



Skills Plan for the Leeds City Region 2013-2015



TABLE OF CONTENTS

FOREWORD	1
SUMMARY	2
1 BACKGROUND	3
2 LABOUR MARKET AND WORKFORCE.....	9
3 SUPPLY OF SKILLS AND LEARNING	16
4 BUILDING SKILLS IN EDUCATION	22
5 TRANSITION INTO WORK	29
6 RAISING DEMAND AND IMPROVING SKILLS	35
7 OUTCOMES AND MEASUREMENTS	42
8 CONTEXTUAL ANALYSIS.....	47
9 ENABLING FACTORS: MAKING THE PLAN HAPPEN	56
APPENDIX 1: CONSULTATIONS	59
APPENDIX 2: LOCAL INFRASTRUCTURE	61

FOREWORD

LEP Ambition for Growth

I am delighted to introduce the LEP's Skills Plan. The growth of a capable, flexible and competent workforce to drive our future economic success on a sustained basis is one of the LEP's core strategic objectives.



Our LEP's ambition is to transform the future of Leeds City Region, building a knowledge-rich, creative economy fired by resurgent manufacturing, technical and engineering expertise. This will demand the highest levels of education in our entire workforce, from the youngest apprentices through to the leaders of our enterprises. This should be accompanied by a pioneering spirit of enterprise, innovation and dynamism.

We expect our future growth to come from increasing demand for and investment in:

- Engineering and innovative manufacturing, as the largest manufacturing base in the UK with supply chain strengths in precision engineering, textiles, food and drink.
- Finance and business services, second only to London as a UK professional and commercial centre for banking, finance, insurance and legal services.
- A healthcare and medical technology hub, based on world-class medical device manufacturers and linked to considerable teaching hospital and NHS centres of expertise.
- Transport and logistics, at the heart of an upgraded rail and road infrastructure.
- Low carbon and environmental industries, building on strengths in bio-energy and wind turbine supply chains.
- Creative and digital companies, including the UK's strongest cluster of games developers.
- Vibrant retail, hospitality and tourism destinations, to be showcased to the world against the backdrop of the 2014 Tour de France Grand Depart.

We want to leapfrog other city regions across the world - not play catch up. Achieving the highest possible levels of education and skills linked to our economic strengths will be one of the key determinants of whether we can raise our game to do so.

We must emphasise the role of businesses in setting the pace. Companies need to invest in future skills, offer work placements and real-world exposure to young people to inspire and engage them in developing future technologies, products and services. For this to be achieved, we need to harness the passion and commitment of leaders, teachers and advisers. Their work with young people, the unemployed and those in work, should inspire and stretch the capabilities and aspirations of their students/employees.

There are over 500,000 job opportunities forecast to be created in Leeds City Region over the next decade. The majority of these are linked to retirements in our existing workforce, so the challenge of preparing new and existing employees to grasp the opportunities ahead is immense. Knowing the drive and determination of people living in this area of Yorkshire, we can and must rise to this ambition. Our Skills Plan is the first critical step on this important and continuing journey.

Roger Marsh

Chair of Leeds City Region Local Enterprise Partnership

SUMMARY

Purpose

The Leeds City Region Skills Plan has been developed to enable the provision of skills and learning to meet the needs of the City Region's economic and labour market over the next three years and beyond. It builds on existing research and strategies, together with input gathered from a range of sources over the past 12 months, and is structured around the 13 skills priorities for the Leeds City Region. These have been endorsed by the City Region's Local Enterprise Partnership, Employment and Skills Board and Skills Network, as well as by the Minister for Skills.

The Skills Plan will be an integral component in the drive to achieve the Local Enterprise Partnership's ambition of *a skilled and flexible workforce to support GVA, productivity and jobs growth*. It will be implemented locally, with the precise nature of the actions reflecting the needs and priorities of local economies. Local employer led skills and economic forums, the Skills Network and the LEP will all have an important role to play in ensuring that the plan translates into positive change for learners and employers alike.

Process

The gathering of intelligence to inform the Leeds City Region Skills Plan began in 2012, since when more than 1,500 employers, over 100 colleges and training providers, all of the City Region's local authorities and many other stakeholders have provided valuable input. The latest forecasts for the future occupational profile and skills requirements of the City Region's economy have also been taken into consideration.

The first draft of the Skills Plan was shared with the LEP Board, the Leeds City Region Leaders Board and the Employment and Skills Board. It has also been shared with members of the Skills Network for consultation and comment. This version of the plan incorporates feedback from all of those groups.

Delivering Change

The success of the plan – and of the City Region's skills system more broadly – will be determined by measurable improvements in performance. Better educational attainment, fewer hard to fill vacancies, a more highly skilled workforce and lower youth unemployment are, amongst others, all areas in which targets have been set and where progress will be tracked. Importantly, each of these can also have a positive impact on productivity and economic prosperity.

Of course, the Skills Plan will not be the only determinant of whether, and on what scale, performance improvements occur. A host of other factors will also play a part, not least the ongoing and excellent work of the City Region's skills providers, the introduction of new policy and funding initiatives, and the evolving economic climate. The Skills Plan must therefore be a live document that can remain relevant within this changing context, accelerating the pace of change and maximising opportunity.

1 BACKGROUND

This Skills Plan ('the plan') has been developed in partnership with the Leeds City Region (LCR) Skills Network of colleges, universities, local authorities and other skills providers. It is designed to enable the provision of skills and learning to meet the needs of the City Region's economic and labour market over the next three years and beyond.

Developing the Plan

1.1 The plan was developed between January and March 2013 and involved the following strands of work:

- Compiling an up to date labour market and skills profile of the Leeds City Region.
- Analysing written responses submitted by 23 of the City Region's Further Education (FE) colleges, universities and other skills/education related organisations about their current and planned activity in each of the Local Enterprise Partnership's (LEP) skills priority areas.
- Undertaking one-to-one and group interviews with skills and education stakeholders from across the City Region, including representatives from FE colleges, universities, work based learning providers, voluntary and community organisations and local authorities. A full list of the organisations consulted is provided at Appendix A.
- Identify the assessing the significance of the political, economic, social and technological factors that are likely to influence the delivery and outcomes of the actions in the plan.

1.2 The plan also takes into consideration the future skills needs of employers in the City Region and the drivers of those skills needs – see 'LEP Skills Priorities' on the following page.

Acknowledgements

1.3 Thanks are owed to everyone that has contributed to the development of the plan through written submission and/or direct consultation. The LCR Skills Network and the LCR LEP's Employment and Skills Board are also thanked for their participation and support throughout the development process.

LEP Skills Priorities

1.4 In 2012, a substantial research project was undertaken to identify the future skills needs of employers in the Leeds City Region and the future growth prospects of our key economic sectors¹. Work has also been undertaken to provide ongoing analysis of the City Region's labour market² and, as part of negotiations with government over a City Deal, a significant focus has been placed on increasing the take-up and progression of Apprenticeships³.

1.5 These important pieces of work have given us a large evidence base which provides new insights into the opportunities and challenges facing education and skills in the City Region. They have also informed the LEP's ambition for skills, which is to develop *a skilled and flexible workforce to support GVA⁴, productivity and jobs growth*. Within this ambition are sectoral priorities and specific aims to increase overseas trade, attract inward investment, promote a low carbon economy, stimulate invest in infrastructure for growth and attract talent for business innovation.

1.6 To support the LEP's ambition for skills, and drawing on the intelligence gathered through the aforementioned research and analysis work, 13 skills priorities for the City Region were identified and endorsed by the LEP, the Employment and Skills Board, the Skills Network and the Minister for Skills. Shown on the following pages, and separated into two categories, these priorities provided the structure for the consultations undertaken to inform this plan.

¹ Final report available at: <http://www.leedscityregion.gov.uk/LCR-Corporate/media/Media/Research%20and%20publications/Employment%20and%20Skills/Leeds-LEP-Report-1.pdf?ext=.pdf>

² Led by the Regional Economic Intelligence Unit

³ See <http://www.leedscityregion.gov.uk/LCR-Corporate/media/Media/Research%20and%20publications/Employment%20and%20Skills/Apprentices-Report-2012.pdf?ext=.pdf>

⁴ Gross Value Added – a standard measure of economic output

Generic Skills and Education

- 1 Increased focus on work readiness of school, college and university leavers e.g. work ethic, positive attitude, team work, problem-solving, customer service & communication skills
- 2 Improved performance in basic maths and English for employability (to address our overall achievement at GCSE which is still below national average in Bradford, Barnsley, Leeds and Wakefield).
- 3 Importance of core skills and flexibility to adapt to as yet unknown new technologies, industries and jobs.
- 4 More enterprise and innovation culture in education.
- 5 Increase relatively low take up of Apprenticeships by employers from 12% to 20%.
- 6 Increase youth employment options to combat high levels of unemployment amongst 16-24 year olds
- 7 Promote increasing opportunities for progression into higher level skilled jobs in professional business services and other technical roles expected to grow by 10% and 8% at Levels 4 and 5 respectively to meet anticipated demand from employers.
- 8 Improved leadership and management skills to promoting better employer investment in skills of existing workforce.

Specific Sector Needs

9

Target workforce skills gaps in IT/software, technical/practical and customer service skills by up-skilling for existing employees

10

Stronger careers guidance in education emphasising economic value of STEM subjects & promoting rewarding careers in shortage areas e.g. advanced manufacturing, mechanical engineering and software engineering

11

Prepare for future jobs growth linked to the low carbon economy, driven by increasing demand for energy efficient heating technologies; domestic housing e.g. Green Deal; energy management legislation; and supply chain opportunities linked to wind turbine expansion in the North Sea. Skills required include: strong STEM skills, technical as well as more specialised skills e.g. electrical engineering; welding; energy management; IP and technical risk management skills.

12

Focus on skills for boosting overseas trade, including developing better awareness for market opportunities, overseas contacts and export strategy, with particular emphasis on the business culture, legal/financial systems and languages of major world markets in China/South East Asia and growth in South America and Africa.

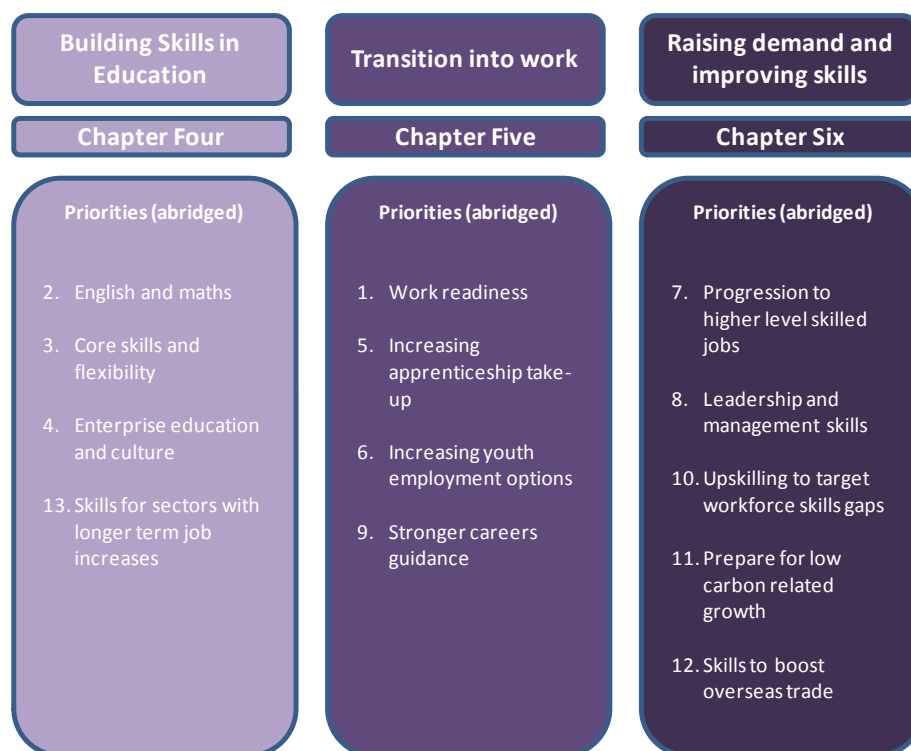
13

Prepare for expected longer term job increases (8%+ 2011-20) in finance business services, transport, hotel & catering, retailing & construction jobs, & the anticipated 'age tsunami' of health/social care workers due to retire which will create demand for health/care workers to cope with the needs of the ageing population.

Structure of the Skills Plan

1.7 Chapters Two and Three of the plan provide contextual information about the City Region's workforce, labour market and skills profile. The actions are presented in Chapters Four to Six inclusive. Each of these chapters covers a number of the 13 skills priorities, grouped as shown in the diagram below. Together they represent the skills 'journey', from (mainstream) education, into employment and the ongoing development of workforce and professional skills.

1.8 The groupings are not intended to be mutually exclusive (it could be argued that work readiness, for example, would also have a place within Building Skills in Education) but from a presentational perspective, each priority is only covered once.



1.9 The later chapters of the plan cover the external factors that are likely to influence its delivery, the metrics through which it will be measured and the arrangements or enabling factors that need to be in place in order for the potential of the plan to be maximised.

Types of actions

1.10 In broad terms, each of the actions in the plan falls into one of three categories:

- **Learning and influencing:** these actions are about deepening our knowledge of the most effective or successful elements of current practice and ensuring that the necessary structures and partnership arrangements exist to allow these to be replicated elsewhere in the City Region.
- **Delivering planned change:** these actions acknowledge the strong forward momentum that already exists against many of the LEP's skills priorities and are

designed to ensure that this momentum is continued and, where necessary, accelerated through additional support and intervention.

- **New activities and commitments:** these actions highlight where new work, joint ventures or other partnership commitments are required to ensure that the each of the LEP's skills priorities can be met in full.

2 LABOUR MARKET AND WORKFORCE

The Leeds City Region refers to the local authority districts of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. It is the UK's largest economy and population centre outside London, generating 4% of national economic output and employing 1.3 million people.

Introduction

2.1 This chapter provides a summary of the Leeds City Region in terms of its population, economic activity, sectors of importance and future employment forecasts. More detailed analysis in each of these areas, including local authority level data, is available from the following two sources:

- 2012 research into the future skills needs of employers in the Leeds City Region⁵;
- The Employment and Skills Board's 2013/14 *Labour Market Analysis* report.

Population growth

2.2 Between 2002 and 2012, the LCR population grew by 9%, outstripping national population growth over the same period of 7%. The working age population in LCR grew by 12% – twice the national average – fuelled by strong growth in net in-migration.

2.3 By 2021, it is estimated that the City Region's population will be 3.21 million. The largest increases (in relative terms) are expected to be in Leeds and Selby and the smallest in Harrogate and Craven.

Economic activity

2.4 Over the last ten years, GVA in the Leeds City Region has grown by 4%, some way below the 14% growth observed nationally. The economic recession has had a stark effect on the City Region's economy, with economic activity rates declining between 2008 and late 2011. However, over the 12 month period to September 2012 there has been a notable improvement against a number of measures compared with the UK average (Table 2.1).

⁵ See footnote 1.

Table 2.1: A snapshot of economic activity in the Leeds City Region, 2011-12

	LCR 2011		LCR Oct 2011-Sep 2012		% Change	
	No.	%	No.	%	LCR	UK
Economic Activity (residents aged 16-64)						
Economic activity rate	1,463,300	74.8	1,484,900	75.8	1.0	0.6
Employment rate	1,320,800	67.5	1,352,800	69	2	0.5
Economic Inactivity (as above)						
% who are economically inactive	492,100	25.2	474,900	24.2	-1.0	-0.6
% economically inactive who want a job	101,500	20.6	106,100	22.3	1.7	0.5
% economically inactive who do not want a job	390,600	79.4	368,900	77.7	-1.7	-0.5
Unemployment (as above)						
Unemployment rate	142,500	9.7	132,100	8.9	-0.8	0.1
Source: NOMIS 2013						

2.5 Whilst the above provides reason for encouragement, a notable development, especially given the forthcoming changes to the benefits system, has been the growth in the number of long-term claimants (i.e. those claiming for more than 12 months) which has increased at City Region level by 63% over the last 12 months. Youth unemployment is covered in the sub-sections below.

2.6 Looking ahead, the LCR economy is forecast to grow in GVA terms by 23% between 2012 and 2022 (Table 2.2 below). FTE employment is forecast to grow by 10% over the same period, with household spending and disposable income also expected to rise as the economy moves from recovery to sustained growth. The forecasts suggest that LCR's performance against each of the measures in the table will be close to that of the UK, but in none of the areas will it be stronger.

Table 2.2: Economic forecast for LCR 2012-2022

	2022	% Change 2012-2022 LCR	% Change 2012-2022 UK
Total output (GVA) (£bn)	62.93	23%	24%
Total workforce jobs (millions)	1.6	7%	7%
Working age population (millions)	2.1	8%	10%
Total population (millions)	3.2	7%	8%
Household disposable Income (£bn)	46.3	21%	23%
Household spending (£bn)	45.0	22%	25%
Source: Experian 2012			

Youth unemployment

2.7 As at December 2012, the proportion of 16-19 year olds in the Leeds City Region that were not in employment, education or training (NEET) was 5.7%⁶. This was slightly lower than both the national average (5.8%) and the average for the Yorkshire and Humber region (6.2%). It also represents a reduction of 1% over the preceding 12 months, i.e. a year earlier

⁶ Department for Education

the proportion of 16-19 year old NEETs was 6.7%, and absolute reduction of around 1,500 young people. The highest NEET levels (in proportionate terms) in LCR were recorded in Wakefield (7.1%), followed by Kirklees (6.6%) and Leeds (6%). York and North Yorkshire has the lowest levels at 4.8% and 4% respectively, although all local authority areas had recorded an improvement over the 12 month period.

2.8 Of equal, if not greater significance is that based on the latest data⁷, the number of youth unemployment claimants (aged 18-24) is in excess of 26,000 and has not reduced over the past 12 months. As a proportion of all claimants that have been claiming for more than six months, those aged 18-24 account for almost 60%.

Sectors

2.9 In employment terms, health, manufacturing and retail are the largest sectors in the Leeds City Region, together accounting for a third of all jobs. Other major employment sectors include education and business administration and support services (Table 2.3).

2.10 Between 2008 and 2011, and set against a backdrop of job losses across the City Region as a whole, transport and storage and health generated the largest number of new jobs. The only other industries to grow substantially in that period were mining, quarrying and utilities, and professional, scientific and technical services. The largest job losses were in construction, accommodation and food services and manufacturing. Education and retail also suffered losses, although in percentage terms the property services sector suffered the biggest drop, losing 22% of its employment.

⁷ From NOMIS

Table 2.3: Employment change in LCR by industry, 2008-11				
	LCR (no. employees)		Change	
	2008	2011	No.	%
Mining, quarrying and utilities	11,600	16,300	4,700	40.3%
Transport and storage	59,500	72,400	12,900	21.7%
Health	151,300	164,200	12,900	8.5%
Professional, scientific and technical	86,900	89,400	2,600	3.0%
Motor trades	25,800	26,500	700	2.7%
Business administration and support	103,100	101,500	-1,600	-1.5%
Information and Communications	40,900	40,200	-600	-1.6%
Arts, recreational and other services	53,500	52,600	-900	-1.6%
Public administration and defence	65,500	63,600	-1,900	-2.9%
Wholesale	65,300	62,900	-2,400	-3.7%
Retail	137,000	128,900	-8,100	-5.9%
Manufacturing	147,300	137,700	-9,500	-6.5%
Education	135,800	126,600	-9,200	-6.8%
Finance and insurance	66,200	60,300	-6,000	-9.0%
Accommodation and food services	91,100	78,200	-12,900	-14.2%
Construction	75,900	62,600	-13,300	-17.6%
Property	22,900	17,800	-5,100	-22.1%
All industries	1,340,900	1,302,200	-38,800	-2.9%
Source: Office for National Statistics				

Occupations

2.11 The occupational profile of the LCR workforce is broadly in line with the Yorkshire and Humber⁸ and national profiles, with professional and associate professional and technical occupations accounting for nearly a third of all jobs (Table 2.4). The proportion of the workforce in highly skilled occupations⁹ in LCR (39%) is slightly below the national position (44%).

Table 2.4: Leeds City Region occupational profile (2012)				
	LCR		Y&H	England
	No.	%	%	%
Professional	233,000	17%	17%	19%
Associate professional and technical	173,600	13%	12%	14%
Elementary	164,700	12%	12%	11%
Administrative and secretarial	154,100	11%	11%	11%
Skilled trades	152,300	11%	12%	11%
Sales and customer service	128,000	9%	9%	8%
Caring, leisure and other services	121,000	9%	9%	9%

⁸ Covering the four LEP areas of i) Leeds City Region; ii) Sheffield City Region; iii) Humber; and iv) York, North Yorkshire and the East Riding.

⁹ Managers, professionals and associate professionals.

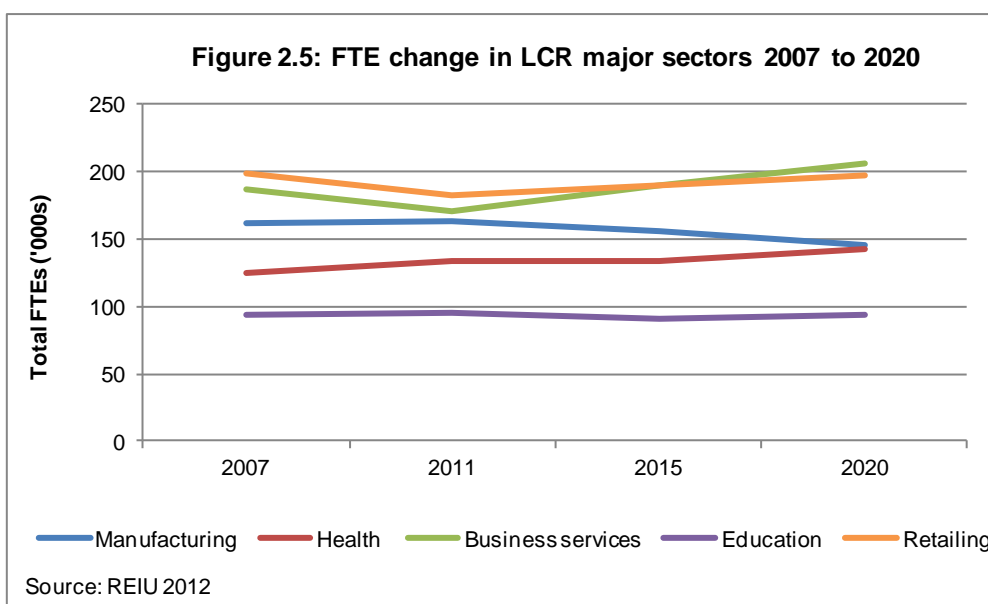
Managers, directors and senior officials	119,600	9%	9%	10%
Process, plant and machine operatives	107,300	8%	8%	6%
Source: Annual Population Survey 2012				

2.12 Differences are apparent at the local authority level in LCR. For example, York, Harrogate and Leeds have above average proportions of professional occupations, whilst Craven has an above average proportion of managers and directors (reflecting the high levels of self-employment in the area). Process, plant and machine operative and elementary occupations are most prevalent (in relative terms) in Wakefield.

Employment forecasts

2.13 Between 2011 and 2020, LCR is expected to see net growth of more than 70,000 full time equivalent positions, with the most significant increases coming in Leeds, Wakefield and Bradford. This increase (6.4%) will be greater than across Yorkshire and Humber as a whole (5.2%) and in line with the national increase.

2.14 Business services and retail are forecast to be the main drivers of the growth, each with net employment growth of more than 8% to 2020 (and that excludes the effects of transformational developments¹⁰ and replacement demand¹¹). There is also expected to be an increase in health related employment due to the aging population, although further losses in manufacturing are predicted (Figure 2.5).



2.15 The ten sectors with the largest employment increase to 2015 and 2020 are shown in Table 2.6. The prominence of business services as a job creating sector is clear, creating more than double the FTE positions of any other sector. The top six sectors, which also

¹⁰ Large investments or initiatives which will have a potentially transformative impact on growth, jobs and skills requirements.

¹¹ People who need to be brought into employment to replace those who are leaving it (usually through retirement).

include transport, hotels and catering, retailing, construction and health, account for a very large proportion of net additional FTE positions across the City Region by 2020.

Table 2.6: Top 10 sectors by absolute rise in FTEs to 2015 and 2020

1.	Business Services	16,034	1.	Business Services	28,573
2.	Retailing	6,314	2.	Transport	12,118
3.	Construction	6,229	3.	Hotels & Catering	10,216
4.	Hotels & Catering	5,304	4.	Retailing	10,204
5.	Transport	4,618	5.	Construction	9,735
6.	Other Services	3,649	6.	Health	9,229
7.	Other Fin. & Bus. Services	3,448	7.	Other Fin. & Bus. Services	6,877
8.	Paper, Print & Pub.	1,904	8.	Wholesaling	4,808
9.	Minerals	1,357	9.	Paper, Print & Pub.	3,761
10.	Health	1,326	10.	Other Services	3,520

Source: Regional Economic Intelligence Unit

2.16 The largest losses are expected to be in manufacturing (around 20,000 job losses to 2020) and public administration and defence (around 6,500 job losses). The latter emphasises the importance of the private sector in GVA terms, as the public sector's contribution declines.

2.17 At an occupation level, and in absolute terms, the largest increases in employment are forecast to be in administrative, secretarial and elementary roles (Table 2.7). In proportionate terms, however, the most significant increases will be in managers, directors and senior officials, followed by sales and customer service roles. By contrast, only a very small increase is forecast in process, plant and machine operative roles.

Table 2.7: LCR occupational projections (jobs)

	Jobs ('000s)			Change (%)	
	2011	2015	2020	2011-2015	2011-2020
Managers, directors and senior officials	49	52	55	7%	13%
Sales and customer service	112	118	123	6%	10%
Associate prof & tech occupations	191	197	208	3%	9%
Professionals	156	160	169	3%	9%
Caring, leisure and other services	111	113	120	2%	8%
Elementary	190	197	202	4%	7%
Administrative and secretarial	342	352	364	3%	6%
Skilled trades	127	130	130	2%	2%
Process, plant and machine operatives	133	133	134	0%	1%
Total	1,410	1,453	1,506	3%	7%

Source: Regional Economic Intelligence Unit. Job numbers do not sum to totals due to rounding.

Future demand

2.18 Higher level qualifications will become more important to the LCR economy over the next decade, with a marked increase in employees with Level 4 and 5 qualifications between

2015 and 2020 (Table 2.8). Whilst there will be less of an increase in the number of people employed with lower level or no qualifications, in actual terms demand will remain reasonably high.

Table 2.8: Forecast Demand for NVQ Level (employees)					
NVQ Equivalent	Nos. of employees required with qualification level (000s)			Change (%)	
	2011	2015	2020	2011-2015	2011-2020
Level 5	104	106	112	3%	8%
Level 4	346	360	380	4%	10%
Level 3	286	294	303	3%	6%
Level 2	321	329	339	3%	6%
Level 1	254	260	267	3%	5%
Level 0	100	103	106	3%	6%

Source: Regional Economic Intelligence Unit, 2012

3 SUPPLY OF SKILLS AND LEARNING

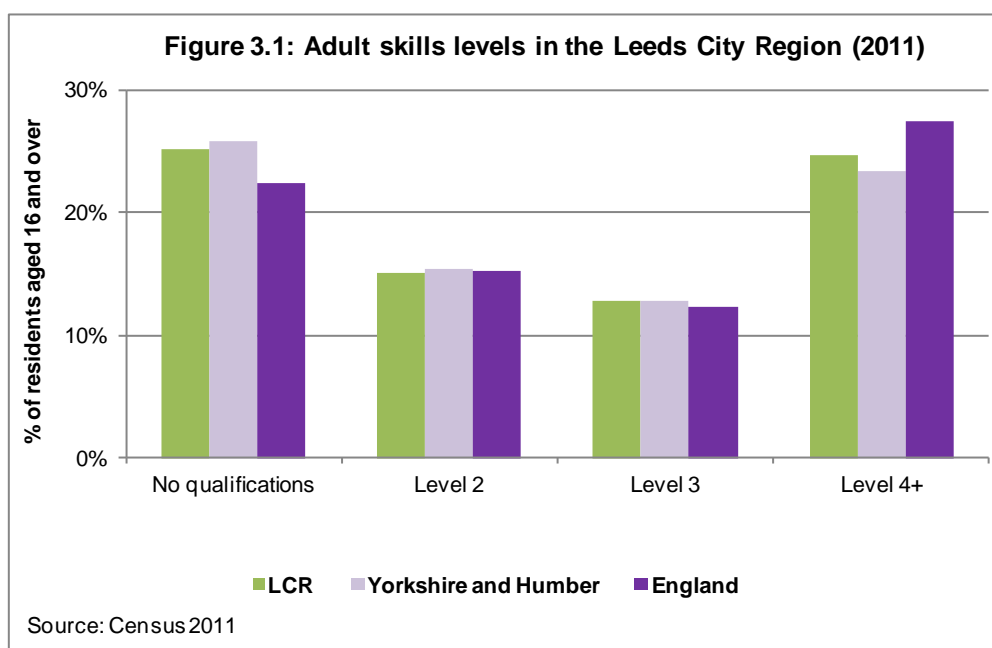
The Leeds City Region has nearly 200 state funded secondary schools, 14 FE colleges and 9 universities. It has seen significant recent growth in Apprenticeships and a narrowing of the GCSE attainment gap, although some areas remain below both the City Region and national averages.

Introduction

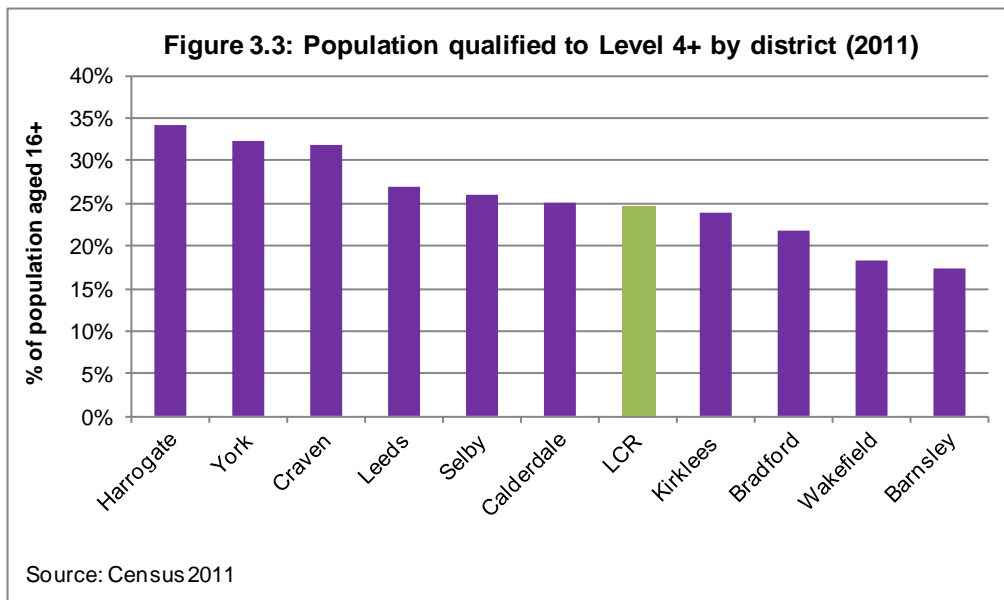
3.1 This chapter summarises the supply of skills and learning in the Leeds City Region, drawing on a range of data sources that offer the most up to date perspective at the time of writing. More detailed analysis is available through the Employment and Skills Board's 2013/14 *Labour Market Analysis* report.

Skills of the working age population

3.2 The profile of adult skills levels in the Leeds City Region is broadly similar to that of Yorkshire and Humber and England as a whole. Figure 3.1 nonetheless gives rise to some important observations, most notably that the Leeds City Region has a higher proportion of its working age population with no qualifications, and a lower proportion with Level 4+ qualifications, than is the case nationally.



3.3 At a local authority level, the 'no qualifications' profile (Figure 3.2) and the 'Level 4+ qualifications' profile (Figure 3.3) are mirror images of one another, with Barnsley, Wakefield and Bradford home to the highest proportions of working age residents with no qualifications and the lowest proportions of those qualified to Level 4 or above. The reverse is true of Harrogate, York and Craven.



GCSE Performance

3.4 The majority of the Leeds City Region's eight Local Education Authorities have shown year-on-year improvements in GCSE attainment over the past five years. In 2011/12, 57.9% of pupils across the City Region¹² achieved five or more A*-C GCSEs, including maths and English, which is higher than the Yorkshire and Humber figure of 57.3%, but is still below the national average of 59.4% (see Table 3.4). The gap with the national figure is, however, once again narrowing, having increased in 2009/10 and 2010/11.

¹² This includes all of North Yorkshire.

Table 3.4: 5+ A*-C grades GCSEs (including English and maths) – table shows % of pupils

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Barnsley	30.7	31.5	33.1	39.3	40.2	44.4	45.3
Bradford	34.0	36.3	36.9	41.6	44.4	47.5	52.4
Calderdale	43.8	45.7	50.3	50.6	54.5	59.4	61.1
Kirklees	40.8	42.8	45.6	47.4	52.8	59.3	62.0
Leeds	40.4	42.1	46.4	45.9	50.6	53.7	55.0
North Yorkshire	53.5	54.2	54.7	58.6	61.6	63.2	65.6
Wakefield	42.9	46.5	51.3	49.3	55.8	57.4	59.3
York	48.8	54.5	53.8	59.2	59.1	62.1	62.7
LCR Average	41.9	44.2	46.5	49.0	52.4	55.9	57.9
Yorkshire and Humber	40.3	42.5	44.4	47.3	52.0	54.6	57.3
England	45.6	46.3	47.6	49.8	53.5	59.0	59.4

Source: Department for Education statistics

3.5 Four of LCR's eight Local Education Authorities remain below the national average for GCSE achievement (although for Wakefield the difference is now only very small) and three remain below the LCR average. Given that these three areas – Barnsley, Bradford and Leeds – together have 45% of the City Region's youth population (0-19), their specific inclusion in the second of the LEP's 13 skills priorities¹³ is justified, despite recent improvements.

Further Education and Training

3.6 In 2010/11 (the most recent year for which data is currently available), there were approximately 360,000 starts on FE and training provision in the Leeds City Region¹⁴, which is 14% lower than the equivalent figure in 2009/10 and marginally lower than in each of the two years before that. Broadly mirroring the distribution of the City Region's population, the majority of the starts (69%) took place in Leeds, Bradford, Wakefield and Kirklees, with Leeds (26%) accounting for the highest proportion of any district.

3.7 Nearly half of the FE and training starts in 2010/11 were at either Level 1 (24%) or Level 2 (25%). Entry Level and Level 3 starts each accounted for a similar proportion of the total (15% and 18% respectively), although starts at Level 4 and above were rare by comparison, accounting for less than half of one percent¹⁵.

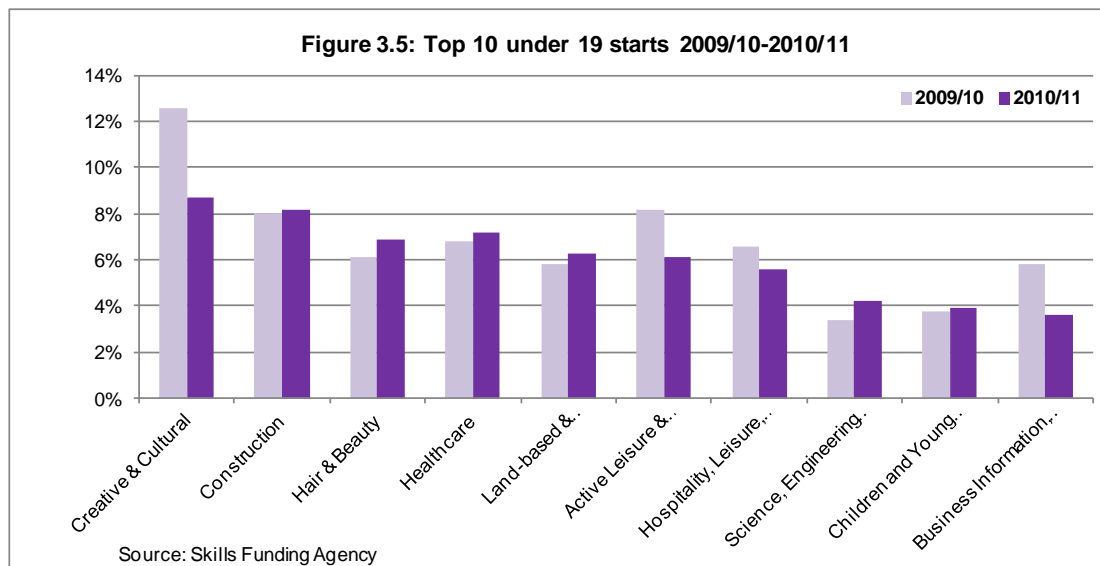
3.8 For learners aged under 19, and as shown in Figure 3.5, creative and cultural studies and construction attracted the most starts in the 2010/11 academic year. However, there are some notable differences from the previous year, including a large reduction in creative and

¹³ Improved performance in basic maths and English for employability (to address our overall achievement at GCSE which is still below national average in Bradford, Barnsley, Leeds and Wakefield).

¹⁴ A start equates to a learning aim (be that a unit or a qualification). Given that many learners will pursue several learning aims in a given academic year, the number of starts will be considerably higher than the number of individual learners.

¹⁵ The remaining 16% are classified on the Skills Funding Agency's Individualised Learner Record as 'other'.

cultural starts and smaller reductions in active leisure and wellbeing, hospitality and business IT and telecoms. Encouragingly within the context of this plan, 2010/11 saw an increase in starts in science, engineering and manufacturing technologies (albeit from a low base) and healthcare¹⁶.



3.9 The profile of starts by learners aged 19+ is more evenly spread, with no sector accounting for more than 5% of starts in 2010/11. However, similar to the pre-19 position, there were notable increases from the previous year in healthcare and adult social care starts, alongside reductions in business IT and telecoms.

Apprenticeships

3.10 Between 2009/10 and 2010/11, Apprenticeship starts in the City Region increased by 57%, driven largely by an sharp rise of 109% in Adult Apprenticeships over that period (Table 3.6). In 2010/11, Leeds (29%) accounted for the highest proportion of starts, followed by Bradford (14%), Kirklees (12%) and Wakefield (11%).

	2009/10	2010/11	Change
Adult	8,818	18,465	+9,647
Youth	8,919	9,397	+478
Total	17,737	27,862	+10,125

Source: Skills Funding Agency

3.11 Whilst the above is very encouraging from the perspective of LCR’s alignment with national policy, it should also be noted that participation overall in FE and training actually fell across the two years in question, suggesting that government policy may have resulted in a shift from subsidised activity such as Train to Gain (and potentially some mainstream activity) to Apprenticeships, rather than increasing participation levels per se.

¹⁶ Starts in adult social care also increased in 2010/11, although it is not shown in the chart as it was not one of the top ten sectors.

3.12 Two thirds of the 2010/11 Apprenticeship starts in LCR were intermediate (Level 2), and a third were either advanced (Level 3) or higher (Level 4+). There was relatively little variation from this profile at local authority level, although the exceptions include Harrogate, where 19% of the Apprenticeships were advanced or higher level (the lowest proportion in the City Region), and Calderdale, which at 45% had the highest proportion of its Apprenticeship starts at either advanced or higher levels.

3.13 Health and social care, retail and wholesale and business, administration and governance Apprenticeships were the most common in LCR in 2010/11 (Table 3.7). Analysing these figures by age group shows some notable differences. For example, whilst business IT and telecoms, business administration and hair and beauty were the three most popular preferences for apprentices aged 16 to 18, for those aged 19+ they were retail, adult social care and healthcare.

Table 3.7: Apprenticeship starts by sector 2010/11

Sector	Starts (%)	Sector	Starts (%)
Health and social care	20%	Construction	4%
Retail and wholesale	12%	Facilities management	3%
Business, admin and governance	11%	Finance	2%
Leisure and tourism	10%	Land-based industries	1%
Customer service	9%	Passenger transport	1%
Business IT and telecoms	7%	Education	1%
Manufacturing and engineering	6%	Security industry	1%
Management and leadership	5%	Utilities	1%
Hair and beauty	5%		

Source: Skills Funding Agency. Subject areas with less than 1% of starts are not shown.

Higher Education

3.14 Based on data from the Higher Education Statistics Authority, the Leeds City Region has seen just under 100,000 Higher Education (HE) enrolments in each of the two previous academic years. Business administration and subjects allied to medicine have been the most popular, together accounting for over a quarter of all enrolments (Table 3.8).

Table 2.5: Higher Education starts in LCR – 2009/10 and 2010/11

	2010/11	2011/12	% Share (2011/12)
Business and administrative studies	12,185	12,818	13%
Subjects allied to medicine	12,301	12,516	13%
Social studies	9,119	9,510	10%
Languages	8,385	8,848	9%
Biological sciences	8,071	8,505	9%
Creative arts and design	7,628	8,353	8%
Education	6,753	6,503	7%
Engineering and technology	5,766	6,271	6%
Historical and philosophical studies	5,476	5,713	6%
Physical sciences	3,970	4,393	4%

Source: HESA. Subject areas with less than 4% of starts are not shown.

3.15 The latest data from the annual Destination of Leavers in Higher Education survey shows that 61% of the 2010/11 graduate cohort from the City Region's HEIs had secured graduate level employment within six months of their summer graduations. This is slightly down on the equivalent figure of 63% from the previous year.

3.16 Graduates have not surprisingly started work in a very broad range of industrial sectors, although the data suggests that wholesale and retail trade (13%), health and social care (10%), education (9%) professional, scientific and technical activities provided the most popular opportunities for graduates over the last year. It is notable that manufacturing and financial services, two of the most important sectors in the City Region, only created employment opportunities for 4% of recent graduates.

4 BUILDING SKILLS IN EDUCATION

The 'Building Skills in Education' theme covers those priorities that are specifically about the delivery of learning within the City Region's schools, colleges, universities and other educational institutions.

Together they will help to drive up GCSE attainment in core subjects, improve collaboration and the sharing of information across key stakeholders, and strengthen the link between the needs of the City Region's economy and the supply of skills and learning.

What is happening now?

Priority 2:
Improved performance in basic maths and English for employability (to address our overall achievement at GCSE, which is still below national average in Bradford, Barnsley, Leeds and Wakefield.

- Government policy is focusing on this issue nationally in response to employer concerns and the UK's poor performance compared with international competitors. Mandatory English and maths to age 18 is to be introduced for pupils who do not achieve grade C at GCSE (linked to the participation age reforms).
- Other schemes include Maths Champions (through NIACE), Literacy Champions (through the National Literacy Trust) and a broad range of parental education projects.
- At a City Region level, English and maths are increasingly recognised as strategic priorities for FE and work based learning providers, with an expansion of GCSE delivery in these subjects evident across many vocational areas in line with the Wolf Review and new Study Programme requirements.
- These developments (national and local) will take time to be reflected in improvements in GCSE results. There is also an emerging issue in FE over the availability of suitably qualified and skilled tutors to drive forward the new priorities.


Priority 3:
Importance of core skills and flexibility to adapt to as yet unknown new technologies, industries and jobs.

- Education and learning providers across the City Region increasingly recognise and embrace the importance of core skills and flexibility, reflected in (for example) personalised programmes of soft skills development and a growing focus on equipping learners with appropriate work readiness skills.
- However, employer feedback repeatedly shows that they expect higher standards. New models of educational delivery (e.g. academies and studio schools) offer the potential for greater employer input into the content and format of core skills delivery. In other settings (e.g. mainstream schools and FE colleges), the potential exists to better understand employers' specific needs and expectations in these important areas.

Priority 4:
More enterprise and innovation culture in education.

- A wide range of enterprise activity is taking place in schools, FE colleges, work based learning providers and HEIs, although relatively little is currently known about the drivers of successful practice and their transferability to other parts of the City Region.
- With a range of new and exciting local developments planned, such as the creation of learning companies and enterprise academies, a forum to share experiences, good practice and collaboration opportunities in a more formal way than happens currently would be appropriate.
- Existing initiatives with a recognised brand – most notably the Five Three One campaign – provide an ideal platform to further develop the skills and aspirations of new entrepreneurs through mentoring and other support arrangements.

Priority 13:
Prepare for
expected longer
term job
increases in
finance business
services,
transport, hotel
and catering,
retailing,
construction and
health/care.



- Experience shows that while provision will generally respond to emerging market need, the response can be made more timely and strategic by having greater clarity from employers on their specific skills requirements. This must be achieved in a cost effective way that utilises existing structures rather than large programmes of bespoke qualitative research which are costly to resource.
- In several of the City Region's growth sectors (construction, hospitality and catering, financial services and retail) a range of new developments, capital expenditure projects and other initiatives are planned or are already in progress. These can be further supported by committing a proportion of the new ESF programme to the up-skilling and re-skilling of the workforce in growth areas, focusing in particular on the growing issue that exists in some parts of the City Region around the size of the 50+ long term unemployed cohort.
- Alongside this, it is essential that prospective learners of all ages and in all educational settings are given up to date and impartial advice on the opportunities that exist in growth sectors. At the time of writing it is evident that this is not happening universally.
- The need also remains to keep promoting to employers the commercial benefits of investing in the skills of their workforce.

'Building Skills in Education' actions

Key: Action Lead				
LEP		Skills Network		Employers
Local authorities		Government departments and agencies		Skills Enhancement Fund
Local Employment and Skills Boards		FE and HE sector		Regional Economic Intelligence Unit

Ref.	Skills Priority	Action	Lead
B1	2	Track the success and impact of educational initiatives on maths and English attainment and seek to influence results. Involve more businesses in schools in areas with poor performance to encourage additional motivation for pupils to see the relevance of higher aspiration and the importance of good maths and English.	Local authorities
			Local Employment and Skills Boards
B2	2	Improve the quality of GCSE English and maths delivery through the introduction of additional 'teacher education' programmes ¹⁷ (where college staff support the development of teachers in schools) and ongoing CPD for college and work based learning provider staff.	Skills Network
B3	3	Promote direct collaboration between employers, head teachers, colleges and universities to influence curriculum design and teaching and learning methods around: i) The core skills needed by business; ii) The skills needs associated with potential future innovations and transformational technologies, e.g. around transport (HS2, electrification etc) and low carbon.	LEP
			Local authorities (including Key Account Managers)
			Local Employment and Skills Boards

¹⁷ The current programme in Bradford provides a potential blueprint for expansion or replication.

Ref.	Skills Priority	Action	Lead
B4	3	Engage with the City Region's studio schools to understand the content and impact of their core skills delivery, with a view to identifying transferable lessons for other educational settings.	Local authorities
B5	4	An LCR Enterprise Education Task Group should be established to: i) Review and better understand the impacts of the different approaches to enterprise education across LCR; ii) Ensure that providers can benefit from good practice and lessons elsewhere; iii) Exploit opportunities for joint working, shared initiatives and/ or additional funding including from businesses themselves.	Skills Network
			ESB Enterprise Champion
B6	4	Continue to promote mentoring for new entrepreneurs and young people by members of the business community, for example through the City Region's Five Three One campaign. Extend the support for mentoring through the use of existing enterprise/skills budgets to train and co-ordinate mentors.	LEP – Five Three One campaign
			Funding bodies (DWP, BIS, SFA, ESF)
			Local authority Key Account Managers
B7	4	Promote Apprenticeships as a work-based route to a good job, higher qualifications and the opportunity to run your own business and encourage schools, teachers and parents to value this as an equal status option to the academic pathway.	LEP Apprenticeship Group via the City Deal Apprenticeship Hub and ATA Programme

Ref.	Skills Priority	Action	Lead
B8	4	Forge closer links between the LCR Employment and Skills Board and the Business Innovation and Growth Board to access employers' views on, and support for, enterprise education activities (for young people and new entrepreneurs)	Employment and Skills Board (LEP)
			LEP BIG Panel
B9	4	Assuming the idea has sufficient support from universities, there is the potential to take forward a project to involve businesses more closely in the design of degree level entrepreneurship modules and initiatives, involving 'Dragon's Den' style approaches and business skills such as accountancy and marketing. It may be possible for HEIs/Business Schools to share such initiatives or run them jointly.	Higher Education Institutions with support from HEART and Higher York
B10	13	Improve providers' knowledge of employers' specific skills needs and workforce development requirements in growth sectors through closer dialogue between the Skills Network and LEP Sector Champions.	Skills Network and Sector Champions
B11	13	ESF 2014-2020: a proportion (to be agreed between the SFA and the LEP) of funding to be targeted at up-skilling and re-skilling in growth sectors, drawing on the intelligence gathered through action B10 and working closely with the Skills Network to design an appropriate response. Older people (50+) that are out of work should be a focus in response to growing concerns over the number of people in this cohort now long term unemployed.	Skills Funding Agency
			LEP

Ref.	Skills Priority	Action	Lead
B12	13	Expand provision in growth and priority sectors to meet demand, supported by discretionary funding projects.	Skills Network
			Employers
			Funding Agencies
B13	13	Through the LEP Careers Task Group Project 'Better Informed Choices', ensure that schools, colleges, universities and other learning providers have accurate and up to date information about the City Region's growth sectors which they use to provide impartial careers guidance to their learners.	LEP Careers Task Group
B14	13	Through the Five Three One campaign, Apprenticeship Hubs, Apprenticeship Training Agencies and other new skills capacity, actively engage businesses across the City Region to promote the benefits and impact of investing in skills, both current workforce and future recruits. Focus efforts on future growth sectors and LEP priority sectors, led by Sector Champions.	LEP
B15	13	Track the City Region's economic, skills and employment forecasts annually at sector level, cascading the analysis to the provider network.	Regional Economic Intelligence Unit
B16	13	Encourage greater engagement by HEIs in contributing more directly to the skills needs of local growth sectors.	HEART and Higher York

5 TRANSITION INTO WORK

The “Transition into Work’ theme covers those priorities that will help the City Region’s residents to access and sustain rewarding employment opportunities. Together these will help to increase young people’s exposure to employers (and vice versa), drive up Apprenticeship numbers, make inroads into the issue of youth unemployment and provide new and informative careers guidance materials.

What is happening now?

Priority 1:

Increased focus on the work readiness of school, college and university leavers e.g. work ethic, positive attitude, team work, problem solving skills, customer service and communication skills.

- Notable progress has been made in this important area in recent years, helped by closer working between the provider network and Jobcentre Plus.
- Wholesale changes to current arrangements are therefore not justified, although there is a need to take action to address the shortage of meaningful placement opportunities for young people, especially with SMEs, which currently acts as a barrier to the development of core work readiness skills and attributes.
- Young people’s exposure to local employers whilst in learning should also be increased.

Priority 5:

Increase the relatively low take up of Apprenticeships by employers from 12% to 20%.

- Apprenticeships are an important strategic priority across the FE and work based learning provider network, although experiences vary considerably in how well the supply of apprentices and the demand from local employers are aligned.
- The investment in the City Region’s Apprenticeship infrastructure through the City Deal offers a unique opportunity not only to address some of the market failures that currently exist, but also to stimulate workforce development activity in priority and growth sectors.
- However, the City Deal alone will not achieve the growth target and there are barriers to overcome regarding perceptions of the Apprenticeship brand and ensuring that learners have an accurate understanding of what an Apprenticeship involves. The Government’s ‘Traineeship’ programme will help, but at a local level the importance of impartial and accurate guidance to young people on Apprenticeships should not be underestimated.

Priority 6:
Increase youth employment options to combat high levels of unemployment amongst 16-24 year olds

- Across the City Region there is already a wide range of employment initiatives in place which cover young people, such as Sector Based Work Academies, taster programmes, the Youth Contract and local preparation for Apprenticeship schemes. These all have an important contribution to make to the ambitious drive towards a NEET-free City Region.
- There is little justification in adding to the current landscape with new interventions (national developments such as 'Traineeships' aside), although projects such as those in Bradford ('Get Bradford Working') and Kirklees (Jobs Fund) can help to identify valuable and transferable lessons.
- The successful delivery of the devolved Youth Contract in certain parts of the City Region supports the argument for local ownership of national schemes going forwards.
- As well as being an economic issue, youth employment can be facilitated through the development of better work readiness skills, and therefore close links exist between this skills priority and priority number 1, which is also covered in this chapter of the plan.
- The direct link between youth unemployment (and indeed unemployment generally) and social exclusion must also be recognised. There is a strong case for targeting parts of the new ESF programme at activities to reduce youth unemployment, and especially at the 18-24 age range, where numbers remain persistently high.

Priority 9:
Stronger careers guidance in education emphasising economic value of STEM subjects and promoting rewarding careers in shortage areas.

- The dissolution of the Connexions service and the associated changes to the way in which careers guidance is administered in schools is generating significant concerns about how well (or otherwise) young people are informed of the full range of post-16 options available to them. Those local concerns are being echoed nationally.
- It is also recognised that to be effective, the nurturing of young people's aspirations in terms of future subject and career choices should begin during primary schooling and not be confined to Key Stage 4 option choices and beyond.
- Some STEM related careers advice in schools is led or assisted by FE or work based learning providers, but only on a very small scale. Action is needed urgently, not only relating to STEM but cross-curricula, to ensure that young people in schools have access to up to date, accurate and independent information to help them make the right choices.
- The City Region response should include the continuation of the LEP Careers Task Group Project 'Better Informed Choices'. However, this is a national issue that will not be overcome through a single intervention. Adding the City Region's voice to the active lobbying of central government should therefore be a priority.

'Transition into Work' actions

Key: Action Lead				
LEP		Skills Network		Employers
Local authorities		Government departments and agencies		Skills Enhancement Fund
Local Employment and Skills Boards		FE and HE sector		Regional Economic Intelligence Unit

Ref.	Skills Priority	Action	Lead
T1	1	Encourage more employers to host work placements (for schools and FE learners) and paid internships (for HE learners), especially in LEP priority sectors. Where possible secure funding to support projects which can offset costs/lost earnings, especially for SMEs.	LEP – including through the Five Three One campaign
			Skills Network Members – through business engagement
			Education/business projects to support
			Local authority Key Account Managers
T2	1	Extend the number of degree level sandwich course placements with local businesses and 'knowledge transfer partnerships' whereby recent graduates are placed with SMEs who can utilise their expertise.	Higher Education
			Employers

Ref.	Skills Priority	Action	Lead
T3	1	Encourage more employers from the City Region to visit schools, colleges and universities to share information about their industry and the skills they require now and in the future (core and job specific), job roles and career pathways ¹⁸ .	Skills Network Members
T4	5	Recruit, support and develop the role of local Apprenticeship Ambassadors from LEP priority sectors, and ideally from SMEs, to provide case studies and promote the benefits of Apprenticeship recruitment within the City Region.	National Apprenticeship Service
			LEP Apprenticeship Task Group
			LEP – Five Three One campaign
T5	5	<p>Roll out the City Deal Apprenticeship Hub and Apprenticeship Training Agency programme, which will:</p> <ul style="list-style-type: none"> i) Ensure that employer demand at a sectoral level is reflected in the supply of places; ii) Increase the scale of Apprenticeships across the City Region; iii) Improve the profile and perceptions of Apprenticeships with parents and employers; iv) Engage many more SMEs who have not previously employed Apprentices; v) Improve employment prospects for young people across the City Region (thereby also linking with Skills Priority 6) vi) Explore the options to reduce barriers to participation through, for example, free/reduced price public transport for new starters. 	LEP Apprenticeship Task Group
			Local authorities

¹⁸ The Word of Work project in Northamptonshire may act as a useful reference point.

Ref.	Skills Priority	Action	Lead
T6	5	Promote Higher Apprenticeships, Foundation Degree, Degree and Masters opportunities to business (note: this is also included as action R3 under 'Raising Demand and Improving Skills').	Skills Network Members
T7	5	Introduce the government's new Traineeship programmes to help unemployed young people gain the necessary experience, qualifications and work readiness to secure an Apprenticeship (or employment with training).	Skills Network Members
T8	6	Continue, and where appropriate expand, local youth unemployment initiatives that have a proven track record in moving young people into sustained employment. Share key success factors and elements of good practice across partnerships and networks.	Local authorities
			Skills Network Members
T9	6	Work closely with Work Programme prime contractors to ensure that alignment exists with local youth unemployment initiatives and that progression to/from local initiatives is encouraged and facilitated.	Skills Network Members
			Work Programme Prime Contractors
T10	6	Ongoing delivery of the Youth Contract, highlighting effective practice and lessons learned that can benefit the design and delivery of future youth unemployment initiatives, e.g. through the new ESF programme.	Local authorities
			Skills Network Members

Ref.	Skills Priority	Action	Lead
T11	6	ESF 2014-2020: a proportion (to be agreed between the SFA and the LEP) of funding targeted at reducing youth unemployment and promoting social inclusion through participation in learning programmes and progression into employment.	Skills Funding Agency
			Skills Network Members
T12	9	Continue to fund the LEP Careers Task Group Project 'Better Informed Choices' post- 2013 in its efforts to: i) Promote better informed IAG for schools/jobs advisers with a focus on STEM-based sectors and other sectors with good prospects in the local economy; ii) Work alongside the LEP's Apprenticeship Group to forge closer links between schools and FE/work based learning to raise awareness of Apprenticeships and other vocational routes amongst young people.	LEP
			Local authorities
T13	9	Lobby nationally to change policy on careers guidance for young people in schools to allow more face-to-face advice that is impartial and informed by better links to business and awareness of the realities of the local labour market.	LEP Skills Network Members

6 RAISING DEMAND AND IMPROVING SKILLS

The 'Raising Demand and Improving Skills' theme covers those priorities that will help to improve the productivity of the City Region's workforce and better enable it to take advantage of new and emerging opportunities.

Together they will stimulate employer investment in the skills (including higher level skills) of their staff, address skills prominent skills gaps, consolidate and promote the City Region's low carbon skills offer and help more business to export goods and services abroad.

What is happening now?

Priority 7:
Promote increasing opportunities for progression into higher level skilled jobs in professional business services and other technical roles expected to meet anticipated demand from employers.

- Demand for higher level skills in the Leeds City Region will grow faster over the next decade than the demand for lower level skills. The provider network is well positioned to respond to this, although some additional support to stimulate SMEs co-investment in training will help to ensure that genuine barriers to workforce development at the higher end of the skills spectrum can be overcome.
- The City Region is well stocked with higher education provision, both through HEIs and FE colleges. Geographically, however, there are still some gaps which could justify the introduction of new HE facilities to meet local need and develop the higher level skills of the local workforce.
- Employer awareness of the commercial benefits of developing higher level skills could be strengthened, as could employer/employee knowledge of the new 24+ Advanced Learning Loan arrangements and the opportunities that they offer.

Priority 8:
Improved leadership and management skills to promote better employer investment in skills of the existing workforce.

- Leadership and management skills are strongly correlated to business growth and success. Business planning skills are important in accessing finance, both from banks and public sources such as the Regional Growth Fund.
- There is scope to improve these skills in the City Region, especially in SMEs with growth potential. Many of the businesses that need to develop these skills may however not recognise that, so incentives and peer support businesses are likely to be important.
- There are valuable assets in the City Region, including business schools attached to universities, that can be better utilised in this regard.

Priority 10:
Target workforce skills gaps in IT/software, technical/practical and customer service skills by up-skilling existing employees.

- Employers in the City Region report some specific skills gaps – such as in engineering and software design – as well as the rising importance of more general skills such as ICT, technical/practical and customer service skills.
- Tackling specific skills gaps will involve a range of measures across this plan. These include better links between employers, schools, colleges and HE so that providers are aware of local employer demand; better careers guidance that corrects outdated perceptions and highlights opportunities in sectors with skills gaps; promoting relevant courses and Apprenticeship options to prospective learners (and their parents); and extending provision where it is required.
- The new ESF programme and other funding streams can make an important contribution here through up-skilling and re-skilling support targeted at workforce skills gaps. In some areas, e.g. technical and practical skills, a further layer of detail about employers' specific needs would be beneficial.

Priority 11:
Prepare for future jobs growth linked to the low carbon economy. Skills required include: strong STEM skills, technical as well as more specialised skills e.g. electrical engineering, welding, energy management, IP and technical risk management skills.

- Significant opportunities will arise from the ongoing development and growth of the low carbon economy, including renewable energy, energy efficiency, carbon capture and storage and transport.
- Whilst precision over the required skills and occupations remains at an early stage, the Leeds City Region appears well placed to respond. Major developments (capital and curriculum) are complete or in progress at various sites, e.g. Barnsley, Bradford, Calderdale, Selby and Leeds Building Colleges as well as in HE (e.g. Bradford University). However, at some, the capital investment is yet to be reflected in the take-up of provision, which remains relatively modest.
- As the requirements and implications of the Green Deal at a City Region level become clearer, and as industry's response to the low carbon agenda gathers pace, the supply of learners should increase. Targeted careers guidance materials to showcase low carbon related job opportunities and career pathways will also be beneficial.

Priority 12:
Focus on skills for boosting overseas trade, including developing better awareness for market opportunities, overseas contacts and export strategy.

- Research undertaken in 2012 suggests that around 12% of LCR's businesses currently export, with the LEP keen to grow this significantly. Developing the skills needed to achieve such growth, especially amongst SMEs, is likely to require targeted and sector specific training interventions with a degree of subsidy (previous courses for employers in this area have attracted relatively little demand).
- The potential exists to better link current export campaigns with skills development initiatives and to explore ways in which the very sizeable alumni of international students leaving the City Region's universities can be better utilised to foster overseas links.

‘Raising Demand and Improving Skills’ actions

Key: Action Lead				
LEP		Skills Network		Employers
Local authorities		Government departments and agencies		Skills Enhancement Fund
Local Employment and Skills Boards		FE and HE sector		Regional Economic Intelligence Unit

Ref.	Skills Priority	Action	Lead
R1	7	Encourage co-investment by SMEs in <i>higher level skills</i> linked to business growth in key sectors via the proposed LCR Skills Fund.	LEP
			BIS
R2	7	Pursue options for extending higher level skills provision in areas where it is currently lacking (e.g. an HE facility in Wakefield).	Local authorities
			FE/HE providers
R3	7	Promote Higher Apprenticeships, Foundation Degree, Degree and Masters opportunities to business (note: this is also included as action T6 under ‘Transition into Work’).	National Apprenticeship Service
			Skills Network Members
			LEP Apprenticeship Task Group

Ref.	Skills Priority	Action	Lead
R4	7	Actively promote progression opportunities to existing/former students and their employers, along with the facility for 24+ Advanced Learning Loans, with a particular focus on those sectors predicted to increase demand for higher level skills.	FE and HEIs working with employers in key sectors
R5	8	Better promote existing leadership/management skills products that are available to business, through events, HE business schools, business networks and relevant websites ¹⁹ .	Skills Network Members
R6	8	Review the level of detail and specificity gained through the 2013 Kirklees Employer Survey on leadership and management skills needs to understand whether it could be used as the blueprint for City Region-wide intelligence gathering.	Kirklees Council
			LEP
R7	8	Encourage co-investment by SMEs in <i>leadership and management skills</i> linked to business growth via the proposed LCR Skills Fund.	LEP
			BIS
R8	10	Encourage co-investment by SMEs in <i>tackling skills gaps</i> linked to business growth via the proposed LCR Skills Fund.	LEP
			BIS

¹⁹ A similar initiative is already taking place in the York, North Yorkshire and East Riding LEP area.

Ref.	Skills Priority	Action	Lead
R9	10	Proactively market/promote courses and qualifications for skills that are in demand by businesses but have insufficient student take-up in FE/work based learning (STEM subjects, especially engineering and computing). Target efforts on young people and existing workforce with potential to up-skill/change career.	Skills Network Members with support from Sector Champions to identify specific areas of unmet demand from employers.
R10	10	Skills Enhancement Fund: produce frameworks in 2013/14 to target and rectify workforce skills gaps in engineering, software design, ICT, technical/practical skills and customer service. ESF 2014-2020: a proportion (to be agreed between the SFA and the LEP) of funding targeted at up-skilling and re-skilling in each of the above skills areas.	Skills Network Members
			Skills Enhancement Fund
			Skills Funding Agency
R11	11	Encourage co-investment by SMEs in <i>low carbon skills</i> linked to business growth via the proposed LCR Skills Fund.	LEP
			BIS
R12	11	Promote collaborative working on developments in the low carbon field, especially amongst FE and HE partners, to keep abreast of developments in technology and legislation which are driving changes in jobs and market opportunities.	Skills Network
			LEP Low Carbon Sector Champion
R13	11	Ensure that providers with appropriate capital build and courses are given maximum opportunity to participate in/benefit from the proposed £80m Green Deal in the Leeds City Region.	LEP (ESB and Green Economy Panel)
			Skills Network

Ref.	Skills Priority	Action	Lead
R14	11	Develop careers materials on low carbon related jobs and career progression opportunities to help ensure that young people (and careers advisors) better understand skills needs and opportunities in this area.	LEP Careers Task Group
R15	11	Embed low carbon content/modules into existing courses where these can help to meet the emerging skills needs of industry (e.g. trades and construction, tourism)	Skills Network Members
R16	12	Encourage co-investment by SMEs in skills/expertise vital to <i>boosting international competitiveness</i> via the proposed LCR Skills Fund.	LEP
			BIS
R17	12	Explore skills-related links to the LEP's 'We are International' export campaign to stimulate increased confidence and awareness in developing business opportunities overseas.	Joint discussions between the LEP, UKTI and the Skills Network
R18	12	Utilise the resource potential of international students and alumni to foster new trade links for the City Region.	FE and HEIs

Ref.	Skills Priority	Action	Lead
R19	12	Maximise the potential of Business Schools and language departments to support exporting businesses for, example by encouraging their students to take up placements/projects with LCR businesses (and especially SMEs).	FE and HEIs

7 OUTCOMES AND MEASUREMENTS

The Leeds City Region Skills Plan includes 8 measures, listed in Table 7.1. These are all areas in which progress is needed to help drive forwards the productivity and economic prosperity of the City Region. They can also all be tracked through publicly available data sources and do not introduce the need for additional programmes of research or evaluation.

Measuring change

7.1 The extent to which the baseline position against each of the measures on the following pages changes over the next three years will be influenced by a broad array of factors. These include the actions presented in Chapters Four to Six of this document alongside a number of other political, economic, social and technological issues, the most significant of which are summarised in Chapter Eight. There will also be new developments, not yet known, which will have an influence on progress.

7.2 The correlation between the actions in the plan and measurable change at City Region level is therefore not a direct one. The actions in the plan have a very important part to play, but they will not be the sole drivers. With this in mind, and with only one exception, the targets that have been set are deliberately relative rather than absolute. They do not propose, for example, a specific percentage point increase in GCSE attainment, or a specific percentage point reduction in skills gaps. Instead, they look at how the Leeds City Region LEP is performing now relative to other areas and set ambitious goals for improvement. These goals include exceeding national averages, improving performance to be amongst the top performing LEPs in the country and, against one measure, maintaining the City Region's current position as the country's top performer.

7.3 An alternative approach would be to measure the outcomes of each individual action in the plan. Whilst this might provide a lot of detailed information, the data collection and monitoring requirements would have considerable resource implications. Of equal significance, it would risk losing sight of the larger, more strategically important issues that the plan is looking to influence and which will help to boost the City Region's economic performance.

Leeds City Region Skills Plan 2013-2015

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
1	Building Skills in Education	Improved GCSE attainment in maths and English	% pupils achieving 5 A*-C GCSEs including English and maths	LCR: 58% England average: 59% LCR ranking: 19 th of 39 LEPs	Exceed the England average
			% pupils achieving A*-C GCSEs in English and maths	LCR: 58% England average: 60% LCR ranking: 21 st of 39 LEPs	Exceed the England average

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
2	Building Skills in Education & Raising Demand and Improving Skills	Reduction in skills shortages	% of businesses with a skills shortage vacancy/vacancies	LCR: 2.6% Average for 'top 5' LEPs: 2.2% LCR ranking: 12 th of 39 LEPs	Exceed the average for the 'top 5' LEPs
			% of vacancies that are hard to fill due to skills shortages	LCR: 19% Average for 'top 5' LEPs: 15% LCR ranking: 32 nd of 39 LEPs	Exceed the England average

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
3	Building Skills in Education & Raising Demand and Improving Skills	Reduction in skills gaps	% of businesses with a skills gap(s)	LCR: 18% Average for 'top 5' LEPs: 15% LCR ranking: 23 rd of 39 LEPs	Exceed the average for the 'top 5' LEPs
			% of employees reported as being not fully proficient	LCR: 4.8% Average for 'top 5' LEPs: 4.5% LCR ranking: 4 th of 39 LEPs	Move into the top three places nationally

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
4	Transition into Work	Improved employer perceptions on work readiness	% employers who state that 16 year old school leavers are well prepared for work	LCR: 59% Average for 'top 5' LEPs: 65% LCR ranking: 25 th of 39 LEPs	Improve performance to halve the difference with average for the 'top 5' LEPs
			% employers who state that 17-18 year old school leavers are well prepared for work	LCR: 69% Average for 'top 5' LEPs: 74% LCR ranking: 16 th of 39 LEPs	Improve performance to halve the difference with average for the 'top 5' LEPs
			% employers who state that 17-18 FE College leavers are well prepared for work	LCR: 80% Average for 'top 5' LEPs: 82% LCR ranking: 6 th of 39 LEPs	Exceed the average for the 'top 5' LEPs
			% employers who state that university/HR leavers are well prepared for work	LCR: 89% Average for 'top 5' LEPs: 89% LCR ranking: 1 st of 39 LEPs	Maintain current position as the top performing LEP in England

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
5	Transition into Work	Reduction in youth unemployment	Unemployment rate for 16-24 year-olds	LCR: 23% England average: 21% LCR ranking: 31 st of 39 LEPs	Exceed the England average
			Jobseekers Allowance claimant rate for 18-24 year-olds	LCR: 8.1% England average: 6.3% LCR ranking: 32 nd of 39 LEPs	Exceed the England average

Leeds City Region Skills Plan 2013-2015

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
6	Transition into Work	Increase in the number of apprentices in the Leeds City Region	-	Between 2009/10 and 2010/11, apprentice numbers in LCR increased by 66%. The national increase over the same time period was 63%.	Continue to exceed the England average in the relative growth in total apprentice numbers and exceed the England average for both 16-18 and 19+.

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
7	Raising Demand and Improving Skills	Increase the qualification levels of the LCR workforce	No. employees qualified to Level 1	By 2015, it is estimated that LCR will require 260,000 people qualified to Level 1. In 2011, an estimated 254,000 people were qualified to Level 1.	Achieve the projected increase in demand
			No. employees qualified to Level 2	By 2015, it is estimated that LCR will require 329,000 people qualified to Level 2. In 2011, an estimated 321,000 people were qualified to Level 2.	Achieve the projected increase in demand
			No. employees qualified to Level 3	By 2015, it is estimated that LCR will require 294,000 people qualified to Level 3. In 2011, an estimated 286,000 people were qualified to Level 3.	Achieve the projected increase in demand
			No. employees qualified to Level 4	By 2015, it is estimated that LCR will require 360,000 people qualified to Level 4. In 2011, an estimated 346,000 people were qualified to Level 4.	Achieve the projected increase in demand

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
			No. employees qualified to Level 5	By 2015, it is estimated that LCR will require 106,000 people qualified to Level 5. In 2011, an estimated 104,000 people were qualified to Level 5.	Achieve the projected increase in demand

No.	Theme	Measure	Sub-measures	Baseline position	Target for end of 2015
8	Raising Demand and Improving Skills	Increase in the proportion of companies providing training for their staff	% employers providing any training for their staff	LCR: 66% Average for 'top 5' LEPs: 71% LCR ranking: 16 th of 39 LEPs	Achieve the average for the 'top 5' LEPs
			% employers providing on-the-job and off-the-job training for their staff	LCR: 35% Average for 'top 5' LEPs: 37% LCR ranking: 16 th of 39 LEPs	Achieve the average for the 'top 5' LEPs

8 CONTEXTUAL ANALYSIS

A political, economic, social and technological (PEST) analysis sets the context for the delivery of the LCR Skills Plan, highlighting the external factors that are likely to impact on the supply of and demand for skills in the City Region over the next three years. This starts with a summary of the government's latest skills strategy – *Rigour and Responsiveness in Skills* – and then considers the main issues within each of the PEST categories in turn.

Overview

8.1 *Rigour and Responsiveness in Skills* was published in April 2013 and identifies six areas where the government believes further changes are required to create a system which ensures that provision responds to the individual and the employer. These are summarised below:

- i. **Raising standards:** the strategy announces three approaches to raising standards. The first is the introduction of a new FE Guild and 'Chartered Status', designed to become internationally recognised marks of quality for learners and employers. The second is a faster and more robust intervention regime that aims to protect learners while tackling poor provision. The third will give individuals and employers more information on the quality of provision and more power to choose training, thus sharpening the incentives for colleges and providers to achieve higher standards.
- ii. **Reforming Apprenticeships:** in response to the recommendations made in the Richard Review, significant reforms of Apprenticeships are planned. These include the introduction of an overall assessment to demonstrate competency, increased employer involvement in setting standards, and a greater focus on the achievement of GCSE English and maths at grade C or above. Underpinning this, and a theme that runs through the strategy, is enabling employers to be effective purchasers and owners of training and ensuring that employers and individuals have access to the right information and data to make informed decisions. A timetable for the reforms is due in autumn 2013, with the trialling of new arrangements already taking place through the Employer Ownership Pilots (EOP).
- iii. **Creating Traineeships:** the introduction of the Traineeship programme is intended to provide a combination of a focused period of work preparation, a high quality work placement and training in English and maths. Employers will have a clear line of sight over the design and delivery of the programme, ensuring that it provides the right skills for the workplace. The rationale supporting the introduction of Traineeships includes evidence which shows that young people who spend more than 12 months out of work in their late teens and early 20s are significantly more likely to experience greater unemployment at a later age.

- iv. **Meaningful qualifications:** a consultation is taking place on the qualifications taken between the ages of 16 and 19. For adults, up to 2,500 qualifications with little or no uptake will be removed from the funding system, and more are likely to follow. In order to remain eligible for government funding those that remain will need to be rigorous and demonstrate strong employer input.
- v. **Funding improving responsiveness:** the strategy makes clear that the government does not intend to pay for poor or irrelevant provision but rather will concentrate on where it can add most value. New approaches such as loans for those aged 24 or over, and direct employer funding through the EOP, are designed to provide much sharper incentives for colleges and training providers to respond to what students want to study.
- vi. **Better information and data:** from September 2013, FE and skills data will be available in open access formats and it will be easier to find data through data.gov.uk. A new monthly real time scorecard will be trialled on the National Careers Service website, summarising local information, including labour market trends, job opportunities and courses available for each LEP area and city region. The National Careers Service will be charged with connecting employers, education institutions and local partners. It will also will identify and promote opportunities for young people through direct work with employers, schools and colleges, including encouraging business leaders to visit schools and colleges.

8.2 Each of these six areas will, to varying degrees, impact upon the way in which the actions in this plan are taken forward. The LEP and members of the Skills Network will need to be attuned to the developments taking place through the strategy and ensure that the actions being implemented at a local level are as well aligned as possible with the national direction of travel.

Political

1. Public spending constraints	2. University tuition fees	3. FE loans
4. Apprenticeships	5. Traineeships	6. Social welfare reform
7. Raising the participation age	8. Qualification and schooling reforms	9. Careers advice and IAG
10. The role of LEPs	11. City Deal	

1. The context of a large national **financial deficit and substantial public spending cuts** has significant implications for skills. The overall FE and skills budget is reducing by 25% between 2011/12 and 2014/15, a consequence of which is that fewer courses are eligible for full funding. Large reductions in local authority discretionary budgets may also have an impact, while slower than expected progress in cutting the national deficit

may point to future austerity measures that are more severe and extended than expected.

2. Increases in **university tuition fees** (under-graduate and post-graduate) are likely to affect the demand to study. It is expected that subjects and institutions that are seen to lead to greater employment and salary prospects will fare best, a factor exacerbated by relatively high unemployment (and under-employment) rates, including amongst graduates. There is also concern that this might lead some institutions and departments to become (more) risk averse and avoid developing new provision.
3. **FE fees/loans for those aged 24 and over** will be introduced from August 2013 and mean that those studying for Level 3 and 4 qualifications (including Apprenticeships) will be expected to take out student loans on a similar basis to those in HE. No cap on course fees is to be set, but the limit for a loan will be the maximum fully funded rate for that qualification set by the Skills Funding Agency (expected to be up to around £4,000).
4. Government policy has been supportive of **Apprenticeships** for some time, resonating with the positive message from businesses about the value of Apprenticeships and the combination of work and study that they offer. The Richard Review published in late 2012 calls for only 'true' Apprenticeships to be labelled as such, with a focus on high quality training rather than a "*myriad of learning experiences which are labelled as Apprenticeships*"²⁰. As covered in the introductory part of this chapter, the government has responded to the Richard Review and will look to involve employers to a greater extent in the design of Apprenticeships and will seek to ensure higher standards of quality assurance.
5. A new **Traineeships programme** for 16-24 year olds is to be launched in autumn 2013, offering a mixture of work experience, lessons in English and maths, CV writing tips and advice on how to prepare for an interview. Traineeships are expected to last around six months and will aim to help those young people who are motivated by work, but whose lack of experience often means they fall short of employer expectations. The introduction of traineeships is supported by the 2012 CBI annual education and skills survey, which showed that 61% of employers were unsatisfied with the self-management skills of school leavers.
6. The raft of **social welfare reforms and changes** that have and will continue to be introduced include real term cuts to benefits levels, tougher tests on ability to work, housing benefit restrictions, stronger promotion of work experience and the introduction of universal credit. A generally harsher benefits environment may act as an incentive for some people to take up study (which could see increased demand for some courses) or to consider jobs opportunities (where they exist) that they would not have done previously, which may have specific skills requirements of their own. However, very low benefit incomes may equally make it harder to study if there are travel costs involved or course/tuition fees to pay up front or as a loan.

²⁰ The Richard Review of Apprenticeships. Doug Richard/Department for Business, Innovation and Skills. November 2012.

7. The new **requirement to participate in education, training or work based learning to at least age 18** could have notable impacts, not least an uplift in learning and qualifications. However, a proportion of young people are still expected to drop out and furthermore, learning institutions such as colleges may have to cope with a cohort of reluctant learners amongst the additional students they take on.
8. There remains a degree of uncertainty over the current government's **educational reforms** given recent policy announcements and revisions. However, the signs are that GCSEs will move from coursework to exams and will be graded from 8 to 1, rather than A* to G, with pass marks pushed higher. In addition, A-level reforms include changes to the structure of the qualifications, the introduction of a standalone AS qualification and arrangements for the involvement of higher education in future A-level design. Whilst these reforms might help to give employers more clarity over the value of qualification achievement, the full range of impacts is far from certain. They could include, for example, fewer learners leaving school with good qualifications and associated issues for self-confidence and employability.
9. Considerable changes to **careers advice/IAG provision** have taken place recently, with schools given much greater responsibility (but not proportionate budgets) in this area. The impacts to date are widely viewed as having been negative, with less face-to-face time available and some accusations over the genuine impartiality of the advice²¹.
10. **Localism** – one economic manifestation of the localism agenda has been the establishment of LEPs in place of Regional Development Agencies. Initially LEPs have had little budget other than for specific funding applications. However, the Heseltine Review ('No Stone Unturned', 2013) and the government's response to it (associated with the 2013 Budget) points to a different future. From April 2015 a 'Single Local Growth Fund' is to be created and allocated to LEPs *"through a process of negotiation and competitive tension"*. The size of this fund and the specific areas it covers are not yet agreed. However it is clear that the three areas of skills, transport and housing are seen as critical to its success, and that the government also wishes to streamline EU Structural and Investment Funds and ensure they are aligned with the multi-year strategies LEPs have now been asked to prepare. Further detail will follow in the June 2013 Spending Round, but whatever the detail, it is highly likely that LEPs, especially major ones such as LCR, will become even more significant players in the skills agenda. They will be encouraged to have significant representation on FE colleges' governing bodies, with colleges represented on LEP boards. From mid 2013, LEP priorities will also be reflected through the National Careers Service.
11. **City Deals** – an iteration of the localism agenda is the City Deals that large city regions, including Leeds, have signed with government. The Leeds City Deal gives the City Region greater control over spending and decision making and includes the creation of

²¹ Careers guidance for young people: The impact of the new duty on schools. Education Committee Seventh Report

an Apprenticeship Training Academy and an Apprenticeship Hub network aiming to generate 2,500 new Apprenticeships starts.

Economic

1. Subdued economy	2. Demand for high level skills	3. R&D and innovation
4. Specific skills shortages	5. Climate change and low carbon	6. Skills to support exports
7. Youth and long term unemployment	8. Employer requirements on work readiness	

1. **A subdued global and national economy** – the domestic and international economy is undergoing a prolonged downturn and projections are that growth will remain limited for some time, but pick up slowly (in the UK and LCR) in 2014 and more solidly after 2015. This has knock-on impacts for business markets and job opportunities in LCR²². However, major developments and initiatives, coupled with replacement demand needs, will create significant employment opportunities with their own skills implications. These will account for a substantial proportion of new employment in the short term, especially in prioritised and high employment sectors and those with an older workforce.
2. In an increasingly global and knowledge based economy, employer **demand for higher level skills** is increasing faster than for other skills levels and is correlated with overall economic success. These skills are also linked to higher salaries, and the gap between ‘low skilled low wage’ and ‘high skilled higher paid’ jobs is increasing, **widening inequalities** in the process.
3. **R&D and innovation** is becoming strongly linked to productivity and growth and requires both specialist and generic skills to support it. These include creativity and problem solving, collaboration and networking. The role of higher education in fuelling innovation is central and increasing global competition, against a background of spending cuts and increasing costs for leading edge research, places the City Region at increased risk of losing its competitive edge.
4. Some high value sectors of the economy are (potentially) being limited by **specific skills shortages** such as in engineering and software design. Addressing these shortages through both stimulating demand (to study them) and better provision will support the growth of the companies who rely on them, including priority sectors in the City Region.
5. **Climate change** coupled with rising demand for (but limited supply of) energy, water and natural resources means that **energy and resource prices** are likely to continue to rise

²² For details on this topic see, <http://www.leedscityregion.gov.uk/LCR-Corporate/media/Media/Research%20and%20publications/Employment%20and%20Skills/Leeds-LEP-Report-1.pdf?ext=.pdf>

into the medium term at least. The same pressures also create opportunities in new and growing sectors (notably low carbon) with their own skills needs. Skills such as energy and environmental management within businesses will also become more important in reducing operating costs in tight fiscal conditions.

6. The goal of rebalancing the economy includes increasing **exports**. This will be assisted by **foreign language skills**, especially those relevant to major and growing markets (including Chinese/Mandarin, Spanish and Russian).
7. High levels of **youth and long term unemployment** risk creating sections of society who are cut off from job opportunities and face challenges in reconnecting with the labour market. Enhancing qualifications, confidence, attitude and generic skills and work experience will be important in countering that, including ways of 'de-risking' employment of this group by businesses, for instance through short and funded placements.
8. Employer desire for **work ready employees** is pronounced and will have a major impact on securing jobs in a tight labour market. 'Earning plus learning' models such as **Apprenticeships and placements** are an important solution. They chime with the context of increasing tuition fees which may heighten student desire to lessen study costs and to command an income as they gain qualifications and experience. Universities are increasingly seeking to extend their market penetration amongst employers by offering a mix of internships, student placements and knowledge transfer projects, all aimed at improving their record of post-graduate employment prospects.

Social

1. LCR population growth	2. Extended retirement age	3. Ethnic diversity
4. Gender imbalances in learning and career choices	5. Personalisation of services	6. Cultural influences
7. Rising cost of living		

1. **A growing and ageing population** – LCR's total population is forecast to grow by 14% to 3.37 million by 2030, with rises varying between 5% (Craven) and 22% (Selby) depending on district²³. Other notable rises include those in Leeds (17%) and Bradford (16%). However, the vast majority of growth will be in the population aged 65+ (a rise of 46% by 2030) compared with a rise of 7% for those aged 25-64. The population aged 15-24, which is of particular interest for many skills providers and recruiters in business, sees only a small rise of 4% from 2010 to 2030. What is more, it is predicted to decrease by 9% between 2010 and 2020. This could have significant impacts on the

²³ 2010 based sub-national population projections, ONS, 2012

numbers of learners, trainees and recruits available, presenting challenges for skills providers and reinforcing the importance of up-skilling the wider workforce.

2. Linked to an ageing population, the **state pension age** is rising to age 66 from 2020 and rising further beyond that. This will mean the average age of the workforce is likely to increase and that a smaller proportion of workers will be in the youngest groups, bringing implications for skills development and recruitment.
3. **Ethnic diversity** is expected to increase, with a larger proportion of the population accounted for by people from non-British backgrounds. Exactly how that will affect skills and employers is unclear, not least because it will be influenced by the countries from which people relocate and the language skills they possess. Government policies on migration connected to this may also have an impact, including on businesses and skills providers, especially universities which benefit from international students.
4. There are significant learning factors that vary by **gender**, often persisting despite efforts to rebalance affairs. These include fewer young women studying STEM subjects and going into related careers, a shortage of male primary school teachers and poorer educational attainment by boys in some subjects at GCSE. Whether these differences persist or decrease will affect learner demand and the number of trainees in different disciplines and their abilities. There are also gender based links to leadership and management skills and take up of these. Despite a massive shift in the proportion of women who are working and their career aspirations over recent decades, there remains a pronounced under-representation of women at boardroom level.
5. **Personalisation** – expectations are for **more tailored and rapidly delivered services**, whether that is to do with buying a product or the operation of public services including health, care and education. This is likely to impact on skills, with businesses already seeking training provision with content tailored to their needs, shorter and more flexible modules, and more delivery done in the workplace. Students too are likely to seek courses that meet their specific needs and which may take less time to complete, factors heightened by rises in tuition fees.
6. **Cultural factors** including peer pressure, the media, role models and parents will affect career aspirations, attitudes to learning (and working) and the subjects which learners want to study. Recently, cultural factors have been linked to demand for certain subjects (e.g. those relating to media) that are linked to celebrity or popular culture or otherwise seen as desirable, with others (e.g. science and engineering) suffering a decline. Predicting how these factors will change in the future is difficult, but it is clear that they will have a major impact on demand for different courses and careers and that this will affect employers and learning providers alike. Potential responses include promoting role models, information on the modern realities of workplaces in different sectors (for instance to change outdated perceptions of manufacturing and engineering), and IAG that offers good, impartial information on the range of career options and the chances and nature of employment within them.

7. **Cost pressures** – such as course fees, housing and travel costs are impacting on the disposable incomes available to students. Higher costs may make the option of living at home whilst studying at a nearby college or university (or in the workplace) more popular. The location of learning could therefore have greater impact on course take up than in the past, with colleges and universities close to large populations and in central locations with good public transport accessibility and walking/cycling options particularly advantaged.

Technological



1. The need for businesses to **apply ICT** in how they work and secure customers will continue to grow. That includes being able to take advantage of online trading and good use of social media in their marketing. The same factors are important to recruitment, in business, and also for skills providers such as colleges and universities as they seek to attract new students.
2. The ability to access a huge array of **web-based information** makes it much more possible and important for students and employees in key roles to be able to source and digest information for themselves. That has implications in business and for learning models, where **self-development and learning** will be important alongside more traditional models that are more dependent on expertise imparted through teachers, trainers and lecturers. There is also great potential to use web based information within lessons and courses, and potentially to achieve efficiencies in doing so.
3. ICT advances, especially in **broadband and mobile devices**, offer great potential for more **learning at home or on the move**. This may provide a route for young people who are disconnected from school or college settings but whom are IT savvy to re-engage with learning through a different route. It also offers potential for different learning models, such as 'flipped classrooms' where home based learning is complemented by a focus on discussion and practical exercises in the classroom.
4. The **pace of change**, especially technological, is already making it hard for skills providers to keep up with the new technologies that businesses apply rapidly to stay at the forefront of their fields. This pressure is likely to become more pronounced given resource constraints in education.
5. New research will continue to point to **more effective ways of teaching and training**, whether that be about the good use of ICT and other new technologies or good practice in teaching practice more generally. In the HEI sector, for example, ICT is transforming

teaching and learning through the introduction of Massive Open Online Courses (MOOCs), enabling students to connect, share and collaborate with virtual 'classmates' across geographical and cultural boundaries.

In conclusion

Overall, the context for the next three years (and for some time beyond) is one of rapid but often uncertain change. A fragile and unpredictable economy (global, national and City Region) is coupled with widespread and fast moving policy changes introduced by the government, including in relation to employment, skills and education. However, some changes are clear. Reduced public expenditure, stretched public services, an ageing population, pressures around energy, resources and climate change, and increased localism are all highly likely and, in different ways, will all impact on skills for many years to come.

9 ENABLING FACTORS: MAKING THE PLAN HAPPEN

Putting in place the right capacity, partnerships and delivery mechanisms will enable the actions in this plan to be achieved and their effectiveness to be maximised. That includes ensuring that business needs and engagement drive delivery, that robust labour market intelligence informs provision and learner choices, and that barriers to implementation are identified and overcome.

Current Position

9.1 In recent years the Leeds City Region has established valuable and productive skills partnerships and networks that provide an excellent structure through which to drive forward the delivery of this plan. These include, although are by no means limited to, the LEP's Employment and Skills Board and the City Region's Skills Network, which bring together the full range of skills partners and promote the mobilisation of resources towards shared objectives. They have been central to enabling and encouraging collaboration across sectors and organisations and to strengthening the voice of business in shaping provision. We need to ensure these structures continue and that the foundation they provide is built upon through even stronger mechanisms to connect business, education and skills providers.

9.2 The City Region has also been proactive in supporting research, analysis and intelligence to inform our work on skills. We have made good use of available resources and expertise to establish likely future economic trends and identify the implications these have for skills now. That has included actively participating in, and subsequently communicating the messages from, SFA funded skills research undertaken in 2012 to identify skills needs and issues facing the City Region (and our neighbouring LEPs), and commissioning specific intelligence (through the Regional Economic Intelligence Unit) to provide partners across the City Region with the latest insight on labour market and skills trends and forecasts.

9.3 As the City Region and the LEP move towards delivering this plan, and with a larger influencing role proposed for the future (in line with the government's response to the Heseltine Review), it is vital that existing capacity continues to be used and developed effectively. Flexibility and resources that enable the LEP and its partners to identify and tackle barriers and to deliver targeted solutions will significantly enhance the progress that can be made for and with business.

9.4 Three areas of underpinning activity are therefore proposed to support the implementation of the plan. These are:

1. Partnerships and collaboration
2. Understanding and overcoming barriers to change
3. Ensuring effective levers for delivery

In relation to *Partnerships and Collaboration*, we will:

Support the ongoing operation of the Leeds City Region Skills Network to enhance communication and co-operation between skills partners across sectors at operational level and ensure joined up and effective delivery.

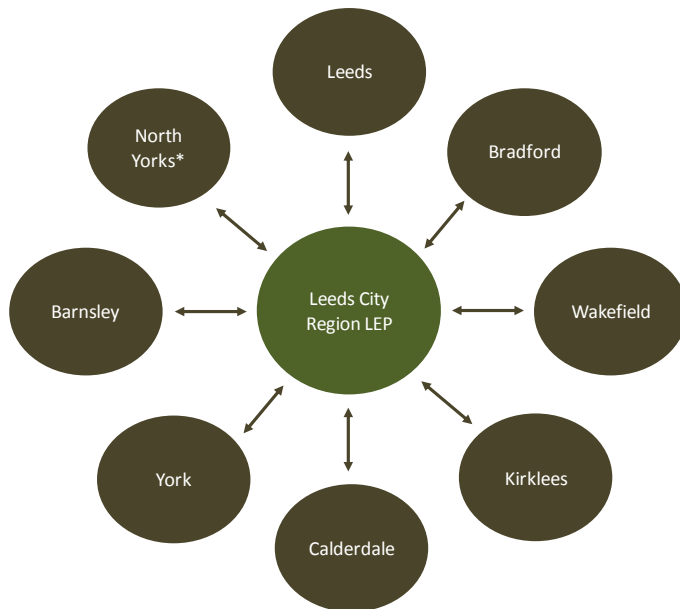
Further strengthen the operation of the LEP's Employment and Skills Board, enhancing its ability to guide skills provision, building senior level collaboration between business, local authorities and other skills partners.

Maintain an ongoing dialogue with LEP Board members and members of the Business Innovation and Growth Board to identify and respond to the skills requirements of major investments, e.g. In housing and transport.

Utilise the role of the Sector Champions to broker relationships between employers and Skills Network partners on specific (sector) development areas highlighted in this plan.

Ensure the capacity exists within the LEP and the provider network to drive and manage the delivery of the plan (see diagram and accompanying text below).

Local delivery of the City Region Skills Plan



*Craven, Selby, Harrogate

The successful delivery of the Leeds City Region Skills Plan and the achievement of its targets extends far beyond the remit of the LEP alone. Local employer-led skills and economic forums (e.g. local Employment and Skills Boards and equivalents) have an extremely important role to play in translating City Region priorities into local level activity that best meets the needs of employers, residents and providers in their areas. It is recognised that in some areas these structures are further developed than others, but all will have an important role to play in the interpretation and implementation of the actions contained in this plan.

The diagram opposite shows, at a high level, the City Region's districts (grouped for North Yorkshire). For each district, Appendix 2 of this plan provides more detail on the infrastructure that is currently in place and through which the plan will be delivered.

In relation to *Understanding and Overcoming Barriers to Change*, we will:

Consolidate and improve labour market intelligence necessary for improved IAG, better informed learner choices and more targeted skills and employment interventions by providers.

Work with local partners to build upon and extend existing consultation exercises so that they provide a means of gaining representative employer views, including on skills needs and gaps, as well as a mechanism for monitoring business perceptions and gauging success (e.g. on perceived quality of recruits and employees).

Seek to secure resources that enable more time and capacity to engage directly with local businesses (especially SMEs), enabling them to identify very specific skills needs and providing evidence that justifies the co-design and modification of course content and future provision in response.

In relation to *Ensuring Effective Levers for Delivery*, we will:

Work with government to secure devolved resources and flexibilities that allow solutions to be put in place to tackle specific skills opportunities and problems that are identified locally. The focus will be on instances where targeted discretionary investment will have the largest economic benefits.

APPENDIX 1: CONSULTATIONS

Organisation	Written response	Direct consultation
Barnsley College	✓	✓
Barnsley Council	✓	✓
Bradford College	✓	✓
Bradford Metropolitan District Council		✓
C&K Careers	✓	
Calderdale College	✓	✓
Calderdale Council		✓
City of York Council		✓
Craven College	✓	✓
Department for Work and Pensions/Jobcentre Plus		✓
Dimensions	✓	
Education Funding Agency		✓
GP Skills Training Academy	✓	
Harrogate Borough Council		✓
HEART		✓
Higher York		✓
Hull College Group	✓	
Interserve	✓	✓
Kirklees College	✓	✓
Kirklees Council		✓
Leeds City College	✓	✓
Leeds City Council		✓
Leeds City Region Employment and Skills Board		✓
Leeds College of Art	✓	
Leeds College of Building	✓	✓
Leeds Metropolitan University	✓	✓

Organisation	Written response	Direct consultation
Leeds Trinity	✓	✓
Selby College	✓	✓
Selby District Council		✓
ShIPLEY College	✓	✓
Skills Funding Agency		✓
University of Huddersfield	✓	✓
University of Leeds	✓	✓
Wakefield Council		✓
West Yorkshire Learning Providers	✓	✓
YH Training Services	✓	
York College	✓	✓
Your Consortium		✓

APPENDIX 2: LOCAL INFRASTRUCTURE

Local Delivery of the City Region Skills Plan will be coordinated by Local Authorities and their employment and skills boards, where appropriate. Contact details and links to local plans are available in the table below. Further information on this Skills Plan and the research which underpins it can be obtained from the Leeds City Region website or secretariat via www.leedscityregion.gov.uk or 0113 2476947.

Local Authority	Contact	Contact Details	Strategy Links
Barnsley MBC	Sharon Pickering	sharonpickering@barnsley.gov.uk 01226 773859 - 07792 194865	http://www.enterprisingbarnsley.co.uk/ http://www.barnsleydevelopmentagency.co.uk/ http://www.iknowican.co.uk/
Calderdale MBC	Fiona Thurlbeck MBE	Fiona.Thurlbeck@calderdale.gov.uk 01422 392328	Calderdale Employment and Skills Strategy (Under Review)
City of York Council	Julia Massey	julia.massey@york.gov.uk 07769640241	York Economic Strategy York Adult Care Workforce Development Strategy York 14-19 Statement of Need and Action Plan
City of Bradford MDC	Phil Hunter	phil.hunter@bradford.gov.uk 01274 385680	Bradford 14-19 Strategy Bradford School Improvement Strategy Bradford Skills Strategy
Craven District Council	David Smurthwaite	dsmurthwaite@cravencdc.gov.uk 01756 706409	Craven Economic Development Strategy
Harrogate Borough Council	Emily McDowell	emily.macdowell@harrogate.gov.uk 01423 556119	Harrogate Economic Action Plan
Kirklees Council	Sue Weston	01484 221000	Kirklees Economic Assessment

Local Authority	Contact	Contact Details	Strategy Links
			Kirklees Integrated Investment Strategy Kirklees Labour Market and Skills Strategy Kirklees Children's and Young People's Plan Kirklees Business Deal
Leeds City Council	Sue Wynne	sue.wynne@leeds.gov.uk 0113 3950440	Leeds Growth Strategy
Selby District Council	Jessica Morris	jmorris@selby.gov.uk 01757 292228	Selby Economic Development Strategy
Wakefield Council	Mike Denby	01924 306075	Wakefield Jobs and Growth Plan