

## A LEARNING AND SKILLS STRATEGY

### Executive Summary

#### Introduction

The Learning and Skills Strategy sets out a vision for a learning region and offers a framework for achieving that vision. It is entirely encompassed within the Regional Strategy (as the Investing in People section). The strategy is based on a formal Labour Market assessment and the extensive consultation exercise undertaken by the NWDA; it has been further informed by a standing group (the Skills and Learning Forum) representing key players in education and training and a group of employers and their representatives. Throughout the strategy the phrase 'learning and skills' embraces all elements of education and learning appropriate to social and economic fulfillment.

#### The current position

The labour market analysis has identified a range of challenges for the region, in terms of the demand and supply for skills and learning. The overriding message is of the need for a more highly skilled workforce in the future because of the changing nature of global competition. Unfortunately the labour and learning markets do not work well in ensuring there is an effective response to the changing economic needs.

There are weaknesses on the demand side. Many employers are failing to develop their businesses towards high added value strategies (instead, choosing to compete on cost alone, a strategy unlikely to succeed in the long term). The benefits of workforce development in terms of the financial bottom line is a message that has penetrated companies only to a limited extent. Even where employers are convinced of the need for higher skilled workforces too many are either unprepared to invest in the necessary training and development or do not have the capability to plan, implement and evaluate what is required. Fear of investing in training staff who will then be poached is also a significant barrier.

Management development remains an area of serious under-investment and, apart from several sector-specific skills shortages and gaps, there are widespread concerns over literacy, numeracy, employability and ICT skills. Despite the concentration of Higher Education institutions in the region the level of graduate recruitment is below the UK average. A significant number of working age residents lack accredited skills or qualifications and there is still some way to go to establish a learning culture amongst either North West residents or their employers.

Turning to the learning supply side, too high a proportion of training providers are perceived as inflexible, and smaller companies in rural areas have particular difficulty in accessing training provision. Despite significant recent initiatives to widen participation in learning, the opportunity to learn, and therefore earn, is denied to too many people, particularly those who are disabled, from an ethnic minority or otherwise disadvantaged.

Overall the skills profile of the region is unbalanced with under-performance particularly marked at the higher and lower ends of the skills spectrum. However, there is considerable diversity across the region. Whilst the region is performing at around the UK average, and in some particular areas well above it, at the present rate it will take many years to restore the competitive balance relative to the rest of Europe, even if our competitors stand still.

Unless there is an urgent and radical upskilling of the workforce, North West residents will be at a serious disadvantage as the region's businesses find it more and more difficult to compete in UK and world markets.

## The Future

### Our vision is a region where:

- the skills of the workforce are equal to the best in Europe
- the region's employers see training as an investment (not a cost) and have the capability to develop their workforces effectively
- the learning environment kindles creativity, entrepreneurship and innovation
- all our young people have the skills and attitudes to gain employment that meets the needs of their employers and themselves
- higher education graduates in the North West can find employment to suit their ambition and the needs of employers
- people are committed to developing their skills, general employability and learning throughout their lifetime
- appropriate high quality and responsive learning opportunities are available
- all people have equal opportunity to learn and earn
- high quality careers information, education and guidance is available to all

### The Learning and Skills Action Plan

We will achieve this vision through the Learning and Skills Action Plan embracing 4 strategic objectives:

- to raise the demand of employers for skilled people, to increase their skills investment and to improve their workforce development capacity
- to raise individual demand for skills
- to invest in equality of opportunity for learning in the region leading to increased social inclusion
- to invest in improvements to the regional labour and learning market

Each of these objectives will be delivered through a detailed Action Plan drawn up in partnership with built-in arrangements to identify progress, permit an annual review and evaluation, and offer continuous improvement. The main ingredients of the plan are as follows

#### Raising employer demand, skill investment and capacity

- the establishment and support of regional sector-specific networks and consolidation of local networks with a generic focus is needed to provide the employer side of a regional partnership to transform the culture of companies to drive up their ambitions and to recognise training and development as an investment and not a cost
- using this partnership as a springboard for a region-wide campaign to kick-start the essential cultural change focusing sharply on business benefits. The key objectives of the campaign will be significant improvements in management capability, ICT competence, key skills, basic skills and the employment of graduates in SMEs. Appropriate targets will be included in the implementation plan

#### Raising individual demand for skills

- in parallel with embedding in companies recognition of the link between workforce development and business success, we will seek to implant in individuals the connection between learning and personal economic and social fulfilment. This will be accomplished through a regional campaign co-ordinated with local and national schemes engaging organisations with similar objectives not normally involved in economic development (for example the professional institutions). It will seek to promote learning in the widest sense in recognition that all learning is valuable. The targets for the campaign will be agreed with partners and will embrace national learning targets and additional regional targets aimed at key and basic skills and languages
- in addition we will seek to influence national and EU policy to increase the status of employability, the level and quality of careers education and guidance and the effective use of Individual Learning Accounts

### Investing in equality of opportunity for learning

- the first step in redressing the imbalance in learning opportunity will be to ensure that social inclusion is 'mainstreamed' by testing all measures within the action plan against equality of opportunity
- this will be supported by a series of targeted measures, adding value to national programmes by improving co-ordination and introducing arrangements for the identification and spread of good practice
- we will also develop measures aimed directly at individuals not currently on the unemployment register
- finally, we will seek to combat ageism and other prejudice and ensure that NWDA programmes are characterised by attention to qualitative outcomes rather than quantitative outputs and embracing 'family friendly' policies

### Investing in improvements to the regional labour and learning markets

The Labour Market assessment confirmed the need to redress the mismatch between labour demand and supply. The arrangements for the delivery of one part of supply – the post-16 sector – are under review. Thus a detailed plan for improving the learning infrastructure must await the outcome. We will then focus on building a sustainable 'skills partnership' for the region based on Service Level Agreements with key players underpinned by the continuation of the Learning and Skills Forum. Furthermore, we will institute arrangements for the provision of timely and reliable labour market information and intelligence, by the establishment of the Regional Intelligence Unit. The establishment of the skills partnership and the means to assess the progress of our plans allows a series of actions to improve the operation of the infrastructure in all areas. The main emphasis will be as follows:

#### • Pre-16 education

- coherence with LEA Strategic Plans and Education Development Plans and DFEE initiatives
- enhancing IT Competence
- improvement education- business linkages
- supporting of Key Stage 4 links to post-16 learning opportunities

#### • Post-16 learning

- construction of framework for enhancing education- business linkages
- identification and spread of good practice in FE provision
- promotion of high quality information and post-16 careers education and guidance
- SME access to large company training resources
- more SME work placements
- increase of opportunities for FE-HE progression

#### • HEIs and higher level skills

- development of a strategic partnership with NW HEIs
- graduate and undergraduate employability and retention
- spread of best practice in the vocational delivery of Higher Level Skills
- support for HE links with companies/SMEs

#### • Regional ICT partnership

- quantifying of existing provision and demand
- investing in infrastructure
- setting of market-led targets
- promotion and delivery of appropriate materials and content

#### • Supporting inward investment

- provision of information
- development of tailored courses

## Implementation

The implementation of the Skills Action Plan will be undertaken through partnership: the NWDA will agree with appropriate partners operational plans which define responsibilities linked to milestones/targets and review processes. Where appropriate these will be linked to Service Level Agreements.

## Performance review and evaluation

Performance indicators will be developed during the initial phase addressing both progress towards the vision and achievement against the strategic objectives. This will incorporate proposals for evaluation.

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## A LEARNING AND SKILLS STRATEGY

### 1 Introduction

This strategy for learning and skills sets out a vision for a Learning Region and offers a framework for achieving that vision.

Its base is the overall Regional Strategy for North West England, embracing competitiveness, social inclusion and sustainability.

It provides as a starting point an assessment of the regional skills base leading to a set of priorities for the NWDA and also regional partners in the development of the region's workforce and potential workforce.

It also provides a regional framework including a **Learning and Skills Action Plan** to co-ordinate the work of education/training institutions and associated agencies in the region and to inform North West employers in both private and public sectors.

## 2. WHERE ARE WE NOW?

### 2.1 Methodology

In developing the North West's skills and learning strategy the starting point has been **an assessment of where we are now**. In part this includes the conclusions from a formal Labour Market Assessment carried out by Pion Economics but it also takes account of the findings from the NWDA's consultation process. This has included a public consultation (with over 200 responses across the region), the private sector's input through over 30 industry sector groups and the Regional Strategy Panel process which apart from geographical, sectoral and other related sessions included a panel session specifically examining skills and learning issues. An important contribution has been the "Guidance for the NWDA - Economic Growth and Social Progress" provided by the North West Regional Assembly in May 1999 and information provided by the Government Office for the North West. The assessment has also been closely informed by the work of the North West Skills and Learning Forum which has had a particular role in developing the findings of the assessment into a strategy for action.

Not all the evidence provided is statistically founded and logistics have prevented significant new primary research at this stage. Indeed one of the conclusions relates to the need for new methodology in regional intelligence provision. However the assessment does provide a useful baseline on which to build a strategy whilst recognising the need for further refinement over time.

### 2.2 What are we assessing?

Establishing our North West skills baseline requires examination of **two markets: the demand and supply of labour and the demand and supply for learning**. Clearly these are closely related since the balance of the learning market will affect the supply over time of suitably skilled labour available to respond to employers' labour needs. One of the key things to examine is how well does the market work since decisions concerning the degree and nature of public intervention should take account of the extent and characteristics of any failure in the market.

### 2.3 The labour market

Few people today believe it is possible to assess very precisely the balance of supply and demand for labour. The complexity involved in carrying out manpower planning exercises is difficult enough for individual companies never mind the North West as a whole. It is, however, useful to identify the significant demand and supply trends and to consider areas in which employers are indicating they have current labour shortages or are anticipating future problems in supply.

## 2.4 Labour demand

The demand for labour with particular skills has to be seen in the context of the North West economy as a whole. A description of where we are now is contained within DTZ Pida's assessment of the regional economy. The main features are summarised at Annexe One but some of the key messages affecting demand for skilled labour are as follows:

- although the region's industrial structure is becoming closer to the national picture, **the prognosis for the future is fairly gloomy** – it will be difficult for the North West to catch up with the best regions
- patterns of production and production methods will change in response to **global competition** - this will require labour with different skill portfolios
- the availability and use of **Information and Communication Technologies** will increase very significantly with implications for ways of doing business as well as the creation of new business opportunities. It will have specific effects on the way labour is used and what skills are required
- **less local control and autonomy** – this will require flexibility in the local workforce to respond to challenges which may not always be anticipated
- business is becoming increasingly **knowledge - based**. Competitive businesses will be higher added value businesses. This will lead to increased demand for higher skilled labour
- **product lifecycles are likely to shorten** – business will need managers and staff who can innovate and respond rapidly to change
- there is a need to bear in mind that **the picture varies enormously from one part of the region to another** and there is also a great contrast between the best companies and many badly performing SMEs. A blanket approach is therefore not always appropriate. This needs to be recognised in applying skills strategies across the region by the development of appropriate and relevant positive action initiatives

A summary of DTZ Pida's findings regarding **blockages to regional development** and **sectoral/cross sector opportunities** are contained at Annexe One.

Taking account of the findings of the economic assessment and the significant consultation exercise, NWDA's "Investing in Business" strategy identifies a number of sectors with outstanding growth prospects. These are:

- computer hardware and services
- creative industries and multi-media, film and TV
- environmental technology
- fine and speciality chemicals
- financial services
- internet-based services
- life-science industries
- media/advertising/public relations
- medical equipment and technology
- tourism

Pion Economics has examined what the **likely labour demand** will be in the whole range of industrial sectors over the next ten years. This takes account of estimated replacement demand as well as net demand. The results are set out at Annexe II. Some caution is required in interpreting these findings. The categories are wide and there may be important details within each industrial sector. Also important to consider is the diversity of industrial structure across the North West; the effects of these trends will differ widely from area to area.

What is important in the skills context is not just the numbers of employees but the **changing skill levels** of those employees which will be required by employers. The general message is a need for more highly skilled labour but there is a difference between the needs of net jobs (new jobs less jobs disappearing) and replacement jobs (which take account of movements between occupations, quits, retirements etc). The part played by replacement jobs is significant – for jobs forecast on the basis of former/likely trends to be taken up by males the replacement requirement is around 17% of the 1998 employment base, in the case of females even higher at 22%. (The distinction between males and females is made to assist understanding of predicted behaviour – the desirability of action to eradicate the stereotyping which leads to these distinctions is indisputable and covered later in this Strategy).

A significant number of net jobs will require relatively high qualifications/skills. For example of the gross job gains forecast to be taken up by males 67% are likely to require some form of higher education qualification – only 8% of the expected net jobs will require low/no skills.

The sectors identified above from the DTZ Pida study are expected to yield net extra employment and clearly it is likely that many of these will require higher level generic and specific skills even though some sectors will have a number of jobs for lower skilled recruits.

Replacement jobs will require skilled people at all levels but with an emphasis on intermediate levels (29% at Level 3, 29% at Level 2 with only 13% at Level 4+.)

Pion Economics has estimated that some 644,000 job vacancies will be required to satisfy new and replacement demand between 1998 and 2008. Just over a quarter will be at Level 4 with a 55/45% split in favour of forecast female take up, though the overall jobs forecast to be taken by females will be less skilled with a 88/12% split for jobs requiring low or no qualifications. Again these distinctions give rise to concern in terms of equality of opportunity.

The industrial sectors which will require the greatest skill uplift will be:

- for jobs forecast to be filled by males: clothing, electronics, construction, textiles, paper, printing and publishing, basic metals and metal goods, motor vehicles and aerospace
- for jobs forecast to be filled by females: textiles, clothing, other manufacturing, paper, printing and publishing, chemicals, construction, and motor vehicles

The fact that these forecasts differ significantly by gender affects the nature of the skills challenge reflecting the pattern of gender stereotyping which, as mentioned earlier, persists across many industries.

Annexe III provides forecasts of **occupational trends** over the next ten years. Again the replacement jobs factor is relevant. For example although a significant reduction is expected in net demand for male clerical jobs, taking into account replacement demand there will still be an overall requirement for more of such jobs over the ten year period.

More is said about employer demand (including messages from industrial sector groupings) in Section 2.6 which considers the balance of supply and demand, and further detailed information is contained in NWDA's Labour Market Assessment.

## 2.5 The supply of skilled labour

The supply of labour of sufficient skills will be crucial to the North West's success: DTZ Peda have argued positively that **the region has a significant critical mass of skilled labour** with most of the population and economic activity within 1- 1½ hours travel time. The overall population at 6.9 million represents 1 in 8 of the British population making the North West the second most heavily populated of the twelve regions in the UK. In age profile this mirrors the national picture with 20% of the region's population under 16 yrs old and just under a fifth pensioners, while 4% of the population is of ethnic origin (around 2% less than the national figure).

The workforce is some 2.7 million, two thirds of whom work in the service sector, almost a third in industry and less than 1% in agriculture. Apart from the North East, from 1981 to 1996, the North West was the only English region to experience a decline in population. Although this was only 0.7%, the South East & East regions each saw an increase of 9% and the South West an increase of 10.5%. Despite this past trend, in the period to 2008 the North West's labour supply is forecast to see a net increase of 16,000 males and 59,000 females.

The size of the workforce is not in itself the critical factor; what really matters is **the extent to which this source of labour has, or can acquire the skills which future businesses will require**. The first table at Annexe IV compares the highest qualification of the North West workforce compared with other regions.

This shows:

- that the North West lags marginally behind the England average for higher qualifications (NVQ4+)
- is broadly comparable at the intermediate level, but
- has a significantly poorer profile in terms of the proportions with no qualifications (5% higher than the England average)

But being close to the England average for intermediate skills is not enough. It is important to bear in mind that, although England compares well with Germany and France in higher skills, both at Level 2 and 3 the UK is significantly behind France and Germany, the German workforce for example having twice as many people qualified to NVQ3 as the UK. Even in terms of higher skills the UK compares poorly with the USA.

It is also instructive to compare the North West with the South East region – one of the best performers in the UK. Compared with the South East:

- the North West has a 5% lower qualification rate at the NVQ4+ level
- a 1% lower intermediate rate and
- a 9% higher rate for those with no qualifications

The scale of this difference is huge and reflects the disturbing fact that:

- already at Year 11 the proportion of North West leavers with below GCSEs grade C is 8% higher than in the South East
- the differential at the A level stage is 8-9%

It is important to note that skill levels and academic achievement vary very significantly within the region with some areas having skill supply better than the national average, while others – notably the Merseyside sub-regions and parts of Greater Manchester - have a dampening effect on the overall regional profile. This is demonstrated in the last two figures at Annexe IV.

It is instructive to compare the North West baseline with relevant qualification achievement measures contained within the National Learning Targets for the year 2002:

NATIONAL LEARNING TARGET FOR 2002			
		NW BASE at DEC 98	ENGLAND BASE at DEC 98
11 YR OLDS	80% reaching the expected standard for their age in literacy	Wide range	63%
	75% reaching the standard in numeracy	Wide range	62%
16 YR OLDS	50% getting 5 higher grade GCSEs	23% - 54% across NW	46%
	95% getting at least one GCSE	wide range	93%
YOUNG PEOPLE	85% of 19 year olds with a NVQ Level 2 or equivalent	72%	72%
	60% of 21 year olds with an NVQ Level 3 or equivalent	Merseyside 42% Rest of NW 49%	50%
ADULTS	50% with a NVQ Level 3 or equivalent	43%	42%
	28% with a NVQ4 or equivalent	24%	25%
	7% reduction in non-learners		

Here again there is **much variation across the North West**, supporting the need for local or sub-regional strategies which the development of Lifelong Learning Partnerships is intended to meet.

Of course the current picture is not set in stone and the deficit with the South East and elsewhere can be made up over time by **appropriate future skills development** through education institutions and workforce development. This will need to take account of our starting point and it may be that this explains why North West FE institutions provide 6-7% fewer courses at Level 3 than in the South East and more courses for home students at Level 1.

From 1998 data it seems that North West employers provide generally higher levels of training than do those in the South East. As this picture was the reverse in 1997 this may be a statistical blip rather than a long term trend. Certainly the region cannot hope to make up the deficit without addressing the need for significant skills uplift year by year. Pion Economics have estimated that realistically if South East skill levels remain constant it will take 15 years to remove the deficit at Level 4, and 16 years to eradicate the difference in the proportion of those with no qualifications.

Overall, the picture on the supply side is very challenging. The position is considered further in the next section in the context of the supply/demand balance.



## 2.6 Balancing labour market supply and demand: skills shortages and skills gaps

It is important in this section to start with some definitions and those contained in the National Skills Task Force have been adopted.

**Skills shortages** are considered to exist where there is a genuine lack of adequately skilled individuals available in the accessible labour market.

**Skills gaps** exist where the existing workforce has lower skills than are necessary to meet business objectives; or where new entrants to the labour market are apparently trained and qualified for occupations but still lack a variety of the skills required. In some cases such skills gaps may not even be visible to the employer.

In addition there may be **other recruitment difficulties** which incorporate problems caused by poor recruitment practices, poor perceived image of an industry, low remuneration and lack of flexible working patterns available to employees. These problems can occur even when there are sufficient skilled individuals available.

Information regarding skills shortages and gaps comes from a variety of sources at national, local and regional level. Unfortunately it is not always easily aggregated or disaggregated because additional different information has been collected or it has been collected on a different basis and to different standards.

It is clear that **the nature of labour markets is undergoing significant change**. Numerous reports stress the continuing change in the structure of employment away from traditional manufacturing (predominately full-time employment taken up by males) towards service occupations (comprising more part-time and/or temporary employment, much of it taken up by females). These trends are widespread but are particularly noted in economic assessments covering areas with a traditionally high concentration of manufacturing and production (including for example Chester Ellesmere Port and Wirral, St Helens, Lancashire, Oldham, Manchester, Bolton and Bury).

Agriculture has been affected by a number of factors, some of them global, while upland farmers and others involved in the industry lack in some cases the skills associated with preparing for necessary diversification.

Various commentators suggest that labour markets across the region have tightened in recent years, for example a recent survey of South & East Cheshire employers suggested two thirds were experiencing difficulties in filling vacancies. Pressures appear lower in other areas (for example in St Helens 20 % of those recruiting in the past year had had problems).

A number of particular skills needs are identified in both local and industry focused reports:

- skilled manual/craft jobs (particularly in engineering, Bolton and Bury)
- IT specialists (across the board)
- Managerial and professional skills, including corporate managers and administrators (for example in the North and Mid Cheshire, Chester Ellesmere Port and Wirral, Wigan and East Lancashire areas, the latter particularly in services)
- Personal and protective services
- Sales staff (in particular in Bolton and Bury and North and Mid Cheshire)

Various **sectoral needs** emerge from the National Training Organisations (NTOs) to support these local indicators. The NTO National Council Second Skills Survey report (April 1998) indicated that about 85% of responding sectors confirmed they were experiencing some difficulties in recruiting suitable staff, though these were rarely widespread in terms of skills or geography, with most problems being localised. Further information is given at Annexe V.

There is anecdotal evidence to suggest that the expansion in services will include changes in the scale and scope of tourism, the arts, leisure and cultural industries and the media. In addition the voluntary sector is a major employer and is set to remain so into the future (paid employment is currently estimated at 485,000 nationally plus extensive volunteering.) Specific quantitative information on these areas is limited at the regional level. However a recent report mapping training and business support for the creative industries in Merseyside indicated that they comprise many SMEs and self employed individuals working on a freelance basis. Particular needs include business support and targeted sector specific training based on a relevant training needs analysis.

Where tested locally there are signs that skills gaps are of at least on a similar scale to those reported nationally and perhaps more pronounced among young people. Dissatisfaction with the skills of their current workforce has been expressed by 13% of Manchester employers and 20% of Cumbria employers (40% of Cumbria employers are dissatisfied with the skills of their young employees).

Further information regarding employers' perceptions on skills shortages and gaps—not all of it quantitative – has been provided by industrial sector groups set up specially by the RDA (through the NW Business Leadership Team and other NW employer bodies). Of the 32 responses received, 20 explicitly identify skills issues as a significant constraint on the region's competitive performance and growth potential – indeed **skills development is identified as the main constraint on the region's competitiveness**. Specific examples are given within Annexe V.

Some of the most often cited shortages and skills gaps relate to generic skills, which are quoted across many industrial sectors and by other observers of the labour market.

For example a common message from the NWDA's consultation exercise was the need for greatly improved **ICT skills**. The size of the ICT revolution is well rehearsed – a quarter of all US retailing done on the Internet in ten years time, Internet trading increasing at 50% compound per month, government to conduct 90% of its routine procurement electronically by 2001, PC ownership both by employers and households dramatically increased as hardware has become relatively inexpensive.

There are arguably three different kinds of ICT skill needs:

- the needs of ICT specialists
- the needs of users
- the needs of business managers in reshaping their business strategies

The North West Regional Assembly's IRISI body has proposed an integrated strategy for improving ICT skills in the North West but at present does not hold accurate information on the baseline. From national figures it is likely that there is a skills gap of over 10,000 people with higher skills as well as a gap at the lower skill level. Symptoms of a national skills shortage in the industry include high levels of staff turnover (15-20% and rising), up to 35% of surveyed employers citing a demand for specific ICT skills (perhaps even higher in the public sector), salaries increasing at well over the norm and job advertisements running at historically high levels. IRISI lists amongst its proposals the need for a (short and simple) audit of regional ICT demand and supply to enable the setting of stretching market-led targets for increased learning to fill the skills gaps and address skills shortages at the different levels required.

Although there is a need for massive development of the existing workforce's ICT competence there is also a need to ensure that young people in schools are prepared to a level of IT literacy that will better enable their developing of more specific skills in the workplace. The baseline is not encouraging. The NWDA's panel addressing skills issues was informed of the staggering difference in attainment of primary schools between those properly equipped and those not, as well as disparity in performance between similarly equipped schools. Commitment by schools to raising ICT literacy is said to vary significantly across the region.



Another area of generic skills shortages and in particular skills gaps is that of management skills. Judging the extent of management skills gap is difficult but in response to the NWDA's consultation exercise 21 submissions from a spread of sectors and geography cited poor general levels of managerial capacity and business leadership as a constraint on the region's productivity. Respondents saw improvement essential in terms of increasing competitiveness, developing effective innovation, and in the use of ICT. Linked to this was a perceived need to develop entrepreneurship. A number of respondents saw a need for a management excellence programme linked to improving regional competitiveness. In the skills context the human resources side of management – human resource development, recruitment skills, industrial relations skills, remuneration planning etc – is particularly important. If managers can manage people effectively, ensuring that the necessary skills are in place will usually follow.

Another set of generic skills shortages and skills gaps identified by many respondents to the NWDA's consultation - as well as by individual employers – is the range of **basic skills, key skills and employability skills**. Definitions are required since although sometimes used interchangeably they can be seen as quite different types of capability.

“**Basic skills**” are defined by Claus Moser in the recent report “Improving literacy and numeracy: a fresh start” as the ability to read, write and speak in English at a level necessary to function at work and in society in general. “Functional literacy” is equivalent to achievement of Level 1 of the Basic Skills Agency Level 1 standards whereas “functional numeracy” requires numeracy at Entry Level. From such a functional level people find it easier then to “take off” and improve further as they may well need to do.

The North West position regarding basic skills attainment is summarised at Annexe VI through figures provided by the Basic Skills Agency. Even without Merseyside's figures the North West has the third lowest literacy levels. The same is true for numeracy. But it is important also to take into consideration that the UK as a whole compares badly with most of its competitors. For example, using identical questions the percentage of adults with low literacy in Germany is 12%, in Britain 23%. The respective figures for numeracy are Germany 7%, Britain 23%.

Very striking is the variation according to geography. Although the average for the North West (without Merseyside) for those with low/very low literacy is 15.7%, individual wards in parts of the region have as much as 30%. The picture for numeracy is even more marked: the average is 13.4% with low/very low numeracy while some wards are as high as 35%. The example of Manchester included at Annexe V is typical of the way in which figures vary ward by ward even within any particular area.

This reflects the association of basic skills attainment with a range of social exclusion symptoms which are to some extent geographically based. For many people their exclusion from the labour market is tied up closely with the level of their basic skills attainment. For those in employment it will be a major factor influencing whether they will progress in their career or whether they avoid future redundancy as the skill demands of work increase over time. This is not just a geographical factor - for example literacy results are less favourable for some residents of ethnic origin whose first language is not English.

According to Moser's report, compared with those with adequate skills adults with poor basic skills are:

- up to 5 times more likely to be unemployed or out of the labour market
- more likely to live in a household where both partners are not in paid employment
- more likely to have children at an earlier age and to have more children
- more likely to have children who also struggle with basic skills
- less likely to own their own home
- less likely to be in good health
- less likely to be involved in public life, in a community organisation or to vote
- more likely to be homeless
- over-represented in prisons and young offenders institutions

The Moser report provides a comprehensive analysis which it would not be appropriate to duplicate here but one particularly relevant finding is the economic effect of poor basic skills: Ernst and Young have estimated that illiteracy costs business and government £10 billion a year.

**Key Skills** are listed in DfEE's “The Learning Age” Green Paper as:

- working with other people
- effective communication, including written skills
- the ability to work with numbers
- the use of information technology
- developing learning skills
- problem solving

Though the terminology has at times been used differently, the need for key skills (at differing levels) can be considered within the context of employability

**Employability** is a term used more loosely and is more inclusive. The CBI have defined this as “the possession by an individual of the qualities and competencies required to meet the changing needs of employers and customers and thereby help to realise his or her aspirations and potential in work,” or more crisply “simply the ability to be employed”. It includes predictably:

- basic skills
- key skills
- up-to-date job-specific skills

But also less predictably:

- values and attitudes compatible with the work
- up-to-date and relevant knowledge and understanding
- experience
- a willingness in certain circumstances to move with (or to) a job
- career management skills

Regional respondents to the NWDA consultation have in some cases cited **language skills** as constituting key skills in an increasingly global market for goods and services (and an increasingly international labour market). **Customer service skills** again constitute crucially important key skills in a wide range of industries and not just those in the service sector.

The concept of employability is useful in considering how those who are socially excluded can be brought into the mainstream, especially those who are unemployed. The skill needs involved in raising employability need to be built into the range of measures planned by partners seeking to reduce social inclusion.

The concept is also relevant in considering how young people can best prepare to enter the labour market for the first time. There will be certain elements of employability which they will not be able to easily fulfil - there is arguably a need for schools and other learning institutions to develop more effectively those aspects which can be developed. While education has wider aims than preparation for work alone, there is a need in all education institutions for preparation for work to form a part of such education and for this element to be planned and implemented effectively. As the National Skills Task Force has pointed out “the concern is that higher levels of formally assessed knowledge amongst young people must be complemented by the skills needed to apply that knowledge productively in the workplace”. More is said on how business can assist education institutions in developing employability under the later section on learning supply.

If we take the CBI definition of employability as including the aim that each individual should reach his or her potential, then the concept has to be seen as extending well beyond basic levels. Nor is it something which is merely preparatory to employment. Employability is a dynamic concept and employers will demand changing and higher levels of skills from employees as business strategies are adjusted to compete globally. As the 1996 North West HRD Strategy argued, changing global pressures can be better addressed by the development of “learning companies”. It follows that **learning companies need learning employees**. The gradual accumulation of ever higher transferable skills (employability skills, key skills) and a willingness to consider non traditional options needs to be part of everyone’s lifelong learning. This is what individuals will need to reach their potential and what industry will need to compete.

This leads to the conclusion that **trainability** is itself an important aspect of employability and needs to be developed from an early stage in an individual’s career. This need is accentuated by **the trend of employment away from lifetime careers with a single employer** to more frequent changes in employment, a trend towards short-term contracts, the contracting out of non-core functions, greater opportunities for part-time employment offered as a range of flexible working patterns and a move towards individuals owning employment portfolios which change over time.

## 2.7 Learning market and labour market efficiency

The supply of learning clearly is an important factor in affecting the supply of skilled labour but unfortunately the learning market and labour market do not always work perfectly in tandem. The employers who need skilled labour do not always choose to train their workforces, individuals do not train themselves in response to labour market needs and the connection between what publicly funded agencies provide and what is required by the labour market is not always clear.

### 2.7.1 Employer demand

The reasons employers do not provide the learning necessary to respond to labour market needs are many, for example:

- fear of poaching
- lack of expertise in planning and implementing training
- difficulty in releasing staff
- lack of expertise in business planning on which training plans could be based
- perceived lack of high quality supply
- perceived inaccessibility of supply (opening hours, fixed college terms and transport – a particular problem in rural areas)
- affordability (even where training is seen as an investment and not a cost)
- lack of information/intelligence
- being unconvinced of the part played by skills in achieving profits and growth

What employers do in the face of skills needs has a clear effect on the labour and learning markets. It obviously makes a difference whether they poach from other employers (often pushing up wages), invest in training or merely “make do”, failing to realise their business potential. Clearly in many cases they have chosen to avoid investment in training. This is a national problem but it may be more accentuated in the North West than in the most successful parts of the UK. The evidence is that on average North West employers provide lower levels of training than their counterparts in the South East with 4-5% fewer North West employees with low/no qualifications receiving job-related training than in the South East.

Another effect on demand for skilled labour and hence for learning is **the extent to which business managers will adapt their businesses to exploit opportunities**. The NWDA’s Investing in Business strategy aims to encourage and enable businesses to become more knowledge-based and to adopt higher added - value strategies. To the extent that this is successful, the demands for higher level skills in the workforce will be greater.

A relevant issue in this context is the availability of good quality graduates in the **North West and the insufficiency of employer demand to retain graduates** who would prefer to stay in the region on completing their studies. In 1997 the region’s higher education institutions attracted over 34,000 students from outside the region and its net ‘balance of trade’ was 2,600 UCAS placements, the third best of the English regions. Nearly half of North West students in the 1997 UCAS exercise chose North West higher education institutions, again the third best region. It is estimated that taking account of part-time students, over 60% of HE students from the region study in the region. But – although limited information is available (a concern in itself) – it seems there is a net outflow of graduates for the region as they graduate and take up employment. Research carried out by the Enterprise Centre for Learning and Curriculum Innovation in May 1998 found that approximately 40% of graduates from universities in the North West would prefer to live and work in the region. In fact only three quarters of these graduates achieve this. Moreover the research found that despite this preference many graduates do not perceive the North West as a serious employment option due to lack of suitable job opportunities and graduate training schemes.

Part of the problem (no doubt shared with other regions) may be the lack of SME demand for graduates. Although links between HEIs and larger companies are often well developed this is less the case with SMEs. The lack of such links has been explored by the Council for Industry and Higher Education in its 1997 report “SMEs and Higher Education: A Framework for Future Policy.” This suggests that “SMEs are focused on the short term, look for immediate practical solutions to problems...universities can be conservative, slow moving institutions (and view SMEs as having) limited prestige and limited income.” Fortunately there is a base of good practice in the North West as a number of institutions have developed programmes to address this issue. This base should be built on and extended across the region.

### 2.7.2 Individual demand

Just as there is concern about the employer demand for skilled people, the position regarding individuals’ demands for learning is also discouraging. Although individual investment in learning (financial, not just time) may be more significant than is sometimes assumed there are many people for whom learning is either undesirable, unnecessary or perceived to be problematic. Barriers to participation include, for example:

- cost
- childcare provision too costly, or not available (at the right quality, or at all)
- accessibility (transport – particularly problematic in rural areas, hours of course availability, physical access or other barriers for those with disabilities)
- lack of confidence
- previous bad experience of learning (eg lack of success at school)
- lack of effective careers education, information (including labour market intelligence), advice and guidance
- length of courses – smaller modules might be more feasible and motivating than long term study
- perception that learning is unnecessary or not relevant
- insufficient awareness that career opportunity including earnings are demonstrably related to individual skills levels

### 2.7.3 Learning supply factors

Some of the barriers identified affecting learning demand from employers or individuals relate to deficiencies in learning supply.

At the **pre -16 stage** there have been big changes in recent years focused on improvements in pupil achievement. The introduction of targets (and increased resources) to stimulate numeracy and literacy and the establishment of pilot Education Zones are examples amongst a range of new developments. Despite this, there is much still to be done and it is arguable that partners across the North West could assist the process better if they were more actively involved in the development of Local Education Authorities' Education Development Plans.

Regarding **post -16 learning provision**, although learning suppliers have cited through the NWDA's consultations the progress that is being made in widening participation and assuring quality, there is a perception amongst some employers in the North West that learning supply is not always of high quality or sufficiently responsive and flexible. The extent to which this perception is justified is more difficult to judge. Certainly on the basis of the Further Education Council's own Inspectorate there is much provision of a high quality which compares not unfavourably with national standards – indeed out of five colleges nationally so far to have received accreditation status two are situated in the North West. With roughly a seventh of the total number of English colleges, in 1997-8 the North West had six citations of outstanding achievement ( a '1' grading) out of forty seven nationally. But there exist some cases where provision is judged to be less than satisfactory or poor. The gap between the best and worst colleges is high.

This is also the case regarding independent assessment of work-based training provisions although the work of the Training Standards Council is at an early stage at the time of writing. Both work-based and college training have contributed to the learning elements of New Deal. Although it is still rather early to judge the success of New Deal, in some cases learning providers have found it difficult to respond to the high flexibility of delivery being demanded by the programme.

Issues relating to Higher Education were raised in the National Committee of Inquiry into Higher Education which reported in 1997 urging that 'institutions must make much clearer what they are offering to students. They must work continually to improve the quality of teaching and they must approach the mutual assurance of standards with real commitment.' Pion Economics in its Labour Market Assessment whilst recognising good practice within the North West points out that there has never been any real incentive for HEIs to focus particular attention on the local or regional labour market and suggests that "the provision of high skills in the absence of any context informed by employer needs is not necessarily to the advantage of students."

A major issue being tackled currently by the Government is the **incoherent nature of the post-16 learning infrastructure**. Apart from inconsistencies in funding and quality control the nature of competition at times works against the most efficient use of public funds as well as disadvantaging clients, especially in terms of progression across the various choices of route whether vocational or academic. In particular, the National Skills Task Force in its second report (May 1999) suggests that the lack of a sufficiently attractive route into intermediate and higher level skills for those not inclined towards higher academic study is 'one of the main underlying factors behind the skill shortages experienced at the peaks of economic cycles preventing businesses from adopting a high skill, high value-added path to success.'

These problems regarding learning supply and infrastructure exist despite **the significant resource available for learning in the North West**. Apart from employers' own investment (perhaps £1B) and unmeasured but significant investment by individuals themselves, public funding is huge: £0.5B through FE; nearly as much through the non-research side of HE; around £0.25B through TECs as well as Government's significant investment in primary and secondary schooling. In addition the Government addresses the learning needs of significant numbers of unemployed people (especially the young) as part of New Deal which initially has used 'windfall' funding.

Added to the above, skills investment is boosted by a range of **European Union funded programmes**, particularly through the Objective One programme (in Merseyside), Objective Two (under review but currently in West Cumbria and parts of Greater Manchester, Lancashire and Cheshire), Objectives 3 and 4 programmes for priority groups and Objective 5b in Cumbria and NE Lancashire. Providing the draft circulated at the time of writing receives the necessary support, the UK Government's 'Policy Frame of Reference for Promoting Employability in the Labour Market and Developing Human Resources' will provide a policy base for European Union funding in the region which relates well to the issues identified in this strategy document. This includes for example the need for responsiveness by employers, individuals and suppliers to changing skill needs, the need for basic and employability skills, the need for equality of opportunity and social inclusion, promoting and enabling of lifelong learning, the need for creativity and entrepreneurship and the need to harness the opportunities offered by ICT (the 'Information Society').

Taking up the latter point: in considering the quality of learning supply there are **opportunities to develop learning methodology with the increasing availability of ICT options**. There is already good practice across the region which has not yet permeated all parts of all institutions. The National Grid for Learning will give a boost to the opportunities in education institutions and aspects of ICT application to learning at all levels and in a variety of settings including the workplace can be further developed and stimulated through the influence of University for Industry Ltd (UFI).

Underpinning some of these and the possibility of future developments, there exists in the North West a base of high quality cabling infrastructure comparable to most other areas of the UK though it is arguable that this will need to be developed further to enable appropriate linkage to all areas across the region. NWDA's strategy Investing in Infrastructure is to examine the sufficiency of existing ICT links to serve future learning.

Another methodology issue relates to employability. It is perhaps axiomatic that there should be a place for business involvement in helping plan and deliver the curriculum which will prepare people for working life. There are many examples of good practice in the North West concerning **link between business and learning institutions**. But according to Miller West Ltd who produced a report in March 1999 on school-business links in the North West 'the range of activities on offer in any one areas, to any one group, or in relation to any particular educational goal varies significantly.' The research showed a strong commitment to school-business links across the region but also indicated that those involved, especially Education Business Partnerships (EBPs), are operating in an environment which tends to limit, even hinder, their effectiveness. The report suggests that EBPs are being adversely affected in particular by short-term funding and conflicting higher profile initiatives. Concurrently there is a call from a number of private employer industrial sector groups, and from consultation respondents more generally to improve education-business linkages not just with schools and FE colleges but especially at higher education level.

The largest mass connection between employers and education institutions is through the provision of **work experience**. Used effectively, this could assist the development of employability including increasingly the awareness of the mix of career opportunities. In practice there is room for development of this extensive activity. A recent evaluation of work experience in one area of the North West highlighted the need for closer joint planning between employers and the range of partners involved to ensure work experience is not just a 'bolt-on' exercise.



## 2.7.4 Labour and learning market information and intelligence

As part of developing the appropriateness and quality of learning provision it is vital that colleges, TECs and other planners of learning are scanning relevant information/intelligence and analysing its meaning for the portfolio of provision to be offered. Pion Economics attempted within their Labour Market Assessment to form some impression of the relationship between demand for labour and supply of learning but the availability of comprehensive and comparable **learning supply information** from the Higher Education Funding Council for England, the Further Education Funding Council and the Department for Education and Employment (regarding TEC-led provision) prohibited any useful conclusions. Taking into account employer-funded provision (either within each company or through public or private off-the-job providers) is also difficult. Given that no body can effectively plan provision without understanding the overall picture it is not unreasonable to conclude that **institutional planning** has taken place in a vacuum and cannot have been optimal.

A regional **labour market intelligence deficiency** applies as much to the provision of intelligence on the demand side and affects adversely the way in which the labour and learning markets work. As part of the NWDA's Labour Market Assessment, Pion Economics examined the sufficiency of current intelligence arrangements, canvassing the views of interested parties across the region. Most agencies were of the opinion that more detailed and better quality data is needed to assist strategic and operational planning. Common concerns include timeliness, the level of detail provided, appropriateness (some research was felt to be driven by professional researchers rather than user needs), consistency and comparability, accessibility and the lack of co-ordination through a partnership approach. Pion Economics conclude 'as it stands, we believe that what currently exists is a confused, fragmented and sometimes incoherent information and intelligence structure. This situation is to the benefit of no firm, individual or intermediary. It results in overlap and duplication, but even more important, it clouds the signalling that is the underlying feature of labour market efficiency.'

Pion's findings go on to confirm a perceived need and provide options for a Regional Economic Intelligence Unit which includes improved ongoing labour market assessment and this reflects the discussions which had already taken place during 1998 between in particular the North West Assembly, the NWDA Interim Secretariat and the Government Office for the North West. The opportunity to exploit ICT methodology to a greater extent is an opportunity to be taken into account.

The setting up of a Regional Economic Intelligence Unit may be part of what is needed but there will also be a need to influence a **more coherent and informative approach to labour market intelligence at a national level**. The Second Report of the National Skills Task Force highlighted the state of incoherence in skills intelligence arrangements at national, regional and local levels concluding that labour market data needs to be 'more consistent and coherent, more forward looking, and focused directly on the key people who need it – young people and adults seeking to develop their careers – and identify appropriate employment related training and education.'

At a sub-regional and local level it is clearly important that agencies should work together to share and analyse intelligence to serve appropriate strategy decisions. In this respect **Local Learning Partnerships** have recently been set up and offer an opportunity to play a part alongside existing agencies, though this will require a degree of regional co-ordination which an appropriately designed regional unit could provide.

Failure in the labour and learning markets is a result not only of the deficiencies in intelligence and its dissemination to appropriate parties but also because of **problems in the use of that intelligence** by employers, individuals, TEC/college planners and other intermediaries. Employers need to be assisted to use intelligence in the context of their business and training/development planning and also in their recruitment planning and processes. The effectiveness of employer recruitment is an issue which will be returned to later.

Individuals need to be enabled to interpret intelligence in planning their career choices through more comprehensive and effective **careers education and subsequent careers advice and guidance**. Provision of the latter for adults varies enormously across the country and is not coherently funded, or not funded at all, in some areas. In this context the Government's recent announcements regarding Gateway to Learning (which builds on New Deal and New Start experience) and Information Advice and Guidance Partnerships must be taken into account in developing any way forward, though these measures may not offer anything approaching the degree of resource required for mainstream intervention in the adult guidance market.

For young people the present Government has understandably chosen to focus existing resources on those most in need but this is at the expense of mainstream students some of whom have already been making choices leading to wasteful drop-out of courses or to achievement of qualifications not well matched to the needs of the labour market (and hence, in career advancement terms, to their own individual interests.)

Of course resource is not the only issue. There remains a need to develop further the quality of existing provision on the basis of continuous improvement and avoiding any re-inforcement of gender stereotyping, for example.

There is of course a limit to the degree of accuracy with which future skills can be forecast. The world is constantly changing and today's reported skills shortages may bear no relationship to future ones. In any case the stage at which skills shortages have appeared may be too late to minimise the adverse effects for business. One implication is the need to go beyond monitoring the existing situation and work with employers to find better ways of looking ahead, **using methodology which goes much further than skills surveys**. Linkages could be made with regional industrial sector networks. The proposal in the NWDA's Investment in Business strategy is an opportunity for a research and intelligence programme to identify new, emerging high growth sectors and clusters, a North West regional 'Foresight' programme.

Another implication of the difficulty in forecasting future needs is the **requirement for learning suppliers to be highly responsive to emerging demands**. There needs to be an acceptance of the need for quicker design - to - implementation processes and shorter learning product life cycles. As well as acceptance there needs to be further development of the capability within providers to achieve these demanding challenges.

## 2.7.5 Labour recruitment

A significant barrier to the efficient working of the labour market is the extent to which **recruitment** is ineffective. This occurs when employers are unable to recruit the skilled employees they need even when these in fact exist in sufficient numbers in the labour market. It also occurs when employers inadvertently recruit the wrong people for the job – square pegs in round holes.

The First Report of the National Skills Task Force noted 'we have come across evidence that some employers are not as flexible in their recruitment practices as they might be and that they use relatively narrow recruitment channels. We are also concerned that many SMEs do not have access to good guidance on recruitment, do not have access to more expensive recruitment methods and find it difficult to understand and access the variety of recruitment help available.'

Amongst the remedies recommended by the Task Force are a guide for employers on good recruitment practice, local collaboration between private and public training and employment agencies, careers services, integrated recruitment and training arrangements, a 'one-stop-shop' recruitment service to SMEs, better dissemination by Government of local pay data, and transport to solve localised geographical recruitment difficulties. In the North West we have innovative practice which could contribute to more efficient recruitment, for example the CONNECT ICT-based project launched in May 1999 on Merseyside. National research has suggested that within five years up to 30 per cent of job adverts will be placed on the Internet while the Institute of Personnel and Development has published a report showing that the use of the Internet for recruitment in the UK had more than doubled in the past two years.

One of the effects of inefficient employer recruitment is on **disadvantaged groups**. All too often they are excluded from the perceived available pool not necessarily through deliberate prejudice but through vacancies being promoted in ways which fail to reach particular groups. Barriers to recruitment may include traditional or stereotyped views regarding the type of person who is best for the job, misunderstanding or ignorance of flexible working practices (such as job share), inappropriate assessment of capability, inappropriate job profiling or other failures in recruitment methodology. The result is a lose-lose situation where employers fail to recruit the staff needed and particular groups become effectively excluded from jobs for which they are suitable.

Job Centres run by the Employment Service, and private recruitment agencies, can assist the recruitment process of employers, but residents without their own transport in some rural areas are not always able to access such services and are at a disadvantage in engaging in the labour market.

### 2.7.6 Groups at a disadvantage in the labour market

Of course the position of some disadvantaged groups in the labour market is a combination of factors. Although there is undoubtedly poor recruitment practice, some groups are disadvantaged anyway in the labour market through poor skills, poor health and a range of other factors which make it difficult for them to enter the labour market. For some a vicious circle exists which can lead to demotivation, desperation, drugs and crime. For most the problems of disadvantaged groups are more than single-dimensioned.

The effect on disadvantaged groups can be seen in **regional unemployment**. In 1998 the region's unemployment figure reached 154,700, a rate of 4.8% compared with an average of 4.4% in Great Britain as a whole, with over 75,000 people out of work for more than a year. Objective 3 research in the North West suggests that for **people with disabilities** unemployment can typically be twice that for the non-disabled. For **lone parents** unemployment rates can be 25-50% higher than the average – at the time of the 1991 Census the North West had the highest proportion of lone-parent households in England with concentrations in urban areas which are experiencing poor employment structure. Some **ethnic minority groups** in the North West suffer unemployment at 10-25% above North West average rates (though this rises to up to 40% higher where they are also disadvantaged by other characteristics and therefore suffering multiple deprivation).

**Age** is also a factor in recruitment bias which shows up in unemployment. Bearing in mind that the rate of unemployment amongst the over 50s may be masked by early retirement or market withdrawal through perceived lack of opportunity or being channelled into sickness-related benefit, the North West Objective 3 research indicated that unemployment rates in this group could be anything up to 50% higher depending on circumstances.

**Unemployment also varies significantly with geography** across the North West from areas like Liverpool with over 9% unemployment (March 1999 unadjusted) or Workington with 8% to other parts of Cumbria with less than 2% unemployment. These variations reflect factors of industrial structure as well as other economic factors. In areas of more severe unemployment social factors are often inter-linked and can lead to a spiral of disadvantage. In areas of overall low unemployment there are sometimes pockets of 'hidden unemployment'. This is true of some rural communities where those choosing not to register as unemployed become disengaged from the labour market, which exacerbates their social exclusion.

Problems of discrimination or unintended recruitment or promotion bias do not apply just to minority groups but also to **women** who are still under-represented in more senior positions even in those industries where they form by far the largest part of the workforce. People of both genders are inappropriately passed over (and/or fail to put themselves forward) through continued gender stereotyping. Annexe VII illustrates very clearly the massive under-utilisation of women in a wide range of industry sectors.

The disparity of particular groups is reflected in earnings levels across the region. For example in 1997 while average gross weekly earnings in the North West were £315 (compared with £368 nationally) women working full-time in the North West had average weekly earnings of £277 while male full-timers earned £386 per week.

### 2.7.7 Workforce development management

For the labour market to work well employers need not only to be better recruiters but also to make **improvements in planning, implementing and evaluating workforce development**. Employer demand for skills and their commitment to developing their staff is not enough in itself. Managers need the skills to carry out HRD functions in a creative and efficient way seeking continuous improvement in effectiveness. The process needs to be linked to the needs of the business and embodied as part of an effective learning culture within the organisation.

The First Report of the National Skills Task Force suggests further emphasis on the value and application of the Investors in People Standard might be a suitable starting point in furthering workforce development. The North West performs well in national terms in the achievement of Investors in People standards but as the table below shows there is much scope for further development.

NATIONAL LEARNING TARGET			
		NW BASE at DEC 98	ENGLAND BASE at DEC 98
NATIONAL LEARNING TARGETS FOR EMPLOYERS	45% of medium-sized or large organisations recognised as Investors in People	20%	18%
	10,000 small organisations recognised as Investors in People	471	2312

### 2.7.8 Labour and learning market efficiency – summary

The overall picture of the North West's labour and learning markets is of a wide range of factors getting in the way of efficiency – insufficient employer and individual demand, intelligence gaps, lack of planning capacity by employers, by individuals and by those intermediaries who should be assisting the process. This has led to skill shortages, skill gaps (some not even recognised), under-performance by the region's businesses, social and labour market exclusion and an enormous waste of the region's biggest potential asset, its people.

Turning round this situation is one of the most critical challenges for the region. Getting it right is essential not only in developing the region's economy but also in taking a major step forward towards greater social inclusion. The rest of this strategy document sets out the ways in which the North West with all partners working together will meet this challenge.

### 2.8 Conclusions

- the nature of global competition and internal labour markets requires that businesses will in the future need more highly skilled people. Despite this many employers are failing to develop their businesses towards high added-value strategies
- although not significantly out of line with the UK average, the region has a serious skills deficit compared with the best areas of UK and our main competitors. It will take many years to reduce this gap
- large numbers of the region's population are devoid of skills or any evidence of a learning culture. For an unacceptable number of people the lack of basic skills makes it difficult to progress to further learning. Social exclusion is an implication of low skill levels
- a number of sectors report skills shortages and skills gaps
- generic skills gaps include ICT, management, basic and employability/key skills

- **The learning and labour markets do not work well:**
  - there is a serious lack of employer and individual demand for learning
  - lack of employer demand for high skills has led to poor graduate retention
  - there are barriers to employer and individual participation
  - learning supply is not always of the highest quality
  - more use could be made of ICT to improve methodology
  - the curriculum would benefit from improved education - business linkages
  - labour market information and intelligence is inadequate, uncoordinated and employers and individuals do not know how to use what is already available
  - some funders have not always been able to use LMI effectively in planning
  - individuals need access to continuously improved careers education and guidance to make better choices
  - employer recruitment practice could be more effective and flexible – Unconscious bias or ignorance can work against people from disadvantaged groups, at the same time restricting the pool of skilled labour accessed by employers
  - people with disabilities, from ethnic minorities and from other minority groups are at a disadvantage in the labour market
  - gender stereotyping is endemic

## 3. WHERE ARE WE GOING?

### 3.1 Vision

Having examined the North West's skills baseline it is possible, taking account of the NWDA's overall Regional Strategy, to propose a Vision for the NW:

To make the North West a region where:

- the skills of the workforce are equal to the best in the World
- the region's employers from both public and private sector (particularly SMEs) see training as an investment (not a cost) and have the capability to develop their workforces effectively
- the learning environment kindles creativity, entrepreneurship and innovation
- all our young people have the skills and attitudes to gain employment that meet the needs of their employers and themselves
- higher education graduates in the North West can find employment to suit their ambition and the needs of employers
- people are committed to developing their skills and general employability by learning throughout their lifetime
- appropriate high quality and responsive learning opportunities are available
- all people have equal opportunity to learn and earn
- high quality careers information, education and guidance is available to all

### 3.2 Strategic Objectives

This Vision will be realised through a set of four Strategic Objectives on which a Learning and Skills Action Plan will be based. These will be summarised within the Regional Strategy:

**1. Strategic Objective P1**

to raise the demand of employers for skilled people, to increase their skills investment and improve their workforce development capacity

**2. Strategic Objective P2**

to raise individual demand for skills

**3. Strategic Objective P3**

to invest in equality of opportunity for learning in the region leading to increased social inclusion

**4. Strategic Objective P4**

to invest in improvements to the regional labour and learning markets



## 4. HOW WILL WE GET THERE? - THE LEARNING AND SKILLS ACTION PLAN

### 4.1 Introduction

The previous parts of this Strategy have led to the setting of **four Strategic Objectives** which also come under the overarching Regional Strategy for North West England. The actions planned to support these Objectives are set out in this section of the strategy. However, these actions can be delivered only through a pervasive and committed regional partnership. The arrangements to build this Skills Partnership are also set out, together with equally important attention to information and intelligence arrangements. Finally, all proposals will recognise the overarching importance of sustainable development and its impact on both demand and supply of skills and learning.

### 4.2 To raise the demand of employers for skilled people, to increase their skills investment and improve their workforce development capacity

The demand for skills will depend on the nature and scale of the organisation. Thus, a cost-effective approach requires the commitment of large employers and SMEs and must also involve public sector employers. As a tool in achieving this we will build on proven good practice at the local and sub-regional level, and the industry sector groups set up as part of the NWDA's consultation process, **to establish sustainable networks** of two main types:

- regional sector-specific networks (involving NTOs to ensure coherence with the national agenda)
- local networks with a generic focus and involving key advisers to SMEs (eg accountants, banks and solicitors) and the local Business Link / Small Business Service network

We will make appropriate arrangements with TECs and subsequently Local Learning and Skills Councils to support these networks, to act as trusted intermediaries and to carry out a translator role. Their purpose will be to provide the employer side of a regional partnership with the Agency to transform the culture of companies to drive up their ambitions and to recognise training and development as an investment and not a cost. The agenda for action, designed to overcome the barriers identified at Section 2.7.1 will comprise:

- embedding a commitment to workforce development linked to business needs (including capital investment) and the concomitant acceptance of a share of responsibility for meeting the costs, while playing particular attention to developing a culture of interest in training among rural business
- supporting the delivery of appropriate training programmes (for example Modern Apprenticeships) through the establishment of group training organisations (as recommended in the second report of the National Skills Task Force, and promoting SME collaborations to develop career structures
- stating current and future occupational and generic training needs (including industry standards where appropriate) with clarity and in good time
- supporting efforts to enhance employability (or trainability) through effective education business linkages including placements, curricular projects, presentations, visits and mentoring
- providing a forum for the identification and spread of good practice and for eliminating the fear of poaching trained staff

We will use this partnership as a springboard for a region-wide campaign to kick-start the essential cultural change: the campaign will focus on business benefits. It will be preceded by a stocktake of current activity and will be co-ordinated with appropriate nationally-led programmes (for example National Training Awards and the plans of Ufi Ltd) and will add value to local initiatives (for example Investors in People). It will communicate innovatively and effectively, on-line where appropriate. In addition to involving existing networks, it will create a pool of recognised 'champions' to give the message credibility.

The key objectives of the campaign will be:

- to raise employer's understanding of the need for business strategies which increasingly are based on creativity, knowledge and skills rather than strategies based on cost alone (This will link to the steps being taken within the Investing in Business and Ideas part of the regional strategy to move towards knowledge-based competitiveness)
- to raise significantly the level of management competence as the most effective route towards developing the whole workforce
- to raise significantly the ICT competence of the workforce
- to raise significantly the level of key skills, other generic skills such as customer- service and languages (where appropriate) and to develop creativity and entrepreneurial attitudes
- to address the lack of basic skills in the workplace
- to increase the number of graduates employed in SMEs
- to promote workplace partnerships and sound HR practices (through benchmarking where appropriate) including recruiting and industrial relations. This will include promoting the business case for equal opportunities
- to promote understanding and support for New Deal

Appropriate targets are included in the implementation plan:

In addition to the NWDA's encouragement of networks and its campaign the region will tackle the need for employer demand through a number of other measures:

- by the direct influence of business support agents/businesses such as Personal Business Advisors within Business Link networks, accountants, bank managers and similar professional influencers
- by the use of successful large employer influence on smaller businesses through example, dissemination of their good practice and directly through the supply chain
- by building on the strong performance of the region in promoting Investors in People
- by extension of the use of Business Excellence Model which includes the principles of effective workforce development

#### 4.3 To raise individual demand for skills

In parallel with embedding in companies recognition of the link between workforce development and business success, we will seek to implant in individuals the connection between learning and personal economic and social fulfilment, and will seek to reduce the barriers identified at Section 2.7.2. Following an initial stocktake of existing national, regional and local initiatives aimed at stimulating demand, we will lead and develop a **regional campaign** co-ordinated with national and local schemes (including the plans of Ufl Ltd and LLPs). The campaign will target particular areas of need, young people and adults of all ages (including those no longer economically active) and we will seek to engage regional media. We will also seek to engage regional bodies not normally involved in economic development but with similar objectives - for example the promotion of CPD through professional institutions. **Careers education and guidance will be an important dimension for adults** as well as young people, and we will work with North West Careers Companies. Detailed actions will be agreed with appropriate partners to develop a suite of measures (for example a programme of 'Masterclasses' involving regional well-known figures, particularly those from areas popular with young people – music, sport and TV). The campaign will incorporate the promotion of learning in its own right (for example drawing on the best practice in non-accredited adult education). Again, we will communicate creatively. As part of this campaign, we will seek to build on activities associated with the Commonwealth Games; we are working with regional partners to develop a proposal for Manchester and the region to host the 2002 Festival of Skills. This festival would provide an excellent focal point for our Learning Campaign.

The targets for the campaign will be agreed with partners and will embrace:

- the inherent value of learning as the route to a fuller life
- the volume of learning in terms of national targets and important regional targets for key skills, literacy and numeracy, ICT and languages
- The quality of learning

Whilst the focus of the campaign will be on learning in its own right or as a move towards employment or improved career progression, it will also support the Regional Strategy Investing in Business objective of investment in entrepreneurship by focusing on those aspects particularly relevant to **self-employment**. It is important that the development of entrepreneurial attitudes in the North West is furthered within a wide range of contexts recognising the need not only for more business start-ups but also for entrepreneurial attitudes within the workforce to meet the needs of businesses competing on the basis of innovation, knowledge and creativity.

Finally, achievement of the objective will require access to appropriate national and EU funding. Thus, we will seek to **influence national and EU policy to provide an appropriate framework encouraging individual demand** and in particular:

- to ensure that all centres of learning are required to raise the status and profile of employability alongside educational attainment
- to increase the level and quality of **careers education and guidance in the National Curriculum**
- to develop **Individual Learning Accounts** in a way that permits targeting on areas of greatest need, subject to confirmation from the evaluation of pilots that such accounts provide acceptable value for money

#### 4.4 Investing in equality of opportunity for learning for all the people of the region

Despite the best efforts of individuals and organisations, the opportunity to learn is unequally distributed to the people of the region. This inequality impacts most in some specific local areas (both rural and urban) and on people from ethnic minorities, the disabled, those with learning difficulties, lone-parents and others. Gender stereotyping can adversely affect both people and businesses. Inequality appears as below-average educational attainment and lack of employment opportunity and is strongly linked to poverty in the widest sense. The first step in redressing the balance will be to ensure that **all actions supporting the Investing in People part of this strategy are tested against performance measures for mainstreaming equal opportunity** as a means to achieve social inclusion. Gender, ethnicity, disability and age have already been identified as leading to discrimination and the exclusion of certain groups and individuals. Multiple disadvantages lead to even greater discrimination. The long-standing skills deficit will require a series of targeted measures that address these dimensions. The approach must be community-based: it must be localised and appropriate to meeting the specific circumstances of specific communities and engaging whole families where possible.

There is already a significant investment from central government aimed at combating poverty and social exclusion. **We will add value to national programmes** by improving co-ordination and introducing arrangements for the identification and spread of good practice. This will focus initially on New Deal and subsequently embrace the recommendations of the Moser Report (once the nature and extent of government support has been determined). However, a significant number of individuals remain excluded because they do not appear on the 'unemployment register.' So, we will also work with local partners (following the small-scale approach) to **develop a targeted response for those not currently on the unemployment register**.

The increasing number of **over-50 year olds** who are no longer active represent a significant resource both in their own right and in combating exclusion. To redress this, we will encourage employers to recognise the value of experience and also identify opportunities for using the skills of older people (as mentors, for example) thus both helping disadvantaged young people and providing a fulfilling role for the maturer individual.

Overall, our approach will address the issues identified in the Social Inclusion Commitment already endorsed by the NWDA. This will be done by taking a mainstreaming approach to equal opportunities across all activities. We will undertake community economic development action that results in **qualitative outcomes** rather than quantitative outputs alone. Finally, all such programmes will adopt and implement **'family friendly' policies**.

#### 4.5 To invest in improvements to the regional labour and learning markets

##### 4.5.1 Building the skills partnership

An effective labour and learning market relies on an efficient match between employer and individual demand and the supply of education and training. Our primary strategic objective is to raise individual and employer demand, but we must also seek to address the supply side and equally, the bridge between education and business. The current arrangements for the delivery of post-16 education and training are under review, and whilst a detailed plan must await the outcome of this review, there are some clear principles that can be established beforehand.

Firstly, we must strive for **a framework that ensures clarity, coherence and value-for-money** and a resulting infrastructure that delivers the necessary outcomes. This requires a single focus for all post-16 learning (regardless of the route) together with arrangements that ensure quality of delivery and accountability. The arrangements for quality assurance must be consistent and coherent with the funding streams.

In addition, the region must influence funding mechanisms and performance measures to ensure that provision matches local and regional labour market needs recognising that training in remote areas causes additional costs. This falls well short of any manpower planning model but takes the process well beyond current arrangements. The effectiveness of the process will be evaluated annually. For delivery to employers, we will ensure that skills and workforce development are integrated with business support activities.

In addition, the degree of rigidity around **qualifications** is a barrier to take up from employers and individuals. Thus, we will promote a flexible and **customer-centred approach** from all providers of learning that offers, for example, part NVQs (suitably certificated) to SMEs. For sector-specific training requirements we will seek a **collaborative response** from NW Colleges to ensure quality delivery through a regional centre where this is appropriate.

Furthermore, it will be necessary to focus on all aspects of the learning process from the early-years through to the training of senior managers and embracing lifelong learning in the widest sense. Given the nature of the funding and management process, the improvements essential to achieving **the vision can only be realised by working in partnership** with the aim of securing sustainable commitment from all stakeholders. However, some aspects of the partnership and in particular the role of Lifelong Learning Partnership must again await the outcome of the review of post-16 education and training.

The North West already has an extremely wide range of partnerships of various size, role and way of working. An essential first step will be to establish a clear picture of these local, sub-regional and regional partnerships. We will then seek to establish clear relationships with organisations and individuals on both the demand and supply side, together with funding and strategic bodies.

Of utmost importance in a demand-led strategy will be working with employers. As stated earlier we will seek to build on the sector groupings developed during the consultation process together with those sector groupings already established and with appropriate local business-to-business networks to create a dynamic engine for the development of a skilled workforce.

Turning to the supply side we will seek to develop service level agreements with the following partners

###### Short term

- FEFC: embracing quality, adequacy and sufficiency of FE provision, LMI and value-for-money information
- TECs: embracing agreement on TEC Corporate and Business Plans reflecting NWDA priorities, support for sector groups, labour market information and intelligence

###### Longer term

- Local Learning and Skills Councils / Small Business Service and the new Youth Support Service
- Lifelong Learning Partnerships
- Careers services/EBPs: covering education-business linkages
- NWHEIs: labour market information and intelligence, research network, activities with sector groups

To ensure the spread of good practice and secure regional coherence, and in addition to the general and sector-specific networks referred to earlier, we will establish appropriate networks at practitioner level particularly involving those organisations in receipt of specific NWDA funding. Furthermore, to ensure ongoing improvement, we will continue to provide leadership and support for the **Skills and Learning Forum**. The Forum will act as an advisory group for the NWDA and provide a basis for policy development. Finally, we will seek overarching agreements in the form of protocols or SLAs with GONW (to ensure coherence between NWDA led activities and those aspects retained in the GO), with the NWRA and also with the University for Industry.

##### 4.5.2 Information and intelligence

The extensive consultation process undertaken as part of the development of this strategy confirmed the essential need for the provision of timely and reliable labour market information and intelligence. This need will be met through **the establishment of the Regional Intelligence Unit (RIU)**. The objective of this Unit is to provide information and intelligence on all aspects of the North West Labour and learning market for use by employers and their representatives, by individuals, by intermediary funding and strategic bodies (TECs, LAs, local partnerships, HEFCE and FEFC) and by providers of education and training (embracing schools, FE Colleges, HE institutions and private training providers) and careers services.

This Unit will be set up in partnership with GONW and NWRA and will require Service Level Agreements with key partners. The Business Plan for the Unit will be developed to ensure coherence with the recommendations of the National Skills Force second report in particular agreeing a regional information strategy, the rationalisation of survey work and the providing of an annual assessment of skills needs and skills supply for the region. The Unit will have a wide role in monitoring all appropriate economic and social conditions but in terms of skills and learning will focus on:

- determination of baseline information disaggregated to a level agreed with partners
- focal point for information on initiatives, programmes and schemes in key policy areas (for example employability/key skills, work experience and placements for teachers and learners, TCS, STEP)
- the development of sector specific information
- dissemination of information and intelligence as appropriate to target audience
- annual updating of skills and other RES measures
- acting as a policy 'think-tank' that offers a capability for 'foresight' and forecasting to better identify those changes that lead to competitive advantage

The organisation of the RIU will be developed in partnership either as a fully established organisation within the NWDA or contracted out. It will also seek to establish a research network involving NWHEIs and others to provide appropriate research reports. A full discussion on the options for the role and organisation of the RIU can be found in the Pion Report.

##### 4.5.3 Pre-16 education

A skills strategy for the North West will build on the foundations set down in the early years of schooling. The performance of NW schools is therefore vitally important to the development of the region. Strategic guidance for schools is provided through **LEA Strategic Plans** and **LEA Education Development Plans (EDPs)**; we will work to ensure that these plans are consistent with the regional

strategy, and that school-based plans and attainment targets support priorities identified for the North West. We will support the work of LEAs by the provision of regional information and through the spread of good practice and encourage weaker schools to match the achievement of the best. A close linkage between the Local Learning and Skills Councils and LEAs will be encouraged.

There is a specific and urgent problem around **IT competence in primary schools**, partly due to lack of equipment, but sometimes attributable to a lack of commitment to serious long term issues. We will work in support of LEA efforts to put this right.

The seeds of employability (or trainability) are sown in the early years of education. Thus, we will seek to establish a coherent and adequately funded framework for all aspects of education-business linkages that offers clarity and the removal of any unnecessary duplication or competition at the local level. We will enable the spread of good practice between the various strands (work experience, placements, teacher exchanges etc) by building on the existing work by GONW and ensuring connections between Education-Business Partnership networks and the NW Careers Companies. These actions are in concert with the recommendations regarding work experience in the second report of the National Skills Task Force. We will also pay particular attention to the provision of high quality careers education and guidance as this enables lessons learned to be put in a context of individual aspiration and career planning. Within the statutory pre-16 provision of schools there is a particularly influential connection between post-14 (KS4) and a range of post-16 opportunities. There are a number of examples of effective work between schools, colleges and careers services which provide evidence of sustaining commitment, motivation, progression and accreditation. We will seek to protect and further develop such opportunities and will ensure that equal opportunities issues are addressed within the work undertaken. Finally, we will seek to ensure a consistent business involvement at the strategic level by promoting a greater contribution from business into LA Education Development Plans.

#### 4.5.4 Post-16 learning

The outcomes of the post-16 review will make a major impact on the implementation of this part of the delivery strategy. However, with a demand-led skills strategy, the priority for individual suppliers of education and training will be responsiveness to employers achieved through a sound framework of **education-business linkages** in parallel with **responsiveness to individuals**. FE colleges will continue to offer a wide spectrum of learning opportunities spanning all ages and levels and including the delivery of HE. In many cases these individual needs are driven for business reasons. At the regional level, we will focus on the collective performance of providers (both from the private sector and from FE Colleges) by working with local/sub-regional partnerships and concentrating on the arrangements **for quality and the spread of good practice** embracing the work-based route. We will also seek agreement to the joint development of increased opportunities for **FE to HE progression** to meet local and regional needs for graduates and to support wider participation. We will work closely with Ufi Ltd to make sure that the opportunity the new Government-supported organisation contributes is appropriate to the overall learning infrastructure. The comprehensive aim will be to ensure **value for money**, quality and responsiveness to all aspects of delivery.

The employer also has a major role in the delivery of post-16 learning. Whilst this has been covered earlier in terms of workforce development, we will also seek to **increase the accessibility of the training resources of large companies** to those in the supply chain (and also to local companies or individuals on a top-up basis); this may be part of a workplace partnership facilitated by the TUs. Furthermore, we need to increase significantly the number of **SMEs involved in work-placements** and other related activities. Finally, we will ensure the spread of good practice in pre-16 **careers education and guidance** including the equal opportunity dimensions extends to the post-16 sector by developing and supporting appropriate horizontal networks.

#### 4.5.5 North West HEIs and higher-level skills

The North West Universities and HE Colleges are a major asset to the region and in addition to their contribution to spin out companies, supporting innovation and entrepreneurship (covered in the Investing in Business section of the Regional Strategy) offer considerable diversity by their contribution in terms of labour and learning market needs, research capability and as major employers serving a range of customers world wide. They have a significant part to play in the provision of learning over the long term and by providing support and advice to the regions businesses not only through the

Business Schools but on a day-to-day basis with SMEs. The continued pressure on individuals as well as employers to meet an increasing share of the costs of learning (which often results in students living at home) could make a closer connection between the region and the HEIs equally attractive to both. We will continue to work with the HEIs to develop strategies that maximise the funding flowing into the region. Thus, we will encourage HEIs individually to take regional issues seriously. We will also promote collaboration and segmentation to meet regional needs. In the longer term, we will seek to influence government to establish greater balance between research (creating knowledge), teaching and learning (sharing that knowledge) and application and exploitation of that knowledge to enhance the connection between business (and particularly SMEs) and Higher Education. We will pay particular attention to ensuring that the needs of high-tech SMEs are not placed at a competitive disadvantage by the lack of skills appropriate to a knowledge - driven economy.

Recognising the national and international remit of HEIs, we will promote a range of activities mainly through the identification and spread of good practice to develop employer awareness and student attitudes to employment aiming to **provide the best opportunities for undergraduates and raise the level of graduate retention** in the region. Exemplar measures are:

- increasing the volume and impact of work experience opportunities incorporating team placements where appropriate
- focusing particularly on work experience opportunities that offer increased SME competitiveness
- making industrial or commercial experience part of the learning process
- the development of a region-wide brokerage service to maximise the utilisation and retention of graduates
- developing self-reliance, career management, business acumen and key work-related skills within the curriculum
- developing a regional graduate apprenticeship framework in key sectors

Finally, there is an opportunity to draw on examples of the effective delivery of **higher-level skills through the vocational route** developed by TECs and others. We will seek to extend the best of these to cover the whole region. The connections between pre-16/post-16 careers education and guidance processes and those in HEIs will also be explored.

#### 4.5.7 Promoting and extending the use of ICT in the learning market

The provision of appropriate entry and higher level **ICT skills** is essential to the growing ICT industry in the region and to the effective use of ICT in government, commerce and education. There is strong evidence of a skills shortage that has yet to peak in terms of formal professional qualifications, experienced-based VQs, knowledge-based Industry Standard Qualifications and Generic Knowledge-based Core Qualifications. We will respond to this situation through a coherent regional approach as follows:

- by creating a qualification framework embracing entry, high level, knowledge-based and experience based
- by quantifying the existing provision and demand (and particularly to support e-commerce and e-learning)
- by setting market-led targets for appropriate qualifications (ECDL, A Plus, Industry Standard, NVQs and academic qualifications) and agreeing these targets with key providers
- by promotion and delivery directed towards these targets, seeking collaboration to achieve volume delivery and value for money (for example with UFI Ltd, Net Northwest and the Centres of Excellence network)

Finally, we will ensure that the **ICT infrastructure** needed to support a significant upgrade in the delivery of distance learning (paying particular attention to the rural communities) is appropriate to the task.



#### 4.5.8 Supporting inward investment

The integration of INWARD into the NWDA provides an opportunity to tune **skills and learning support more closely to the needs of potential or actual inward investors**. To this end, we will develop a suite of measures embracing the provision of information on skills available within the region (for example the foreign language capability of the region and its components) and the provision of high quality and responsive training courses linked to inward investment opportunity. In addition, we will work proactively with partners to develop skills that make the region an attractive one for inward investment. Finally, we will support after-care as appropriate to secure the investment but also to widen the opportunity to transfer new best-practices.

## 5. IMPLEMENTATION

### Introduction

The Skills Action Plan will be undertaken through partnerships underpinned by Service Level Agreements/Protocols where appropriate. With the emerging outcome of the post-16 review, this implementation plan is based on Local Learning and Skills Councils (LLSC) with transitional arrangements with TECs and FEFC. These agreements will detail procedures for the role of the NWDA in the preparation of Strategies and Business Plans, reporting the outcomes of these plans, evaluating the impact and subsequent review. The initial plan is drawn up for 3 years, beginning in April 2000. However, details of the SLA/Protocols will be developed during the period October 1999 to March 2000.

This section sets out the measures for the 4 Strategic Objectives. For each measure the key partners have been identified together with an initial assessment of the appropriate milestone/target. These targets recognise the considerable diversity across the region. Furthermore, the baseline figures for National Targets have yet to be made available at Local Learning Partnership level.

### Funding

The Skills Action Plan is aimed at making better use of mainstream and EU funds. In future, funds for post-16 delivery will flow through LLSC. The implementation tables identify as far as possible the sources for funding. Furthermore, Objective 1 and Objective 2 funding provide an opportunity for spatially targeted measures; the Regional Development Plan for Objective 3 has been drawn up to ensure coherence with this strategy. Other sources of funding include HEFCE, the private sector and finally the NWDA managed Skills Development Fund (SDF) and Competitiveness Development Fund (CDF).

### Detailed implementation plan

**Strategic Objective P 1 To raise the demand of employers for skilled people, to increase their skills investment and improve their workforce development capacity**

<b>Measure 1.1</b>	<b>To extend business-to-business sector based networks across the region</b>	
<b>Actions</b>		
1.1.1	Stocktake current position and identify requirements	NWDA Lead Partners: NWTECs, NWCofC, NWCBI, NWBLT, Pr S., Pu S, NTO. TUC, GONW
1.1.2	Agree arrangements for support with NWTECs/BL	NWDA Lead Partners: NWTECs/BL
1.1.3	Launch networks for priority sectors (target date 1 Sep 2000)	
1.1.4	Launch networks for remaining sectors (target date 1 April 2001)	
<b>Measure 1.2</b>	<b>To establish local business-to-business networks across the region (including rural areas)</b>	
<b>Actions</b>		
1.2.1	Stocktake current position and identify requirements	NWDA Lead Partners: NWTECs, NWCofC, Pr S, Pu S, TUC, GONW
1.2.2	Agree arrangements for support with NWTECs / BL	NWDA Lead Partners: NWTECs/BL
1.2.3	Launch networks (target date 1 Sep 2000)	

Performance indicators:

- 1 Number of supported operational networks established by years 1, 2 and 3
- 2 Number of supported generic networks established by years 1, 2 and 3

Funding:

SDF, CDF EU Funding  
Private sector match

<b>Measure 1.3</b>	<b>Campaign for Business Excellence to promote the business benefits of workforce development</b>
<b>Actions</b>	
1.3.1	to stocktake current initiatives and identify the opportunities for co-ordination
1.3.2	to plan the annual campaign incorporating effective communications on-line, with priority in management training, ICT skills and Basic skills
1.3.3	to deliver the campaign in partnership in terms of outputs, including take up of MA, National Traineeships, and agreed industrial standards (including NVQs)
1.3.4	to identify future training requirements on a sector basis
1.3.5	to promote the delivery of New Deal
1.3.6	to increase the level and quality of education - business linkages in terms of work placements, curriculum projects incorporating pre-16, post-16 and HE

**Note:** the campaign will be organised on the basis of subsidiarity where responsibilities for each action will be agreed between the regional and local level (working with TECs initially, then LLSC and LLPs).

**Partners:** NWDA, NWTECs, Sector / generic networks (as measure 1.2), LLSC/SBS, LLPs, NWHEIs, FE Colleges, NW Careers Services, LEAs, EBPs

Performance indicators:

- 1 % of employers with 10+ employees which have a written training plan
- 2 % of employers with 10+ employees recognised as IIP and / or validated Business Excellence Model [BEM] users
- 3 % of medium or large organisations recognised as IIP
- 4 % of employees undertaking work-related training in last 13 weeks
- 5 measure of basic skills in workforce (to be developed)
- 6 regional performance in New Deal
- 7 successful MA, NT places (related to regional labour market)
- 8 % of those graduating in NW HEIs wishing to work in NW taking up NW employment
- 9 measure of effectiveness of education-business linkage to be agreed (Year 1) and implemented (Years 2 and 3)
- 10 agreement on industry standards for all levels of training

Funding:

mainstream funding for post-16  
EU Funding Private sector match  
additional funding for Basic Skills  
new Deal HEFCE

Strategic Objective P 2 To raise individual demand for skills and learning

<b>Measure 2.1</b>	<b>To develop a co-ordinated learning campaign</b>	
<b>Actions</b>		
2.1.1	Stocktake national and local plans aimed at the promotion of learning	NWDA Lead Partners: NWTECs, LEAs, LAs, Campaign for Learning, NWTUC, UFI, LLPs, Pr S, NW Careers Services, HEIs, FE
2.1.2	Draw up campaign plan with partners focusing on co-ordination, identification and spread of good practice underpinned by innovative communications	
2.1.3	Deliver the campaign on the basis of agreement with partners or priority groups built around Key NW Events (for example Commonwealth Games, Skills Festival)	
<b>Measure 2.2</b>	<b>To promote self-employment, professional and entrepreneurial skills</b>	<b>As above plus BL/SBS</b>
2.2.1	Develop package of opportunities for self-employment and entrepreneurial skills through a co-ordinated regional campaign	As above plus BL/SBS
2.2.2	Promote the spread of IPD and CPD by working with professional institutions and UFI	
<b>Measure 2.3</b>	<b>To influence national and EU policy to raise the status of employability and the level and quality of careers information, education and guidance</b>	
<b>Actions</b>	To be developed	
<b>Measure 2.4</b>	<b>To add value to the promotion and use of Individual Learning Accounts in the region</b>	
<b>Action</b>	To be developed when policy for ILAs confirmed	

Performance indicators:

1. national Targets (agreed on a sub-regional basis)
2. percentage of employers who are 'reasonably satisfied' with the overall skills baseline of young recruits
3. level of participation in adult non-accredited learning
4. percentage of NW individuals interested in learning
5. survival rate for "start-ups"

Funding:

mainstream post-16, pre-16.  
SDF, CDF EU funding  
private sector match



Strategic Objective P 3 Investing in equality of opportunity for learning for all the people of the region

<b>Measure 3.1</b>	<b>To test all actions within the Skills Action Plan against performance measures for mainstreaming equal opportunity</b>	
<b>Actions</b>		
3.1.1	Establish Regional Equality of Opportunity Panel	NWDA, Equality NW
3.1.2	Annual assessment	
<b>Measure 3.2</b>	<b>Targeted measures to address discrimination and disadvantage working on small scale and with local community group</b>	
<b>Actions</b>		
3.2.1	Integrated programme of action through SRB process	NWDA, LLP, Community Groups, other regional partners
<b>Measure 3.3</b>	<b>Adding value to national programmes (New Deal, Basic Skills) through co-ordination</b>	
<b>Actions</b>		
3.3.1	Develop protocol with ES to identify detailed actions and arrangements for the identification and spread of best practice	NWDA, ES
3.3.2	Programme of action to support Government response to Moser Report	To be determined
<b>Measure 3.4</b>	<b>To address the social exclusion of those not on the unemployment register</b>	
<b>Actions</b>		
3.4.1	Assessment of extent of problem	NWDA, Community Groups
3.4.2	Development of annual programme of action	
<b>Measure 3.5</b>	<b>To address age discrimination in the workplace</b>	<b>NWDA, Community Groups, Regional Agencies (e.g. Age Concern)</b>
<b>Actions</b>		
3.5.1	To work with regional partners to identify opportunities for mentoring for older people	NWDA, NWRA
3.5.2	To identify and spread best practice	NWDA
<b>Measure 3.6</b>	<b>To implement the NW Social Inclusion Commitment within NWDA programmes</b>	<b>NWDA</b>

Performance indicators

1. to reduce the overall difference in performance against national targets between LA/ Ward areas in the NW
2. to reduce the overall difference in unemployment rates across the region
3. to raise the level of a range of minority groups in participation in learning
4. to develop indicators relating to gender stereotyping

Strategic Objective P 4 To invest in improvements to the regional labour and learning market (Note (1))

<b>Measure 4.1</b>	<b>Building the skill and learning partnership</b>	
<b>Actions</b>		
4.1.1	Responding to outcome of post-16 review	
4.1.2	Developing SLA with LLSC / SBS and GONW, NWUA and A of C (NW)	
4.1.3	Transitional arrangement with NWTECs / BL and FEFC	
4.1.4	Develop protocol with LEA network	
4.1.5	Consolidation of Skills and Learning Forum	
4.1.6	Developing appropriate linkages with Business Support Infrastructure	
<b>Measure 4.2</b>	<b>Providing arrangements for labour and learning market information and intelligence</b>	
<b>Actions</b>		
4.2.1	Contribution to the specification of the RIU	
4.2.2	Establishment of RIU	
<b>Measure 4.3</b>	<b>To develop an annual programme of support for pre-16 Education</b>	
<b>Actions</b>		
4.3.1	Coherence of LEA Strategic Plans and EDPs with NW Skills and Learning Action Plan	NWDA, LEAs NWRA, GONW
4.3.2	Identification and spread of good practice in education-business linkage	NWDA, NWEBPs LLSC, NW Careers Services (YSS)
4.3.3	Campaign to drive up IT competence	NWDA, LLSC, LLP Sector group, IRISI-NW
4.3.4	Post-14 and post-16 linkages – identification and spread of good practice	LLSC, LEA
4.3.5	Raising quality and extent of business involvement (brokered through LLSCs)	Pr.S, LEA, LLSC
<b>Measure 4.4</b>	<b>To develop an annual programme of support within post-16 sector</b>	
<b>Actions</b>		
4.4.1	Integration and spread of good practice in education-business linkages	NWDA, LLSC, A of C NW LLP, TUC
4.4.2	Promotion and delivery of effective FE - HE programme	LLSC, LLP
4.4.3	Promotion of SME work placements	Local Business networks, sector networks, LLSC, LLP
4.4.4	SME Access and large company training resources	Local and sector networks, TUC, Pr. S, Pu. S
4.4.5	Best practice in Careers information education and guidance	NW Careers Companies, YSS networks
4.4.6	Ensuring coherence with work of UFI Ltd	NWDA, LLSC, UFI Ltd
<b>Measure 4.5</b>	<b>To develop annual improvement programmes with NWHEIs</b>	
<b>Actions</b>		
4.5.1	Agreeing arrangements with NWUA and NWHE colleges for preparation and delivery	NWDA, NWUA, NWHE Colleges

4.5.2	Promoting value-added collaboration to meet SME needs	Networks, HEIs, Colleges
4.5.3	Targeted support for High Growth SMEs	HEIs, Sectors
4.5.4	Identification and spread of good practices in work experience and exchanges	NWDA, NWUA
4.5.5	Introducing arrangements to improve employability for graduates and undergraduates through business networks, involving curriculum projects, specific projects at work place, industrial or commercial experience	NWUA, Networks, Careers Companies
4.5.6	Development of region-wide brokerage service to maximise the utilisation and retention of graduates	NWDA, NWUA, Networks
4.5.7	Develop a regional graduate apprenticeship framework in key areas	Sector networks, NWUA
4.5.8	Influencing funding regime	NWDA, HEFCE
4.5.9	Promoting region-wide work-based programme for higher skills	NWDA, Sectors, LLSC / SBS
<b>Measure 4.6</b>	<b>To promote and extend the use of ICT in the labour and learning market</b>	
<b>Actions</b>		
4.6.1	Establish a qualification framework covering entry, high-level, knowledge - based and experience based	NWDA, IRISI-NW, NWRA
4.6.2	Quantifying existing provision and demand and agreeing annual targets	RIU, Sectors, LLSC, NWDA
4.6.3	Developing annual programme of delivery	LLSC, LLP, NWUA
<b>Measure 4.7</b>	<b>To promote and support inward investment</b>	
<b>Actions</b>		
4.7.1	Provision of information for potential inward investors or appropriate skills and availability of high quality and responsive training courses	NWDA, Aof C, NWUA, Private Training Providers, UFI
4.7.2	Targeted support for potential inward investors (for example language skills)	NWUA, Colleges, A of C, NWDA
4.7.3	Develop programme of after care	NWDA, NWUA, Colleges, A of C

**Note:** As the Learning and Skills Strategy is "demand led", detailed actions under this Objective will be responsive to the outcome of actions under Objectives 1 and 2. Thus, the initial suite of measures focus on establishing an appropriate framework.

#### Performance Indicators

- 1 achievement towards national targets
- 2 reduction in skills shortages and skills gaps (% of employers with hard to fill vacancies).
- 3 % of employment of graduates in SMEs
- 4 quality of delivery of HE, FE or work based training
- 5 % of employers 'reasonable satisfied' with overall skills baseline of new recruits
- 6 % of employers 'reasonably satisfied' with quality and responsiveness of learning supply in the region by types of providers.
- 7 indicators to determine the improvement in employment after leaving school, FE, HE and private training providers
- 8 indicators to determine the improvement in the rate of drop - out after learning opportunity (school, FE, HE or private providers)

#### Funding:

mainstream HE, FE, post-16 funding  
EU Funds (Objective 1,2,3) SDF CDF RSA

## 6. ANNUAL PROGRAMME, REVIEW AND EVALUATION

### 6.1 Learning and skills action plan - performance indicators

The measures and supporting actions set out in the following table of performance targets cover a 3 - year period (beginning 1 April 2000). These targets cover (but extend significantly beyond) those measures recommended by Government in its advice to RDAs. The Skills and Learning Forum will undertake a formal review in the form of a report to the NWDA Board. In addition, the Forum may review areas of particular concern on a quarterly basis where it makes sense so to do.

### 6.2 Three year programme

#### Strategic Objective P 1

No	Measure	Baseline	Target		
		1 April 2000	2000/2001	2001/2002	2002/2003
1.1	Sector networks	Number			
1.2	Local networks	Number			
1.3	Business benefit of workforce development				
	1 % of employers with written TP	%			
	2 % of employers (10+) recognised as IIP.	%			
	3 % of medium/large companies recognised as IIP	%			
	4 % of employees undertaking work related training in last 13 weeks	TBD			
	5 measure for basic skills in workplace	TBD			
	6 overall performance in New Deal	Number			
	7 number of MA places taken up	%			
	8. graduate employment	%			
	9 effectiveness of education-business linkages	TBD			
	10 % of required new industry standards for all levels of training	%			

### Strategic Objective P 2

No	Measure	Baseline		Target	
		1 April 2000	2000/2001	2001/2002	2002/2003
2.1-	1 literacy target				
2.4	2 numeracy target				
	3 targets for 16 - year - olds				
	4 % of 19 - year - olds achieving NVQ2 (or equivalent)				
	5 % of 21 - year - olds with NVQ3 (or equivalent)				
	6 % of 19 - year - olds achieving level 2 KS				
	7 % of employers 'reasonably satisfied' with skills baseline of new recruits				
	8 level of participation in adult non-accredited learning				
	9 % of NW individuals investing in learning	%			
	10 survival rates for 'start-ups'	%			

### Strategic Objective P 3

No	Measure	Baseline		Target	
		1 April 2000	2000/2001	2001/2002	2002/2003
3.1	1 Overall difference of performance against national targets	TBD			
3.5	2 Overall difference in unemployment rates	%			
	3 Level of participation of minority groups	TBD			
	4 Indicators relating to gender stereotyping	TBD			

### Strategic Objective P 4

No	Measure	Baseline		Target	
		1 April 2000	2000/2001	2001/2002	2002/2003
4.1 -	1 % of employers with hard to fill vacancies	%			
4.7	2 % of graduates in SMEs	%			
	3 measures of HE quality	TBD			
	4 measures of FE quality	TBD			
	5 measures of Work-based Training quality	TBD			
	6 % of employers satisfied with quality and responsiveness of education and training (all types)	%			
	7 employability after school, FE, HE or private providers	%			
	8. drop-out rates after school, FE, HE or private providers	%			

### 6.3 Evaluation

Evaluation can only take place in the long term but must be planned from the start of the programme in order that the right measurements can be put in place across the whole of the programme. What evaluation is concerned with is:

- whether the strategy has achieved its objectives in terms of overall impact taking account of factors like additionality, 'dead-weight', multiplier effects and displacement
- whether the objectives were the right ones to further the organisation's overall mission
- whether this was the most cost effective method of achieving this impact

In consequence at the initial stage of the skills and learning action plan an evaluation strategy must be devised and the appropriate measurements arrangements put in place.

Based on this an initial formal evaluation will be carried out using independent, external resources three years from the commencement of this strategy (or earlier if required by government).

## ANNEXE 1

From the economic assessment prepared by DTZ Pleda blockages to region development

Issues/constraints on development	Implications specific to labour/skills (with additions to DTZ findings)
Lack of widespread entrepreneurialism	Working with young people Encouraging risk taking & spin out
Haemorrhage of (skilled) population	Graduate retention Growth strategy capability - managers need to consider strategies which capitalise on the skills being developed in the region
Poor environment legacy	Requirement in the region for skills in improving the environment (specialist and general management)
Low IT base and lack of critical mass in sector	Need for widespread IT skills development Need for management awareness
Lack of basic skills and employability	Needs tackling in schools Provide opportunities for encouragement and skills development for all ages, employed and unemployed
A shortage of managers with the right skills including leadership	Need to upskill NW managers
Declining traditional income sources in rural areas	Need for improved added value in output, which in turn implies increased skills need

Cross-sector opportunities	Implications for HEI policy
Region's research base - one of the major clusters in the UK although proportionately lower than some other regions	Implications for labour/skills Need to develop entrepreneurialism and management skills to encourage technology transfer
Regional site capacity - one of the largest concentrations of brownfield/urban capacities for growth	
Transport nodes - Manchester airport and excellent port facilities	Need to ensure the appropriate skills are available

## ANNEXE II

Labour demand by industrial sector

Male skill projections (000s) 1998-2008 in NW by industrial sector taking account of new and replacement jobs

Sector	NVQ4	NVQ3	NVQ2	<NVQ2	Total
Agriculture etc	-0.35	0.01	-0.07	0.02	-0.40
Coal etc	-0.00	-0.01	-0.01	-0.03	-0.05
Oil and Gas	-0.00	0.00	0.00	-0.00	-0.00
Other Mining	0.13	0.21	0.18	0.10	0.62
Food	0.54	1.14	1.04	-0.13	2.60
Drink	-0.21	-0.23	-0.26	-0.54	-1.24
Tobacco	0.37	0.34	0.30	0.25	1.26
Textiles	-0.03	0.37	0.15	-1.46	-0.96
Clothing and Lea...	-0.08	0.10	0.03	-0.56	-0.51
Wood and Wood Products...	0.20	1.10	0.98	0.03	2.30
Paper, Printing ...	-0.36	1.25	0.92	-1.13	0.69
Manufactured Fuels	0.34	0.48	0.38	-0.20	1.00
Pharmaceuticals	0.35	0.34	0.28	0.14	1.11
Chemicals nes	0.32	0.53	0.26	-1.18	-0.07
Rubber and Plastics	0.59	0.68	0.50	-0.32	1.45
Non-metallic Min...	0.63	0.81	0.60	-0.43	1.61
Basic Metals	-0.12	-0.13	-0.18	-0.70	-1.13
Metal Goods	0.81	1.41	1.03	-1.26	1.99
Mechanical Engineering...	1.64	1.81	1.32	-0.75	4.01
Electronics	-0.50	-0.40	-0.40	-0.75	-2.05
Electrical Engineering...	1.33	0.74	0.53	-0.12	2.49
Instruments	1.27	0.79	0.57	0.18	2.81
Motor Vehicles	0.26	0.51	0.33	-1.08	0.02
Aerospace	-0.39	-0.40	-0.48	-1.50	-2.77
Other Transport ...	0.01	0.30	0.20	-0.35	0.16
Manufacturing nes...	0.88	3.20	2.89	0.81	7.78
Electricity	0.03	0.13	0.10	-0.17	0.09
Gas Supply	-0.11	-0.05	-0.05	-0.24	-0.45
Water Supply	-0.14	-0.09	-0.11	-0.27	-0.61
Construction	1.88	11.75	10.06	-4.02	19.66
Retailing	3.69	5.91	8.22	11.35	29.16
Distribution nes	2.84	8.60	9.37	7.68	28.48
Hotels and Catering	0.49	1.55	2.08	4.35	8.47
Rail Transport	0.24	0.55	0.57	0.79	2.14
Other Land Transport...	0.41	3.18	3.40	3.97	10.96
Water Transport	-0.02	0.00	-0.00	-0.02	-0.03
Air Transport	0.21	0.35	0.30	0.14	1.00
Other Transport ...	-0.77	-0.47	-0.55	-1.27	-3.07
Communications	0.83	2.26	2.35	1.88	7.32
Banking and Finance	-0.34	-0.17	-0.20	-0.39	-1.11
Insurance	0.15	0.39	0.30	-0.19	0.66
Professional Services...	5.54	0.73	0.47	-0.34	6.39
Computing Services	2.52	1.21	0.96	0.65	5.34
Other Business S...	17.06	4.23	3.09	2.00	26.38
Public Administration...	0.17	-0.03	-0.14	-1.64	-1.65
Education	7.55	0.69	0.50	0.60	9.34
Health & Social ...	8.13	0.49	0.19	-0.56	8.25
Waste Treatment	0.11	0.17	0.18	0.08	0.55
Other Service Ac...	18.11	5.03	4.43	5.44	33.00
<b>TOTAL</b>	<b>76.23</b>	<b>61.38</b>	<b>56.59</b>	<b>18.83</b>	<b>213.03</b>

## ANNEXE III

Female skill projections (000s) 1998-2008 in NW by industrial sector taking account of new and replacement jobs

Sector	NVQ4	NVQ3	NVQ2	<NVQ2	Total
Agriculture etc	0.12	0.48	0.63	1.61	2.84
Coal etc	-0.00	-0.00	-0.00	-0.00	-0.00
Oil and Gas	0.00	0.00	0.00	0.00	0.00
Other Mining	0.07	0.05	0.05	0.04	0.21
Food	-0.18	-0.19	-0.34	-1.64	-2.35
Drink	-0.03	-0.04	-0.05	-0.11	-0.22
Tobacco	0.02	0.03	0.04	0.05	0.14
Textiles	-0.14	0.08	-0.09	-2.13	-2.27
Clothing and Lea...	0.20	0.87	0.67	-1.99	-0.25
Wood and Wood Products...	0.03	0.05	0.06	-0.01	0.14
Paper, Printing ...	0.71	0.95	1.08	0.71	3.44
Manufactured Fuels	0.27	0.17	0.16	0.12	0.72
Pharmaceuticals	0.31	0.22	0.20	0.17	0.90
Chemicals nes	0.61	0.40	0.35	0.14	1.50
Rubber and Plastics	-0.04	-0.07	-0.10	-0.52	-0.73
Non-metallic Min...	0.13	0.19	0.21	0.04	0.57
Basic Metals	-0.05	-0.07	-0.09	-0.18	-0.40
Metal Goods	0.05	0.10	0.05	-0.21	-0.01
Mechanical Engineering...	0.27	0.23	0.19	0.06	0.75
Electronics	-0.19	-0.16	-0.19	-0.37	-0.91
Electrical Engineering...	0.19	0.28	0.24	0.12	0.84
Instruments	0.40	0.43	0.40	0.50	1.73
Motor Vehicles	0.00	0.03	0.01	-0.08	-0.04
Aerospace	-0.08	-0.08	-0.11	-0.21	-0.48
Other Transport ...	-0.03	-0.05	-0.06	-0.12	-0.26
Manufacturing nes...	0.54	0.93	0.99	0.70	3.16
Electricity	0.06	0.12	0.17	0.25	0.60
Gas Supply	-0.01	-0.01	-0.01	-0.02	-0.04
Water Supply	0.02	0.06	0.09	0.14	0.31
Construction	1.45	1.17	1.13	0.56	4.31
Retailing	9.52	18.71	33.51	62.01	123.75
Distribution nes	0.71	1.29	2.04	3.25	7.29
Hotels and Catering	2.84	5.84	7.82	13.99	30.50
Rail Transport	0.13	0.16	0.21	0.29	0.79
Other Land Transport...	0.22	0.25	0.27	0.11	0.84
Water Transport	0.03	0.03	0.04	0.04	0.14
Air Transport	0.17	0.18	0.19	0.19	0.74
Other Transport ...	0.98	1.14	1.38	1.54	5.04
Communications	0.31	0.55	0.76	0.95	2.57
Banking and Finance	0.76	1.39	1.95	2.70	6.80
Insurance	0.36	0.58	0.53	0.30	1.78
Professional Services...	11.98	11.13	14.11	18.71	55.93
Computing Services	0.12	0.09	0.09	0.04	0.32
Other Business S...	11.70	10.32	12.78	16.46	51.25
Public Administration...	3.43	3.41	3.86	3.98	14.68
Education	19.95	6.32	5.04	2.66	33.96
Health & Social ...	18.47	9.53	11.07	14.00	53.07
Waste Treatment	0.12	0.12	0.14	0.15	0.53
Other Service Ac...	6.22	5.30	6.70	8.34	26.55
<b>TOTAL</b>	<b>92.71</b>	<b>82.53</b>	<b>108.15</b>	<b>147.33</b>	<b>430.72</b>

Employment projections (000s) 1998-2008 in NW by occupation

Occupation	Males			Females		
	Net Change	Replacement Change	Total Change	Net Change	Replacement Change	Total Change
Corporate Managers & Administrators	18686	-26201	-3946	41953	-16171	25781
Managers/Proprietors in Agric. & Services	-5526	-3312	-9332	8522	-2622	5900
Science & Engineering Professionals	14514	9589	27317	3469	1303	4772
Health Professionals	3230	3278	7534	1174	1506	2679
Teaching Professionals	1684	8400	10892	325	13673	13997
Other Professional Occupations	8640	2947	13762	8934	1924	10858
Science & Eng. Associate Professionals	8343	3129	13020	6739	1040	7779
Health Associate Professionals	-519	812	187	-10873	5759	-5113
Other Associate Professional Occupations	3446	953	5231	17965	1081	19046
Clerical Occupations	-20448	24850	1108	2618	77657	80275
Secretarial Occupations	-1159	309	-998	2052	38470	40522
Skilled Construction Trades	-14253	12953	-3501	245	345	590
Skilled Engineering Trades	-13757	37379	21972	-194	723	530
Other Skilled Trades	-19554	58053	36617	-6316	14396	8081
Protective Service Occupations	143	7268	7542	27	1050	1076
Personal Service Occupations	10700	5525	18382	61527	24864	86391
Buyers, Brokers & Sales Representatives	-2301	9094	6414	8782	5914	14696
Other Sales Occupations	8891	28473	39492	32704	107155	139859
Industrial Plant & Machine operators etc.	-15302	27768	10172	-11699	12162	463
Drivers & Mobile Machine Operators	-2565	15393	12824	-669	440	-229
Other Occupations in Agriculture etc.	-2871	3004	-341	-11	2200	2189
Other Elementary Occupations	-28847	32186	-252	-53168	23750	-29418
<b>TOTAL</b>	<b>-48825</b>	<b>261848</b>	<b>214095</b>	<b>114106</b>	<b>316620</b>	<b>430726</b>

## ANNEX IV

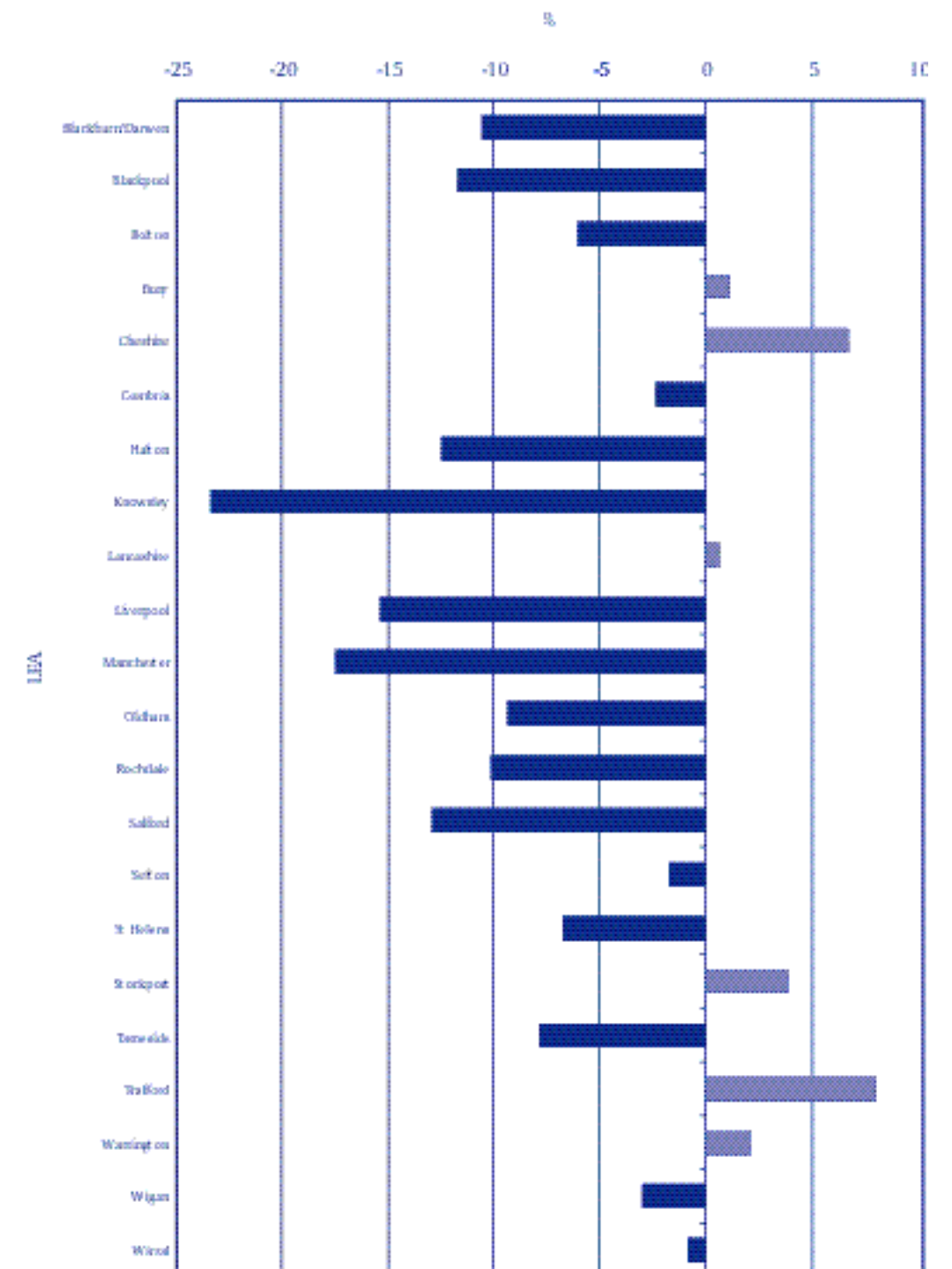
### North West skills levels

#### Highest qualification by working age population (%) 1998

GOR	NVQ5	NVQ4	NVQ3	NVQ2	<NVQ2	NONE
North East	2	13	18	22	21	23
North West	3	17	19	22	20	20
Yorks/Humber	3	16	17	21	22	20
East Midlands	3	16	18	22	22	19
West Midlands	3	15	17	22	22	22
Eastern	3	17	17	24	24	15
South East	4	21	19	23	21	13
South West	3	19	19	23	22	14
Wales	3	16	17	21	19	17
Scotland	3	20	20	21	19	17
UK	3	18	18	22	21	18

## ANNEXE IV TABLE 1

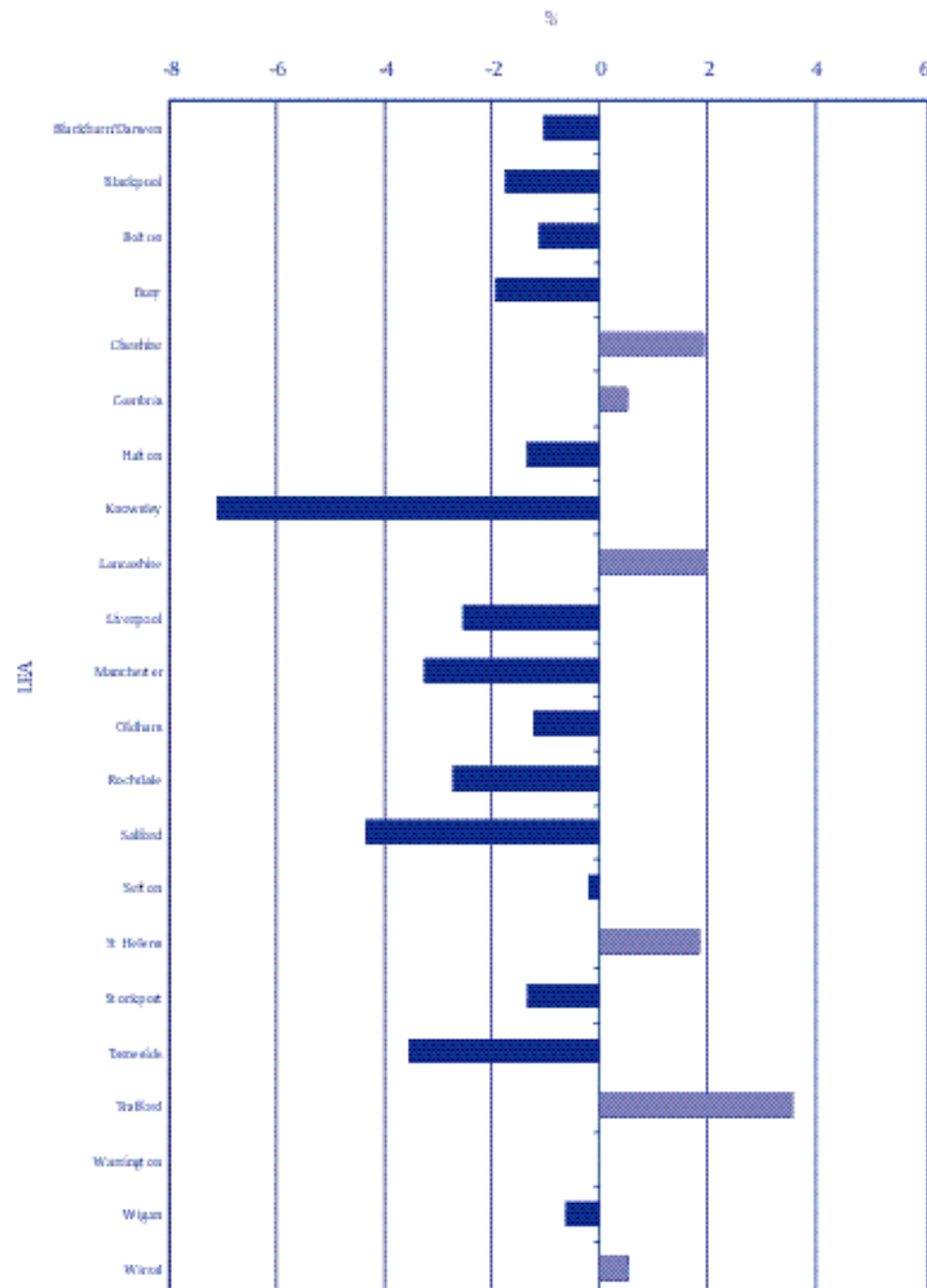
### 1998 5+ GCSE achievements by North West LEA (absolute difference from England average).





## ANNEXE IV TABLE 2

1998 A-Level points achievements by North West LEA (absolute difference from England average).



## ANNEXE V

### Further information on sectoral skill shortages

#### NTO Information

NTO sectors with indications of more serious or widespread problems were Construction, Engineering, Electrical Systems Clothing and Hospitality. A definite worsening of recruitment problems was reported in the sectors of Agriculture/Commercial Horticulture, Food and Confectionery, Electrical Installation, Engineering Construction, Steel, IT and Local Government.

Sectors reporting no real recruitment problems were Electricity, Glass Fibre, Cement, Printing (Scotland), Waste Management, Employment Management and Museums.

Examples of specific constraints reported by NTOs include:

- the need for supervisory management skills in construction
- in banking IT skills emerging from branch restructuring and the development of call centres
- in the hospitality industry there are shortages in various areas including chefs, and the high turnover of labour and associated cost (estimated at £500 M per annum nationally ) is a serious concern
- in the steel industry the need for better level new entrants both from school and higher education
- in the cleaning and support services sector management/supervisory skills at various levels

#### NWDA Sector Groups - examples of skill shortages

The aerospace and defence industry reported skills gaps both in the established workforce (technical and ICT skills) and among young recruits (a need for better links with schools to ensure the needs of industry are better understood).

The automotive sector group reported engineering and IT/CAE skill shortages as obstacles to growth again citing a need for better links with learning suppliers and TECs.

The chemical sector was concerned about its image with potential recruits, the need to improve links with learning suppliers and improve identification of the sector's training needs especially in the context of significant restructuring.

The Energy Oil and Gas sector recognised the need for better links with learning suppliers to meet the identified need for improved skills availability.

As in the national NTO findings the hotels and leisure sector group cited significant skills shortages. It also identified the opportunity for unemployed people to be trained up and claimed there was a current mismatch between training provision in the HE/FE sector and the skills which the industry needs.

The pharmaceutical and biotechnology sector having identified the opportunity to develop biopharmaceutical manufacturing in the region acknowledges the need for appropriately skilled graduates – the development would provide the opportunity to retain graduates in the North West.

Other sectors reported both generic and sector specific skill shortages and a summary of the sector findings is available separately from the NWDA.

## ANNEXE VI

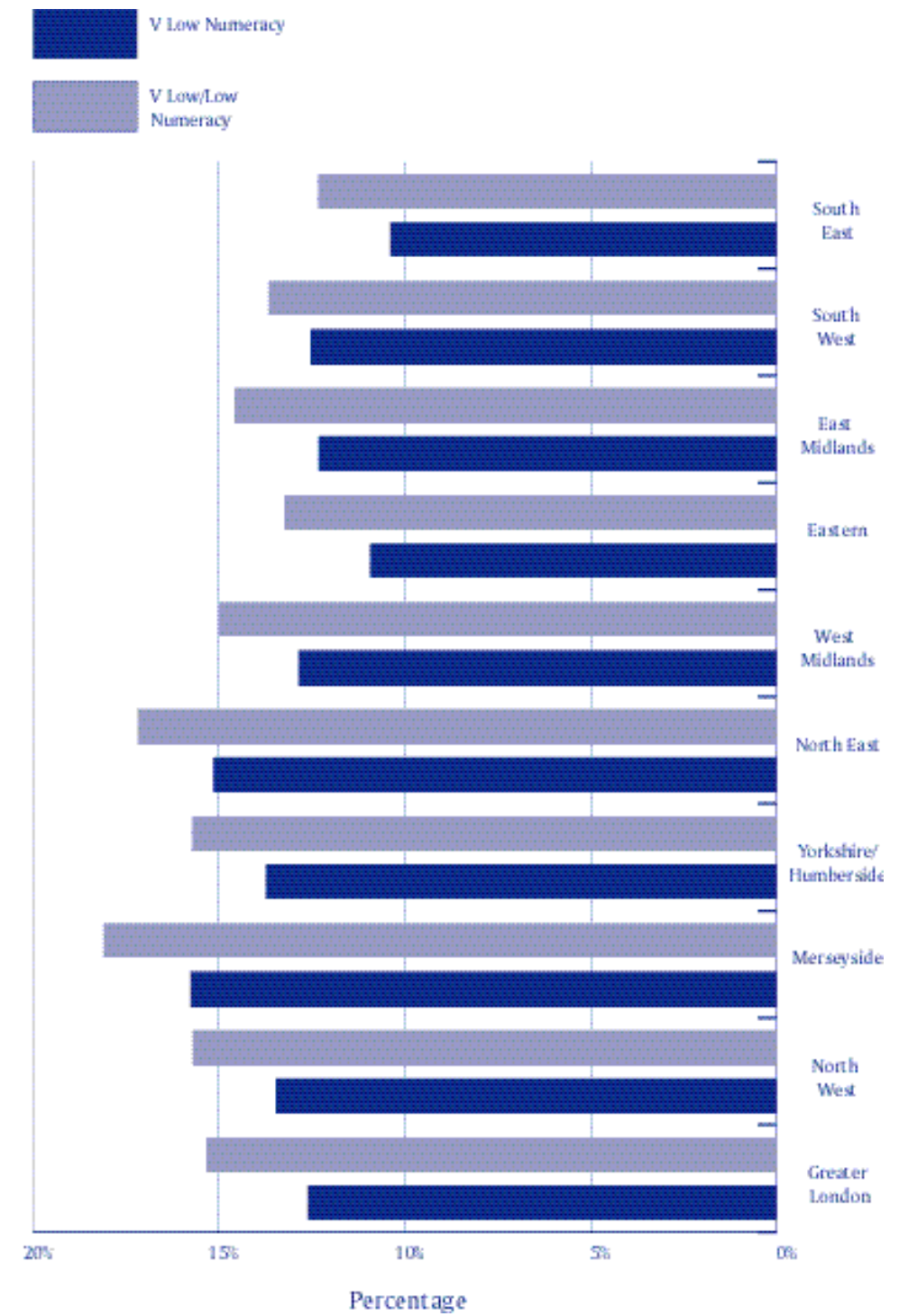
Variation of Numeracy and Literacy Across Manchester

Ward Name	% of Population with Low Literacy	% of Population with Low Numeracy
ARDWICK	26	26
BAGULEY	26	22
BARLOW MOOR	20	17
BENCHILL	35	30
BESWICK and CLAYTON	31	27
BLACKLEY	26	22
BRADFORD	30	25
BROOKLANDS	23	19
BURNAGE	27	22
CENTRAL	28	26
CHARLESTOWN	27	22
CHEETHAM	28	29
CHORLTON	15	11
CRUMPSALL	20	14
DIDSBURY	15	10
FALLOWFIELD	22	19
GORTON NORTH	26	20
GORTON SOUTH	28	24
HARPURHEY	28	25
HULME	22	24
LEVENSHULME	19	15
LIGHTBOWNE	28	24
LONGSIGHT	25	24
MOSS SIDE	22	25
MOSTON	26	20
NEWTON HEATH	29	24
NORTHENDEN	24	19
OLD MOAT	19	15
RUSHOLME	21	17
SHARSTON	27	22
WHALLEY RANGE	18	13
WITHINGTON	17	11
WOODHOUSE PARK	30	26

Data taken from "A fresh start" – The Moser Report on Basic Skills

## ANNEX VI TABLE 1

Levels of Numeracy in the 10 Govt Office regions.



## ANNEXE VII

North West Industry sectors with gender concentrations of less than 30% - 1998.

Sector	Males	Females
Agriculture		•
Coal etc		•
Oil & Gas		•
Other Mining		•
Food		
Drink		•
Tobacco		
Textiles		
Clothing & Leather		
Wood & Wood Products		•
Paper Printing & Publishing		
Manufactured Fuels		•
Pharmaceuticals		
Chemicals nes		•
Rubber & Plastics		•
non-metallic Mineral Products		•
Basic Metals		•
Metal Goods		•
Mechanical Engineering		•
Electronics		
Electrical Engineering		•
Instruments		
Motor Vehicles		•
Aerospace		•
Other Transport Equipment	•	
Manufacturing nes & Recycling		•
Electricity		•
Gas Supply		•
Water Supply		•
Construction		•
Retailing		
Distribution nes		•
Hotels & Catering		
Rail Transport		•
Other Land Transport		•
Water Transport		•
Air Transport		
Other Transport Services		
Communications		•
Banking & Finance		
Insurance		
Professional Services		
Computing Services		•
Other Business Services		
Public Administration & Defence		
Education	•	
Health & Social Work	•	
Waste Treatment		•
Other Service Activities		

