

Worcestershire Employment and Skills Strategy 2012- 2016 Refresh

**NB This strategy refresh is an interim document designed to move
the current priorities forward until 2016.**

**July 2015
Version 3**

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Membership of the Employment and Skills Board

Name	Company Name
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Tony McDowell	Encription Ltd
Tamsin Jones	FE Colleges Principal Representative
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Executive Summary

In 2012, the Employment and Skills Board following consultation across Worcestershire set its strategy for the next 4 years around three key employment and skills priorities as follows :-

- Skills and Workforce Planning
- Strengthening the relationship between Business and Schools
- Increasing employability

Over this time it has put into place programmes of delivery and initiatives to support these priorities but now finds the ESB needing to realign its priorities to continue this activity and is therefore refreshing the targets within the 2012 strategy to take it through to 2016, when a new consultation exercise will need to commence to look at the next four years. This refresh also takes into consideration the LEPs priorities set in the Strategic Economic Plan and refreshes the details in line with the SEP and the LEP's business plan. The refresh has also considered those initial targets that are no longer relevant to the current economic situation within Worcestershire.

Priority 1: Skills and Workforce Planning

Increasing apprenticeships; developing graduate level opportunities; and increasing private sector investment in skills.

Increasing apprenticeships; Since 2012, the Worcestershire Apprenticeship Group (WAGs), a subgroup of the Employment and Skills Board (ESB) has been focused on increasing the number of employers taking on apprentices and young people considering apprenticeships.

	2010/11	2013/14	% Change
Numbers of Apprenticeships Participating	6850	9480	+38%
Number of Workplaces	2090	2770	+33%
Numbers of Starts			
16-18 yrs old	1190	1345	+13%
18-24 yrs old	1610	1623	+5%
25+ yrs old	2140	1850	-11%
Intermediate (Level2)	3330	3180	-5%
Advanced (Level 3)	1590	1490	-6%
Higher (Level 4)	30	140	+367%
Apprenticeships starts all ages	4940	4818	-2%
Engineering & Manufacturing Technologies Starts	690	770	12%
Apprenticeship Starts	2011/12	2012/13	2013/14
Total	5670	5690	4818
Total Starts 2011/2014 = 16178			

* data sourced from <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships> and LEP 2013/14 data cube

** Data based on learner residence based in Worcestershire

The group's activity has been primarily focused around increasing the numbers of 16-18 year olds who start apprenticeships as well as preparing a pipeline of apprentices through schools. Over the last three years the groups has achieved:-

- Launched the Worcestershire Apprenticeship Brand and website in Feb 2015, This website is currently averaging 296 hits per day (April/May average 2015)
- Increased the number of 16-18 year olds starting an apprentice year on year from 2010 – 2014 by 13%
- Completed over 16'000 new apprenticeship starts between 2010 - 2014
- Increased the number of higher apprenticeship starts by 350%
- Increased the number of Engineering & Manufacturing Technologies starts by 12%
- Schools Engagement Programme Implemented – 14 schools engaged since April 14, 1300 pupils

- SME Engagement Programme Implemented – 250 SMEs engaged since April 14, 223 new apprenticeship vacancies created by end of May 2015
- Apprenticeship Clearing House tender has been launched April 2015 for launch September 2015 looking at increasing young people's application success rates and greater employer engagement
- Worcestershire Apprenticeship Show annually attracts over 1000 young people
- Ran Successful Apprenticeship Campaigns through billboard, press and through social media
- Commenced focus on expanding the apprentice numbers in Agri Tech and Cyber sectors
- Held the first annual Worcestershire Apprenticeships Awards

Whilst this has been fantastic progress, there is still more to be done, the Employment and Skills Board and Worcestershire Apprenticeships Group has still to look at:-

- Working with the Skills Funding to see how the LEP Influencing Document can support LEP priorities and influence Apprenticeship providers
- Introduce the concept of an Apprentice Training Agency to Worcestershire

These will be carried forward into the next 12 months of activity with a focus on:-

- Retaining the focus of 16-18 year olds but also including the 18-24 year old group as a priority
- Launching the Clearing House initiative in 2015
- Exploring the idea of an employer consortium and how this can benefit our SME companies in Worcestershire
- Exploring the demand from employers and ensuring supply meets their needs
- Focus on our key growth sectors with the addition of Leisure and Tourism and Construction

We will measure our success through the following refreshed targets:-

- **800 Engineering Starts in 2014/15 , aiming to achieve 820 in 2015/16**
- **Increased the number of 16-24 year olds undertaking apprenticeships in 2015/16 by 5% (Baseline 2968 - 2013/14 data)**
- **Launching the clearing house initiative by September 2015**
- **Increasing the numbers of businesses offering apprenticeships from 2770 in 2013/14 to 3000 by July 2016.**
- **Increase the number of apprenticeships in Worcestershire in Agritech aligned subjects by 25% by July 2016 (Baseline 98– 2013/14 data)**
- **Increase the number of apprenticeships in Worcestershire in Cyber/IT related subjects by 25% by July 2016 (Baseline 120 – 2013/14 data)**

Developing graduate level opportunities;

In the last two years, the Employment and Skills Board has been able to support the development of a range of graduate level opportunities in the following ways :-

- Support the Graduate to Business an ERDF programme which was shaped by the boards desire to increase the opportunities at graduate level.
 - This programme has offered 48 one year placements and 5 three month placements.
- Work with the University of Worcester to explore lifelong learning opportunities related to Worcestershire's key economic sectors.

The board highlights this area of work as a priority for further development including:-

- Lobby to coordinate the approach to Graduate grants across the Worcestershire District Councils
- Exploring opportunities to develop graduate placements schemes with the University of Worcester and our local strategic businesses
- Need to explore opportunities for funding through European Structural and Investment Funds (ESIF)
- Need to look at the demand of Worcestershire employers versus the supply of graduates from our HE offer and how WLEP can influence the agenda
- Investigate opportunities to meet the needs of local employers through our HE offer and engage further employers into the local mechanisms.

We will measure our success through the following refreshed targets:-

- **All five districts to offer a coordinated grant programme for graduate recruitment by July 2016.**
- **University of Worcester graduate placement scheme in place for July 2016**
- **Funded ESIF programme around Graduate recruitment in place for Worcestershire by July 2016**
- **Work with our Higher Education and Further education partners to launch Higher education pathways in our key economic sectors:-**
 - **Engineering Degrees to be launched for September 2017 through the University of Worcester.**
 - **Cyber HE pathway to be launched for September 2017**
 - **AgriTech HE pathway to be launched for September 2017**
 - **Construction HE pathway to be launched for September 2017**

Following this strategy refresh, the ESB recognises the need to fully look at the role of lifelong learning including the role of Higher Education in Worcestershire's economy as part of the long term vision for Worcestershire and would envisage this being incorporated in the new strategy developed alongside the Strategic Economic Plan in 2016.

Increasing private sector investment in skills;

In 2013, the County saw the introduction of European Social funding under the programme title "Skills Support for the Workforce", this programme aimed to fund training opportunities in SMEs within the key growth sectors. To date this programme has seen:-

- 734 Companies supported
- 2063 Employees upskilled

Whilst this programme has seen a positive reaction, there is a need to continue this momentum and skills buy in from businesses with a focus on our key sectors. WLEP ESB needs to look for funding opportunities to bring programmes of a similar nature into the county. Therefore the ESB has identified the need to:-

- Continue to identify funding to support employers to invest in skills
- Focusing on protecting businesses from Cybercrimes through supporting investment in Cyber skills
- Develop and implement a Leadership and Management development programme aimed at Level 2 and 3 skills for employees by September 2016
- Identify other themes for investment and lobby WLEP ESIF committee where required
- Work with our four Further Education colleges to minimise the impact of national funding cuts on workforce training and our economy
- Promote the role of lifelong learning and Higher Education in Businesses and the impact on productivity and growth for SMEs

We will measure our success through the following refreshed targets:-

- **Identify five new projects designed to support private sector investment in skills for Worcestershire by July 2016 including**
 - **Launch an ESIF programme around Cyber Skills for Worcestershire by July 2016**
 - **Launch an ESIF Leadership and Management programme for Worcestershire by July 2016**
- **Engage 100 SMEs in Leadership and Management conference in July 2015**
- **Work with the National Cyber Skills Centre to raise cyber awareness in SMEs (400 businesses)**
- **Work with the four FE Colleges to assess the impact of funding cuts and where alternative community projects could be implemented.**

Priority 2: Strengthening the Relationship between Schools and Businesses

Building a clearer picture of skills required and increasing opportunities created under academy status.

Building a clearer picture of skills required; since 2012, the Employment and Skills Board has had a clear focus on this activity and has developed a number of mechanisms to support young people to increase their awareness of and exposure to the world of work. To further this work the Employment and Skills Board set up a subgroup entitled the Connecting Schools and Business Group to move this forward.

The group's activity has been focused around three key areas:-

- Working with employers to generate quality work experience opportunities to offer our county's high school students
- Improving the communications and interactions between businesses and schools
- Providing mechanisms to support schools and young people in careers advice, in particular :-
 - To understand the parity between vocational education and traditional academic routes
 - To highlight the key industries in Worcestershire and their future employment opportunities
 - To show the different entry levels into employment and the educational expectations of employers
 - Implementing an Apprenticeship Schools Engagement Programme
- Supporting young people to understand the application and communication methods expected by employers and provide them with the tools to translate their academic and social skills onto paper

This has resulted in the following developments to facilitate careers advice :-

- *Worcestershire Skills Central* –launched in April 2014, this portal allows businesses to register their offers of support to schools including work experience, in school talks, site visits, guest speakers etc and for schools and their students to accept those opportunities and/or make requests for further support. To date this has seen :-
 - 83 Business registered to use
 - 471 Placements uploaded onto portal
 - 1131 Students registered on portal
- *Skills Competency Tool* – launched alongside Worcestershire Skills Central, this tool supports young people to translate their educational and personal achievements into competences required by employers. To date this has seen 1970 student registrations.
- *Worcestershire Careers Central Website* – Due to launch in summer 2015, the site will support young people, parents and careers advisors to map careers in Worcestershire and understand the educational expectations. To date , despite having had no formal launch

for the online website and still being in development, general careers searches have already seen the site viewed by over 250 unique visitors showing a clear need for the site in the county.

- *Worcestershire Careers Central pdf* – Due to launch in June 2015, the simplified printed version for use by careers advisors in 1:1 sessions.
- *Worcestershire Skills Show* – In 2015 the first skills show was held to highlight career opportunities in the county to young people, the event was a huge success with over 1200 young people attending throughout the day.

Whilst the activity around this theme continues and remains a continued focus for the ESB, the activity needs to be strengthened and the ESB has identified over the next 12 months the need to focus on :-

- Implementing a clear communications strategy for the overall programme to Parents, Careers Advisors, Schools and Young People
- Engage with our partner organisations such as the Chamber, Wider LEP boards, Worcestershire Business Central, District Councils etc to gain support for the programme through their communications and general business engagements
- Continue the momentum on the Business Engagement signing up more businesses both strategic and SMEs to the programme
- Continue the momentum with schools to use and engaging more with various tools resulting in positive interactions for young people
- Launch Worcestershire Careers Central Summer 2015
- Investigate the widening of these programmes to focus on other groups such as:-
 - 18 – 24 year olds currently unemployed
 - Further Education Colleges
 - Higher Education Establishments
 - Private Schools in Worcestershire
 - Worcester 6th Form College
- Continue to lobby Government to look at a consistent enforced approach to both careers advice and work experience in schools including request to run a pilot programme in Worcestershire
- Lobby Government through the LEP network to look at their approach to schooling and how it feeds the supply of employees into the workforce.
- Secure future funding for sustainability of programme.

We will measure our success through the following refreshed targets :-

- **125 New business engagements in 2015/16**
- **500 New work experience placements in 2015/2016**
- **1000 Registrations on Worcestershire Skills Central in 2015/16**
- **5000 Unique visitors to Worcestershire Careers Central in 2015/16**

Increased opportunities created under Academy status;

Whilst the initial strategy identified the need to work with academies and embed subjects into their core curriculums, academies through their very nature are independent of local authority control and therefore this has remained a difficult strand of work to move forward.

However following the Further and Higher Education review conducted by KPMG in May 2014, the report highlighted the need to examine future delivery options for 14-19 interventions and the appropriate models to meet the local employment needs and link with the Worcestershire County Council's Children's and Young Peoples Plan to provide high quality education. The ESB has moved this recommendation forward and to date this exercise has been concerned with the feasibility of a Science, Technology, Engineering and Maths (STEM) focused school under the auspices of a University Technical College (UTC). The feasibility study will be conducted by June 2015 and should this show sufficient demand from employers and demographic need, then this will result in the ESB supporting an application to develop a STEM focused UTC for opening in Worcestershire in 2018.

We will measure our success through the following refreshed targets :-

- **Following proven feasibility, Develop a successful University Technical College bid for January 2016**
- **Following proven feasibility, Open a University Technical College in Worcestershire in September 2018.**

Priority 3: Increasing Employability

Addressing youth unemployment; building better mechanisms to identify job opportunities and support local recruitment; and helping small businesses recruit.

Since 2012, youth unemployment has decreased significantly across Worcestershire. In 2010/11 the rate of 18-24s on Jobseekers Allowance was 3165, 7.6% however as of March 31st 2015, the rate is currently 1260 a rate of 3.3%, therefore representing since the inception of the strategy a decrease of 60%.

Since 2012, the ESB has launched the following initiatives to support this theme:-

- Launch of Employment Hubs initiative, opened in Kidderminster and Redditch, offering a one stop shop to the general public to offer support mechanisms to improve employment prospects and support to progress them into better career opportunities. Engaged with over 1700 young people to date.
- Worked with the Big Lottery to support the implementation of a £1 million Talent Match programme in Worcestershire, targeting young people who are furthest from the jobs market to support them to gain the skills they need to get into work. This programme is currently supporting 83 clients with over 25 in employment.
- Worcestershire Jobs Fayre, held in September over the last three years, this event has attracted over 8000 attendees through the Guildhall.
- Launch of Graduate to Business in November 2013, offering businesses grant funding to support the employment of graduates into SMEs. The programme has exceeded its targets offering 48 placements and supporting 15 graduates to start up their own businesses.
- Targeted Apprenticeship programme to focus on 18-24 year olds on JSA in Worcestershire over the next 12 months.

Alongside these interventions in 2014, Central Government announced its intention to work with LEPs to define local priorities using the European Structural and Investment Funds. This fundamental policy change means that Worcestershire LEP and the ESIF committee will have a greater voice in how money is spent in the county on this objective. This will support the ESB to ensure European programmes deliver for Worcestershire in supporting the increase of employability for adults.

However this theme has represented the most difficult challenge to the ESB as this traditionally is a hard to reach group which requires significant intervention. The ESB has acknowledged this theme as requiring additional focus and the ESB will therefore focus its attentions to consider:-

- Identifying the pockets of 18-24 yr olds in the county requiring support
- Completing a mapping and gapping exercise to identify potential needs of the unemployed population of Worcestershire and how this fits into WLEP's European Structural Investment funds strategy
- Working with the Worcestershire County Council's NEETs strategy to add value to and support a no wrong door approach to NEET interventions across the county
- Working with the Worcestershire Apprenticeship Group's to include Traineeships and Study Programmes into the group's strategy
- Identifying the future priorities for the strategy including looking specific areas of intervention such as:-

- Needs of pre Level 2 qualified residents
- Needs of high growth age groups ie 50+ unemployed

Alongside this the ESB will continue to challenge national programmes such as DWP's flagship Work Programme to deliver for Worcestershire.

We will measure our success through the following refreshed targets:-

- **Implementing an Employment and Skills Board sub group to look at the needs of the 18-24 year olds currently out of the labour market by September 2015**
- **Completed mapping and gapping exercise looking at the areas of support for the needs of unemployed residents by Autumn 2015**
- **Develop Strategy based on mapping and gapping exercise Spring 2016**
- **Develop ESIF funds social inclusion programme with ESIF committee including:-**

- **ESF fund looking at working with NEETs implemented across County by Spring 2016**
- **ESF Fund looking at working with Unemployed residents of Worcestershire across County by Spring 2016.**

- **Reduction in level of 18-24 year olds claiming JSA in County by 10% by July 2016 (Baseline – 3.3% April 2015)**
- **Reduction in the level of ESA claimants in County by 10% (Baseline – 16450 claimants (2.87% of population)– April 2014)**
- **Reduce the number of number of NEET individuals in Worcestershire by 10% in 2018**
- **Increase the number of economically active residents by 0.5%**

Connecting the Employment and Skills Board with the Worcestershire LEP Business Plan

The Employment and Skills Board refocus , also then aligns with the wider Worcestershire LEP Business Plan, as follows :-

Overall objective: To build an internationally recognised, highly competitive, innovative business location with better productivity and sustainable economic growth

Overall goals: 25k extra jobs, 2.9bn increase in GVA, 21.5k extra homes, by 2025, from 2013 baseline

Objectives	Goals	Strategic priorities	Measures
Theme 1 - Improve <u>skill levels</u> with focus on STEM, Cyber and Agri-tech skills	Increase average salary levels by 3% by 2018	Increase the levels of competence in STEM skills	Feasibility study for UTC with a potential for a Oct 15 bid. HWGTA open Sept' 2015 Have 800 Engineering Apprenticeships filled from training providers by 2015/16
	No. of residents with NVQ4+ increased by 4.5% by 2018	Increase the levels of competence in Agri-tech skills	Develop a skills strategy for the Agritech Sector by June 2015
Theme 2. Provide businesses with the skills they need through better <u>connections</u> with education	750 businesses offering work placements by 2016/17 To ensure that the number of individuals participating in an apprenticeship remains at, or as close to, 10,000 each year.	Provide young people with careers guidance for getting a job within Worcs.	Careers progression guide – launched by July 2015 Portal roll-out – 150 businesses on portal by Autumn 2016 Skills competency tool – registration levels 2500 by September 2015
		Increase the number of <u>apprenticeship</u> opportunities and the uptake level from young people	Apprenticeship clearing house in place by Sept 2015
		Increase the number of <u>graduate</u> opportunities	Support for graduate recruitment in place by March 2016
Theme 3. Increase the number of <u>opportunities</u> with focus on disadvantaged groups	Increase the proportion of economically active individuals by 2% by 2018	To support the most disadvantaged individuals and those furthest from the labour market to overcome barriers to participation	To provide support for 10,200 inactive individuals through the European Social Fund by 2021.
		To promote inclusive labour markets by providing jobseekers, inactive people and NEETs with intensive tailored support, skills and training.	Reduce the number of NEET individuals in Worcestershire by 10% by 2018. To ensure the claimant count, and youth (18-24) claimant count proportions continue to decrease or maintain the current low level.

ESB Employment & Skills Monitoring – July 2015

Summary

County & National statistics (incl. change on last year)

Employment & Skills

Worcestershire's employment data shows excellent growth matching rates seen before the recession (78.3%, highest since March 2007), and higher than regional and national levels. Claimant count unemployment reductions reflect this trend, but are starting to slow as the labour market returns to a non-recession status quo.

Salaries remain a problem in Worcestershire, lower than regional and national rates and a key indicator of low profits and low productivity within business. The strong growth in Worcestershire's salary is a very positive sign (in context, since the beginning of 2013, inflation has dropped from below 3% to 0.1% in May 2015).

Education (NVQ4+s) is a mixed message locally, more individuals have an NVQ4+ (39.4%) than the region (35%) almost reaching national rates (41.3%), and conversely there are more individuals in Worcestershire with no qualifications (8%), vs the regional and national rates (7.8%, and 4.9% respectively).

Apprenticeships

The number of apprenticeships in recent years have shrunk from the recent peak in 12/13. This is most likely due to policy changes reducing funding for the 25+ age group, which shrunk by 26.3% between the 2012/13 and 2013/14 academic years, whereas the 16-18 age group has grown by 4.3% in the same timeframe.

Apprenticeship levels are highly unbalanced, with intermediate levels remaining the most common (1,370 apprenticeships), followed by Advanced (990, although the hardest hit level at -36.6% between 2012/13 and 2013/14) and then Higher (at only 140 apprenticeships in Worcestershire).

The general decrease in apprenticeship starts has effected all sectors locally, regionally and nationally. One exception to this, is shown on the right - where the local Engineering and Manufacturing sector has increased in provision despite the national decrease.

NEETs & Allowances

The rate of NEET individuals in the county has decreased at a faster pace than regional and national averages – reaching a low of 3.8% (vs. 5.2% regionally, and 4.8% nationally). This may be partially due to methodological advances making the local data significantly more accurate recently

	Date	Worcestershire			England		
		Value	% Change		Value	% Change	
Employment	Q4 2014	78.3%	1.0%	↑	72.4%	0.2%	↑
Claimant Count	May 2015	1.2%	-0.7%	↓	1.7%	-0.8%	↓
Youth Claim. Ct.	May 2015	2.3%	-1.3%	↓	2.5%	-1.7%	↓
NVQ4+	2014	39.4%	-0.7%	↓	41.3%	0.5%	↑
No Quals.	2014	8%	0.2%	↑	4.9%	-0.4%	↓
Av. Annual Salary	2014	£23,977	3.9%	↑	£27,487	0.4%	↑
Apprenticeship participation	2013/14	9,480	-2.87%	↓	851,500	-1.97%	↓
Apprenticeship starts	2013/14	4,820	-15.3%	↓	434,600	-13.8%	↓
Engineering & Manufact.	2013/14	770	11.6%	↑	63,850	-2.5%	↓
16 - 18s age group	2013/14	1,220	4.3%	↑	118,200	4.6%	↑
25+ age group	2013/14	1,910	-26.3%	↓	159,300	-30.0%	↓
NEETs	May 2015	3.8%	-0.9%	↓	4.8%	-0.6%	↓
DLA claimants	2014	4.41%	-0.2%	↓	4.85%	-0.2%	↓
IS claimants	2014	0.93%	-0.2%	↓	1.23%	-0.2%	↓

The small reduction in individuals on Disability Living Allowance, and Income Support are similar in trends across the nation.

ESA claimants	2014	2.87%	0.4%	↑	3.45%	0.4%	↑
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