

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Children and Young People Scrutiny Committee
Date:	28 November 2014
Subject:	Improving employment and skills in Lincolnshire's growing business sectors

Summary:

This report explains the range of skills funding available and also shows a real need to fill vacancies as the county's economy grows. There is a new opportunity for important local partnerships to have greater control of skills provision. The Greater Lincolnshire Local Enterprise Partnership (GLLEP) will be choosing what additional training provision to buy through new EU funds, with advice from important local partnerships and LCC, as a member of the LEP and as the secretariat to the LEP, should take advantage of this opportunity.

Actions Required:

Members are asked to consider how it should advise and support the LEP, in particular through considering:

- The scale of approach that the council wishes to take in addressing this challenge
- How the council wishes to focus – eg on those sectors with higher numbers of vacancies or those sectors that will offer higher value jobs. (NB. in discussion with employers, it appears that jobs in agri-food, manufacturing, and healthcare are the most difficult to fill)
- How the council can fill the gaps around making students, parents, and schools aware of growth in economic sectors
- How the council wishes to monitor and shape progress moving forward
- Implementation of tactical schemes / pilot schemes as described in the report

1. Background

Forecasting models predict that over the next 5-10 years our local businesses will need larger numbers of more highly skilled workers and we will need to prepare

our population to take advantage of opportunities in sectors that are traditionally seen as low skilled.

This is something that senior councillors and scrutiny committees have discussed before, and it is an increasing priority to support the county's economic growth. Equally, it is an increasing priority to tackle unemployment among the younger and older workforce.

Claimant count, September 2014		
Jobseekers Allowance Claimants, ONS	Lincolnshire	England and Wales
Total Claimants	8,563	785,550
Total Claimant Rate	1.9%	2.2%
Total Youth Claimants (16-24)	2,490	192,715
Youth Claimant Rate (as a proportion of all those aged 16-24)	3.2%	2.9%
Youth Claimants as a proportion of all claimants	29.1%	24.5%
Total long term claimants (claiming for 6 months or over)	3,930	361,820
Long term claimant rate (as a proportion of all working aged people)	0.9%	1.0%
Long term claimants as a proportion of all claimants	45.9%	46.1%

The forecasts that are set out below show the extent of the challenge to our workforce – this challenge is partly caused by projected growth in industry (described as "Change 2012-2022" in the table) and it is partly caused by the need to replace people who retire or move out of county (described as "Replacement demand" in the table). The source for all data is the Working Futures, Warwick Institute for Employment Research/Cambridge Econometrics, 2014.

The need for additional jobs can be shown by industry:

Industry	Current Jobs	Change 2012-2022	Replacement Demand	Total Requirement 2012-2022
Agri-Food	37,000	-4,000	14,000	10,000
Manufacturing/Engineering	39,000	-3,000	13,000	10,000
Visitor Economy	41,000	2,000	17,000	19,000
Ports & Logistics	27,000	3,000	11,000	14,000
Health & Care	60,000	5,000	25,000	30,000
Energy & Water	6,000	1,000	2,000	3,000

Construction	35,000	5,000	13,000	18,000
Retail and Wholesale	83,000	4,000	32,000	36,000
Information & Communications	7,000	1,000	2,000	3,000
Financial & Business Services	64,000	6,000	25,000	31,000
Public Admin. Defence & Education	60,000	-2,000	24,000	22,000
Other Services	10,000	1,000	4,000	5,000
Total	468,000	18,000	182,000	200,000

And by qualification level:

Qualification	Current Jobs	Change 2012-2022	Replacement Demand	Total Requirement 2012-2022
QCF8	4,000	2,000	2,000	4,000
QCF7	27,000	13,000	13,000	26,000
QCF6	74,000	30,000	33,000	63,000
QCF5	29,000	3,000	12,000	15,000
QCF4	26,000	7,000	11,000	18,000
QCF3	102,000	-6,000	38,000	32,000
QCF2	106,000	-3,000	41,000	38,000
QCF1	70,000	-16,000	25,000	8,000
No Qualifications	30,000	-13,000	8,000	-5,000
Total	468,000	18,000	182,000	200,000

QCF6 is broadly equivalent to university degree level and QCF3 is broadly equivalent to A level.

The tables clearly show that there is a need for more employees and at higher levels.

Responses to the skills challenge

The issue of skills is wider than simply providing training to people. It will also cover:

- Making students, teachers, and parents aware of job opportunities and requirements in the area
- Building up an individual's work readiness through education, training, and placements
- Delivery mechanisms of training
- Upskilling within their job

Government emphasis for public skills funding is currently on preparing the existing and future workforce for the opportunities on offer in the labour market, i.e. training unemployed people through apprenticeships, direct training, and placements. The appendix explains what funding is available from government sources.

Local government's influencing role: To ensure our local population has the right skills for local opportunities, however, the right training must be available. Government look to Local Enterprise Partnerships (LEP) to provide advice on this (LCC provides the secretariat to the GLLEP and Cllr Colin Davie and Richard Wills are both board members on the LEP), and FE colleges are asked to take notice of their local authorities' 14-19 priorities in developing their provision.

Local government's commissioning role: some gaps in government provision are still likely to prevail. Either through its own resources, or through using grants e.g. from the European Social Fund (ESF), local government can fill gaps. Similarly, helping schools, students, and parents to gain information about the growing sectors is an important part of this.

Local Enterprise Partnership (LEP): There are 39 LEPs across England, set up in 2010/11 following a request from Government for the private sector to take a role in local economic growth. The Greater Lincolnshire Local Enterprise Partnership (GLLEP) is a partnership between the private and public sector, led by the private sector. Its priorities are on improving business conditions to create a dynamic economy where businesses can prosper and communities can thrive. The LEP is not a delivery body. It sets strategic priorities and has an important role in influencing Government funding.

How can LCC influence the skills of the current and future workforce?

Whilst LCC can add value to existing training by using its own funds to tailor programmes that meet local need or target specific gaps not currently met, there is now an opportunity to influence large amounts of ESF funds (£45m) through the Greater Lincolnshire LEP over the next few years.

ESF funding can be used to deliver training and qualifications where there are gaps in provision and it can also be used to stimulate demand or increase participation. Historically, most of this funding has been managed and delivered by national or regional organisations. There is now an opportunity to direct resources to specific need, and design how programmes are best delivered.

As can be seen from Appendix A, the amount of funding that LCC has direct responsibility for is small compared to others. However, if the funding is used tactically (to test new models which could then be replicated by government bodies) the LCC's modest budget will have a powerful impact.

LCC and the LEP's strength is bringing partnership and contact with employers into the skills system. For example, we are working with Mortons of Horncastle, who have set up a network of local manufacturers with the main aim of influencing local skills delivery; we have worked with a range of businesses including Butlins, the Co-op, Visit Lincoln and Sector Skills Council People 1st, to develop a training scheme that will lead to World Host destination status and we are working with all of our Colleges and Training Providers so they can develop better ways to understand the skills needs of the businesses they work with and develop training that meets these needs

In recent months, Economic Development councillors and officers have held face-to-face meetings with 100 of the county's top employers. These meetings have identified the following schemes – often proposed/championed by businesses – which LCC could facilitate on a pilot basis using the council's own funds plus ESF or other funding sources.

These are:-

- Awareness of opportunities: Social media promotion of apprenticeships, employer "buddying" scheme for careers teachers
- Work readiness: extension to National Citizen Service
- Training delivery: graduate underemployment / commercial skills, collaborative training project for employers
- Upskilling: medical practices sponsoring students through University

2. Conclusion

The question of filling skills gaps has been prevalent for some time. However, the ability to influence government provision through the LEP (combined with our access to data concerning job vacancies) means that now is a good time for the council to develop a strong approach.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Skills Funding

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Clare Hughes, who can be contacted on 01522 550545 or clare.hughes@lincolnshire.gov.uk.