

North West Annual Statement of Learning and Skills Priorities

Foreword

We are delighted to introduce the North West Annual Statement of Learning and Skills Priorities. This is an important document which has been produced from a rigorous evidence base and reflects the views and priorities of regional stakeholders.

The ten priorities we have identified will be influential in shaping the activities and investment decisions of the North West Learning and Skills Councils, the Northwest Regional Development Agency and Jobcentre Plus over the next 12 months and beyond. The activities of other members of the Business Skills Northwest Partnership will also be guided by the priorities contained in this document. As well as these specific priorities, all our organisations are guided by the underpinning principles of the need to ensure skill and learning provision is of the highest quality, that there is genuine choice for the customers and that provision is appropriate for the region's needs.

Skills are a vital ingredient as we seek to strengthen the regional economy, raise levels of productivity and ensure that all our residents have opportunities in the world of work and learning. We are clear that, with the targeted deployment of our time and resources, we can deliver a considerable uplift in the performance of the regional economy. We urge partners to consider the key messages in this document, and respond with imaginative ideas that can address our priorities on the ground.

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Our Ten Priorities....

- Tackling low skills and basic skills gaps to improve employability
- Providing entry routes for job seekers and the economically inactive to target employment areas
- Addressing the demographic challenge
- Ensuring the skills and employability needs of disadvantaged groups are addressed
- Providing the skills to meet sectoral challenges
- Tackling cross-sectoral leadership and management skills
- Developing enterprise skills
- Supporting and ensuring access to key employment growth hotspots

Underpinning Priorities

- Providing high quality, responsive support to meet the needs of both employers and individuals
- Stimulating the demand for further investment in skills

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1. Purpose of the Regional Statement of Priorities

Purpose of the Statement of Priorities

- 1.1 This regional Annual Statement of Priorities has its genesis in the increasing emphasis being given nationally and in the region for closer working across agencies in the development of a skilled workforce. In order to enhance this closer working there is a need for a set of agreed priorities around which partners can work.
- 1.2 The aim of the Statement of Priorities is to provide the region with a sound basis and rationale, based upon robust evidence, to establish priorities for the region to guide the planning and purchasing of learning provision embracing both revenue and capital funding. This Statement has been approved by Business Skills Northwest (the Regional Skills Partnership for the North West). The key audience for this Statement are the main bodies involved in the planning, funding and delivery of skills development and labour market support in the region.
- 1.3 The evidence base used to develop the Statement is set out in a separate *Regional Skill Stocktake* prepared by Regeneris Consulting with considerable input from partners. This document is available separately via the NWDA web site (www.nwda.co.uk).
- 1.4 As part of the new planning cycles for the Learning and Skills Council (LSC), the local LSCs¹ in each region are required to develop regional learning and skills priorities agreed with key partners. This regional statement is intended to complement the LSC's national statement of priorities. Using the national and regional priorities context, local LSCs are then required to develop their local priorities for their sub-region (again with partners). The Statement is therefore an important piece in the jigsaw to help guide the planning of the £1.05bn of support for skills and learning from the LSC in the region.
- 1.5 The Statement also provides important information for Jobcentre Plus in delivering programmes and informing their contracting strategy, planning provision and the delivery of mainstream activity. Through a network of advisory functions Jobcentre Plus will equip individual customers with information to make decisions about accessing training and securing employment.
- 1.6 The North West has been a trail blazer in its work on integrating the planning of workforce development, employment opportunities and business support with the creation of the Alliance of Skills and Productivity, now re-christened Business Skills North West. The Statement will be an influential input during 2005 when the Regional Economic Strategy will be revised by the NWDA and partners.

Scope of the Statement

- 1.7 This Statement is about skills and learning and its scope was agreed by partners at the outset of the development process. The scope covers:
 - The whole skills and learning agenda from 14-19 issues through to the adult workforce
 - All skill/qualification levels (from basic skills to higher level skills)
 - All provision for skills development – but with particular focus on publicly funded (especially the LSC, Job Centre Plus, NWDA and Higher Education).

¹ The five local LSCs covering the North West are: Cheshire & Warrington, Cumbria, Greater Manchester, Greater Merseyside and Lancashire

- 1.8 It is important to stress that the Statement of Priorities does **not** cover those business development issues which are not directly skills or workforce development related. In the North West, this means that the full scope of Business Skills North West remit and activities is not covered.
- 1.9 It does not make sense to look at skills issues just one or two years ahead. The Statement is set in the context of the 10 year vision of the Regional Economic Strategy and skills trends (demand and supply) are considered over this period. Action clearly needs to be taken here and now, but many of our challenges require long term solutions.

What Do We Mean by Regional Priorities?

- 1.10 It is important to be clear what is meant by a regional priority (as opposed to a local or sub-regional priority). In this Statement these are taken to be of two types:
- First, a regional priority is one where collective action at a regional level is the most effective way of addressing the issue (whether solely or in conjunction with sub-regional/local or national action).
 - Second, where the scale and nature of the issue is one which is so important for the region's economic competitiveness that it should be a priority addressed by partners in their investment decisions or which makes a major contribution to the region's share of national targets.
- 1.11 There will inevitably be many more fine grained local and sub-regional issues that do not feature in this statement of priorities, but are nevertheless important.

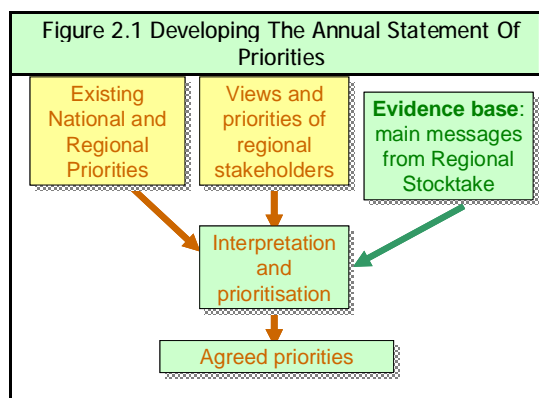
Implementing the Priorities...

- 1.12 Priorities are nothing without action which will need to be taken forward at two main levels:
- First, in some instances there is need for collective action across partners at a regional level.
 - Second, and more commonly, the priorities will need to be taken up in the range of sub-regional actions. For instance the LSC's resources are managed and delivered via the 5 local LSCs in the region at a sub-regional level.

2. Shaping the Statement of Priorities

2.1 There were three main inputs into the development of this Statement of Priorities (see Figure 2.1). These were:

- The context provided by existing regional and national priorities
- The review of the evidence base in the Regional Skills Stocktake, and
- The views and priorities of the stakeholders.



2.2 A combination of these inputs was used to determine the priorities. All priorities are evidence based, however the evidence has to be interpreted to decide on the relative weight accorded to different issues and possible actions.

Existing National & Regional Priorities

2.3 The Statement of Priorities must clearly nest within and show its relation to wider national and regional priorities for key agencies.

2.4 At a national level, this means that the Statement must resonate with the main aspirations of the Learning & Skills Council and show a demonstrable contribution to the Council's PSA targets. Likewise, the Statement must sit squarely with the national priorities of Job Centre plus and with the national PSA target on narrowing regional economic growth rate differential (to which the RDAs will make a major contribution).

2.5 The Statement must also complement the Regional Economic Strategy, the recently launched Northern Way Growth Strategy and the wider framework which guides the work of Business Skills North West.

2.6 A full overview of both the national and regional policy drivers is provided in Appendix A. Taking the national and policy context together, two dominant themes emerge:

- Improving the economic competitiveness of the North West in terms of productivity and overall GVA per capita to close the performance gap
- Ensuring greater access to sustainable employment and effective participation in the labour market for those currently workless or in marginal employment.

2.7 These themes have been influential as we have developed this Statement, and are embodied in the priorities that we have collectively agreed on.

The Evidence base: Headline Findings from the Stocktake

- 2.8 The Regional Skills Stocktake represents a comprehensive overview of current and future labour market trends within the North West region. It focuses on both demand side drivers and changes in the labour supply in the next ten years or so.
- 2.9 The key findings from the Stocktake are summarised in Appendix B to this paper, together with a brief description of the main data sources utilised. Table 2.1 below provides a snapshot of these headlines.
- 2.10 Two specific information issues arising in the Stocktake work were the need for the region to get better information on learner labour market destinations and the need to better understand the skills needs of a step change in regional economic performance.

Table 2.1: Regional Skills Stocktake – Headline Messages		
Importance of national drivers...	A NW vs. England economic performance gap remains, not forecast to narrow significantly	Modest overall employment growth 2004-2010 masking massive internal change
Clear set of occupations of greatest future demand (primarily driven by replacement)	Modest overall increase in overall workforce – but role of older workers critical due to demographic change	The “spare capacity” in the form of worklessness is concentrated by area and labour market group – may not match demand
Good progress on qualifications front: key gaps at NVQ4 and no qualifications and basic skills	Skill shortages and gaps less apparent than nationally, but a demand and low skills equilibrium issue...	Clear skills gaps in senior managers and in business management skills
Growth in higher level skills needs may not be met by current supply trends	Congruence of occupations with both strong replacement demand and opportunity for entry to employment	Important role of public sector occupations (health and education) in net and replacement demand
Scale and nature of many sectors skill needs are complex (e.g. construction)	Complex patterns of gaps in provision	Major sub-regional variations in <u>all</u> these issues

Changing Skills Demands

- 2.11 The table above notes that great changes in skills demand are likely to be experienced within an overall broadly constant demand for labour. In the assessment of demand a key element is the distinction between:
- Expansion demand as a result of net employment growth (or decline);
 - Replacement demand, as a result of the need to fill vacancies left by people retiring from sectors/occupations or moving into new occupations.

For most occupations and sectors replacement demand dominates expansion demand.

- 2.12 The main elements of “turbulence” within overall demand are as follows:
- **Sectors:** continued net fall in employment in engineering, construction and most manufacturing sectors and strong growth in finance/professional, education, retail, health/social and digital. Two of the top 5 sectors are essentially public service

sectors. However, these net changes are dominated by replacement demand (see Table 2.2).

Table 2.2 : North West Employment Forecasts, by Sector (extremes only), 2004-2010					
Expansion Demand (000s jobs)			Replacement Demand (000s jobs)		
Sector	6 yr change	Per annum	Sector	6 yr change	Per annum
Finance & Professional	50.2	8.4	Cross Cutting*	338.2	56.4
Education	44.6	7.4	Retail	309.3	51.6
Retail	33.4	5.6	Education	220.3	36.7
Health & Social Care	32.8	5.5	Health & Social Care	213.2	35.5
Digital industries	20.2	3.4	Tourism	211.6	35.3
Creative	11.9	1.9	Finance & Professional	162.2	27.0
Sport	10.8	1.8	Public Administration	114.0	19.0
Bio-Technology	4.9	0.8	Construction	111.6	18.6
Other Services	3.0	0.5	Food & Drink	85.1	14.2
Food & Drink	-9.0	-1.5	Logistics	62.5	10.4
Automotive	-14.5	-2.4	Land Based	61.6	10.3
Textiles	-18.8	-3.1	Engineering	60.7	10.1
Construction	-20.3	-3.4	Other Services	55.0	9.2
Cross Cutting*	-26.3	-4.4	Automotive	43.1	7.2
Engineering	-30.5	-5.0	Creative	36.7	6.1

Source: Working Futures, 2004; Regeneris Consulting analysis

* The Cross Cutting "sector" is made up of basic occupations (cleaners, domestics; HGV drivers etc); Administrative Occupations (General Office Assistants; PAs and other secretaries; Receptionists etc); certain Management Occupations (Customer care managers; Storage and warehouse managers); Finance Occupations (Accounts wages clerk, bookkeeper; Credit controllers etc) and IT Support Occupations (IT operations technicians; Database assistants and clerks etc). Some of these occupations are also covered in the other sectors listed, any duplication has been removed and cross cutting occupations are only counted in the "Cross Cutting sector" figures.

- Occupations/Levels:** the combined effect of expansion and replacement demand can best be seen in Table 2.3. In the future, Skill Level 4 occupations (broadly NVQ Level 4/degree level) will account for the majority of net growth in the region. However, Skill Level 3 will account for the bulk of overall demand.
- Sub-regional:** growth will not be evenly distributed across the region. The forecasts suggest that 75% of the net growth will occur in Greater Manchester and Cheshire/Warrington and 97% including Lancashire. Overall employment levels are forecast to remain largely stable in Cumbria and in Greater Merseyside (which in itself represents an historic improvement). However, we must be particularly wary of such sub-regional forecasts which have an especially wide margin of error.
- Generic skills:** finally, drawn from national survey work we can be confident that there will be continued growth in the need for many generic skills such as

Table 2.3: Forecast Employment Demand, North West 2004-2010, (000s Jobs)			
Skill Level	Expansion	Replacement	Total
1	-75	+101	+26
2	-43	+577	+535
3	+45	+1,065	+1,110
4	+139	+443	+582
TOTAL	+67	+2,186	+2,252

Source: Working Futures; Regeneris Consulting analysis

communication skills (within teams and with customers), technical/ICT skills, planning and organization skills, problem solving, as well as basic numeracy and literacy skills.

Inputs from Regional Stakeholders

- 2.13 The choice of Priorities has been strongly influenced by the thinking of key stakeholders and by their interpretation of some of the key messages and challenges emerging from the Stocktake exercise.
- 2.14 The key inputs have arisen from:
- A Technical Group comprising officers from each North West local LSC, the NWDA and JobCentre Plus which met on four occasions over the autumn period 2004
 - Sub-Group of the Business Skills Northwest Strategic Board (containing the above members plus representation from the Skills for Business network) which has also met on four occasions
 - A consultation event with all members of the Business Skills Northwest Partnership on 12 November 2004 which debated the emerging choice of Priorities.

3. The Priorities to be Addressed

The Priorities

- 3.1 Listed below in Table 3.1 are the 10 priorities that will be influential in shaping the activities and investment decisions of key stakeholders in the next 12 months and beyond. Two of the ten priorities are underpinning priorities – changes needed to make the skills development process in the region work more effectively, the rest address specific labour supply or demand issues.
- 3.2 Many of the priorities will be familiar to partners, and are already referenced in previous key frameworks (noticeably the FRESA). The Stocktake has reinforced existing priorities and provided a robust evidence base to back these up. In summary the priorities are:

Table 3.1: Summary North West Regional Learning & Skills Priorities	
Tackling low skills and basic skills gaps to improve employability	Providing the skills to meet sectoral challenges: A. Static or declining employment sectors B. Growth sectors with high GVA potential and knowledge content C. Major public sector employment sectors D. Large volume private sector employment sectors E. Physical supporting activity sectors
Providing entry routes for job seekers and the economically inactive to target employment areas	Tackling cross-sectoral leadership and management skills
Addressing the demographic challenge	Developing enterprise skills
Ensuring the skills and employability needs of disadvantaged groups are addressed (e.g. ethnic minorities, lone parents, disabled)	Supporting and ensuring access to key employment growth hotspots
Underpinning Priorities	
Providing high quality, responsive support to meet the needs of both employers and individuals	Stimulating the demand for further investment in skills

- 3.3 The successful tackling of these above 10 priorities will be dependent on enabling factors such as:
- Suitable finance for learner support
 - Suitable practical support for learners and job seekers
 - Best use of technology to deliver skills and learning (especially use of e-learning)
 - Suitable information, advice and guidance.
- 3.4 Table 3.2 sets out the 10 priorities, with a comment on their rationale and the scope for region wide intervention.

Statement of North West Learning & Skills Priorities – December 2004

Table 3.2 : Regional Priorities		
Challenge	Rationale	Scope for Regional Level Action?
Tackling low skills and basic skills gaps to improve employability	<ul style="list-style-type: none"> • Stark gap in % with no qualifications compared to national picture • Lack of basic employment skills raised by region's employers for new recruits and skills gaps of existing workforce • Undermines competitiveness and effective size of labour force • Large correlation and link to areas of social exclusion and regeneration need 	Low – local/sub-regional action to address regional priorities
Providing entry routes for job seekers and the economically inactive to target employment areas	<ul style="list-style-type: none"> • Large scale replacement demand needs in region in Level 2 occupations (600k jobs 2004-2010)... • ...coupled with underemployment and worklessness and need to expand labour force • Opportunity to provide progression routes • Significant issues of worklessness in region (well above average – to tune of at least 125,000 people) • Concentrated geographically • Scope to concentrate work on progression routes in selected sectors and occupations 	Low – local/sub-regional action to address regional priorities
Addressing the demographic challenge	<ul style="list-style-type: none"> • Ageing of workforce key issue in term of overall scale and its composition (c. 80k-90 extra 60-65 year olds 2004-2010)... • ...more acute in some sectors than others • Ageing of workforce a key issue both in terms of impact on effective size of workforce and changed nature of workforce • Recruitment and retention challenges for employers and sectors • Need to consider altering working practices and awareness raising with employers 	High – awareness raising for employers and sectoral led approaches
Ensuring the skills and employability needs of disadvantaged groups are addressed (e.g. ethnic minorities, lone parents, disabled)	<ul style="list-style-type: none"> • Worklessness is concentrated in certain groups irrespective of geography... • ...these groups suffer both nationally and also disproportionately in the region • They face different sets of challenges and needs in delivery of training and employability skills support • Particular issues for provision raised across the region by needs of disabled, ethnic minorities (especially Asians of Pakistani and Bangladeshi origin) and lone parents (and potentially by other groups) • Reducing the degree of worklessness across these groups would raise the effective size of the workforce considerably (e.g. in ethnic minorities by some 50k people) 	Low – local/sub-regional action to address regional priorities
Providing high quality, responsive support to meet the needs of both employers and individuals	<ul style="list-style-type: none"> • Evidence suggests employers have some concerns about responsiveness and relevance of some publicly funded provision (both FE and HE) • Qualifications frameworks may not always meet employer needs • There are some mismatches between what is provided by the public sector at Level 2 and 3 and what are current and future demands • There are also geographical gaps and local mismatches in provision • Efforts also need to focus on becoming more responsive to individual needs 	Medium (most is local/sub-regional), however some areas where regional approach to improving provision for specialist sector skills needed

Statement of North West Learning & Skills Priorities – December 2004

Table 3.2 : Regional Priorities		
Challenge	Rationale	Scope for Regional Level Action?
Stimulating the demand for further investment in skills	<ul style="list-style-type: none"> • Significant evidence of under investment by employers in skills.. • ...gap in level of training given compared to England (average and most sectors) • Lack of recognition of extent of skills gaps by many firms in the region • Propensity for those employed to receive training lags the national picture in both public and private sectors and a large tail of firm providing no training - 42% of firms had provided no training over last 12 months (Source: ASPIRE) 	High , especially for sector led approaches
Providing the skills to meet sectoral challenges (x5)	<ul style="list-style-type: none"> • Not possible to generalise across all sectors, sensible to consider role and interventions in five groups of sectors based on employment growth patterns and role in regional economy. • The specific sectors below have been highlighted as they are most significant in terms of overall future employment demand. There are other important sectors which are smaller in overall employment demand terms. • Important issue in all sectors of most future expansion demand being for Level 4 skills where the HE sector in particular has a key role in helping develop these skills both from new graduates and in up-skilling programmes • One of the requirements for the LSC planning cycle is that each region should identify its priorities for investment in training towards NVQ level 3 qualifications. Work undertaken for the Stocktake has already identified that Level 3 qualifications are important for several reasons: <ul style="list-style-type: none"> ü First, skill Level 3 is where the largest total demand will come from over the next 6 years (around 50% of all demand taking account of expansion and replacement demand)). ü Second, NVQ Level 3 is also where a number of significant gaps in terms of under-provision of qualifications (from LSC funded provision) have been identified. • Appendix C sets out a suggested starting point for developing Level 3 (and related Level 4) priorities. 	High where there is a sector led approach.

Statement of North West Learning & Skills Priorities – December 2004

Table 3.2 : Regional Priorities		
Challenge	Rationale	Scope for Regional Level Action?
A. Static or declining traditional employment sectors	<ul style="list-style-type: none"> • Chemicals, textiles, engineering/aerospace, automotive (and to a lesser extent food & drink) – all face intense international competition. Many sectors are bedrocks of regional economy and strongly contribute to GVA • Employment change: <ul style="list-style-type: none"> • Net loss 60k jobs 2004-2010 in chemicals, textiles, engineering and food/drink • But significant replacement demand needed (c.150k jobs 2004-2010 in engineering and F&D) • Sector challenges are: <ul style="list-style-type: none"> • Intense international competition • In recruiting young people for careers with (perceived uncertain) prospects • Hard to fill vacancies skilled trades (Level 3) • Overall net employment decline but considerable need for replacement demand and difficulties in recruiting young people for careers with (perceived uncertain) prospects. • Land based industries face some related challenges, especially the issue of loss of workforce due to demographic changes and so need to attract young people for replacement demand. These sectors are also important in the region's rural economy. 	High - a sector led approach
B. Growth employment sectors with high GVA potential and knowledge content	<ul style="list-style-type: none"> • Mainly covers digital, creative, finance & professional – all forecast for strong net growth (also biotechnology –although the absolute numbers are small) • Employment change: <ul style="list-style-type: none"> • Strong net demand +80k jobs 2004-2010 • Jobs at Level 4 and some at Level 3 (plus a few at Level 2) • Skills gaps relate as much to business and entrepreneurial skills as technical skills (often well established professional/degree routes into occupation) • Strong need for customer service skills in finance/call centre sector • Digital appears relatively poorly serviced by provision 	High - a sector led approach
C. Major public sector employment sectors	<ul style="list-style-type: none"> • Health/care and education and public administration – all forecast for net employment growth (+70k 2004-2010) and strong need for replacement demand (430k). • Across a wide range of occupations and levels - major expansion and replacement demand issues for nurses, education assistants, teachers, care workers • National expansion and policy need for service improvements • Big opportunity for Level 2 entry occupations and those economically inactive • Large volumes needed at Level 2 (in health/care) and apparent under-provision (in care) 	High/medium - a sector led approach

Statement of North West Learning & Skills Priorities – December 2004

Table 3.2 : Regional Priorities		
Challenge	Rationale	Scope for Regional Level Action?
D. Large volume private services employment sectors	<ul style="list-style-type: none"> • Retail, tourism/catering and sports/leisure and personal service - demand dominated by replacement given young age profile and high turnover, 600k replacement jobs 2004-2010 • Big opportunity for Level 2 entry occupations and those economically inactive • Large degree of “under-provision” in retail • Difficulties of engaging with the retail sector (national chains) • Skills gaps issues around customer services (growing reliance on foreign workers) 	High/medium - a sector led approach
E. Investment supporting sectors	<ul style="list-style-type: none"> • Construction and logistics sectors - supporting “manual” sectors with derived demand. <ul style="list-style-type: none"> • Limited net growth or decline, no significant expansion demand in any occupations • Large replacement demand (170k jobs 2004-2010) • Major apparent area of under provision of qualifications (construction and specific logistics jobs) • Appears to be mismatch between nature of LSC supported FE provision and sector needs • Significant % hard to fill vacancies in skilled construction trades • Multi-skilling in construction a training need • Public sector led construction activity Housing Market Renewal etc. 	High/medium - a sector led approach
Tackling cross-sectoral leadership and management skill gaps	<ul style="list-style-type: none"> • Identified as one of most significant skills gaps - 38% of firms identified skills gaps amongst senior managers • Business management skills most prevalent generic skill gap • Coupling technical/professional skills with management skills a theme in sector reports 	Medium/high. Many issues are common across sub-regions and sectors. Need to tackle issue sub-regionally and regionally.
Developing enterprise skills	<ul style="list-style-type: none"> • A major challenge and contributor to the region's performance gap. The region has a major enterprise gap (business density and start-up)... • ...skills are one contributory factor • Identified as an important generic skill gap by existing firms (15%). • Low rates of enterprise also show strong correlation with worklessness and poor skills and qualifications 	Medium. Need to share best practice and approaches. However, most delivery will be local/sub-regional
Supporting and ensuring access to key employment growth hotspots	<ul style="list-style-type: none"> • Future skills demand will be concentrated in certain locations (hot spots) where • The impact of the larger hotspots can be regional in significance and cut across sub-regional boundaries • Key locations include Liverpool and Manchester City Centres, area around the two cities' airports, Omega, Chester • There are both challenges and opportunities: ensuring employers have access to skills and linking people out of work to the opportunities • Some have strong sector focus - other wider range of skills 	Medium. Work on several hotspots needs cross boundary working between agencies.

Appendix A - Existing National & Regional Priorities

National Priorities

- a National work, led by the Skills Alliance, is nearing completion on developing a shared targets framework across all national public agencies involved in the delivery of skills and in productivity issues. The five top level priorities set out in the framework are:
- *Progress towards full employment*
 - *Increase the employability of all adults*
 - *Increase the achievement of qualifications at all levels*
 - *Improve innovation performance and raise the demand for skills*
 - *Improve the use of skills by employers.*
- b At a national level we have also considered the main Public Service Agreement (PSA) targets for the key public sector stakeholders in the regional statement of priorities. These are: the 5 local LSCs, Jobcentre Plus and the NWDA.

The Learning and Skills Council

- c There are six current LSC National priorities for 2005/6 and beyond which are:
- Make learning demand led
 - High quality and relevant learning opportunities for 14-19 year olds
 - The reform of FE to attract more business investment (related to responsiveness)
 - Strengthen the role of LSC in economic development – in particular in terms of supporting skills and retraining to help people access jobs
 - Improve the skills of public service workers (especially in health, care, local authorities, schools and FE)
 - Strengthen the LSC capacity to work regionally.
- d The LSC operates under targets including Public Service Agreement (PSA) targets which are:
- For young people
 - Ø Increase 19 year olds with NVQ 2 by 5% points 2004-2008 (PSA target)
 - Ø NVQ 3 target (to be set regionally)
 - Ø Reduce Young People Not in Education Training or Employment (NEET) by 2% points to 2010.
 - For adults:
 - Ø Improve basic skills of 2.25 million adults between 2001 and 2010 (PSA target). *There is limited information on the precise scale in the North West. The region accounts for 16.6% of all those in England with no qualification what so ever (compared to 13.5% of those of working age). Applying this proportion would give a target of 375,000 million adults in the region.*
 - Ø Reduce by at least 40% number of adults in workforce lacking NVQ2 or equivalent by 2010 (PSA target). *According to the Labour Force Survey amongst adults of working age in 2002/3 the England figure was 39.6% and the North West figure 40.4% (1.65 million adults). For the North West a 40%*

reduction would equate to 660,000 extra adults of working age achieving a NVQ level 2 qualification (16% of working age adults)

Ø Increase participation in HE to 50% of those aged 18-30

e The Secretary of State for Education has recently issued a Grant Letter for 2005/6 to the LSC. As well as achievement of the above targets, this letter also highlights six priorities for 2005/6:

- Choice and higher attainment for young people
- Skills and engaging employers
- Future funding reform
- Reshaping the FE sector
- Accelerating quality improvement
- Equality and diversity.

Jobcentre Plus

f For Jobcentre Plus the current key PSA targets are:

- To reduce the rate of unemployment and increase the employment rate (PSA 3)
- To increase the relative employment rate in target areas (30 worst local authorities) and target groups (PSA 4). The target groups are:

- Ø Lone parent
- Ø Ethnic minorities
- Ø Over 50 year olds
- Ø Those with lowest qualifications.

g These PSA targets are translated into internal performance targets for Jobcentre Plus, placing emphasis on supporting priority customers back into work, including those on inactive welfare benefits, such as Incapacity Benefit. This may subsequently lead to a revision in the PSA targets for Jobcentre Plus, placing specific focus on targeting those on Incapacity Benefit.

h Following the publication of the National Skills Strategy – 21st Century Skills “Realising Our Potential”, Ministers commissioned the National Employer Panel (NEP) to review how the LSC and Jobcentre Plus work together more effectively. In March 2004 the NEP published their report, Welfare to Workforce Development. The report provided the opportunity for more systematic collaboration between local LSCs and Jobcentre Plus Districts through joint local delivery planning.

RDAs

i The target framework for RDAs is currently under review. However, RDAs are expected to make a major contribution to the national PSA target on narrowing regional economic growth rate differentials. In practice this means raising the rate of growth of GVA per capita in the North West relative to the national average. The current RDA target framework touches on skills issues but not adequately.

Overall

j In summary national targets most relevant to the Statement of Priorities can be condensed to the following:

- Raise the GVA performance of less well performing regions (such as the North West)
- Tackle basic skills
- Increase the number of young people getting NVQ 2 qualifications
- Increase the number of adults with at least an NVQ 2 qualification
- Improve and extend access to HE
- Raise the employment rate amongst lone parents, ethnic minorities, over 50 year olds and those with the lowest qualifications.

Regional Priorities

k The recently launched Interim Northern Way Growth Strategy sets out ambitious plans for the development of the three northern regions. The strategy is built around:

- Raising GVA
- Closing the performance gap

l The current Regional Economic Strategy (RES) was published in 2003. It sets out five priorities and 10 objectives for the region. The process of updating the RES has just started. At least 5 of the objectives are directly relevant to the Statement of Priorities.

RES Objectives linked to Skills

- 1. Exploit the growth potential of business sectors.
- 2. Improve the competitiveness and productivity of businesses.
- 3. Develop and exploit the region's knowledge base.
- 6. Secure economic inclusion.
- 7. Develop and maintain a healthy labour market.

m Since the current RES was produced there have been major changes to the policy landscape and approach to tackling business support and workforce development issues. A Framework for Regional Employment and Skills Actions (FRESA) was produced in 2002. This identified a number of key skills issues. These are, not surprisingly, very similar to those identified in the Stocktake.

Issues Identified in the North West FRESA
<ul style="list-style-type: none"> • The under-performance of the region's young people at Key Stage 3 and 4 compared to other regions and in contrast to the region's relatively strong performance at Key Stage 2. • A relative shortage of qualifications in the region, particularly at Level 4 and above. • A long tail of adults with no qualifications and low levels of literacy, numeracy and IT skills. • An ageing workforce. • Shortcomings in leadership and management, including at initial supervisory levels. • Low levels of productivity per head. This stems largely from a relatively high proportion of economically inactive adults. Productivity for those in work compares relatively well with other regions. • Inequality in terms of access to employment and career development for those from excluded groups. • A low level of workforce mobility leading to labour shortages existing alongside

pockets of high unemployment in deprived areas.

- A low level of new business formation compared with other regions.
- Fragmented business support arrangements of varying quality.
- The need to increase engagement of employers in determining workforce development and business support provision.
- The need for the region's agencies to work more closely together in tackling these issues.

n The Alliance for Skills and Productivity (ASP) now re-christened Business Skills North West, aims to tackle business support issues in a more coherent way. BSNW recently published a draft corporate plan. The overall vision of BSNW is

- *to raise productivity and economic competitiveness in the Northwest by stimulating enterprise, skills development, innovation and opportunity for all*

o The overall BSNW aims (under each aim there are more detailed objectives) are:

- *Strategic Aims*
 - Ø 1. Stimulate a sustainable and enterprising NW economy
 - Ø 2. Raise awareness of and strengthen demand for business support and workforce development
 - Ø 3. Increase responsiveness
 - Ø 4. Promote inclusive economy
- *Cross Cutting Themes*
 - Ø 1. Align budgets and systems
 - Ø 2. Promote high quality management and leadership

p The Statement of Priorities links into these regional aspirations.

The Relationship of Regional Skills Priorities to National and Regional Strategy Themes

q Table A1 shows how our regional skills priorities map against the national and regional policy themes identified above.

Table A1: Linking North West Regional Skill Priorities to National and Regional Policy Themes	
Priority	National and Regional Themes
Tackling low skills and basic skills gaps to improve employability	<ul style="list-style-type: none"> Tackling basic skills Raising employment rates in target groups Indirectly contributing to increase in those qualified to NVQ Level 2
Providing entry routes for job seekers and the economically inactive to target employment areas	<ul style="list-style-type: none"> Raising employment rates in target groups Increasing those qualified to NVQ Level 2 Helps regional productivity by ensuring supply of skills to meet expansion and replacement demand in sectors
Addressing the demographic challenge	<ul style="list-style-type: none"> Improving regional competitiveness by expanding the workforce and addressing recruitment issues in many sectors
Ensuring the needs of disadvantaged groups with particular needs are addressed (e.g. ethnic minorities, lone parents, disabled)	<ul style="list-style-type: none"> Raising employment rates in target groups Tackling basic skills (as this issue is linked to worklessness in many of these groups) Indirectly contributing to increase in those qualified to NVQ Level 2 Working with the economically inactive
Providing high quality, responsive support to meet the needs of both employers and individuals	<ul style="list-style-type: none"> National priority for LSC and a key theme of all reforms to skills provision Central theme of BSNW Will indirectly contribute to increase in those qualified to NVQ Level 2
Stimulating the demand for further investment in skills	<ul style="list-style-type: none"> Central theme of BSNW Critical to raising demand for skills development, improving productivity and enhancing regional competitiveness
Providing the skills to meet sectoral challenges: <ul style="list-style-type: none"> A. Static or declining employment sectors B. Growth sectors with high GVA potential and knowledge content C. Major public sector employment sectors D. Large volume private sector employment sectors E. Physical supporting activity sectors 	<ul style="list-style-type: none"> Critical to raising demand for skills development, improving productivity and enhancing regional competitiveness By meeting demand from most sectors, increasing those qualified to NVQ Level 2 Encouraging routes from region's HEIs to sectors and upskilling help increase access to HE Raising employment rates in target groups Focus on public services a national LSC theme
Tackling cross-sectoral leadership and management skills	<ul style="list-style-type: none"> Critical to raising demand for skills development, improving productivity and enhancing regional competitiveness Central theme of BSNW
Developing enterprise skills	<ul style="list-style-type: none"> Critical to enhancing regional competitiveness May also raise demand for skills development Can help in raising employment rates in target groups by providing another route into employment Central theme of BSNW
Supporting and ensuring access to key employment growth hotspots	<ul style="list-style-type: none"> Help in raising employment rates in target groups By meeting demand from most sectors, increasing those qualified to NVQ Level 2

Appendix B - Regional Skills Stocktake: Sources & Key Findings

r The work on the Stocktake has drawn on a wide range of data and research sources already in existence. These include data on the operation of the labour market currently and historically as well as a series of forecasts for the future. Key sources were:

- At a national level we have drawn heavily on the excellent analysis in “Skills in England, 2003” produced for the LSC by the Institute of Employment Research. We have also drawn on the Working Futures forecasts of sector and occupational demand and the recent national Employers Skills Survey (NESS) carried out in 2003.
- At a regional level we have been able to draw on the 25 Sector Skills reports produced for the local LSCs in the region and the summary report on these studies by EKOS, we also have had access to the c.20 regional sector skills and productivity action plans. A large scale survey of employers has recently been completed for the region for the North West Regional Intelligence Unit (NWRIU) as part of the wider “ASPIRE” research programme, we have been able to draw on findings from this survey although they have yet to be published. We also received information from those Sector Skills Councils who were able to identify regional priorities for their sectors.
- In addition to the above we have analysed other standard data/information sources, particularly the Labour Force Survey and Census of Population 2001 and also data from Higher Education Funding Council for England (HEFCE).
- A special analysis of local LSC performance data and outcomes from training provision was produced for this work by Greater Manchester LSC on behalf of all the local LSCs in the region. We have been able to draw on some of the findings from the Strategic Areas Review (StAR) process in the local LSC areas, although these are at different stages of development.

Gaps in the Information Base

s The work on the Stocktake has highlighted several gaps in the information base

- First, there is limited information on the regional labour market outcomes (as opposed to the outcomes in terms of qualification achieved) of much training and education provision (whether LSC or HEFCE funded). More data on the eventual destination of those completing training and education would considerably benefit the evidence base.
- Second, although there is quantitative data on provision, this relates solely to publicly funded provision there is next to no consistent data on the scale and importance of purely private provision which is very important in many sectors and occupations.

t More fundamentally, the quantitative forecasts of the demand for future skills are driven largely by national sector and occupational trends applied to the region's current economic base. The forecasts of future net employment demand by sector and occupation are built using the reasonable assumption for forecasting purposes that the past is a fairly accurate predictor of the future. It is the case that the region's economic base, as manufacturing sheds more jobs, is becoming more average and so we will see some convergence of growth rates. However, we remain under-represented in more knowledge intensive sectors, especially in the private sector².

² “The Knowledge Economy in the North West” DTI Capacity Building Project, October 2004 Local Futures Group

- u These forecasts in effect assume a continuation of the region's relative poor economic performance compared to many other parts of the UK. The forecasts do **not therefore model the skills demands which would come from or would be necessary to achieve a step change in the region's economic performance**. Although work is proceeding at a sectoral level in the region to assess key skills blockages on economic performance, where skills are one of several factors affecting productivity, this work is not complete.
- v The forecasts of employment and skills demand do not fully represent the policy aspirations of either the Regional Economic Strategy or the recent Northern Way strategy. The aspirations in these strategies are for higher GVA per capita as a result of:
 - more employment
 - a higher knowledge content in sectors and
 - higher business birth rates.
- w Some further quantification of the skills needs of a major upward shift in regional economic performance would be helpful. However, it is important to note that the demand for skills and the structure of the region's skills base is driven by the demands from the regional economy and employers. There is limited evidence that improving the supply of skills will, on its own, improve overall regional economic performance.
- x Wherever possible we have aimed to draw out those skills issues which are likely to be important for raising the region's productivity performance.

Table B1: Key Findings from the Stocktake

Headline Message	Comment																								
<i>1. Importance of national drivers in determining future skills needs</i>	<ul style="list-style-type: none"> • Key point is that we need to be aware of key external drivers but there is little the region can do to influence these, they largely determine the changing demand for skills and in many respects the supply. 																								
<i>2. The region's economic performance gap remains; it is not forecast to narrow significantly</i>	<ul style="list-style-type: none"> • Reason for difference is a result of economic structure, poor rates of enterprise and relatively low levels of knowledge intensity in private sector employment • The relationships between the performance gap and skills is complex and not uni-directional. The performance gap is one explanation of the low levels of demand for more advanced skills in the economy • The forecast future growth path does not match the aspirations of regional partners, the aspirations of the Regional Economic Strategy or the Northern Way 																								
<i>3. There will be modest overall employment growth, but masking massive internal change</i>	<ul style="list-style-type: none"> • Around 70,000 extra jobs 2004-2010 or 11,000 net new jobs a year (0.3% pa) but profound changes taking by sector, occupation and level of job. • Major difference in sub-regional growth rates and with strong localised hotspots of growth in all sub-regions (especially Cheshire and Warrington, Greater Manchester and Greater Merseyside) • Continued growth in the demand for core competencies across occupations (generic skills) <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4">Forecast Employment Demand, North West 2004-2010</th> </tr> <tr> <th>Level</th> <th>Expansion</th> <th>Replacement</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>-75</td> <td>101</td> <td>26</td> </tr> <tr> <td>2</td> <td>-43</td> <td>577</td> <td>535</td> </tr> <tr> <td>3</td> <td>45</td> <td>1,065</td> <td>1,110</td> </tr> <tr> <td>4</td> <td>139</td> <td>443</td> <td>582</td> </tr> </tbody> </table> <p>Source: Working Futures; Regeneris Analysis</p>	Forecast Employment Demand, North West 2004-2010				Level	Expansion	Replacement	Total	1	-75	101	26	2	-43	577	535	3	45	1,065	1,110	4	139	443	582
Forecast Employment Demand, North West 2004-2010																									
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Table B1: Key Findings from the Stocktake	
Headline Message	Comment
<p>4. <i>There is a clear pattern of those occupations of greatest future demand (primarily driven by replacement)</i></p>	<ul style="list-style-type: none"> • The future growth in job opportunities is going to be dominated not by net new employment growth, but by replacement demand in large occupations where people are retiring and changing occupation. • In terms of expansion demand these occupations can be grouped as follows: <ul style="list-style-type: none"> ü Retail and personal service occupations (such as hairdressers etc) ü Education related (school assistants and teachers) ü Health and care related (nursing related) ü IT related (software and telecommunications) ü Specialist financial and professional occupations. • However, once replacement demand is taken into account the picture changes, the main occupations are as in the first three above but including more retail and catering related occupations. • At a replacement demand level, needs are dominated by relatively low skilled Level 2 occupations which tend to be jobs serving the region's population rather than those directly raising competitiveness.
<p>5. <i>Modest overall increase in overall workforce – but role of older workers critical due to demographic change</i></p>	<ul style="list-style-type: none"> • Overall the total number of working age will rise slightly across the region if the retirement age is treated as 65; if more people retire earlier the total effective potential workforce is likely to decline over the next 5 years. Decisions of those over 55 will be critical to the scale of the workforce in the future • Within the main workforce there will be a significant aging effect, which will be unevenly spread across occupations and sectors (agriculture, construction, engineering, education and health/social work particularly affected).
<p>6. <i>The “spare capacity” in form of worklessness is concentrated by area and labour market group – often does not match demand</i></p>	<ul style="list-style-type: none"> • At a headline level it appears as if the region has more than enough “spare capacity” in the sense of people of working age not in work who could be in work (if the region's employment rate rose to the national average that would equate to an extra 125,000 workers). • However, the extent of spare capacity (or looked at another way the degree of worklessness) does not map well onto future forecast demand patterns. Worklessness is concentrated geographically and in different labour market groups <ul style="list-style-type: none"> ü Sub-regionally the employment rate is already well <u>above</u> the national average in Cheshire and Warrington, but well <u>below</u> in Greater Merseyside ü Many ethnic minority groups have employment rates far below the regional average (raising the average non-white ethnic group employment rate to the white average would require non-white residents to participate in an additional 50,000 jobs). ü Lone parents and people with disabilities are nationally less likely to be in work, but regionally the difference is even more acute. ü Economic inactivity is particularly low for men over 50 in absolute terms and compared to the national average • Given that the majority of net growth is in Level 3 and 4 occupations requiring good qualifications, there is a serious likely mismatch between demand and supply.

Table B1: Key Findings from the Stocktake	
Headline Message	Comment
7. <i>Good overall progress on qualifications front: however, key gaps remain at NVQ4 level and in no qualifications and basic skills</i>	<ul style="list-style-type: none"> As nationally there has been a steady improvement in qualification levels – largely as a result of the cohort effect of younger better qualified people replacing older less qualified people in the labour market. The region has made noticeable strides in improving school leaver GCSE level qualifications and caught up with the national average - although there remain enormous variations in performance across the region. However, there are two striking areas where the North West lags: <ul style="list-style-type: none"> First, the proportion of adults with no qualifications (19% compared to 15% nationally) and lacking basic skills is worryingly above the national average. The lack of qualifications and basic skills varies enormously across the region and is highly correlated with worklessness. Deficiencies in basic skills are a strong theme reported by employers as one of the skills gaps. Second, we lag behind in terms of adults with NVQ 4 or equivalent qualifications (degree level). This is a reflection of the lower knowledge content of our economy and is most marked in private sector business sectors. There is no sign that this gap is closing.
8. <i>Skill shortages and gaps less apparent than nationally, but a demand and low skills equilibrium issue...</i>	<ul style="list-style-type: none"> At an initial level the fact that the region has a below average proportion of hard to fill vacancies or skills gaps is a positive sign. However, in large part this is likely to reflect the less tight labour market than many other regions. A low proportion of identified skills gaps has been shown by national work to often be focused in firms in so-called “low skills equilibrium” This also relates to the concern about the lack of apparent demand from employers for workforce development and new skills – and raises issues of demand stimulation. The overall incidence of employees in the region receiving job related training is lower than the national average – both in private services and the public sector.
9. <i>Clear skills gaps in senior managers and in business management skills</i>	<ul style="list-style-type: none"> There is a wide range of skills gaps identified by the region's businesses. However, there is a clear cross sector and cross occupational skill gaps in the region's senior managers and in business management skills. This is borne out by much of the sector work in the region, where the need to marry business and entrepreneurial skills with technical/professional skills is highlighted.
10. <i>Growth in higher level skills needs may not be met by supply trends</i>	<ul style="list-style-type: none"> The clearest future trend is for a substantial net growth (c.200,000 additional jobs 2004-2010) in Level 4 (graduate level) employment in the region. The natural cohort effect of younger people replacing older less qualified people will not on its own create sufficient number (around 10,000 per annum) The region's HEIs are already performing well in reaching out to young people in “low participation neighbourhoods” and the evidence suggests they are a major contributor to the initial supply of graduates entering the region's labour market (43% of all the graduates from the region's HEIs and 63% of those who entered employment did so in the North West).
11. <i>Congruence of occupations where replacement demand is strong and opportunity for entry to employment</i>	<ul style="list-style-type: none"> Although there are major skills and demand mismatch issues, the forecast nevertheless emphasises the continuing strong need for replacement demand in key sector, often at Level 2, in retail, caring, personal services and catering. These occupations are widely spread across the region and offer the greatest absolute number of lower skill employment opportunities. In many of these occupations levels of LSC provision are low

Table B1: Key Findings from the Stocktake	
Headline Message	Comment
12. Important role of public sector occupations (health and education) in net and replacement demand	<ul style="list-style-type: none"> • Within the main net growth sector and the main areas for replacement demand, education and health & social care are in the top 4 sectors regionally • Large gaps in provision relative to demand in care occupations
13. Scale and nature of many sector skill needs complex (e.g. construction)	<ul style="list-style-type: none"> • This sector has a complex set of needs and is one where although surprisingly net demand is forecast to fall yet there is strong replacement demand and evidence of considerable hard to fill vacancies. • There is considerable level of provision yet still large gaps in supply – suggesting a mismatch between much provision and employer needs
14. Complex patterns of gaps in provision both occupationally and geographically	<ul style="list-style-type: none"> • At a regional level the analysis of demand and provision highlights major gaps in care, construction, retail, digital, administrative and logistics occupations. • At a sub-regional level there are more localised gaps in provision.
15. Major variations by sub-region	<ul style="list-style-type: none"> • Most of the issues above apply in all sub-regions to varying degrees, however there are profound variations and different challenges for instance: <ul style="list-style-type: none"> ü Lancashire has a particular issue in replacement demand in traditional sectors and difficulties of recruiting young people into these sectors ü Cheshire and Warrington faces the most acute issue of constraints in terms of overall labour supply given that employment rates are already above the national average and it is forecast to be a fast growing sub-region in demand terms with several key growth hotspots. ü Greater Merseyside has the largest concentration of worklessness (including lone parents) and workforce with no qualifications. More recently there has been significant employment growth and it has several important growth hotspots. ü Greater Manchester faces significant future growth in demand coupled with a much segmented labour market including large areas. It has the main concentrations of future forecast net growth in many sectors and many of the region's employment growth hotspots ü Cumbria has a series of almost entirely separate labour markets with challenges in provision and small labour pools increasing the incidence of hard to fill vacancies. It has faced severe economic problems in the west and Furness area where worklessness and low rates of enterprise feature

Appendix C - Level 3 Priorities

Why Identify Level 3 and Level 4 Priorities?

- y One of the requirements for the LSC planning cycle is that each region should identify its priorities for investment in training towards NVQ level 3 qualifications.
- z Work undertaken for the Stocktake has already identified that NVQ Level 3 qualifications are important for several reasons:
- First, skill Level 3 is where the largest total demand will come from over the next 6 years (around 50% of all demand taking account of expansion and replacement demand).
 - Second, NVQ Level 3 is also where a number of significant gaps in terms of under-provision of qualifications (from LSC funded provision) have been identified.
- aa Level 4 occupations are also examined as part of this exercise. In many cases a NVQ level 3 qualification may be a stepping stone to access to employment or further training to enter skill level 4 occupations.

Methodology

- bb Based on work undertaken for the Stocktake we have identified potential priorities for provision of NVQ Level 3 qualifications based on the following methodology:
- First, we have taken the five groups of priority sectors as the starting point to drive the needs.
 - Second, in each group of sectors we have ranked occupations at a 4 digit Standard Occupational Classification level at skill Level 3 and 4 by forecast total demand, except for high growth and GVA private sector, where we have ranked by future expansion demand. In total there are 179 separate Level 3 and 107 separate Level 4 occupations.
 - Third, we have applied a cut off in term of scale of demand to focus on those occupations in most demand in the future. These cut off points are:

	Expansion Demand (2004-2010)	Replacement demand (2004-2010)	All Demand (2004-2010)
A. Static or declining employment traditional sectors		>2,000	
B. Growth employment sectors with high GVA potential and knowledge content	> 1,000		> 3,500
C. Major public sector employment sectors			>4,000
D. Large volume private services employment sectors			>4,000
E. Investment supporting sectors		>2,000	

- Fourth, the cut off point used for skill Level 4 occupations was lower, at over 1,000 additional expansion demand jobs (2004-2010) except for static/declining employment sectors where the cut off is over 1,000 replacement demand jobs.
 - Fifth, we have identified those specific occupations where under provision or specific skill shortages have been identified by the regional sector work revised as part of the Stocktake.
 - Sixth, we have extracted from the tables any occupations which are clearly primarily of an NVQ Level 2 entry level (e.g. sales assistants).
- cc The results are set out in Table C1 (Level 3 occupations) and Table C2 (Level 4 occupations). In interpreting this information it is important to consider three key points:

- First, the forecasts of demand are for occupations not qualifications. There is not always a simple read across from a Level 3 skill occupation to a requirement for an NVQ Level 3 (or equivalent) qualification.
- Second, the qualification and entry requirements vary from occupation to occupation. An NVQ Level 3 qualification may be an entry requirement, or it may be a necessary stepping stone to a further qualification (e.g. at degree level) which leads to entry to the occupation.
- Third, no indication of under supply does not mean that there is adequate provision for the skills needs of that occupation/sector. It may be the case that the qualifications supported and the nature of those taking up the qualifications does not match industry needs.
- Finally, all forecast need to be treated cautiously especially at a detailed occupational level. These forecasts of demand must be taken as a guide only.

dd In short, the list of occupations produced below can only be seen as a starting point for considering NVQ Level 3 priorities.

Table C1: Skill Level 3 Occupations Where Strongest Need for Expansion or Replacement Demand Needed in the North West				
Type of Sector	Sector and Occupation		Identified Issue of Under Provision	
A. Static or declining employment traditional sectors	Automotive	5231: Motor mechanics, auto engineers		
	Automotive	7111: Sales and retail assistants	Under supply	
	Engineering	5223: Mtl working prod & maintnce fitter		
	Land Based	1211: Farm managers/farmers	Under supply?	
	Land Based	6139: Animal care occupations n.e.c.		
	Automotive	1232: Garage managers and proprietors		
	Food & Drink	7123: Rounds(wo)men and van salespersons		
	Engineering	5221: Metal mach setter & setter-operator		
	Engineering	9149: Oth good hndlng & storage occup nec		
	Engineering	5215: Welding trades		
	Engineering	3113: Engineering technicians		
	In addition there are a number of technician level jobs which are identified as separate occupations (especially in chemicals and aerospace) and so generate small demand for each occupation and also significant demand for designers in the textile sector.			
	(Note: excludes sales, retail and packaging occupations in Food and Drink, farm workers, gardeners/ grounds(wo)men (as in Sports as well below)			
B. Growth employment sectors with high GVA potential and knowledge content	Finance & Professional	3534: Fin. & invest. analyst & advisers	Under supply	
	Creative	3434: Photo. & audio-visual equip operats		
	Finance & Professional	3532: Brokers		
	Finance & Professional	3520: Legal associate professionals		
	Finance & Professional	3539: Business & related assoc profs nec.		
	Finance & Professional	3531: Estimators, valuers and assessors		
	Creative	3431: Journalists newsprr & period eds		
	Creative	3421: Graphic designers	Under supply	
	Digital industries	5242: Telecommunications engineers		
	Creative	3412: Authors writers		
Creative	3432: Broadcasting associate prfssnals			
C. Major public sector employment sectors (Note: excludes police, fire and prison officers)	Health & Social Care	3211: Nurses		
	Health & Social Care	6111: Nursing auxiliaries and assistants		
	Education	6124: Educational assistants		
	Education	6121: Nursery nurses		
	Health & Social Care	6114: Houseparents and residential wardens		
	Health & Social Care	3212: Midwives		
	Health & Social Care	3231: Youth and community workers		
	Health & Social Care	6113: Dental nurses	Under supply	
	Education	3111: Laboratory technicians		
	Health & Social Care	3221: Physiotherapists		
Health & Social Care	3214: Medical radiographers			

Table C1: Skill Level 3 Occupations Where Strongest Need for Expansion or Replacement Demand Needed in the North West				
Type of Sector	Sector and Occupation			Identified Issue of Under Provision
D. Large volume private services employment sectors (note: excludes sales and retail assistants as likely to have NVQ2 not NVQ3 requirement)	Tourism	5434: Chefs, cooks	Under supply	
	Tourism	1223: Restaurant and catering managers	Under supply	
	Retail	1234: Shopkprs, wholesale & retail dealers	Under supply	
	Tourism	1224: Publicans & managers licensed premises		
	Sport	3442: Sports coaches, instructors & officials	Under supply	
	Tourism	1221: Hotel and accommodation managers	Under supply	
	Sport	3443: Fitness instructors	Under supply	
	Retail	3542: Sales representatives		
	Retail	7129: Sales related occupations n.e.c.		
	Sport	1225: Leisure and sports managers		
	Sport	5113: Gardeners and grounds(wo)men		
E. Investment supporting sectors	Construction	5319: Construction trades n.e.c.		
	Construction	5315: Carpenters and joiners		
	Construction	5314: Plumb, hea & ventilating engineers		
	Construction	5323: Painters and decorators		
	Construction	5312: Bricklayers, masons		
	Logistics	9149: Oth good hnding & storage occup nec	Under supply HGV	
	Construction	5321: Plasterers		
	Construction	3122: Draughtspersons		
	Construction	5316: Glaziers, window fabric and fitters		
	Construction	5313: Roofers, roof tilers and slaters		
	Construction	5322: Floorers and wall tilers		
Construction	3114: Build & civil eng technicians			
Cross Sectoral	Cross Cutting	IT operations technicians	Under supply	
	Cross Cutting	Personnel & ind relations offs		
	Cross Cutting	IT user support technicians	Under supply	
<p>Note: shaded cells are where total demand is forecast to exceed 10,000 job vacancies across the region 2004-2010</p> <p>The under provision assessment is derived from "North West Strategic Review of Skills: Synthesis Report", EKOS, July 2004</p>				

Table C2: Level 4 Occupations where there is significant future demand in the North West	
(over 1,000 additional expansion demand jobs 2004-2010 except for static/declining employment sectors where the cut off is over 1,000 replacement demand jobs)	
B. Growth employment sectors with high GVA potential and knowledge content	
Finance & Professional	1151: Financial institution managers
Finance & Professional	2411: Solicitors & lawyers, judges & coroners
Finance & Professional	2132: Software professionals
Digital industries	2132: Software professionals
Finance & Professional	1131: Financial managers & chartered secs
Finance & Professional	2421: Chartered and certified accountants
Finance & Professional	2423: Mngmnt cons, actuar, econs & statn
Digital industries	1136: Info & communication technol mngers
Digital industries	2131: IT strategy and planning prfsnals
Finance & Professional	1136: Info & communication technol mngers
Creative	1134: Advertising & public rel managers
Digital industries	1132: Marketing and sales managers
Bio-Technology	2112: Bio scientists and biochemists
D. Large volume private services employment sectors	
Retail	1163: Retail and wholesale managers
Retail	1132: Marketing and sales managers
C. Major public sector employment sectors	
Health & Social Care	2211: Medical practitioners
Health & Social Care	1185: Residential and day care managers
Health & Social Care	1181: Hospital and health service managers
Health & Social Care	2442: Social workers
Note: plus education professionals in HE, FE and schools	
A. Static or declining employment traditional sectors	
Engineering	1121: Prod. works & maintenance managers
Food & Drink	1163: Retail and wholesale managers
Food & Drink	1132: Marketing and sales managers
Food & Drink	1121: Prod. works & maintenance managers
Engineering	2126: Design and development engineers
Engineering	2132: Software professionals
Engineering	2127: Production and process engineers
Engineering	1136: Info & communication technol mngers
Engineering	2122: Mechanical engineers
Engineering	2124: Electronics engineers
Chemicals	2111: Chemists
E. Investment related sectors	
Construction	1122: Managers in construction
Logistics	1161: Transport and distribution managers
Construction	1121: Prod. works & maintenance managers
Construction	2121: Civil engineers
Cross cutting occupations	
Cross Cutting	1152: Office managers
Cross Cutting	1162: Storage and warehouse managers
Cross Cutting	1142: Customer care managers
Cross Cutting	1141: Quality assurance managers
Cross Cutting	1133: Purchasing managers