendency for smaller companies to do all their training in-house and are less likely than larger organisations to combine internal and external training practices. None of the largest organisations in Leeds rely solely on external training, a testament to the economies of scale and larger resource bases available to these organisations.

Planning Training

An examination of if, and how, companies plan their training provides another indication of how high a priority training and development is to that organisation. Respondents were asked if they had a formalised training plan, with a number of supplementary questions to examine the level of commitment and integration into company systems and culture.

Disappointingly, only just over one quarter (28%) of organisations in Leeds have a training plan. Following the pattern of earlier results, public services organisations are the most likely to have a formal training plan (51%). Of all the main industrial groups, the hotel and restaurant sector has the lowest proportion (15%). The average across all companies of just over one quarter suggests there is still a great deal of work to be done to persuade employers of the value of planning their training.

Predictably, the smaller the business the less likely organisations are to write a training plan for their staff. It could be argued that with fewer staff there is less of a need for a training plan, but the results are symptomatic of a different approach to, and different resources within small businesses for workforce development.

The results taken in combination with previous questions reveal that many companies train only because they have to and others don't see the need at all for updating the skills of their workforce. Unfortunately, short-term practical considerations often take priority in the reality of business and many companies find it hard to commit so far ahead to any investment in training.

Companies that train their staff, identify their staff training and development needs in a number of different ways. The primary mode of identifying training needs for firms is down to the discretion of managers (34%). Only just over one quarter of firms (28%) identify training need through appraisals and reviews.

Training as Part of Business Planning

Those businesses that reported they had a training plan (about one quarter of the whole sample) were asked if this was linked to their main business plan. As expected most companies who were committed to a training plan did link this to the overall strategy of the company (85%).

The linkage of a training plan to the strategy of the organisation is fairly consistent across small to medium sized businesses. However, it is the larger organisations that are committed to this linked planning process.

One-quarter (25%) of organisations in Leeds have a dedicated training manager or similar in place – a further indication of employer commitment to learning.

Reasons for Undertaking Training

What are the main reasons and motivations for undertaking training? If the mindset of different employers can be understood then it could be easier to 'sell' training to those who don't usually get involved. A very straightforward question was therefore posed regarding what prompted the 'actively training' businesses to train their staff.
The following 'list' is the result of that enquiry:

- New Recruits
- Personal Development
- Legislation
- To maintain same level of work quality
- Increase business competitiveness
- To assist the organisation in meeting its business objectives
- To encourage development and promotion
- To motivate staff
- To keep up to date with technology
- Retain staff within the organisation

- As part of succession planning
- To improve skills to do specific tasks
- Provide cover for each other's jobs

The responses given by employers are self-explanatory. The most common reason given for offering training to staff is for personal development of staff (24%), with the next being legislation (14%), hence the take-up of health and safety and first aid courses.

Barriers to Training

In order to gain an insight into why some companies do not engage in as much training as they might, respondents were invited to cite as many barriers to training as they feel they encounter.

Overall, nearly two-fifths (37%) say there is nothing to stop them providing any training they might need. This may be an attitudinal difficulty that may pose future problems for the engagement of such organisations in the workforce development agenda. One in five (20%) state that a lack of time is a hindrance, an assertion considered to be a major barrier to employers' commitment to workforce development. In addition, over one in ten (13%) of those surveyed, felt that the cost of training was prohibitive. The only other significant response is that training is not always convenient to organisations, an issue that is acknowledged by the LSC.

A further question drills down into the reasons why some companies don't train. A few of the reasons for this are detailed below with the familiar breakdowns offered to try and gain an insight into how each category of business views training. Respondents were invited to give as many reasons as they wished to the unprompted question.

The reason most cited for lack of training was that "the workforce has all the skills we need". The attitudinal shift that needs to be engendered in such organisations, through the promotion of the benefits of training and development is an ongoing and difficult task. These messages will continue to focus on the business case for updating of skills, including the motivation of employees, expanding into new markets or the search for continuous improvement.

The issue of time is an important one and has no easy solutions. One of the main barriers to employers is allowing their staff time away from their work in order to attend training courses – but there needs to be recognition that there are other methods of learning besides being away from the workplace on a training course. Flexibility of delivery on both sides of the learning divide may offer the solution to this problem.

We were interested to understand what employers thought about the availability and accessibility of training providers. Small proportions of employers say that they have experienced difficulties in finding a local training provider, whether that relates to the right type of training, the location of the training, or the level of quality they require. Local providers are well respected in the type, range, and quality of training provided.

The message to those engaged in strategic workforce development and skills enhancement with regards employer training is twofold: First, a significant increase in employer training levels will only occur with a manifold change in attitudes. Second, those people that are in training positions have largely bought into the cause, the business case must be made to strategic and budgetary planners, including board members.

We have identified six sectors of critical importance to West Yorkshire - construction, health and social care, manufacturing, transport and distribution, travel and tourism and the voluntary sector. These sectors were chosen on the basis of satisfying two or more of the following criteria – potential for growth, labour or skill shortage, legislative pressures linked to skills, large numbers of low skilled workers who don't access accredited learning, of economic importance or subject to technological change.

In addition, the LSC across the region have agreed with Yorkshire Forward that we lead on activities to address skills needs within clusters important to the region. These are Advanced Engineering and Manufacturing, Chemical and Bio-science and Digital Industries.

The LSC's cluster and sector research has identified a number of generic areas for employee learning needs. These include:

- ICT learning in generic software packages as well as in the more specific or customised IT packages that may have been developed for a particular sector.

- Leadership and management training, particularly in skills to manage change or to support business growth. Other management training is highlighted for supervisor level employees in team building, project management and trainer training.

- Learning linked to legislation, such as qualifications in the childcare sector to meet OfSTED requirements, Childminding Practice and Pre-School Practice or Health and Safety training including Manual Handling.

- General construction trades are in demand, with greatest demand in West Yorkshire for plumbing and electrical trades. Research also highlights the importance of influencing small firms to offer the learning opportunities to their workforce that those employed in larger businesses enjoy.

- Industry specific manufacturing skills ranging from food hygiene to welding in production areas.

- Employers continue to stress the importance of literacy, numeracy, communication skills and general "common sense" in their workforce and recruitment.

Individual Demand for Learning

In our most recent research, which looks at the issue of demand for or interest in learning, was contained within the last West Yorkshire Household Survey that took place in 2005. This highlighted over 55 percent of those employed were interested in learning or education. In terms of the kind of training wanted, IT comes near the top of the list that is detailed below.

- Business/Management/Office studies
- Sales Marketing and Retailing
- IT and Information
- Humanities
- Politics/Economics/Law/Social Sciences
- Area Studies/Cultural Studies/Languages/Literature
- Education/Training/Teaching
- Family Care/Personal Care and Appearance
- Arts and Crafts
- Communication/Media/Publishing
- Performing Arts
- Sports, Games & Recreation
- Catering/Food/Leisure Services/Tourism
- Health Care/Medicine/Health and Safety
- Environment Protection/Energy/Cleansing/Security
- Sciences and Mathematics
- Agriculture, Horticulture and Animal Care
- Construction and Property
- Services to Industry and Commerce
- Manufacturing/Production Work
- Engineering
- Oil/Mining/Plastics/Chemicals
- Logistics/Distribution/Transport/Driving

3.12 Learner/Non-Learner Characteristics

Lifelong Learning

The concept of lifelong learning and encouraging individuals to participate in training and education is a key objective of the current government and is part of the LSC National Targets. In the Green Paper the 'Learning Age' and then in the White Paper 'Learning to Succeed', the aim is to help develop a learning society. So everyone, in whatever circumstances, routinely expects to learn and upgrade skills throughout life.

Participation in further learning and training has become increasingly more important. Fewer jobs now last a working lifetime, people are now living longer, there are concerns about values in pension funds, and there is an increasing proportion of older to younger people in the population. These all go towards making it important for the workforce to up-skill and re-train on a regular basis.

Individuals Interest in Education and Training

The Leeds Household Survey (Learning and Skills Council, 2005) found that 52 percent of the population in the district expressed a future interest in undertaking further training or education. This is more evident in the younger age group, females, lone parents, and non-white groups. Interest is particularly low from groups where levels of qualifications have already been shown to be low; these include older workers, the low paid, and employees of small businesses where training provision can be limited.

The key drivers for further training for those in employment in the Leeds district are similar to those found in West Yorkshire as a whole. A high proportion see further training as important for personal reasons (34%), while fewer regard further training as an essential part of career progression and/or keeping up to date with their job. Here 18 percent see further training as a possibility to change career or switch jobs, 16 percent feel it would allow them to do their current job better.

Barriers to Education and Training

In order to increase individual participation in training and education, there are a number of barriers that need to be overcome. For those employed that are not interested in training or education nearly a third gives the main reason as not a priority, and no need. For those who are interested in further training and education, time, cost, and lack of accessibility and information are the main barriers to participation. There are considerable differences by demographic group. Having said this there are some common barriers to education and training:

- Balancing a home life and study.
- Time commitments.
- Fear of a large organisation.
- Fear of not being able to cope or not being good enough.
- Feeling intimidated.
- Travel.
- Entry pre-requisites.
- Cost.
- Place and facilities for studying.
- Work demands/shift work.

Chapter

04

Learning Infrastructure

Key Points

- Leeds is the largest district within West Yorkshire and this is reflected in the number of educational institutions. Leeds has 241 primary, 43 secondary, 14 independent, and 11 special schools in addition to four pupil referral units.
- There are 118,330 pupils studying in schools in Leeds.
- There are eight further education colleges in Leeds with nearly 41,000 students that are resident of Leeds.
- Most of the teaching in schools, colleges and training providers is rated good or better and a few lessons are rated as unsatisfactory.
- Teachers and trainers are usually well qualified.
- Teaching and training resources are mostly at least satisfactory, and in places excellent.
- Pupils are generally well prepared for progression to their own school's sixth form, but receive insufficient direct experience of alternative progression routes.
- Systems to monitor and report on young people's progress are commonly well developed.
- Schools and colleges operate extensive quality assurance frameworks.

Key Issues

- Some school sixth forms are too small to provide the breadth of curriculum young people need. Also they may be considered as not being cost effective.
- Low key stage four and five achievement rates, with much lower male achievement and great variation between schools. There are particular differences between inner and outer areas of Leeds.
- Insufficient level one and two provision to meet local needs.
- Low intermediate and advanced vocational achievement rates in schools.
- The number of young people staying at school, college, or on an apprenticeship programme after the age of 16 is too low.

Learning Infrastructure – An Overview

A key objective for the LSC is to ensure that learner, employer, and community learning needs are met; an essential component of this is to seek the continued improvement in the choice and quality of post-16 skills provision. To meet the challenges of the Skills Strategy requires a responsive learning infrastructure that engages employers and meets current and future national, regional, and local skill needs and priorities. Collaboration between stakeholders, providers, and partners is crucial to facilitate coherent planning and progression routes and to ensure that resources are maximised in providing learning that is accessible, flexible, responsive, and diverse. The quality of learning provision should strive to be excellent with strong leadership and management.

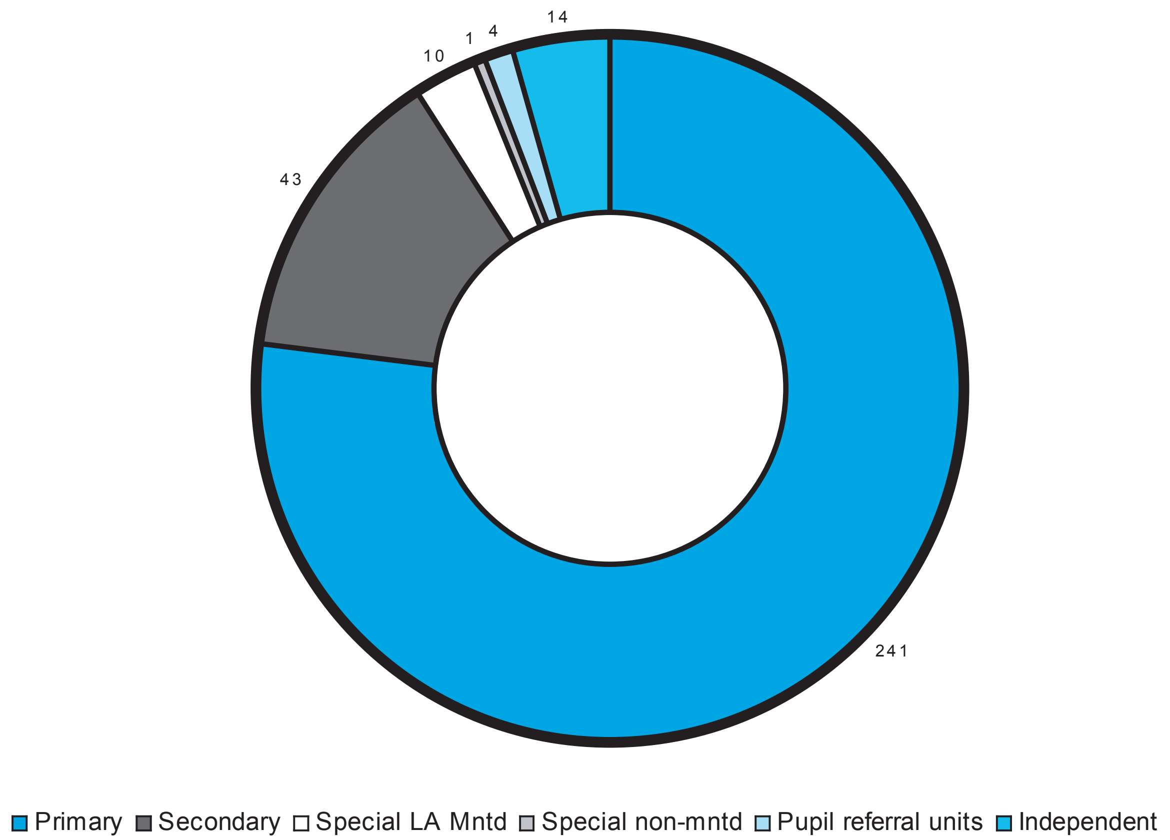
4.1 Schools/School Sixth Forms

Provision

As one might expect, due to Leeds being the second largest metropolitan district in the country, there are a wide range of schools. Leeds Local Authority (LA) is responsible for the majority of pre-16 education. The present configuration of schools in Leeds consists of 241 primary, 43 secondary, 14 independent, and 11 special schools in addition to four pupil referral units.

There are 43 maintained secondary schools across Leeds of which 39 have sixth forms. In addition there are five independent schools with sixth forms and one Catholic sixth form. The sizes of the sixth forms vary greatly. Many of the sixth forms with small numbers are in the inner city wards and in those parts of the wards that are closest to the city centre. The size of school sixth forms ranged from 313 at Boston Spa School to 16 at the City of Leeds School.

Figure 4.1: Different Types of Schools in Leeds by Number, January 2004



Source: Department for Education and Skills (2005a)

There have been some significant changes to the structure of education in the last five years. Following the inspection of Leeds Local Education Authority (LEA) in February 2000, the City Council in April 2001 established Education Leeds, a company wholly owned by the council. The company is a partnership between Leeds City Council and Capita, operating under direction from the Secretary of State for Education and Skills. Education Leeds is responsible for providing all education support services that relate top children and young people of statutory school age in Leeds.

A radical agenda for change in secondary and post-16 education is underway in Leeds that is linking the need to raise standards to the way schools are organised. There are four main strategies underpinning the agenda:

- Secondary and post-16 review
- Fourteen to nineteen curriculum strategy
- Collaborative partnerships and federations involving all schools
- Building schools for the future.

The reconfiguration of secondary school provision proposed since the secondary and post-16 review in the city centre has included closures, amalgamations, new buildings and a new 'Academy'. Particular attention has been given to those schools in challenging circumstances with less that a 25 percent level two pass rate at aged sixteen; experiencing difficulties with recruiting and retaining staff and with budget constraints; schools with a high proportion of surplus places; and those schools where a high proportion of young people who live nearby choose to travel to one that is further away.

The 14 to 19 curriculum strategy primary concern was to develop collaborative and partnership working between schools, colleges and other providers to enhance curriculum choice and quality. The objective is to ensure that all young people from the age of 14 have access to a curriculum suited to their needs in support of progression to further education and employment. Virtually all of the secondary schools have entered into partnership/collaborative working with other schools, colleges and training providers.

Local Delivery Partnerships (LDP) have been established to forge linkages through school federations and collaborations. The intention is to provide partnership support and challenge to schools in special measures and those with serious weaknesses, broaden the provision that they offer, increase progression rates and make delivery more cost effective.

In addition there are major projects aimed at rebuilding and refurbishing secondary schools through the Private Finance Initiative and Building Schools for the Future Programme. Significant capital investment for further education colleges and family learning centres is either underway or planned.

Discussions are ongoing but at the time of going to print Education Leeds proposes to develop four 'Learning Campuses' based on sector skills themes. The Learning Campuses proposals are formed to address underachievement, sector skills shortages, NEET targets, the 14 to 19 agenda, the skills agenda and the capital investment programmes coming online in schools and colleges. Particular attention will be given to:

- Low key stage four and five achievement rates, with much lower male achievement and great variation between schools. There are particular differences between inner and outer areas of Leeds.
- City-wide shortages of provision in several key vocational areas including construction trades, motor vehicle, and hairdressing.
- Insufficient level one and two provision to meet local needs.
- Lower intermediate and advanced vocational achievement rates in schools

The Learning Campuses that are proposed are:

- East Leeds linking the David Young Academy with Leeds College of Building, Thomas Danby College, Leeds College of Technology and Leeds College of Art and Design and other partners, specialising in the built environment, covering the areas of the East Leeds regeneration area.
- South Leeds linking the new South Leeds High School with Leeds College of Technology, Park Lane College and Joseph Priestly College and other partners specialising in ICT, printing, motor vehicle and electronics covering the South Leeds regeneration area, Holbeck Urban Village, Beeston Hill, and Holbeck.
- Inner East/Central linking Primrose High School with Thomas Danby College, St James' University Hospital and other partners specialising in health and social care, and hospitality and catering, covering Leeds city centre, Waterfront and Harehills.
- West Leeds linking West Leeds/Wortley High School with Park Lane College and other partners in business administration, ICT and distributive trades, covering the area of West Leeds.

Table 4.1: Number (headcount) of pupils by type of school in West Yorkshire (January 2004)

	Nursery LEA Mntd	Nursery Direct Grant	Nursery Total	Primary	of which middle deemed	Secondary	of which middle deemed	Special LEA Mntd	Special Direct Grant	Special Total	Pupil Referral Units (2)	Independent	CTCs & Academies	All Schools
Bradford	610	0	610	51,120	0	34,670	0	930	0	930	170	3,880	1,080	92,460
Calderdale	0	0	0	19,380	0	15,440	0	190	60	250	50	1,420	0	36,530
Kirklees	270	0	270	36,450	0	26,780	2,700	670	40	700	170	2,030	0	66,400
Leeds	0	0	0	63,680	0	48,080	0	930	100	1,030	200	5,340	0	118,330
Wakefield	330	0	330	29,970	0	22,390	0	440	0	440	50	4,420	0	57,590
West Yorkshire	1,210	0	1,210	200,600	0	147,360	2,700	3,160	200	3,350	640	17,090	1,080	371,310
Yorkshire and the Humber	3,460	0	3,460	457,610	0	349,370	3,130	7,550	300	7,860	1,390	33,950	1,080	854,720
England	38,970	110	39,080	4,252,540	40,420	3,324,950	119,250	86,930	4,840	91,770	13,040	586,940	16,340	8,334,880

Source: Department for Education and Skills (2005a)

Notes: (1) Excludes pupils who are also registered at a mainstream school.
(2) Excludes pupils who are also registered at a mainstream or special school.

Quality and Performance

The Office for Standards in Schools (OfSTED) is responsible for monitoring the performance of school sixth forms. The OfSTED Secondary school inspection reports have changed in the following ways in recent years:

- Reports produced in 1998-99 did not have a designated section on sixth forms and simply commented on sixth forms throughout the text. Neither did these reports give the number of students in the sixth form at the time of inspection.
- Reports produced in 2000-01 had a separate section on sixth forms but did not grade the curriculum areas.
- Reports produced after November 2001 included a more detailed analysis on sixth forms with grades awarded to curriculum areas.

OFSTED assumed responsibility for inspecting 16 to 19 year old educational provision in colleges in April 2001, so it had to bring the inspection of schools with sixth forms under section 10 of the School Inspections Act 1996 as close as possible to that of post-16 provision in colleges inspected under the Learning and Skills Act 2000.

It is important to note, however, that the grading scale used in school reports is a 7 point scale and different from the 5 point scale used in college inspection reports (as shown by table 4.2).

Table 4.2: School, College, and Work Based Learning Grading Point Scales

School grading point scale:	College and Work Based Learning grading point scale:
Grade 1 = Excellent	Grade 1 = Outstanding
Grade 2 = Very Good	Grade 2 = Good
Grade 3 = Good	Grade 3 = Satisfactory
Grade 4 = Satisfactory	Grade 4 = Unsatisfactory
Grade 5 = Unsatisfactory	Grade 5 = Very Weak
Grade 6 = Poor	
Grade 7 = Very Poor	

In West Yorkshire the general quality of teaching and learning is good or very good in school sixth forms. Standards also appear to be at least in line with national averages or above average. A minority of the school sixth forms are considered not to be cost effective because of small class sizes. Some of the schools although having small numbers do operate cost effectively.

The last 'Leeds 16 to 19 Area-wide Inspection' by Ofsted in 2002 was overall positive about the educational infrastructure but cited there was room for improvement in certain areas. The inspection report summarised the findings as follows:

- There is a broad curriculum for students aged 16 to 19 in Leeds. Schools offer a good choice of GCE A level subjects. However, schools provide limited vocational provision and a few sixth forms offer too few GCE A level subjects. In some schools group sizes are too small.
- Most of the teaching in schools is good or better and only few lessons are unsatisfactory. Teachers are generally well qualified and have good specialist knowledge of the subjects they teach. The majority of teachers display high levels of confidence, work closely to the demands of syllabus specifications and provide and effective and often challenging learning experience for students. The teaching of high and low ability students have weaknesses. Teacher-training resources are generally at least satisfactory, and in places excellent. However, whilst resources for teaching and learning are generally satisfactory in some schools it is unsatisfactory. In particular in some schools students have poor access to IT, some classrooms are drab and uninspiring, some schools still use temporary accommodation that is not fit for purpose, and the quality of library facilities in some schools is poor, and sports facilities are poor.
- Some schools operate extensive quality assurance frameworks but vary in the rigour with which they apply them. The application of value-added measures of achievement and other performance indicators is inconsistent.
- Education Leeds have an accurate view of the issues which need to be addressed, have established good communication links and are beginning to implement strategies for improvement.

- There is an extensive range of strategic partnerships that provide collaborative arrangements between schools and colleges.
- Most schools have cost effective provision, but in a minority it is expensive.

4.2 Work Based Learning

Work Based Learning (WBL) is the generic title for the programmes the Learning and Skills Council will fund for young people aged 16 up to 24 years old through the work based route. This enables young people to gain recognised vocational qualifications, such as NVQs and key skills, through training in the work place and off the job.

Work-based learners improve their career opportunities by achieving vocational qualifications and key skills that employers recognise as formal qualifications. Key skills teach communication, information technology, number application and personal skills. In addition NVQs demonstrate an individual's ambition and ability to perform their job well by acquiring skills, knowledge, and understanding.

There are five NVQ levels:

- Level 1 – Foundation skills for a particular occupation.
- Level 2 – Ability to work as an operative or in a semi-skilled job.
- Level 3 – Ability to work as a technician or in a skilled or supervisory job.
- Level 4 – Ability to handle more technical roles and junior management position.
- Level 5 – Suitable for chartered, professional and senior management occupations.

Work-based learning is on-the-job and ongoing training. Rather than sitting a one-off exam, NVQ students have their progress periodically assessed by workplace observers who ask questions, simulate tasks, take witness statements and examine learning logs.

Since 2001, the programme has undergone changes with the emphasis upon the improvement of the quality of the provision hopefully resulting in an improvement in participation and achievement rates. From September 2004 there has been a significant reform to the structure and operation of the WBL programmes these are as follows:

- Young Apprenticeships is a programme for 14 to 16 year olds, giving them the opportunity to spend 2 days a week learning a trade in the workplace. This has been effective from September 2004 in a small-scale trial.
- Pre-apprenticeship offers a programme based on Entry to Employment (E2E). This is an entry to level 1 programme for those young people not yet ready or able to enter an apprenticeship or other formal level 2 provisions.
- Apprenticeship at NVQ level 2 has replaced Foundation Modern Apprenticeships and covers the NVQ, key skills, and technical certificate.
- Advanced Apprenticeships have replaced Advanced Modern Apprenticeships and are at NVQ level 3 and also covers key skills and the technical certificate.
- Apprenticeships for adults are open to persons over the age of 25 and will be developed by the appropriate Sector Skills Council.

Quality and Performance

Regular reviews of post-16 provision now take place under the Strategic Area Review (StAR) framework started in 2004. This examines supply and demand for learning provision alongside a review of the quality of what is being delivered. The StAR process builds on the Ofsted Leeds area inspection that found:

- There is a good range of learning provision, but too little of it allows for recruitment at any time of the year.
- The quality of teaching is generally good, however the teaching of key skills by training providers is weak.
- Quality assurance arrangements operated by training providers often lack rigour.
- Training providers are insufficiently involved in some strategic initiatives.
- The quality of teaching of training providers is good, but the teaching of key skills by training providers is weak. Failure to complete Key Skills is a significant factor in the low pass rate of apprentice frameworks. The majority of trainers and assessors are well qualified and have extensive vocational experience.
- Training providers operate good systems for the identification of trainees' additional support needs. However, the management of additional support to meet students' individual needs is poor in some providers especially arrangements for sharing information about young people that move from one training provider to another are poor. Training organisations also provide good access to specialist agencies and counsellors for people with personal problems.
- There are good training resources in most providers' premises. A wide range of tasks is undertaken in the workplace, enabling trainees to cover all aspects of their chosen NVQ and obtain evidence in a real working environment.

Table 4.3: Leeds Work Based Learning Inspection Reports 2004[6]

Grades Occupational Areas	Total	Total Number of GradeS	Average Grade
Land Based	7	3	2.33
Construction	29.5	12	2.46
Engineering, technology	38.5	14	2.75
Business Administration	64	23	2.78
Information technology	36	13	2.77
Retailing and customer service	50	16	3.13
Hospitality, sport, leisure	33	11	3.00
Hair and beauty	16	6	2.67
Health and social care	39	14	2.79
Foundation programmes	24	10	2.40
Total occupational score	337	43	7.84
Leadership grade	108	42	2.57
Equality	93	38	2.45
Average grades	111	85	1.31

Source: Learning and Skills Council (2005)

[6]The average grade refers for all of the providers assessed in Leeds. For example for Land Based grades 3 programmes were assessed and the total score for these programmes were 7 giving an aromatic mean of 2.33 (good).

4.3 Further Education

Provision

Leeds has a rich infrastructure of seven further education colleges and one Catholic Sixth Form Centre. Four of the FE colleges have a distinctive focus: technology, art and design, music and building. The other three are general further education colleges, though they vary greatly in size. The largest college, Park Lane, is located on four main sites and operates in 40 centres around the City.

Table 4.4: Leeds Colleges Learner Numbers (Leeds Residents) 2003-04

	16 - 18	19 +	Grand Total
Joseph Priestley College	386	5,193	5,579
Leeds College of Art and Design	396	812	1,211
Leeds College of Building	648	839	1,489
Leeds College of Music	122	175	298
Leeds College of Technology	845	3,156	4,004
Notre Dame Sixth Form College	1,141	17	1,158
Park Lane College	2,514	16,603	19,117
Thomas Danby College	1,327	6,543	7,870
Grand Total	7,379	33,338	40,726

Source: Learning and Skills Council West Yorkshire (2005)

The last area inspection conducted by Ofsted (2002) in Leeds concluded the following about FE provision:

- Colleges provide a wide range of curriculum courses, in addition they provide a good choice of A' level subjects. The colleges provide a wide range of courses, with little duplication from entry level to higher education.
- The quality of teaching in colleges is good and the majority of lecturers have extensive vocational experience.
- Teaching resources in colleges are generally good providing an excellent range of specialist resources and extensive workshop and project space that provide realistic working environments. However, there are some weaknesses such as basic engineering machinery being old and sports facilities being inadequate for both general use and specialist courses.
- Post-16 curriculum collaboration between schools and colleges is limited.
- Overall, colleges provide good value for money. However, because of low retention or pass rates, some courses are not effective.

4.4 Higher Education

Leeds as might be expected has a good provision of higher education. It has two universities of international reputation with a combined total of over 124,000 students, the University of Leeds and Leeds Metropolitan University. And two colleges of higher education, Trinity and All Saints College of Higher Education and the Northern Schools of Contemporary Dance, both of which offer degrees awarded by the University of Leeds.

Leeds Metropolitan University

Leeds Metropolitan University has over 41,000 students studying at three campuses and is one of the largest and most popular universities in the UK. The university also encompasses two higher education campuses, one in Headingley and the other in the city centre, plus a further education campus in Harrogate also incorporates an Adult Learning Centre in the City of Ripon. The university concentrates on professional and vocational education that is reflected in its current range of courses.

University of Leeds

The University of Leeds is an integral part of the local community, making a major contribution to the economic, social and cultural life of the city and region. The University is the City's third largest employer, with over 7,500 staff. Overall, the University brings some £500 millions each year into the local economy and many of its students choose to stay in Leeds upon graduating.

The University is acclaimed worldwide for the quality of its teaching and research. It is one of the largest universities in the UK; Leeds is also the most popular among students for undergraduate courses. An emphasis on innovative research and investment in high-quality facilities and infrastructure has meant that 35 departments are rated as internationally or nationally 'excellent'. The University of Leeds size and international reputation enables it to offer one of the widest ranges of academic courses in the UK.

Trinity and All Saints College

The Trinity and All Saints College is an accredited college of the University of Leeds with all courses leading to the award of degrees and diplomas of the University. Currently there are 2,220 full time students.

4.5 Quality of Provision in West Yorkshire

The LSC is committed to continuously striving to help colleges and other providers to deliver high quality provision. Therefore the LSC has developed its Quality Improvement Strategy. The key objectives are to:

- Improve the quality of the weakest provision.
- Cease to fund provision of unacceptable standard provision.
- Improve provision that is the middle of performance.
- Recognise and reward the most effective colleges and providers and help them share good practice.

Quality improvement can only be achieved with close collaboration and working in partnership with a wide range of stakeholders. The LSC's relationship with colleges and other providers is honest, open and robust. This has resulted in some dramatic improvements, as detailed below.

As the LSC is the lead planning organisation for post-16 education and skills in the sub-region it is imperative that it provides a clear strategic framework and direction. The Strategic Area Reviews (StARs) are key drivers in achieving improvements in the quality of provision. The purpose of StARs is to make a fundamental examination of learning provision, both that currently offered and that required. The StAR process is collaborative, involving key stakeholders within education and training, to ensure that the pattern and mix of provision meets current needs and future priorities for all learners and communities.

The Adult Learning Inspectorate is mandated to judge the quality of post-16 education and skills. They produce a performance review that gives an independent, public account of the quality of education and training, the standards achieved and efficiency with which resources are managed. The performance reviews are a key aspect of the LSC's strategy for raising standards in post 16 provisions and to promote continuous improvement. Reviews draw upon the views of staff across all the functions of the LSC. Reviews are not the only means of raising standards, other activities such as monitoring of provision, sharing best practice and provider development activities are also integral to the LSC's Quality Improvement Strategy.

4.6 Equality and Diversity in Learning

The LSC is committed to promoting and mainstreaming equality of opportunity, to enable all learners and potential learners to benefit from LSC funded provision and undertake learning in an environment free from discrimination.

A new National Equality Strategy has recently been developed which prioritises the key equality issues to be addressed under six themed areas: leadership; reaching learners; supporting compliance; personalised learning; working with employers; and measuring outcomes.

Many issues relating to equality and diversity exist across West Yorkshire, to help prioritise areas for action the LSC has analysed learner data in respect of participation, retention and achievement and set Equality and Diversity Impact Measures (EDIMs) to address the issues highlighted.

With the population of West Yorkshire becoming more diverse, work with learners, learning providers and wider employers becomes increasingly important, to help raise awareness and to explore solutions to equality and diversity issues.

4.8 Centres of Vocational Excellence

Clearly it is an objective for the LSC West Yorkshire that the quality of the provision that it funds is high. The Centres for Vocational Excellence (CoVEs) initiative was set up as part of the Government's commitment to modernise and develop the further education sector in support of the skills agenda. There is already a good deal of provision that satisfies this standard. The kite mark of CoVE merely endorses and reinforces this provision and sets it apart as a centre towards which we can point and show good practice to other providers.

It is important when proposing a CoVE that real need and highly respected training are established. So it is essential that the training that is provided is not only highly regarded by the LSC West Yorkshire, but that users of the learning in terms of employers can endorse it, as can the individuals involved in accessing the provision.

Below is a list of CoVEs in West Yorkshire where we expect this high standard of learning to be maintained. West Yorkshire has the highest number of CoVEs of any LSC in the country.

As of June 2005 Leeds had four CoVEs in construction, print media, computer technology, and catering and hospitality.

Table 4.5: Centres of Vocational Excellence in West Yorkshire, 2005

Colleges	Vocational Specialism	CoVE Status
Bradford College	Applied Sciences	Full
Leeds College of Technology	Print Media	Full
Bradford College	Beauty and Complementary Therapies	Full
Leeds College of Building	Construction	Full
Dewsbury College	Digital Design	Full
Huddersfield Technical College	Computer Aided Design and Manufacture	Full
Wakefield College	Excellence in Management through Enterprise and Innovation	Full
Keighley College in collaboration with Bradford and Huddersfield Technical College	Gas Innovation Learning and Professional Development Centres	Full
Leeds College of Technology in collaboration with Wakefield College	Computer Technology	Full
Shipley College	Elderly Persons Health & Care Saltaire	Full
Thomas Danby College	Catering & Hospitality	Full
Keighley College in collaboration with College of NW London, People's College Nottingham (& Castle Engineering Ltd) and The Welding Institute	Fabrication and Welding	Full
Park Lane College in collaboration with STL and The Source	Retail	Interim
Training Providers	**Vocational Specialism**	**CoVE Status**
N.G. Bailey	Electrical and Mechanical Installation	Full
British Gas	Gas Installation and Maintenance	Interim
Huddersfield and District Textile Training Co. Ltd	Textile Manufacturing	Interim

Source: Learning and Skills Council West Yorkshire (2005)

4.9 Information, Advice and Guidance

The LSC and the local careers guidance services have an important contribution to make in supporting young people when making decisions about the learning routes most appropriate to them. This will be particularly important as changes are made to the 14 to 19 curriculum presenting more options to young people considering their career direction and learning opportunities. Making the right choice is imperative as increased participation is less meaningful if retention is low or if the supply of skills does not match the demand from local employers.

Research by the LSC into learners leaving LSC provision found that younger learners were more likely to be non-completers. The main reason for young people leaving a course or Modern Apprenticeship early was they were not enjoying it (31%). More support and feedback might have persuaded some of these non-completers to remain in learning (Longitudinal Survey of Learners Leaving LSC Learning Provision Phase 1, 2003).

Participation in relevant further and higher education does have benefits for the individual in terms of their ability to succeed in the increasingly competitive labour market improving their life chances and quality of life and for the sub-region as a whole in terms of productivity.

Information, Advice and Guidance (IAG) Partnerships help adults to access local information and support for learning, training and employment. Supported by the LSC, IAG Partnerships offer an impartial and confidential service to those wanting to find a job, develop an existing career, make a career move or explore new learning opportunities.
Each partnership delivers information and advice through a network of local organisations that have been accredited by the Guidance Council and include universities, colleges, adult education services, career and employment services, voluntary and community-based organisations, libraries and private companies who provide training and advice services.

Anyone can contact an IAG partnership - in person, telephone or email - for information or to book a meeting with a qualified adviser, who will discuss work and learning opportunities and help plan the way forward.

The IAG network has seen recent increases in throughput, and evaluation of users suggests that there are increasing levels of satisfaction with the service amongst adults.

4.10 Adult and Community Learning

The LSC are keen to maintain and build on the principles of range and breadth of Adult and Community Learning (ACL), including retaining its distinctive role as the vehicle for 'learning for the love of learning'. This includes meeting the commitment in the government's skills strategy White Paper '21st Century Skills' to safeguard the provision in each local area of a wide range of learning for adults for culture, leisure, community and personal fulfilment purposes. This safeguarded provision has now been categorised as:

- Learning for Personal Development and Well Being.
- Learning for Active Citizenship and Community Development.

The over overarching priorities of the LSC are addressed in terms of:

- Basic skills – raising the literacy, numeracy, and language skills of adults.
- Widening participation – actively targeting non-traditional learners, particularly the socially and economically disadvantaged.
- Family learning – promoting inter-generational learning.
- Neighbourhood renewal and Citizenship – including promoting community development and social cohesion that contributes to the regeneration of communities.
- Promoting healthy living and improved well being for older learners.
- Addressing the needs of adults without a level 2 qualification – including acting as a gateway to meet the skills needs of individuals and the local economy through the delivery of 'first steps' provision leading on to other learning

The LSC also want to ensure that:

- The learning delivered through ACL is of the highest quality with a genuine and demonstrable learning and progressive purpose and content and includes appropriate arrangements for recognising and recording progress and achievement.
- Provision secured under ACL is genuinely responsive to the current and future identified needs and wants of the communities in each local authority district.
- ACL provision is coherent with and complementary to the range of other learning opportunities in each LAD area and that any gaps, unnecessary duplication or competition are avoided. This will involve contributing fully to the Strategic Area Review (StAR) process on an ongoing basis, helping to identify the right mix and balance of provision for each part of the sub-region and making an appropriate contribution to providing the necessary range of learning opportunities identified through the StAR process. It will also require the sharing of good practice across the sub-region and within its constituent areas.
- That fact that funding is finite and subject to competing demands is recognised and that an appropriate mix and balance of provision is funded in each area to reflect these competing priorities. Where this might require the withdrawal of any learning provision we want to see this handled diplomatically and sensitively, in consultation with the LSC. We would expect alternative options for continuation of services to be explored, including other sources of funding, channelling through other local authority services, assistance with the development of self-maintaining clubs and so forth.
- The LSC works with local authorities and other providers of ACL to explore where appropriate, opportunities to work with employers and employees, in line with the government's skills strategies.

The delivery of this strategy needs to be undertaken in a way that recognises the differences between the five local authority districts. It also needs to recognise the possible introduction of other organisations to operate as directly contracted providers of ACL.

The strategy relates to what is, in effect, a transitional year. From August 2006 the ACL sector will need to work on the implementation of the outcomes from the consultation document 'Investing in Skills: Taking forward the skills strategy – a LSC consultation paper on reforming the funding and planning arrangements for first steps and personal and community development and learning for adults'. The results of this work will shape the future funding arrangements for ACL activity across West Yorkshire, including what is funded and how with each provider, levels of funding available, and fees policies that respond to the challenges set by government.

The LSC and the providers of ACL activity in West Yorkshire will work together over this transitional year to prepare for effective implementation of the new arrangements in August 2006.

Adult and Community Learning in Leeds

Currently there are 18 external providers of local-authority funded adult education and 6 internal providers, 6 of these are further education colleges that also receive Learning and Skills Council funding separately to the local authority contract. There are 4 community based Family Learning Centres in Leeds, 1 of which is used for the direct provision of Adult and Community Learning.

- ACL targets for learner numbers were exceeded for 2003/04, at 128 percent and for 2004/05, currently at the time of going to print at 109 percent.

- In 2003/04, 20 percent of learners were from an ethnic minority background; 80 percent of current ACL learners are white, indicating widening participation from ethnic minority learners.

- In 2002/3, 14 percent of children and adults participating in family learning were from ethnic minority groups.

- Nineteen percent of learners in 2002/03, had learning disability; in 2003/04, this was 12 percent and the latest figures for 2004/05, show this remaining at 12 percent.

- In 2004/05 there were 27 percent of learners 60-year plus compared with 24 percent for West Yorkshire. Leeds has the highest percentage of ACL male learners in West Yorkshire in 2004/05.

- In 2004/05, Leeds learners accounted for 22 percent of family literacy, language, and numeracy learners in West Yorkshire.

4.11 Ufi

Ufi aims to help adults improve their employability and help businesses become more competitive, extending access to learning and raising the skills levels of the UK workforce in order to improve national productivity.

Ufi delivers four services. These are:
- learndirect courses,
- learndirect advice,
- learndirect business,
- the development of government e-services through UK online centres.

About Yorkshire and Humberside

The Ufi Yorkshire & Humber regional office manages the delivery of learndirect and UK online across the region. There are six learndirect centres in Leeds, and a network of over 100 UK online centres helping people access and use the internet.

learndirect centres offer courses in ICT (Information and Communications Technology), business and management, and the Skills for Life of numeracy and literacy. learndirect contributes to government targets for improving adult maths and English skills and increasing the number of adults with level 2 qualifications (equivalent to five A-C GCSE grades)

Local facts and figures:

- In 2004/05 more than 83,000 learndirect courses were taken by over 40,000 individuals in Yorkshire and Humberside. In West Yorkshire that's around 14,000 people on over 29,000 courses and in Leeds. 2,000 people took 4,361 learndirect courses.
- In 2004/05 learndirect in the Y&H region delivered over 1,700 first Skills for Life National Tests, with 450 taken in West Yorkshire.
- 98 per cent of learners in West Yorkshire say they are satisfied with learndirect.

For further information about learndirect in the region please contact the Ufi Yorkshire & Humber regional office on 0113 394 9670. For further information about learndirect courses please visit our website at www.learndirect.co.uk.

4.12 Initiatives to Increase Participation

Participation in further learning and training has become increasingly more important with the ever-changing nature of the job market and with fewer jobs now lasting a lifetime. It is no surprise that amongst the LSC's priorities is the desire/aspiration to increase participation in learning. Current statistics suggest that 57 percent of the population in Leeds had engaged in learning, and a further 49 percent are interested in learning, according to the latest West Yorkshire Household Survey (2005) – these two groups will include some of the same people. Nevertheless, this group must be taken closer to engagement with further learning or the lifelong learning concept by realising/understanding its benefits.

The LSC leads the development of lifelong learning through a range of government-funded programmes in the sub-region and addresses the needs of the unemployed and economically inactive as well as those in work. Presently the following are (amongst the) initiatives being funded by the LSC to increase learning participation.

- Changes to the 14 to 19 progression routes and curriculum are starting to provide more options for young people. Research has shown that non-learners would prefer options with a more practical focus, which gives impetus for stronger vocational routes.
- Improve the quality of independent information, advice, and guidance that sets out the full range of opportunities, routes and pathways available post-16 for young people.
- Developing the range and availability of opportunities at entry and foundation level. This has seen the introduction of Entry to Employment (E2E) to provide learning opportunities for young people at the lowest levels of attainment.
- Targeted marketing programme at parents, intermediaries and influencers designed to help increase Apprenticeship starts.
- Working with our partners to promoting learning excellence, best practice on collaboration and curriculum innovation via conferences and workshops.
- Ongoing research jointly funded by the European Social Funds into barriers to education.
- Employer training pilots have also been introduced to encourage employers to train low-skilled staff. It covers the cost of giving low-skilled employees paid time off work to take education and training courses. The pilots target the most vulnerable and low-skilled sections of the workforce in hard-to-reach small companies that would otherwise not take part in, or are unable to afford, training.

For a fuller picture of the initiatives being funded by the LSC please refer to our Annual Plan available on our website www.lsc.gov.uk.

Chapter 05

Agenda for Action

5.1 Summary issues

Issues – Chapter 1: Economic and Policy Context

- Leeds lags behind many European cities in terms of productivity, innovation, transport, information and communication technology, and skills.
  Leeds needs to continue to invest in the key foundations of sustainable economic growth to enable the City to realise its potential as a leading international City-region.
- There are great inequalities in wealth between different parts of the City. Of particular concern is jobs and wealth in the city centre are not being spread to neighbouring communities. There are areas of urban decline, including edge of town housing estates, experiencing a poverty of opportunities that are a barrier for investment and community development.
  Efforts have to be made to ensure that everyone has the opportunity to participate in the local economy, by ensuring that people have the skills and knowledge to compete in the labour market. Local communities should be given the opportunity to engage in the decisions that affect them to build inclusive neighbourhoods and sustainable communities. It is imperative that no community is excluded from the benefits of economic growth.
- Economic growth places stress on the environment.
  Resources have to be used efficiently and pollution reduced to minimise the environmental footprint of economic growth.
- Long-term pension needs of those employed in entry/low level service sector occupations and increasing non-standard and part-time employment.
  There is a need to encourage workers in low skilled employment to engage in learning to increase their employability to enable to have a stronger competitive edge in the labour market.
- No clear gateway for businesses to access enterprise support for innovation activity.
  Financial institutions and business support agencies need to work closely together to develop a pool of specialist support that is accessible and available for innovators.
- Increase innovative approaches in industry and promote partnership working frameworks to share good/innovative practice.
  There needs to be a clear and joint agenda to co-ordinate and support enterprise initiatives, and encourage an entrepreneurial culture.
- Continue to encourage inward investment.
  Attracting, retaining, and deepening inward investment is critical for business and employment growth.

Issues – Chapter 2: Skills Demand

- The impact and implications of increasing flexible working patterns on skills demand.
  Learning opportunities should be responsive to the changing nature of employment patterns and should be available to all workers irrespective of their working arrangements.
- Ensuring that future replacement skill needs are met whilst meeting the demand from business growth, as a result of expansion or movement into higher value product/service market.
  We need to understand and anticipate shifts in the economic structure and base of Leeds so that the skill needs of industry can be met and the labour force have the knowledge and skills to be competitive.
- How to engage small employers in committing to devising clear training plans and strategies in advance, rather than having training on an ad hoc and unstructured basis.
  The message that training pays should be sold to small employers and demonstrated that a better trained workforce gives them a competitive advantage and increases their productivity.
- Whilst the focus is on improving lower level skills, key for improving the City's productivity performance is by raising the demand for higher-level skills.
  The message that learning pays should also be sold to individuals so that they are encouraged to move up the skills level ladder and realise their full potential.

- Targeted effort is needed to raise the demand for skills and learning within sectors with lower relative productivity and with a low participation in learning.
  It is essential to encourage the traditionally less productive industries to train their workforce to enhance productivity and improve Leeds' comparative productivity score with its national and international competition.
- Identifying local core skills that employers need.
  It is important that the skills supply is relevant to the needs of industry; this is particularly the case for core transferable skills.
- Developing a greater understanding of labour migration and mobility issues, especially its impact on the skills agenda.
  Leeds imports a large proportion of its workforce from neighbouring districts, this distorts the skill level demand of Leeds workforce as opposed to the resident skill levels.
- It continues to be essential that equal opportunities policies are encouraged for all businesses, and not just at the recruitment stage, but when considering training, progression and promotion.
  Many companies believe that their obligation to equal opportunities stops at recruitment. This is not the case, equal opportunities is an ongoing process that should always be applied.

Issues – Chapter 3: Skills Supply

- Training and educational providers are not fully responsive to skill shortages in key growth sectors. Inaccurate targeting of training may be hampering economic success.
  It is essential that training and educational providers are flexible, responsive, and tailor their services to the needs of industry.
- The demographics of an ageing population may exacerbate Leeds' below average adult skills.
  Older people traditionally do not participate in training as much as younger people; this situation needs to change as the workforce is ageing so that the labour force remains highly skilled and flexible and maintains Leeds competitive advantage.
- Lack of generic and people skills in addition to technical skills.
  Learning and educational providers need to supply and recognise the importance of key personal skills in addition to more technical and job specific skills.
- The inequitable take up of training due to such factors as employment status, nature of business type and industry, age, gender, and existing skill level.
  The opportunity to participate in training should be open to all, and those who traditionally do not take up training should be encouraged to do so.
- The growing importance of non-formal learning to be recognised, and of particular importance to employees in micro and smaller businesses.
  Whilst non-formal learning is undoubtedly an important method of training and development for smaller firms it still should be structured and planned in advance and not be on an ad hoc basis. In addition the LSC wants to encourage the completion and certification of learning in order to prove skills to potential employers and investors.
- Insufficient level 1 and 2 provision to meet local demand, and city-wide shortages in several key vocational areas including construction trades, motor vehicle, and hairdressing.
  The supply of learning and training should be driven and anticipate demand from industry in all learning areas and at any level.
- The lower than average intermediate and advanced achievement rates in schools compared to national and regional averages.
  Not only do we have to encourage learners to participate but we have to ensure that they complete their course and succeed in their learning aims so that they can progress on to higher levels.
- Low levels of participation and achievement in work based learning across the age range compared to the sub-region.
  Work based learning is an important method of learning, providing training in a working environment.
- Low achievement of learners with learning difficulties and/or disability on work based learning.
  The LSC is committed to raising the achievement of all learners irrespective of personal circumstance.
- Low skills of adults in particular areas of Leeds, notable in more central areas of the city.
  Learners from inner city communities should be encouraged to progress up the skills ladder to enable them to be more competitive in the labour market.

- Increasing the numbers of learners and attainment from minority ethnic groups, especially males from Black Caribbean, Pakistani, and Bangladeshi groups.
  It is important to engage those people who do not traditionally progress through learning routes so that all members of the local community can participate in the economic growth of the City.
- Improving Key Stage 4 pupils' knowledge and direct experience of work-based training and college courses.
  The LSC must support our partners to ensure that individuals embarking on learning post-16 make the right choice on their learning route, by making sure that they have the relevant information available to them so they can make an informed choice.

Issues – Chapter 4: Learning Infrastructure

- Some school sixth forms are too small to provide the breadth of curriculum young people need. Also they may be considered as not being cost effective.
  Schools need to work in collaboration to ensure that there is a wide-ranging and relevant curriculum to young people entering school sixth forms.
- Low key stage four and five achievement rates, with much lower male achievement and great variation between schools. There are particular differences between inner and outer areas of Leeds.
  The LSC is committed to improving the quality of provision across the board to raise standards and attainment.
- Insufficient level one and two provision to meet local needs.
  Through the StAR process the LSC is striving to address these concerns with partnership organisation and providers.
- Low intermediate and advanced vocational achievement rates in schools.
  These are areas that need to be targeted by schools to improve success rates.
- The number of young people staying at school, college, or on an apprenticeship programme after the age of 16 is too low.
  Young people should be shown the benefits of staying in learning, the message that 'learning pays' should be endorsed.

5.2 Identified Priorities for the Learning and Skills Council in West Yorkshire

The key challenges for the LSC West Yorkshire as highlighted in its market analysis are:

- To ensure that provision better meets the needs and aspirations of individuals and employers;
- To raise achievement levels, particularly for males and some minority ethnic groups.
- To increase the percentage of the population with good basic skills;
- To reduce the number of adults with no qualifications or qualifications below NVQ level 2.
- To increase the number of learners in excellent quality provision;
- To ensure a better match between provision and the needs of the economy;
- To continue to build the knowledge, skills and competency of our staff to deliver LSC priorities.

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www.odpm.gov.uk (Office of the Deputy Prime Minister)

www.statistics.gov.uk

www.jrf.org.uk (Joseph Rowntree Foundation)

www.dfes.gov.uk (Department of Education and Skills)

www.doh.gov.uk (Department of Health)

www.lsc.gov.uk (The Learning and Skills Council)

www.educationbradford.com

www.education.leeds.com

www.basic-skills.co.uk

www.ssda.org.uk (Sector Skills Development Agency)

www.nomisweb.co.uk (link to National Statistics data)

www.chamberonline.co.uk (British Chamber of Commerce)

www.yorkshirefutures.com (Yorkshire Futures)

Appendix

Glossary of Acronyms

ABI	Annual Business Inquiry
ACOP	Annual Census of Production
AES	Annual Employment Survey
ALI	Adult Learning Inspectorate
AMA	Advanced Modern Apprentice
AOC	Association of Colleges
BCC	British Chambers of Commerce
BoE	Bank of England
BSA	Basic Skills Agency
BTEC HNC	Business and Technology Education Council Higher National Certificate
BTEC HND	Business and Technology Education Council Higher National Diploma
CBI	Confederation of British Industry
C&G	City and Guilds
CoVE	Centres of Vocational Excellence
DfES	Department for Education and Skills
DoH	Department of Health
DTI	Department for Trade and Industry
DWP	Department for Work and Pensions
EOC	Equal Opportunities Commission
ESF	European Social Fund
EU	European Union
FE	Further Education
FMA	Foundation Modern Apprentice
FRESA	Framework for Regional Employment and Skills Action
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
GIS	Geographical Information System
GNP	Gross National Product
GNVQ	General National Vocational Qualification
GO	Government Office
GVA	Gross Value Added
HE	Higher Education
HEFCE	Higher Education Funding Council
IAG	Information Advice and Guidance
ICT	Information Communications Technology
IiP	Investors in People
ILO	International Labour Organisation
ILR	Individualised Learner Record
ISR	Individualised Student Record
IT	Information Technology
LEA	Local Education Authority
LFS	Labour Force Survey
LSC	Learning and Skills Council
LSDA	Learning and Skills Development Agency

Glossary of Terms and Conditions

Unemployment: the Claimant Count and ILO measure

There are two measures of unemployment, the claimant count and the ILO measure. The claimant count records the number of people claiming unemployment-related benefits on one particular day each month. Currently the benefits covered are Jobseeker's Allowance (JSA) and National Insurance credits. Claimant count data are released five weeks after the date to which they refer. The ILO measure is a survey-based measure based on internationally comparable criteria.

There are advantages and disadvantages with both the ILO measure and the claimant count. The claimant count has the advantage of being available quickly and for small geographic areas. The disadvantages are that, as it measures only those who are receiving unemployment-related benefits, it does not include unemployed people who are not claimants and over time, the claimant count can be affected by changes in the rules governing entitlement to benefit.

These deficiencies are largely overcome by the ILO measure but it too has disadvantages: for example, survey results are subject to sampling error and ILO unemployment can be increased by government measures to encourage people to actively seek employment or be decreased by measures to put more people on government training programmes.

ILO unemployment is available at UA/LAD level but only for larger local authorities due to ONS policy of suppression of smaller sample numbers. Recent boosts by LADB have increased the numbers of UA/LAD districts for which it is available from 91 to 118 in 2000/1.

Unemployment rates

Just as there are two main measures of unemployment, there are also two main official unemployment rates. The ILO unemployment rate uses ILO unemployment as the numerator, and the economically active population – ILO unemployment plus employment from the LFS – as the denominator. As the LFS is a household survey this measure is on a residence basis. Rates for local authority areas are available from both the quarterly LFS and the annual LADB, although for many areas the data are below publication threshold. Annual rates for Parliamentary Constituencies and TTWAs are also available. Additional wider unemployment rates can be constructed using components of the economically inactive group if desired. These are available for the LADB and the quarterly LFS.

The claimant count rate uses the claimant count as the numerator and an estimate of the workforce as the denominator. The workforce comprises employee jobs, self-employment jobs, Government supported trainees, armed forces jobs and claimants. The largest component of the workforce is employee jobs, as noted in the employment chapter, comes from a survey of employers. As a result the claimant count rate is a workplace-based measure, which expresses the demand for jobs in an area. Claimant count rates are available for a wide range of areas, including Parliamentary Constituencies, local authority areas and travel-to–work-areas (TTWAs).

For large areas such as countries or regions the main difference between the two rates stem from the definition of the numerator. However, for smaller areas the additional effect of the difference between the residence and workplace denominators should not be ignored as commuting will have an effect. In a self-contained area, the number of jobs will be similar to the number of people in employment. Although some people may hold more than one job the main difference in smaller areas comes from the choice of denominator. Where the numerator is the same for both rates, then in areas that have net in-commuting the workplace based rate will be lower than the residence based rate. Where there is net out-commuting then the residence based rate will be lower then the workplace based rate.

Both the claimant count rate and the ILO rate are affected by the relative mixture of jobs and people in local areas and the commuting patterns these bring about. While the residence based rate remains useful for social exclusion issues, analysing both rates together will give a broader picture of the local economy and ONS encourages users not to make direct comparisons of claimant count rates alone between UA/LADs. ONS produce TTWAs which are approximations to self-contained labour markets in order to allow claimant count rates to be compared between areas. However, TTWAs have become larger over time, reflecting increased commuting distances, which have meant in many cases the areas are too large for meaningful local economic analysis.

The employment rate

The employment rate is the number of people in employment expressed as a proportion of the total population of interest. For example, the working age employment rate is the number of people of working age in employment expressed as a proportion of the total number of people in working age.

Economic activity and inactivity

Economic activity covers those people who are either in employment or ILO unemployed, and all others are considered to be economically inactive. The sum of the number of people who are economically active and the number of people who are inactive gives the population aged 16+, but care is needed when using this sum to take account of the fact that it also includes people over pensionable age.

Those people who are economically inactive may be so for a number of reasons:
- They are unable to work because they are looking after a family
- They do not wish to work (this includes retired people)
- They are full time students not available for work
- They believe that no jobs are available
- They are unable to work because they are long term sick or disabled.

Vacancies

Vacancy data are available through NOMIS, the National Online Manpower Information Service. However, they are derived from records of vacancies notified to Jobcentre Plus and are not comprehensive. Vacancy data refer to a count taken on a particular date each month and released six weeks later. The basic count refers to the number of job opportunities notified by employers to Jobcentres that are unfilled. Data also collated for vacancies notified by the Jobcentre, vacancies filled, vacancies cancelled and placings. There is no obligation on employers to report a vacancy to a Jobcentre and it is generally agreed that only around one third of vacancies in the economy are notified. This proportion is likely to vary, at least to some extent, between local areas. Moreover, some employers make no use at all of Jobcentres, while others notify virtually all vacancies. What is clear is that vacancies notified to Jobcentres tend to be predominantly in semi-skilled and unskilled occupations, while for some higher-skilled and high pay occupations, notification is rare. Hence, Jobcentre Plus vacancy data should be treated with caution when undertaking analyses of skills (and potential skills mismatches) for higher-level occupations in particular. Caution should also be exercised in allocating data to specific Jobcentre Plus districts as distortion can occur.

Data is collected in the following categories:
- "stock" vacancies are those remaining as unfilled.
- "filled" are those filled by a jobseeker referred by Jobcentre Plus.
- "placings" are those jobseekers placed into employment.

Earnings

There are two sources of earnings data – the Labour Force Survey and the New Earnings Survey. However, the NES has a much larger sample and therefore is able to publish data on smaller geographic areas including PCs and LADs. Information is available on occupation and industrial group for larger regions. ONS provides a reconciliation of the two sources at UK level.

A **Activity rate** - The proportion of a population engaged in economic activity (see participation rate). Conventionally measured by dividing the labour force by the population of working age, activity rates can also be calculated for specific groups such as males or females or for age groups.

AES - Annual Employment Survey

B **Basic skills** - Basic literacy and basic numeracy. Basic skills are often described by reference to levels: level 1 is the level of literacy and numeracy expected of an 11 year old while level 2 the level expected of a 14 year old.
The definition of poor basic skills used by the Basic Skills Agency as the basis of the National Adult Literacy Survey is as follows:
Average or Above' - Someone in this category will be able to satisfactorily complete most tasks, given that they were straightforward and commonly encountered in everyday life. Respondents were allowed to make some mistakes without being classified as below average or in need of help.
'Low' - These respondents will be regarded as on the borderline of functional literacy and could attain the national standards in literacy and numeracy with relatively limited coursework or assistance.
'Lower' – These respondents have limited literacy and numeracy skills and would need directed assistance in order to reach the national standards. They would be expected to have difficulties in coping with at least some of the everyday literacy and numeracy requirements they encounter.
'Very Low' - These people have severe literacy and numeracy problems and would need intensive assistance to reach national standards.

C **Capital** – capital has several different meanings but all of them imply that capital can be used to generate an income over time:

Capital is a factor of production including buildings, plant and machinery
Capital can also mean financial assets used to invest
Human capital means the skills and experience of the workforce

Claimant count – the number of people claiming unemployment benefits. See also 13.1'Unemployment' above
Cyclical - Something which displays a regular pattern of change usually associated with the economic cycle of growth and recession. Most economic and labour market variables are affected by the economic cycle and thus display such variations. Such variation has to be distinguished from underlying trends (which may be either negative or positive).

D **DfES** - Department for Education and Skills
Discontinuity - A problem encountered in time-series data where a change in the way the data is collected (source, timing, coverage) means that the series is not available on the same basis over the whole period being considered (the series is not 'continuous'). Discontinuities usually occur at a specific date.
DTI – Department of Trade and Industry

E **Economically active** - Economically active people are those adults who are either in employment, or are unemployed but actively seeking work and are available for work.
ESS - Employers Skill Survey

F **FDI** - Foreign direct investment, also known as 'inward investment'
Full-time employment - This is conventionally defined as paid work of 30 or more hours per week.
Functional literacy - The ability to perform simple literacy tasks, for instance to locate the page reference for plumbers in the alphabetical index of Yellow Pages.
Functional numeracy - The ability to perform simple calculations, for instance, to calculate the change from £2.00 after purchasing an item for 68p and two items for 45p each.

G **Generic skills** - Skills which are not specific to a particular job or activity, sometimes referred to as 'transferable skills' and also key skills (see below). Generic skills relate to general abilities such as the ability to learn, to communicate or work with other people.
GDP - Gross Domestic Product, is the value of goods and services produced in an area.
GHS - General Household Survey
GNVQ - General National Vocational Qualifications
GVA – Gross Value Added gives an indication of the value of economic activity generated within an area such as a region. **GVA** per head details the economic activity generated within a region through the production of goods and services as a function of the region's resident population. This can however, be distorted by commuting. For example London's GVA per head seems very high due to the large numbers of commuters who form a major part of the workforce but live outside the capital and are not included in the calculations. Similarly, areas such as the Isle of Wight whose workforce is largely employed on the mainland may have an artificially low GVA per head. GVA per hour worked is perhaps a more useful measure of productivity. The GVA is presented relative to the hours worked in an area or region.

I **IER** - Warwick Institute for Employment Research, University of Warwick
ILO Unemployment - The International Labour Office defines unemployment as being without a job, having actively looked for work in the past four weeks and being available for work within the next two weeks. This definition only partially overlaps with the official count of job-seekers since some ILO unemployed are not registered and claiming benefits while not all those claiming Job Seekers Allowance (JSA) are actively seeking, or available for, work (even though JSA rules require this).
Index/Indices - Where the value of a variable is related to a base represented by the number 100. The choice of the base is essentially an arbitrary one and can relate to different types of measure. For example, the base may be a year in the case of time series or a specific region or the national average in the case of cross-sectional data. The advantage of indices is that they allow relative positions and changes in relative positions to be seen more readily.
Intermediate skills – there is no single clear definition of intermediate skills. The term used to refer to craft based or technician level skills such as for example, plumbing or bricklaying but is now often used to describe any skills at NVQ level 3. Confusingly, it is also sometimes used interchangeably with generic skills. (see above)

K **Key skills** - An ambiguous term usually referring to the skills necessary to secure employment. These skills include basic skills (literacy and numeracy) but may also include other generic skills such as team working. When referred to as 'Key Skills', the term usually implies the 'Key Skills' that are studied by students in schools as part of the curriculum including IT and communication.

L **Labour Force** - All those who are available for work. The labour force comprises the total of number of people who are employed (including the self-employed, plus the unemployed).
LAD – Local authority district
LEA – Local Education Authority
LFS - Labour Force Survey
Long Term Unemployed – the number of people who have been unemployed for more than a year
LSC - Learning and Skills Council
LTW - Learning and Training at Work (survey)
LSDA – Learning and Skills Development Agency

M **Macro economic performance** – the progress made by the economy as a whole, an initial measure of which is the rate of economic growth although other measures such as the long term rate of growth over time and productivity are also important.
Market – All the buyers and sellers of a product and the ways in which they are able to interact.
Market failure – occurs when market imperfections lead to an allocation of resources which is less efficient than it might be. For example imperfect competition can lead to firms not striving to minimise costs and prices.

N NACE - Nomenclature générale des Activités économiques dans les Communauts Européennes, the European equivalent of SIC coding.
NES - New Earnings Survey
NOMIS - National Online Manpower Information System
NOP - National Opinion Polls (Survey company)
NTO - National Training Organisation, currently being replaced by Sector Skills Councils
NVQ - National Vocational Qualification
NUTS - The classification of areas for European purposes is known as the 'Nomenclature des Unites Territoriales Statistique', translated as Nomenclature of Units for Territorial Statistics (NUTS). They provide a breakdown of the European Union's territory for producing regional statistics. See 9.7 for a fuller explanation.

O Occupation - A collective term for a grouping of jobs involving similar content in terms of tasks and which require similar types of skills.
OECD – Organisation for Economic Development and Co-operation
ONS - Office of National Statistics

P Participation rate - The proportion of a population participating in the labour market (see activity rate).
Percentile - A one hundredth part of a set of observations
Population- In research, all the people within a defined area or group e.g. car owners
Primary research – information gathered directly from source, rather than from sources already complied by others (secondary research)
Productivity – measures the efficiency with which resources are used. The most commonly used measure is output per person employed.

R RDA - Regional Development Agency
Registered unemployment - The official measure of unemployment has for many years been the count of people claiming Unemployment Benefit or, since 1997, Job-seekers Allowance. This consists of all who are registered for unemployment or other benefits (such as Income Support) or registered for the purposes of claiming National Insurance credits (if not entitled to benefits).
Replacement demand - The level of recruitment needed to maintain a workforce of a constant size. Replacement demand is the recruitment required to replace employees who leave the workforce because of retirement, career moves, mortality and other reasons.

S Seasonal variation - Changes in economic and labour market variables that relate to different periods over the year. Seasonal variations tend to be repeated each year. Employment in the construction industry is an example. It rises in the spring and summer and declines in the autumn and winter.
Seasonal adjustment - Adjustments made to time series data to remove seasonal variations (in order to reveal underlying trends in the series over time).
SIC - Standard Industrial Classification
Skill Shortages and Skills Gaps - The analysis of 'skill-shortages' has been hampered frequently by inconsistencies in definition and measurement. The first report of the National Skills Task Force, drew a clear distinction between the two different kinds of skill deficiency or problem with which employers may be confronted:

- recruitment difficulties in the external labour market, focusing on reported hard-to-fill vacancies which are skill related. The latter are referred to as skill-shortage vacancies
- internal skill gaps, that is, a divergence between firms' current skill levels and those which are required to meet firms' business objectives. These are measured by questions about the lack of proficiency of current staff.

Some internal skill gaps are identified and recognised as such by employers. However, it is possible that some skill gaps may not be reported. These are referred to as **latent skill gaps**. These take the form of unrecognised deficiencies in the skills required to compete effectively in rapidly changing world markets. Together these various problems are referred to as **skill**

deficiencies.
SNIB - Skills Needs in Britain (survey)
SOC - Standard Occupational Classification
SOC Major Group - One of nine broad groups of occupations forming the Standard Classification of Occupations.
Super Output Area (SOA) - Super Output Areas (SOAs) are a geographical area enabling the reporting of small area statistics. There are three hierarchical layers of SOA of consistent size across the country. The 'lower layer' has a minimum population 1,000 with a mean of 1,500. There are 34,378 lower layer SOAs in England and Wales. The 'middle layer' has a minimum population 5,000 and a mean 7,500. The 'upper layer' has a minimum size of 25,000.

U **Unemployment** - There are several different ways to define 'unemployment' depending on whether it is considered as a state (being without a job), an attitude (wanting a job), an activity (looking for work) or an official situation (registered for Jobseekers Allowance). There are two main measures of unemployment in the UK. These are, first, the official count of registered job-seekers and, second, the Labour Force Survey. See also 13.1 'Unemployment'

W **Workforce** – Strictly speaking the term workforce includes only people in employment, either employees or the self-employed. In practice, it is often used interchangeably with the term labour force. See above.

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