



Cheshire & Warrington Employment & Skills Board

Cheshire & Warrington Employment & Skills Framework for An Integrated Employment and Skills Strategy for Cheshire and Warrington

Introduction

The Integrated Employment and Skills (IES) Strategy for Cheshire and Warrington has been developed in response to:

1. *National Policy Drivers* – Lord Leitch published his final report on UK Skills on 5 December 2006, “UK Skills: Prosperity for all in the global economy – world class skills”. The report recommended that the UK should aim to be a world leader on skills by 2020. This was to be achieved through an ambitious programme of upskilling, driven by a demand-led funding system, with qualifications being seen as the measure of progress. While the aspiration remains in place, it has been modified in order to respond to the changing economic conditions. A recent DIUS Select Committee report put the emphasis on re-skilling to meet the demand for new skills when the UK emerges from the recession. A variety of policy measures (eg. Train to Gain and Skills for Jobs “flexibilities”) have therefore been put in place to widen the access for both employed and unemployed adults to Government-funded training.
2. The *establishment of the Skills Funding Agency* from April 2010, encompassing the National Apprenticeship Service, National Employer Service and Adult Advancement and Careers Service and replacing the functions of the Learning and Skills Council (LSC) in relation to adults.
3. The *transfer of 16-19 planning and funding* from the LSC to the Young People’s Learning Agency and local authorities, also from April 2010.
4. *Local Government reorganisation* in Cheshire with the replacement of the County Council and six District Councils with two new unitary authorities, Cheshire East and Cheshire West and Chester from 1st April 2009.
5. The relationship between the *North West Development Agency, Cheshire and Warrington Economic Alliance and the three local authorities* and their strategic skills and employment priorities at regional, sub-regional and local level.

The Strategy will be taken forward by Cheshire and Warrington Employment and Skills Board which was established in June 2008 to provide leadership in improving skills and employment in the area through a strong private and public sector partnership. It sets out the Board’s Vision, Mission, Priorities and Action Plan, in response to the factors outlined above.

Where are we now?

The Cheshire and Warrington local economy has for many years been seen as a driver of growth in the North West region, with increases in GVA and GDP well ahead of national levels. However, although the area continues to be home to many thriving large employers and SMEs, growth has slowed recently as a result of the economic downturn which has impacted on key local employment sectors such as Financial Services, Engineering, Retail and Construction.



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Going forward, the sub-region is forecast to be more affected by redundancies than the region as a whole (employment down 13,000, 2008-2016) and there has been a rise in unemployment, particularly within the more deprived parts of towns such as Crewe, Winsford, Chester, Ellesmere Port and Warrington. In the year to February 2009, total claimants in the sub-region have doubled to 17,850, with the proportion of working age residents unemployed increasing from 1.6% to 3.3%. Of the three unitary areas, the worst affected in terms of growth has been Cheshire East (up 116%), although the unemployment rate is still the lowest there at 2.9%.

However, the area is in a better position than many to withstand the impact of a recession. There are a range of development opportunities including:

- Omega and Birchwood in Warrington
- Crewe Gateway and South East Quadrant
- Weaver Valley Regional Park and Northwich Vision
- West Cheshire/NE Wales and Chester Renaissance

These developments will continue to be taken forward despite the more difficult trading conditions.

Investment in the area will continue to be attracted partly because of the strong skill base which exists in Cheshire and Warrington. Qualification levels are the highest in the region (36% are qualified to level 4, 53% to level 3 and 73% to level 2) and with participation and achievement by age 19 also high and continuing to improve, this will continue to be a key strength of the area. There is, however, still much work to do to ensure the sub-region reaches the PSA 2011 targets of 79% at level 2, 56% at level 3 and the 2020 Skills for Life target of 95% to have basic functional literacy and numeracy.

Although there is a relatively high proportion of highly qualified individuals, many of these commute outside of the sub-region. Retention of young graduates within Cheshire and Warrington is a particular issue.

Despite this encouraging performance, the proportion of the working age population without any qualifications (9%, around 48,000) must not be overlooked. Traditionally they have been in a better situation in the sub-region because the employment market has been so strong e.g. Of those without qualifications in Macclesfield 63% were in employment compared with a regional average of 43%. They are therefore likely to be particularly vulnerable in an economic downturn.

There is also more competition for low-skilled jobs because of international migration. The sub-region had around 6,000 National Insurance registrations from non-UK nationals in 2006-07 and the majority filled lower skilled roles. It is also a net importer of population, mainly from Greater Manchester and Merseyside. This is expected to run at 4,000 people per year over the next few years.

Around 12% of the working age population are claiming some form of benefit such as incapacity or income support. Although this is relatively low for the NW region, it represents a group of around 62,000 people for whom rates of employment are very low. The employment rate of 77.1% is the highest in the region but to meet the Government's 80% target, a further 16,000 additional people would have to move into employment and therefore those claiming benefits would be a key target to achieve this.



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Worklessness continues to be concentrated among particular groups such as ex-offenders, people from ethnic minority backgrounds (13,600 working age in the sub-region), learners with learning difficulties and disabilities, lone parents (7,000), people from deprived areas and older jobseekers (50-retirement age – 101,400).

Previous forecasts have projected the supply of labour as a major issue for the sub-region, because of demographic trends which result in a more rapidly aging population compared to the region as a whole, with important skills being lost through retirement (the proportion of over 65s is set to increase by 27% over the period 2005-2020) at a time when numbers of young people are set to reduce. The recession will reduce some of this pressure although this can be helped by measures being put in place to link job opportunities to areas of high unemployment. Population as a whole will increase by around 3% to 2015.

The population of 14-19 year olds in the sub-region is forecast to decrease by 7.2% between 2007 and 2015. The provision of education and training for 14-19 year olds is currently going through a major programme of reform, including the introduction of Diplomas, raising the compulsory participation age to 18 and development of a common process for applications to post-16 learning. The establishment of the National Apprenticeship Service is designed to support the Government's wish to see a major expansion in the numbers of young people undertaking Apprenticeships.

In 2006 there were around 38,000 employers in the sub-region, 84% of which had less than 11 employees. Over two-thirds of all employment is in the Retail and wholesale distribution, Banking and Finance and Public Administration sectors.

Sectors which are expected to continue to provide growth for the sub-region include tourism and hospitality, food and drink, care and environmental technology sectors. Additionally a broad range of skills across all sectors will be needed to support the transition to a low carbon economy. The public sector will also see growth in public administration, education and health. Local Government reorganisation will bring some reductions in total jobs in Cheshire and also some displacement of jobs from Chester to East Cheshire.

The 2007 Employer Skills Survey found that 14% of employers in Cheshire and Warrington had skills gaps and 49% had a training plan for their staff which was slightly below the regional average. However, in March 2009, there were 416 employers which had signed the Skills Pledge, representing a healthy 16% of all pledged companies in the NW.

Support for businesses in the sub-region is available through Business Link. Their advisers engaged with almost 13,000 employers in 2008-09, an increase of 7% on the previous year.

The local skills development infrastructure is particularly strong. For instance, of the eight FE Colleges in the sub-region, six have been judged by Ofsted as "Outstanding". FE 16-18 success rates were above national levels at 83% in 2007-08, particularly good given the strong growth in participation, while Adult success rates were 79%.



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Two of the Colleges have achieved the Training Quality Standard (TQS), Reaseheath and West Cheshire. A number of Colleges are also working with National Skills Academies (NSAs) including Mid-Cheshire, Reaseheath, South Cheshire, Warrington Collegiate and West Cheshire (all Construction), while Reaseheath is also a provider for the Food and Drink NSA. A recent development is that the Cheshire Oaks Retail Academy has been awarded Skills Shop status as part of the Retail NSA.

Apprenticeship provision is also strong with rapid improvement in success rates in recent years to 66% for 16-18 in 2007-08 and 68% for 19+. Train to Gain has also proved to be a very popular programme with starts almost doubling between 2006-07 and 2007-08.

The local partnership structure in Cheshire is going through a period of change as a result of local Government reorganisation. This involves the establishment of new Local Strategic Partnerships (LSPs) for Cheshire East and Cheshire West and Chester with new Children's Trusts and economic development arrangements reporting into the LSPs. The Children's Trusts bring partners together to achieve the five Outcomes for Children and Young People set in the Children's Plan. The Economic Well-being outcome, for example, includes the 14-19 agenda, and therefore the 14-19 Strategic Partnerships report into the Children's Trust. Similar arrangements exist in Warrington.

On economic development, the sub-regional lead is currently taken by the Cheshire and Warrington Economic Alliance (CWEA) which links in closely with the Regional Development Agency and local LA Economic Development partnerships with Jobcentre Plus and other key partners.

The Skills issues faced by the NW region are helpfully outlined in the recent NWDA RS2010 Principles and Issues Paper:

"The people of the region ultimately determine what type of region it is and how successful it is. The region needs to develop, retain and attract talent if it is to achieve sustainable growth and increased productivity. The region therefore needs to ensure that it supports and develops the skills of all parts of the current, future and potential workforce to meet the needs of a growing economy. This will mean:

- *supporting people to gain sustainable and rewarding employment, especially those from the groups and communities most adversely affected by unemployment, a lack of work or underemployment;*
 - *raising aspirations and attainment amongst young people, especially amongst 16-19 year olds, and stimulating an interest in and progression towards higher skills;*
 - *ensuring a commitment amongst adults to the skills and qualifications they need for employment, with a focus on Skills for Life and Level 2 attainment, as well as attainment at Level 3 and higher skills;*
 - *and stimulating employers to invest more in workforce development at all levels, including innovation, leadership and management, and entrepreneurial skills.*
- All of this will require an appropriate educational infrastructure."*



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Vision

- Our vision is that by 2020, Cheshire and Warrington will be a place in which businesses thrive and employers are committed to ensuring that local people have the skills to meet their current and future needs.

Mission

- Our mission is to increase the commitment of local employers to improving the skills of, and providing employment opportunities for, Cheshire and Warrington's young people and adults to ensure we have a workforce of world-class standard.

Strategic Priorities

Our priorities to 2012 are to:

1. Inform, influence and lobby on skills issues at local and regional level with the aim of effecting improvements to the employment and skills system.
2. Increase the resilience of the local economy by developing stronger links between economic priorities and further/higher education and by ensuring that businesses have easy access to effective business support and high quality skills provision
3. Engage employers to develop their leadership and management skills and increase their commitment to raising the skills of the workforce
4. Provide employment opportunities for local people and adopt good employment and skills practice
5. Make young people and adults work ready, addressing employability skills
6. Improve the coordination, quality of, and access to employment and skills activities in the sub-region