East Midlands Skills Priorities Statement – Academic Year 2011-2012

A report prepared by *emda*

2010

This document forms part of the *emda* Knowledge Bank

east midlands development agency

East Midlands Skills Priorities Statement

Academic Year: 2011-2012

east midlands development agency

East Midlands Skills Priorities Statement: Policy Summary

Headline Challenges and Objectives

The East Midlands has made significant progress towards improving the supply of skills. However, weak demand for skills remains a key challenge. This contributes to lower productivity, a limited incentive for many workers to improve their skills, and the loss of graduates and skilled workers to other regions.

Technological and regulatory change will increase demand for technician-level skills in the Transport Equipment, Sustainable Construction, Food and Drink, and Health and Bioscience sectors. Employers continue to report skills gaps in generic, employability and basic skills. The East Midlands has the highest proportion of employment in Manufacturing compared to any other English region, but Healthcare is forecast to be one of the fastest growing sectors, with diversifying needs due to population ageing.

Funding shifts should be prioritised in Further Education (FE) for young people and Apprenticeships. Higher Education (HE) and FE for adults are currently well-aligned to labour market need. However, FE provision for young people mirrors individual interests (such as art, sport and beauty) rather than opportunities in the labour market. Apprenticeships at Level 3 and 4 have been increasing, although the vast majority continue to be at Level 2.

The majority of the long-term unemployed are seeking low skilled jobs, whilst vacancies are concentrated in Sales and Healthcare. Addressing this mismatch requires significant re-skilling.

Recommendations

1. Skills for Manufacturing

- More **technician-level** provision is needed to meet replacement demand, including Level 3 and 4 Apprenticeships.
- **FE providers should collaborate with large, high-value manufacturing employers**. Their SME supply chains provide a market for new courses that support technician-level jobs requiring skills in emerging technologies.
- There is a need to mitigate the recent fall in employer demand for Manufacturing Apprenticeships around **Derby** due to the recession.

2. Skills for Construction

- Low carbon technologies will require new skills in existing jobs. Providers will need to **update course content to reflect emerging 'green skills'**.
- The increasing use of **offsite manufacturing techniques** provides opportunities to efficiently deliver transferable skills required by both Construction and Manufacturing employers.

- **Regulatory change** requires development of course content relevant to plumbing, electrical engineering, air conditioning and energy efficiency.
- Providers need to work collaboratively with power generation and waste recycling companies in the region, who are pioneering **low carbon, resource efficient technologies**. This will support future technician-level skills needs across Construction and Manufacturing.
- Provider capacity in **Lincolnshire and Northamptonshire** will need to meet increased demand for jobs in Construction due to population growth and likely increases in house building as the economy recovers.

3. Skills for Health and Bioscience

- FE provision in healthcare needs to keep pace with the growth and diversification of the sector. Demographic change requires specific skills in residential elder, care in the home, and childcare at all levels.
- There needs to be increased **progression routes** for the unemployed, from Skills for Life upwards.
- Provision needs to meet demand for **technician-level skills** in medical equipment, pharmaceuticals and bioscience. HE and private sector research and development excellence provides opportunities for FE collaboration.

4. Apprenticeships

- The Apprenticeship offer needs to be strengthened for learners over 25. This is a particular issue for the East Midlands, due to population ageing. Apprenticeships need to be a credible vocational route for all age groups.
- The further roll-out of **Apprenticeship Training Agencies** will support SME take-up of Apprenticeships.
- **Higher-level Apprenticeships** should be increased to address the low regional skills base and demand for technician-level jobs. Funding should be shifted towards Level 3 and 4 Apprenticeships, whilst Level 2 funding should be capped at the level required to meet replacement demand.
- Information, Advice and Guidance (IAG) in schools should promote Apprenticeships as a credible vocational alternative to the academic route for 16-19 year olds. School leavers need to be equipped with transferable skills in customer services, ICT, enterprise, design and project management.

5. Flexible Skills for a Changing Labour Market

- In an increasingly learner-driven skills system, it is important that employability skills are embedded across all provision for young people.
- Increasing competition for university places presents opportunities for FE providers, including tailoring their offer to meet the needs of students who would previously have applied directly to a university. FE should be supported to deliver cost-efficient HE. Government could consider empowering high performing colleges to develop and award their own HE-level qualifications.
- Providers need to be held to account by employers, ensuring that courses change to meet demand. This could include employer panels working within or alongside Local Enterprise Partnerships (LEPs).

- Discretionary funding needs to be available to enable agile local responses to redeploying and retaining existing skills in the event of future large-scale redundancies, as well as responding to inward investment opportunities.
- To enable individuals to navigate a changing labour market (with increasing levels of part-time and self-employment) it is crucial that training for technicians and the trades includes **enterprise skills**. The **Qualify with a Business** initiative should be more widely available as an option for vocational adult learners.
- The best features of Train to Gain need to be maintained, to tailor provision to employer need, including modular and flexible training developed through a diagnostic discussion with the employer.
- FE capital investment should support the adoption of new technologies. To keep pace with technological change, re-accreditation of modules within courses needs to be fast-tracked.

East Midlands Skills Priorities Statement

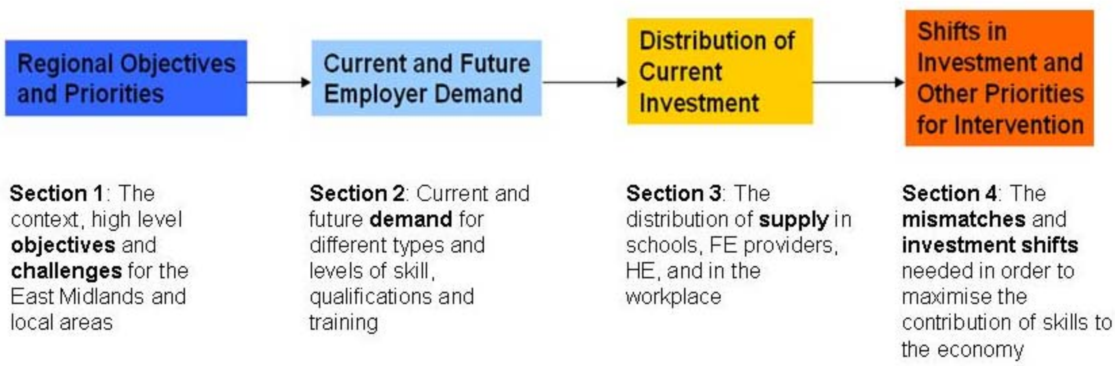
Introduction

The East Midlands Skills Priorities Statement (EMSPS) sets out the skills required to support economic recovery and growth in the region. It has been produced to support the Government's ambition to increase choice and flexibility for providers and learners. It will be used:

- By the **Department for Business, Innovation and Skills (BIS)** to inform the National Skills Investment Strategy.
- By **training and skills providers** to inform their curriculum planning by providing access to high quality Labour Market Intelligence (LMI).
- By **advisors**, to support **individuals and employers** in making informed decisions on skills and training options.
- By **Local Authorities**, to inform priorities and local plans developed by Local Enterprise Partnerships (LEPs). *emda* is currently working with partners to identify local skills priorities, to which LEPs may wish to respond in the future.

This statement presents priorities for the academic year 2011-2012 for skills at all levels from 16 onwards. It is based on the latest Labour Market Intelligence and information on provision and also includes long-term prospects to 2017. The latest available data is used throughout this document. However, statistics can have a substantial time-lag, so recent developments are discussed more qualitatively. This analysis is presented in detail in Annex 3.

The EMSPS follows a logic model set out in four sections as follows:



Section 1: Regional Objectives and Priorities

1.1 Moving towards higher skill employment

The key challenge for the region is to move away from the 'the low pay, low skill equilibrium'. The region has a comparatively high proportion of businesses operating in sectors which have a low skills requirement. Even though there are many businesses in the region that require high skills and are encountering recruitment difficulties, the East Midlands has a large proportion of employers who are relatively reliant on low skilled workers. The consequence of this is that many workers have a limited incentive to improve their skills. It also results in the loss of highly skilled workers to neighbouring regions. Key indicators are:

- Higher than average rates of employment, despite the recession, coupled with lower than average pay.
- Lower proportions of employment in highly skilled occupations and lower proportions of the workforce with higher-level qualifications, especially compared to high performing regions such as the South East and East of England.
- Low workforce skills and businesses requiring large proportions of low skilled workers concentrated in areas such as coastal Lincolnshire, North Nottinghamshire and North Derbyshire.[1]

The outcomes of this for the East Midlands' economy are:

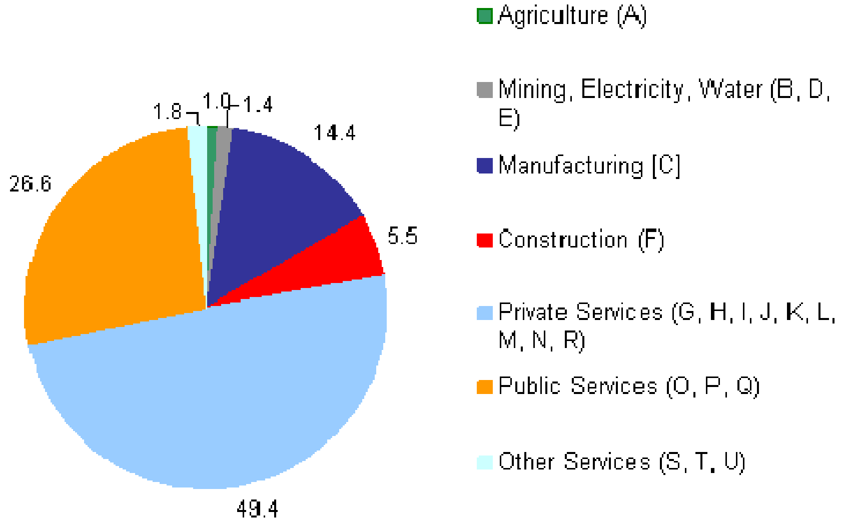
- Lower than average productivity of firms and organisations.
- Lower than average earnings across the region and a reliance on casual labour and significant incidences of in-work poverty in some sectors and local areas.[2]
- Poor retention of graduates and skilled people and high-levels of out-commuting.
- Vulnerability to international competition.

There have been significant improvements in the supply and demand for skills in the East Midlands since 2001. The region has experienced a greater increase in the proportion of residents with a degree or higher, and a faster decrease in those lacking a Level 2 compared to England overall.[3] However, further progress to address the challenges above is necessary to improve business competitiveness and the resilience of local communities, through skills development and improved utilisation of the current and future workforce.

[1] *emda, 'The East Midlands in 2010'*, June 2010.
[2] More detail on these issues can be found in: Warwick Institute for Employment Research (IER), on behalf of *emda*, '*Migrant workers in the East Midlands'* and '*In-work poverty in the East Midlands*' – forthcoming, 2010.
[3] From a comparison of highest qualification levels between 2001 and 2008, '*Annual Population Survey 2001-2008'*. http://www.thedataservice.org.uk/statistics/
Note: The proportion without a Level 2 qualification is the sum of those with lower than Level 2 and those with no qualifications. See: *emda, 'The East Midlands in 2010'*, June 2010.

Figure 1 shows that the East Midlands has a large proportion of employment in Manufacturing, the largest of any English region and also has high employment in Construction. Although Private Sector Services[4] provide the largest share of employment in the region (almost 50%) this is a significantly lower share than the national average (55%). The share of employment in Public Sector Services[5] is largely in line with the national average at 26%.

Figure 1: Structure of Employment in the East Midlands (%), 2008



Source: ONS Crown Copyright Reserved [from Nomis on 8 July 2010], '*Annual Business Inquiry'*, 2008 employee analysis (SIC 2007).

1.2 Local Profiles

Skills priorities will differ across local areas depending on their business and employment structure. The following table provides short profiles of the East Midlands' nine County and Unitary Local Authorities, which are based on information from emerging Local Economic Assessments[6] along with consultation responses, including responses from local Employment & Skills Boards. These are set out in more detail in Annex 3.

[4] The following SIC 2007 sectors were grouped under the heading of Private Sector Services: G: Wholesale and retail trade; Repair of motor vehicles and motorcycles; H: Transportation and storage; I: Accommodation and food service activities; J: Information and communication; K: Financial and insurance activities; L: Real estate activities; M: Professional, scientific and technical activities; N: Administrative and support service activities; R: Arts, entertainment and recreation. Source: ONS Crown Copyright Reserved, '*Annual Business Inquiry*', 2008 employee analysis (SIC 2007).

[5] The following SIC 2007 groups were grouped under the heading of Public Sector Services: O: Public administration and defence; Compulsory social security; P: Education; Q: Human health and social work activities. Source: Ibid.

[6] See the Chapter 9: Sub-Regional Profiles in: *emda, 'The East Midlands in 2010'*, June 2010.

Local Authority	Profile and Key Sectors
Derby City	Skilled employment in the **Manufacturing** of **Transport Equipment** (Rolls-Royce, Bombardier) contributes to the highest workplace-based pay in the region. A relatively strong **Banking, Finance and Insurance sector** employs 19% of the workforce (including the Egg headquarters). **Public Administration, Education and Health** is also significant (29% of employment). This could, therefore, be vulnerable to cuts in public spending.
Derbyshire	A largely rural county with a lower skill profile than Derby City and concentrations of deprivation resulting from the decline of traditional manufacturing. **Agriculture** and **Distribution, Hotels and Restaurants** (associated with tourism due to the Peak District National Park) employ relatively high proportions of the workforce. There is also a relatively large proportion of employment in **Manufacturing** (20% of employment), which includes **Transport Equipment,** with Toyota at Burnaston.
Leicester City	The proportion of residents with no qualifications is double the national average and unemployment is relatively high. Leicester has the highest proportion of residents in the school age group in the region. **Public Administration, Education and Health** accounts for 34% of employment compared to 27% regionally. The city has concentrations of employment in the **Clothing and Footwear** and **Food and Drink** manufacturing sectors, with large employers such as Walkers Crisps.
Leicestershire	The labour market is closely linked to Leicester City. Residents have significantly higher qualification levels and higher earnings, suggesting many commute to high skilled employment in Leicester, Nottingham and elsewhere. **Wholesale** and **Retail** account for large proportions of businesses and employment, with out-of-town retail around Leicester. **Banking, Finance and Insurance** also account for a significant proportion of employment, with an Alliance and Leicester/Santander centre in Narborough. Employment in this sector has been affected by a number of recent closures.
Lincolnshire	Lincolnshire has a low aggregate demand for skills and a relative reliance on casual, seasonal employment, often met by international migrants. School attainment is high, but outward migration of young people means that the qualification profile of the workforce is low. **Agriculture, Food and Drink** manufacturing and tourism-related industries (**Distribution, Hotels and Restaurants**) account for higher than average proportions of employment. **Residential care** is also important, driven by an ageing population. The wider **Public Administration, Education and Health** sector accounts for 28% of employment, suggesting vulnerability to cuts in public spending.
Northamptonshire	Northamptonshire has a similar proportion of employment in manufacturing as elsewhere in the region and has strong commuting links with London and the South East. Employment rates and qualification levels are relatively high. **Banking, Finance and Insurance** and **Distribution**, **Hotels and Restaurants** account for higher proportions of employment, whilst **Construction,** which has accounted for significant output and employment, has been heavily affected by the recession.
Nottingham City	The city has a higher proportion of employment in the service sector than the East Midlands average, but has significant pockets of deprivation. **Banking, Finance and Insurance** and **Public Administration, Education and Health** together account for the majority (60%) of employment. Impacts of expected public sector cuts may weaken the demand for skilled labour over the next few years. **Health** also includes a growing number of private sector bioscience and healthcare companies, some of which are located at specialist premises (e.g. BioCity and Nottingham Science Park).
Nottinghamshire	Persistent deprivation, worklessness and poor health reflect the lasting impacts of industrial restructuring in the north of the county. The south of the county is more affluent, with outward commuting to fill skilled jobs in Nottingham and Leicester Cities. **Construction** employs a higher than average proportion of the workforce whilst **Public Administration, Education and Health** and **Energy and Water Supply** are also important sectors. The county is a major energy exporter, with future growth opportunities in carbon reduction and renewable energy technologies.

Rutland	Rutland is one of the smallest Local Authorities in England but has experienced significant population growth and an increasing proportion of older residents. **Public Administration, Education and Health** accounts for the largest proportion of employment, which includes a large prison and military base. **Distribution, Hotels and Restaurants** is also important, related to the leisure facilities and nature reserve at Rutland Water.

Source: ONS Crown Copyright Reserved [from Nomis on 8 July 2010], '*Annual Business Inquiry'*, 2008 employee analysis (SIC 2007).

1.3 UKCES Skills Audit Challenges for the Region

The UK Commission for Employment and Skills (UKCES) published their first Strategic Skills Audit in March 2010 to provide a steer on national skills needs. There are four key challenges relevant to the East Midlands and its local areas:

- **Regulation, environmental considerations and technological change**, which will increasingly drive skills demand, affecting processes, products and quality standards across sectors. These will particularly affect sectors important to the East Midlands, such as Construction. The East Midlands already has significant advantages in low carbon technologies, with recent mapping suggesting that over 2,000 businesses in the region operate in renewable energy and emerging low carbon sectors.[7]
- An increasing pension age and longer life expectancies will mean that **older workers** will become more important in a future labour market. The East Midlands has experienced one of the fastest increases in the pensionable age population.[8] This presents challenges in meeting replacement demand and up-skilling the current workforce to keep pace with technological development. The UKCES recommends scrutiny on the extent to which the delivery of learning, as well as the type of learning, meets the needs of older workers.[9] This could include modular delivery of adult FE, allowing older workers to re-skill or update existing skills. **Older workers could also be further engaged in the Apprenticeship offer,** both through increased provision of Adult Apprenticeships for the over 25s and as mentors for younger learners.
- **Meeting a continued demand for low skilled jobs,** due to replacement demand. Low-skilled individuals will need up-skilling to improve product and service quality and also to progress and sustain employment. In uncertain economic times, low skilled jobs can be easily cut or replaced.
- **The under-deployment of skilled staff.** Across the UK, the supply of skilled workers has grown faster than the demand for skilled jobs. This is particularly the case in the East Midlands because of the low pay, low skill equilibrium. **Management and leadership skills are therefore necessary to improve the utilisation of the existing skills of the workforce**. Better management skills won't just improve the productivity of the managers themselves, but they will contribute to better deployment and organisation of staff at all skill levels.[10] However, better management skills will only enhance business performance if deployed in the context of wider improvements to work organisation and product market strategies.

[7] Ekosgen, on behalf of *emda, 'Low Carbon Business Mapping'*, 2010 - to be published.
[8] *emda, 'The East Midlands in 2010'*, June 2010.
[9] UK Commission for Employment and Skills (UKCES), '*Skills for Jobs: Today and Tomorrow*' - The National Strategic Skills Audit for England 2010.
[10] Ibid.

1.4 Current East Midlands Skills Priorities

The current Regional Economic Strategy (RES), '*A Flourishing Region'*, sets out a number of policy priorities which combine supply-side actions with business support and regeneration interventions that can stimulate demand. Responses to the recent consultation on skills priorities in the East Midlands (Annex 2) endorsed the continued relevance of the skills priorities set out in the RES.

RES policy aims to stimulate demand through:

- Encouraging an enterprise culture and a dynamic SME base.
- Building on regional strengths through a strong modern manufacturing base.
- Supporting greater innovation, building on the skills and employment opportunities of a resource efficient, low carbon future.

The RES also sets priorities for developing the skill levels of the current and future workforce and improving the responsiveness of supply in both Further and Higher Education. These priorities have a strong emphasis on 'economically valuable skills' and the need to support sustainable employment. These include both job-specific and technical skills and generic skills that can be applied throughout the labour market (such as team working or communication skills).

1.5 Regional Priority Sectors

The East Midlands has also identified a number of sectors which demonstrate competitive advantage and growth opportunities. These sectors together account for 21% of the region's GVA, and are as follows:

- **Transport Equipment**: aerospace, automotive, defence, marine and rail manufacturing sectors which are of particular importance in Derby, Derbyshire and Northamptonshire.
- **Healthcare and Bioscience**: covering both manufacturing (medical equipment and pharmaceuticals) and healthcare services, significant to Nottingham City and Leicestershire.
- **Sustainable Construction**: important to the economy across the region (particularly Nottinghamshire, Derbyshire, Leicestershire and Lincolnshire) and to the development of low carbon technologies. High population growth could provide significant job opportunities in the Construction sector.
- **Food and Drink**: food production, preparation and packaging, especially in Lincolnshire, and innovative food production sciences around Leicester.

Section 1: Key Points

- The key challenge for the region is to move away from the 'the low pay, low skill equilibrium'. This aggregate balance results in a limited incentive for many workers to improve their skills.
- Meeting a continued demand for low skilled jobs, due to replacement demand (although the majority of new jobs will be highly skilled).
- Regulation, environmental considerations, and technological change will increasingly drive skills demand, especially for technician-level skills in priority sectors.
- The ageing workforce is a particular challenge for the East Midlands.
- Management and leadership skills are necessary to improve deployment of the current workforce and improve skills utilisation.

Section 2: Current and Future Employer Demand

This section provides a snapshot of the factors that influence the market for skills in the East Midlands. This needs to reflect the choices made by individual learners, the needs of employers and the skills required by the wider economy.

2.1 Current Demand for Labour and Skills

Due to the recession, the rate of employment decline in Manufacturing and Construction sectors has increased and overall unemployment has risen, providing an increasing pool of potential labour. Employers have suggested that:

- It has become easier to recruit people in the **Skilled Trades** and in **lower skilled occupations**.
- Recruitment difficulties have increased in **Managerial** and **high skill occupations**.[11]
- Overall **'skills shortage vacancies'** are lower in the East Midlands (13.1% of all vacancies, 8th out of the nine regions) than in England (16.4%). However, in more buoyant local labour markets, in particular **Rutland** (26.2%) and **Leicestershire** (24.1%), skills shortage vacancies remain higher than average.[12]
- Compared to 2007, **skills shortage vacancies in 2009 decreased significantly**, due to a fall in recruitment activity as a consequence of the recession. Recruitment difficulties have remained high in the Hospitality, Construction and Social Care sectors.
- Just under one-fifth of East Midlands businesses (19%) believed that the recruitment of **Apprentices** and trainees had decreased due to the recession. There was a notable concentration of employers stating this in **Nottingham City** and **Nottinghamshire**. Moreover, almost one-fifth of businesses said that expenditure on training had decreased.

[11] BMG Research prepared for the YPLA and SFA East Midlands Region, '*The National Employer Skills Survey 2009: report of results for the East Midlands'* – Forthcoming. Table 29.
[12] Ibid. Table 21.

- Looking forward over the next 12 months, a very high proportion of employers said that they were unlikely to take on any new Apprentices. Currently, about 8% of employers employed Apprentices. The proportion was the highest in sectors such as Distribution, Retail, Construction and Public Administration, Education and Health.[13]
- **Practical or job-specific skills** continue to account for the largest share of the type of skills employers find lacking amongst applicants (64% of skills shortage vacancies).
- **Generic skills** are also important, with customer handling skills, problem solving skills, oral communication and team working skills all being needed in at least 40% of skills shortage vacancies. Basic and generic skills are particularly an issue for employers seeking to fill sales and service vacancies.
- A lack of **management skills** were a barrier to filling over a third of all skills shortage vacancies. These skills were particularly lacking in the East Midlands amongst applicants for managerial and professional jobs.

In line with experiences across England, employers in the East Midlands identified particular issues with 16 year old recruits due to their perceived lack of experience of the working world, poor attitude to work and lack of motivation.

'**Skills gaps'** amongst current workers are particularly likely to be identified in low skilled jobs in the service sector and in elementary jobs (requiring very limited skills) across all sectors. This is because of a high level of turnover in lower skilled jobs in sectors such as Retail (Skillsmart Sector Skills Council) and Hospitality (People 1st SSC). Skills gaps were also more prevalent in high skilled jobs in sectors such as Health (Skills for Health SSC) and Manufacturing and engineering (SEMTA).[14]

Employer investment in training is a further indicator of employer demand for skills. In the East Midlands, 67% of employers funded or supplied training in 2009, in line with the national average. Employers in **Lincolnshire** (69%) were slightly more likely to report that they had undertaken training. However, in **Rutland** (46%), **Derby** (62%) and **Nottingham** (62%) employers were less likely to train.[15]

The majority of this training is at Levels 2 and 3.[16] Training investment appears to have been maintained in the East Midlands through the recession, with 80% of employers who support training stating that their expenditure had stayed the same. Only 11% reported a decrease in training expenditure.

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[13] YPLA, '*East Midlands, National Employer Skills Survey 2009, Headline Findings for the East Midlands*'. 16 February 2010.
[14] Ibid. Table 41.
[15] BMG Research prepared for the YPLA and SFA East Midlands Region, '*The National Employer Skills Survey 2009: report of results for the East Midlands'* – Forthcoming. Table 45.
[16] Ibid. page 69.

Sectors which are more likely to be engaged to training are closely related to the public sector (covered by SSCs such as Government Skills, Skills for Justice, etc). Public sector spending cuts could result in significant reductions. Because of regulatory requirements, employers in the Financial Services are more likely to train their staff. Employers in the Health and Energy sectors also invest significantly in training and the need to meet health and safety regulations could be a factor in this. However, it is estimated that around a quarter of training across all sectors is in induction and health and safety. Therefore, it is not carried out to improve the productivity of staff, but to comply with regulations.[17]

Sector Skills Council footprints which were less likely to train include SkillsFast (fashion, design, manufacturing of textiles), GoSkills (passenger transport), Creative & Cultural Skills (because of the nature of skills required in this sector and the very high proportion of graduates recruited), Proskills (manufacturing of building products, ceramics, paper, printing), Improve (food and drink), Cogent (chemicals, pharmaceutical, nuclear, oil), and Skillsmart UK (retail).[18]

Of the employers who invested in training in 2009, 29% used FE providers (a substantial increase compared to 2007), 65% used private training providers and 12% used universities.

Employers' satisfaction of the training delivered by the FE sector was high (86%), but satisfaction with private training providers was even higher (93%), and training provided by HE universities was also high (90%). The two key reasons for employers not using FE providers were: "the course was not relevant" (39%); and because they "prefer to train in-house" (20%).[19]

2.2 Future Skills Demand

This section focuses on likely short-term trends in skills demand associated with industrial change up to 2013. It is then placed in the longer-term context of the decade 2007 to 2017. These are the latest available national forecasts of employment by sector and occupation, but it is important to note that they will not reflect the full impact of recession or the likely impacts of policy changes and cuts in public expenditure.

Forecasts for 2010-2013 suggest that:[20]

- Employment in highly skilled occupations (such as **Managers, Senior Officials, Professionals,** and **Associate Professionals**) could increase less in the East Midlands than in the UK, but may increase more than the regional average in **North Derbyshire, North Nottinghamshire** and **Northamptonshire**.
- **Administrative and Secretarial** occupations could decrease more in the East Midlands than in the UK.

[17] Ibid. page 72.
[18] Ibid. Table 46.
[19] Ibid. section 6.
[20] *emda*/Experian, '*Scenario Impact Model'*, September 2009.

- The **Skilled Trades** (such as electricians, plumbers, engineering trades) are projected to decrease in the East Midlands whilst increasing in the UK. **Derby and Derbyshire, Lincolnshire**, and **Leicestershire** are projected to experience more significant decreases in such job roles.
- **Service** and **Sales** occupations could increase more in the East Midlands than in the UK between 2010 and 2013, providing low and medium skilled jobs. These jobs are projected to increase more than the regional average in **North Derbyshire, North Nottinghamshire** and **Northamptonshire.**
- Low skilled **Process, Plant and Elementary** jobs are projected to increase much less in the East Midlands than in the UK, but these jobs will increase more than the regional average in **Northamptonshire.**

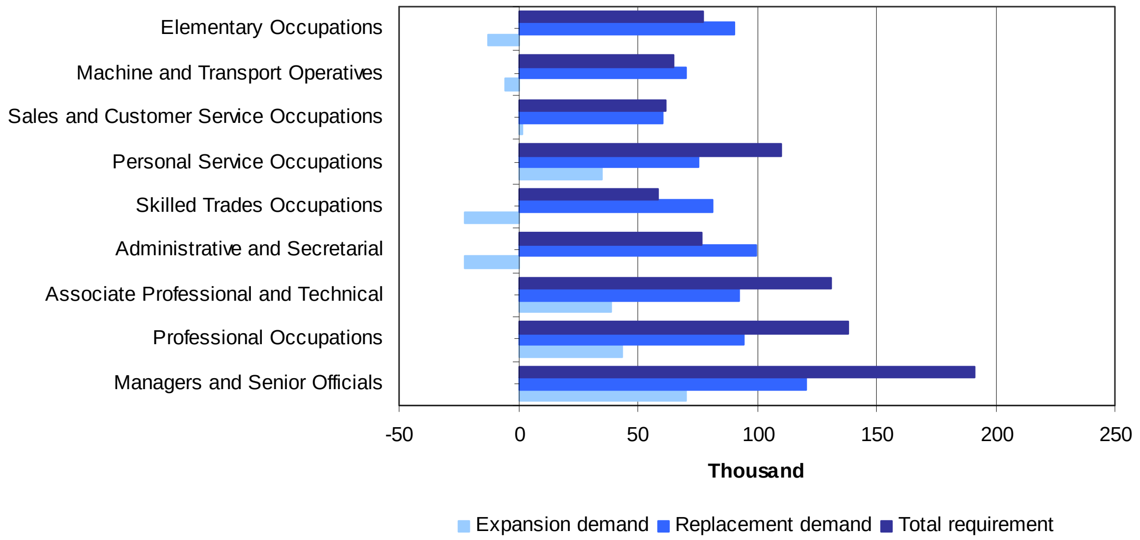
In the long term to 2017,[21] **replacement demand** (replacing those who leave the labour market due to retirement) will considerably exceed the number of new jobs created by economic growth. Replacement demand is likely to be much more significant in terms of education and training requirements, both in terms of content and delivery method, and is forecast to be:

- Most significant for **Managers and Senior Officials**.
- Significant for **Professionals** and **Associate Professionals**, **Administrative Occupations**, **Skilled Trades** and **Elementary Occupations.** Therefore, there are significant projected requirements for both the highest and the lowest skilled occupations.
- Significant for high and intermediate skilled occupations in **Transport Equipment, Advanced Engineering** in **southern Nottinghamshire**, **Derbyshire**, **Leicestershire** and **Northamptonshire.**

Expansion demand (new jobs created) in the East Midlands and the UK is projected to occur amongst the **Managerial** and **Professional Occupations**. The number of low and medium skilled job roles, such as the **Skilled Trades** and **Administrative Occupations**, are projected to decline.

[21] Warwick Institute for Employment Research (IER) and Cambridge Econometrics, on behalf of the UK Commission for Employment and Skills (UKCES) and Learning and Skills Council (LSC), '*Working Futures 2007-2017*', 2008.

Figure 2: Projected change in occupations, East Midlands, 2007-2017, thousands



Source: Warwick Institute for Employment Research and Cambridge Econometrics, on behalf of the UK Commission for Employment and Skills and Learning and Skills Council, '*Working Futures 2007-2017'*, 2008. Note: Replacement Demand = Retirements + Occupational Mobility + Migration. Total requirement+ Expansion demand + Replacement demand.

2.3 Regional Priority Sectors

The East Midlands has comparative advantages in the following sectors, providing future growth opportunities in low carbon and other new technologies.

The **Transport Equipment** sector includes aerospace, automotive and rail manufacturing and is particularly important in **Derby, Derbyshire** and **Northamptonshire**. Despite a projected slight decrease in output and employment, this sector is expected to remain strategically important and accounts for some of the East Midlands' high profile employers and international investment successes.[22] Key skills requirements and issues include:

- Technician level skills to address replacement demand resulting from the sector's ageing workforce.
- Skills gaps reported in the aerospace, automotive, bioscience, electrical, and electronics sub-sectors include technical and engineering skills at all levels, as well as communication and management skills.[23]
- The specific manufacturing-related skills most likely to be identified by employers in the East Midlands included: food and drink products; electrical equipment; plastic products; metal structures; and skills related to general mechanical engineering and the manufacture of parts and accessories for motor vehicles and their engines.
- There are opportunities to build on regional strengths in emerging technologies, such as **space sciences**, where the East Midlands leads on the downstream application in areas such as satellite communications.

[22] *emda, 'The East Midlands in 2010'*, June 2010.
[23] Engineering Skills Balance Sheets, East Midlands: http://www.semta.org.uk/public_bodies/research/engineering_balance_sheets.aspx

The **Healthcare and Bioscience** sector covers the manufacture of medical equipment and pharmaceuticals, R&D in life sciences and also the healthcare sector, principally represented by the NHS. Healthcare is expected to be the fastest growing sector in both the East Midlands and nationally.[24] There are particular strengths in this sector in **Nottingham**. There is also likely to be an increasing demand for products and services associated with Life Sciences, pharmaceuticals, medical equipment and other healthcare products due to the significant growth of the regional population and demographic ageing:

- Healthcare employers report significant skills gaps as a result of changing needs, staff turnover, and the high level of skill required. The population's requirements from the health service are continuously changing, and differ across local areas. In **Leicester City**, rising births rates and the in-migration of young people will place higher demands on healthcare for children. **Coastal Lincolnshire** has a rapidly ageing population and has isolated communities, requiring a mix of skills and occupations in both residential care and more bespoke personal care in the home.
- In the East Midlands, 19% of establishments within the sector report having skills gaps within their workforce (in line with the regional average).[25] Management and leadership skills are common in terms of both skills gaps and skill shortages across the sector.
- In **Nottingham City**, there are significant future opportunities to link FE provision with the existing close relationship between HE, the health service (e.g. Queen's Medical Centre) and private sector and university spin-off R&D activity in Biocity etc.

Estimating future growth prospects for **Sustainable Construction** has become more difficult due to the recession. It is an important employer across the East Midlands, accounting for large proportions of the workforce in **Nottinghamshire**, **Derbyshire** and **Leicestershire**, with key firms also based in **Lincolnshire** and **Northamptonshire**. This sector is projected to experience a fall in employment in line with the UK average, but is expected to experience an increase in output.[26] It is also important to note that the East Midlands has experienced one of the most rapid population growth rates in England, leading to significant housing demand, which is expected to continue in the future as the housing market recovers. However, this is by no means certain as the sector is particularly vulnerable to cyclical changes. Skills provision in the region needs to ensure that this demand can be met through modern, low carbon building techniques:

- East Midlands employers were most likely to demand specific skills related to Construction in areas such as the general construction of buildings and other building installations (floor, plumbing, glazing etc), with electrical wiring and fitting skills cited as most needed.[27]
- It is crucial for providers to incorporate an awareness of low carbon technologies in meeting the skills demands above.

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[24] *emda, 'The East Midlands in 2010'*, June 2010.
[25] BMG Research prepared for the YPLA and SFA East Midlands Region, '*The National Employer Skills Survey 2009: report of results for the East Midlands*' – Forthcoming.
[26] Ibid.
[27] *emda*, Regional Business Support Information System (RBSIS), for the period of March 2009-March 2010.

- The region is currently a key exporter of energy and building materials. However, the East Midlands has not yet met its full potential in renewable energy, with lower generation from renewable sources compared to elsewhere. Therefore, there are opportunities for sustainable construction in meeting future demand for new renewable generation facilities.

The **Food and Drink** sector covers a range of different activities, including farming in **Coastal Lincolnshire**, food preparation and packaging in **South Lincolnshire** and food production sciences around **Leicester**. Workplaces in the sector are concentrated in **Lincolnshire** (27%) and **Northamptonshire** (20%), and are important in rural areas across the region. Forecasts suggest that the Food and Drink sector will experience growth in output and employment between 2008 and 2018, in contrast to a modest decline forecast nationally:[28]

- In this sector, 8% of East Midlands workforce has no qualifications.[29]
- Skills gaps affect 27% of employers in the sector and are more evident in lower skilled **Machine Operatives** as well as in **Managerial positions**.
- Employer investment in training in food and drink has primarily focused on mandatory requirements for food safety and health and safety.
- Leadership and Management skills are thought to be the skills in most need of improvement. This will be particularly important for the better deployment of skilled staff, ensuring greater opportunities for individual progression within the sector.

Section 2: Key Points

- Due to the recession, recruitment difficulties have decreased as unemployment has increased.
- Generic, employability and basic skills are more likely to be flagged as skills gaps by employers.
- Employer training investment has been maintained despite the recession. However, a very high proportion of employers said that they were unlikely to take on any new Apprentices in the future.
- Low carbon technologies and other new technologies provide opportunities to exploit local and regional advantages and generate new skills demands.
- Replacement demand will considerably exceed the number of new jobs created by economic growth.
- Demand is increasing for the highest skill jobs but there will be a continued requirement for low skilled employment.

[28] *emda, 'The East Midlands in 2010'*, June 2010.
[29] The Food and Drink Manufacturing Industry in the East Midlands – Labour Market Information Profile 2009/2010, Improve Skills SSC, http://www.improve-skills.co.uk/downloads/research_lmi/Regional/EM-2009-template.pdf and BMG Research prepared for the YPLA and SFA East Midlands Region, '*The National Employer Skills Survey 2009: report of results for the East Midlands'* – Forthcoming.

Section 3: Distribution of Current Investment

This section provides a snapshot of current skills provision across the East Midlands. It draws on analysis of Skills Funding Agency (SFA)[30], Young People's Learning Agency (YPLA), Higher Education and other information on the distribution of supply and the current capacity of the system.[31] However, it is also important to recognise that those currently engaged in education and training only represent a small proportion of the skills available in the regional workforce. It also describes the current skills profile of the East Midlands workforce.

3.1 Distribution of Skills in the Regional Workforce

Analysis of the distribution of qualifications in the current workforce by job role and sector demonstrates that the East Midlands differs from the national average as follows[32]:

- People working in low skilled jobs in the East Midlands are relatively over-qualified compared to the UK average;
- Almost every sector in the East Midlands has a somewhat lower proportion of high skilled employees than the UK average;
- Overall, 39% of people are qualified to a higher level than their job role could require[33];
- People working in some higher skilled jobs (**Associate Professional Occupations**) appear to be slightly under-qualified in the region; and
- The East Midlands also has a higher than average proportion of people lacking a Level 2 qualification.

This confirms the need to increase the demand for skills and tackle the under-utilisation of current skills. It also demonstrates that the supply of workforce skills, especially for higher skilled occupations, needs to be improved.

Figure 3 illustrates the clusters of intermediate and high skilled sectors (by SSC) in the East Midlands, compared to the regional average in 2009.

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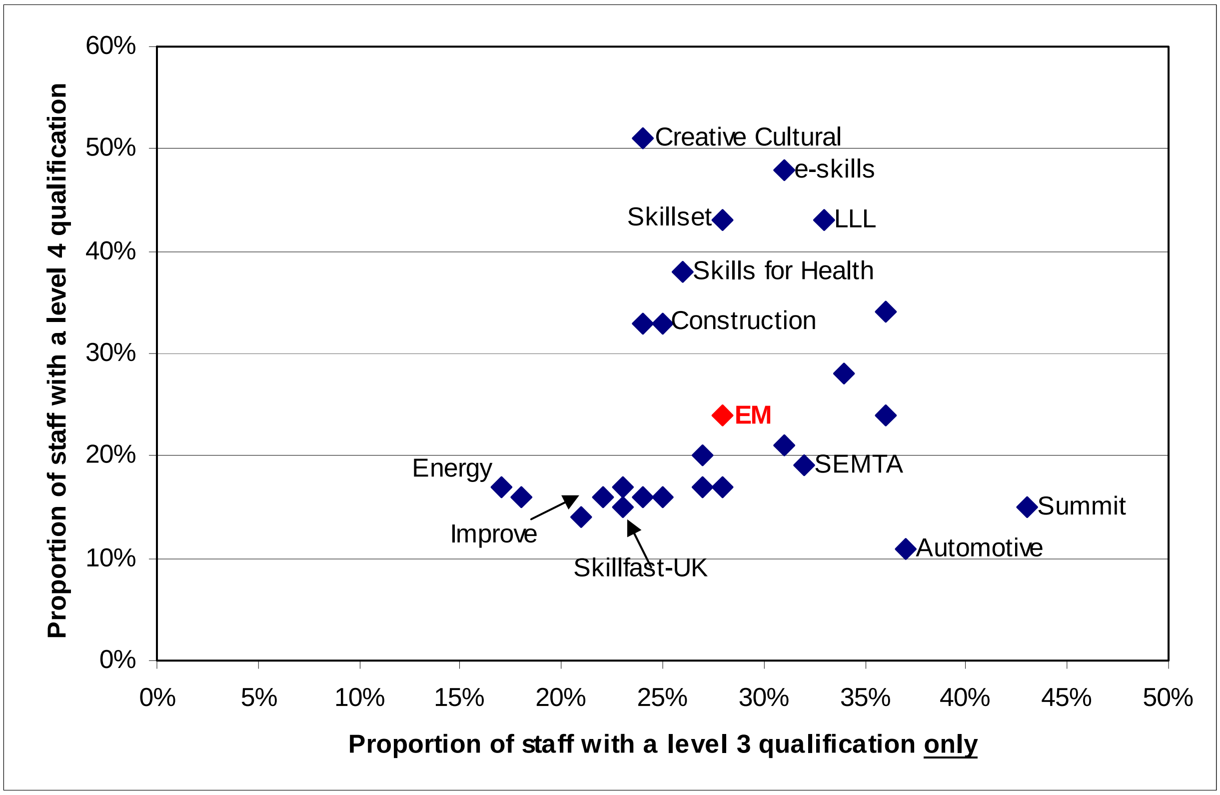
[30] This statement is underpinned by a series of data on the capacity of training take-up in the East Midlands by industry sector (by both the sector qualification and SIC footprints), produced by the Data Service from Skills Funding Agency learner data. This sectoral analysis is not currently available as part of the Government's published 'Statistical First Release', and therefore cannot be directly cited in the EMSPS. For further regional information from the Statistical First Release, please visit:
http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/

[31] The skills provision data for learners, in line with the Government's Statistical First Release (SFR), expresses course enrolments rather than individuals (an individual can enrol in multiple courses). However, Train to Gain and Apprenticeships data refer to starts.

[32] Annual Population Survey January-December 2008 Client File, ONS Regional Statisticians.

[33] Alan Felstead and Francis Green on behalf of *emda*, '*Skills at Work in the East Midlands, 1997 to 2006*' 2007.

Figure 3: Proportion of staff holding Level 3 and Level 4 highest qualifications, 2009



Source: BMG prepared for the YPLA and SFA East Midlands Region,' *National Employer Skills Survey 2009: report of results for the East Midlands'* analysis, page 97, Table 60 – Forthcoming.

The chart shows that:

- Employers in the repair, maintenance and sale of vehicles sector (Automotive Skills SSC) and in electrical installation, plumbing, air conditioning etc. (Summit Skills) have a relatively high proportion of employees qualified to Level 3 (but no higher), providing a strong indication of technician-level skill requirements.
- High proportions of workers with both Level 3 and Level 4 are found in non-compulsory education (Lifelong Learning UK) as well as cultural and technology-related sectors (Creative & Cultural Skills and e-Skills UK).
- The proportion of staff qualified to intermediate/high level skills is close to the regional average in engineering (SEMTA – related to the priority sector of Transport Equipment). However, this will vary sub-regionally, with higher level qualifications concentrated around **Derby City.**
- The proportion of staff qualified to at least Level 4 is significantly greater than the regional average in health – related to the regional priority sector of Health and Bioscience – there will also be concentrations of skilled staff around **Nottingham City.**
- The proportion of staff qualified to either an intermediate or higher level is below average in the Food and Drink Manufacturing sector (represented by Improve SSC). However there are significant sub-regional differences between **Lincolnshire** - with low skilled food processing - and **Leicester**, with high-tech food manufacturing**.**

3.2 Profile of the Long-Term Unemployed

People who are currently out of work represent a supply of labour, but also present skills challenges, especially those who have been unemployed for long periods. Opportunities for unemployed people to enter the labour market depend on the match between their skills and experience and the current profile of vacancies, which is continuously changing. In May 2010[34]:

- There were approximately, 103,000 people claiming unemployment benefit in the East Midlands and there were 30,000 job vacancies notified through Jobcentre Plus. This means that there were approximately 3.4 individuals to every one vacancy (although it must be noted that neither unemployment benefit claimants nor notified vacancies represent the full extent of the jobs market).
- There were 20,000 long-term unemployed (claiming for more than 52 weeks), the majority of which were seeking low skilled, elementary occupations.
- However, vacancies in such low skilled jobs made up a lower proportion of all vacancies. Vacancies were concentrated in Sales and Healthcare. This highlights that there is a need to re- and up-skill the long-term unemployed to enable them to take new labour market opportunities.

3.3 Capacity of the Supply System

Further Education Provision for Young People (16-18)

In 2008-2009, almost one-fifth of enrolments were registered as Skills for Life courses (i.e. basic skills), such as Language, Numeracy, and Literacy.

Subject areas[35] studied by young people in FE are very **fragmented** and **heterogenic**. The **top five subject areas** were: creative and arts (Creative and Cultural Skills); fitness and sport (Skills Active); beauty and hairdressing (HABIA); ICT (e-skills); construction; and hospitality (People 1st)[36].

GCSE and GCE A/AS/A2 levels

In 2008-2009, the **top five most popular GCSE subject areas** were: Science and Maths; Language and Literature; Business Admin and Law; Social Science; and Arts and Media studies. These subjects accounted for the vast majority of total GCSEs in 2008-2009.

[34] ONS Crown Copyright, Claimaint Count and Jobcenre Plus Vacancies, from NOMIS.
[35] Skills Funding Agency Learner & Sector Analysis – see footnote 30.
The subject area is known for less than a third of enrolments. The remaining two-thirds are made up of non-vocational qualifications.
[36] Ibid.

Engineering and manufacturing technologies was the 6th most popular GCSE subject area, whilst ICT was the 8th most popular out of the 13. At GCE A/AS/A2 level, the top five most popular subjects were: Science and Maths; Language and Literature; Business Admin and Law; Arts and Media Studies; and Social Sciences. These subjects cover more than four-fifths of subjects at this level in 2008-2009. Engineering and manufacturing technologies represented the 11th most popular A/AS/A2 subject area whilst ICT was the 8th most popular out of the 13[37].

Higher Education

In 2008-2009 there were 154,755 individuals studying[38] in the East Midlands' ten HE institutions. This accounts for 8% of the total number of students in England:

- The number of students in 2008-2009 was 5,700 more than in 2007-2008.
- In 2008/09, 41% of students studied Science, Technology, Engineering and Maths (STEM) subjects[39] in the region (including first degree, postgraduate and other undergraduate students together). This is in line with the average for England.
- The number of STEM students in the East Midlands increased by 2,815 between 2007-2008 and 2008-2009.
- The most popular subject was Business and Admin, which accounted for approximately 15.8% of students in 2008-2009. This was followed by subjects allied to medicine (12%), social studies (10%), creative art and design (9%), and engineering and technologies (8%).
- Between 2006 and 2009, there was a rise of more than 30% in the number of university applicants in the East Midlands[40]. At the same time the Government has capped HE places to curb spending. Rising demand combined with a cap on HE places will increase competition and could result in large numbers of applicants unable to access HE.

Further Education Provision for Adults (19+)

In 2008-2009, approximately one-fourth of enrolments were registered as Skills for Life courses, such as Language, Numeracy and Literacy[41].

The **top five** most popular subjects covered almost one-fifth of enrolments. By Sector Qualification Footprint, these were: ICT (e-Skills UK); Health; general professional development (ENTO); non-compulsory education (Lifelong Learning UK); electrical installation, plumbing, air conditioning etc. (Summit Skills); and hospitality (People 1st)[42].

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[37] Ibid.
[38] Students include postgraduates, first degree and other graduates altogether. Source: HESA, '*Students in Higher Education Institutions'*, 2008-2009. Table 8.
[39] Source: HESA, '*Students in Higher Education Institutions*' 2008-2009. Table 8. Note: STEM is identified as Medicine & dentistry; Subjects allied to medicine; Biological science; Veterinary science; Physical science; Mathematical sciences; Computer sciences; Engineering & technology; Architecture, building & planning.
[40] UCAS, statistical service: http://www.ucas.com/about_us/stat_services/
[41] Skills Funding Agency Learner & Sector Analysis – see footnote 30.
[42] Ibid.

ICT is one of the most popular subjects amongst East Midlands students. This is important because it will support IT skills in the regional workforce, important to all sectors and occupations[43].

Apprenticeships (16+)

In 2008-2009, there were 22,200[44] Apprenticeship starts in the region, which was 2.2% higher than the previous year. However, it is important to note that this trend was influenced by a significant increase in the provision of Apprenticeship places as a result of Government policy at the time:

- In 2008, the rate of participation in work based learning[45] amongst 16 and 17 year olds was 7% in the East Midlands, accounting for 8,600 pupils[46]. The participation rate was highest in **Derby** and **Nottinghamshire**, at 11% and 9% respectively, and lowest in Rutland, at just 2%.
- **The number of Apprentices has increased in every local area in the East Midlands from 2005-2006 onwards**. However, in the short-term (2007-2008 to 2008-2009) learner numbers decreased slightly in **Leicestershire** and in **Northamptonshire**[47].
- Over half of all Apprenticeships in 2008-2009 were resident in **Derbyshire** and **Nottinghamshire**, with less than one-fifth in Northamptonshire. This is broadly in line with the distribution of the regional population[48].
- From 2005-2006 the proportion of Apprenticeships has slowly decreased at Level 2 and slowly increased at Level 3 and Level 4. However, the vast majority of Apprenticeships continue to be delivered at Level 2[49].

The **top five** most popular Apprenticeships by SSC/SSB Qualification Footprints were: customer service (Institute of Customer Service); hospitality (People 1st); childcare and adult services (Children and Workforce Development Council); business and administration (Council for Administration); and beauty and hairdressing (HABIA)[50].

The ten most popular Apprenticeships can be grouped into the following broad sectoral areas[51]:

- **Public and private services** (including Childcare, Health and Social Care; Hospitality; Hairdressing and Beauty).
- **Business Administration and Accountancy.**
- **Construction**.

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[43] Ibid.
[44] Table S6.1: Apprenticeship Programme Starts by Region, Level and Age (2005/06 to 2008/09); http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_supplementary_tables/
[45] 'Work Based Learning' is a generic term used to describe vocationally focused learning completed within the workplace.
[46] DfE: '*Participation in Education, Training and Employment by 16-18 Year Olds in England*'. http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000938/index.shtml
[47] National Apprenticeship Service (NAS), data provided by East Midlands regional office.
[48] Ibid.
[49] Ibid.
[50] Skills Funding Agency Learner & Sector Analysis – see footnote 30.
[51] Ibid.

- **Engineering** (including sub-sectors in Manufacturing and Construction strongly related to the regional Priority Sectors of **Transport Equipment** and **Sustainable Construction**). In **Derbyshire**, Apprenticeships in these areas are more likely to be at Level 3 than elsewhere.
- **Retail** which can provide the skills required to access employment for low skilled individuals and those who are not currently close to the labour market.

However, between 2007-2008 and 2008-2009, the number of **new Apprenticeships in Engineering and Construction decreased by over one-fifth** in each case. This represents a significant challenge for technician skills relevant to the Priority Sectors and may be an outcome of the fall in demand related to the recession[52].

Conversely, **new Apprenticeships increased in Agriculture and Leisure, Travel and Tourism**[53]. However, these sectors employ relatively small numbers, and overall employment in Agriculture is declining. It will be important to ensure that where provision in these sectors is increasing, it is in local areas where there is sufficient demand, such as **Derbyshire** and **Lincolnshire.**

When surveyed in 2009[54], 8% of employers in the East Midlands stated that they currently had or offered Apprenticeships. This was in line with the national average. The highest proportions were in: Distribution and Retailing (19% of all employers offering Apprenticeships); Construction (16%); and Public Administration, education, health and social work (15%). This is reasonably in line with the distribution of Apprenticeships by subject area.

<u>Train to Gain (16+)</u>

There were 81,400[55] Train to Gain learners resident in the East Midlands starting their courses in the academic year of 2008-2009:[56]

- The bulk of the delivery is at Level 2 and around one-fifth of courses deliver Skills for Life qualifications.
- Employers in agriculture (LANTRA) in non-compulsory education (Life Long Learning UK) and in hospitality (People 1st) appear to be more engaged with Skills for Life courses[57].

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[52] National Apprenticeship Service (NAS), data provided by East Midlands regional office.
[53] Ibid.
[54] BMG Research prepared for the YPLA and SFA East Midlands Region, '*The National Employer Skills Survey 2009: report of results for the East Midlands*' – Forthcoming.
[55] Table S7.1: Train to Gain Starts by Government Office Region (2005-2006 to 2009-2010 in-year estimates):
http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_supplementary_tables/
[56] About a third of these were captured by RBSIS proposal lines, which record LSF funded learner numbers through Business Link. The differences in the numbers are due to the following issues:

- RBSIS data are for financial year, SFA data are for academic year; and
- RBSIS captures only one of the routes (i.e. Business Link brokerage service) by which businesses can have access to skills and training advice, Business Link Advisers, colleges and training providers.

[57] Skills Funding Agency Learner & Sector Analysis – see footnote 30.

The most popular Train to Gain course areas were:

- Care and social care (Skills for Care and Development).
- Engineering and manufacturing (SEMTA).
- Construction.
- Freight logistics industries (Skills for Logistics).
- Generic skills customer services (Institute of Customer Service).
- Passenger transport (Go Skills).
- Hospitality (People 1st).
- Management skills (Management Standard Centre)[58].

Small businesses (1-49 employees) are under represented in terms of Train to Gain take-up. Larger businesses (50+ employees) appear to be overrepresented:

- More than two-fifths of Train to Gain learners work in businesses with 1-49 employees (98%[59] of employees in the region work in a business of this size);
- Approximately one-fourth of learners work in establishments with 50-249 people (1.6%[60] of employees in the region work in a business of this size); and
- Approximately one-third of learners work in businesses with 250-4,999 people and in establishments with over 5,000 employees.[61]

Section 3: Key Points

- FE provision for young people by sector-subject area is fragmented and very mixed, mirroring individual choices rather than employment opportunities.
- FE provision for adults was more in line with the structure of the regional economy and regional priority sectors.
- STEM subjects are well represented in HE provision.
- A rising number of university applicants combined with a cap on HE places will increase competition and result in large numbers of applicants unable to access HE.
- Apprenticeship provision is a route for both labour market entry for young people in the Not in Employment, Education or Training (NEET) group and progression in the workplace for those currently in work.
- The majority of long-term unemployed were seeking low skilled elementary jobs, whilst vacancies were concentrated in Sales and Healthcare. This demonstrates that there is a need to re- and up-skill the long-term unemployed to enable them to take new labour market opportunities.
- It is crucial to maintain the recent trend towards higher level Apprenticeships. The majority of Apprenticeships result in qualifications at Level 2. Although proportions at Level 3 and 4 are increasing, total numbers remain small.

[58] Ibid.
[59] ONS: '*UK Business: Activity, Size and Location – 2009'*. Table B1.2.
[60] Ibid.
[61] Skills Funding Agency Learner & Sector Analysis – see footnote 30.

Section 4: Investment Shifts

This section identifies five key themes outlining possible shifts in skills provision and underpinning policy asks. Where possible, details on key locations, sectors and occupations are provided.

Funding shifts should be prioritised in Further Education for young people and Apprenticeships. Compulsory education (i.e. GCSEs), A-levels, Higher Education and FE for adults are currently well-aligned to labour market need.

4.1 Skills for Manufacturing

As noted in Section 2, the East Midlands has a number of comparative advantages in Manufacturing, notably in Transport Equipment and Food and Drink sectors, with particular local strengths around Derby, Leicester City and Lincolnshire respectively. At GCSE and A-level and in Higher Education, relevant courses in STEM subjects are well represented.

However, there is a notable lack of relevant FE capacity for courses that support manufacturing, especially for young people.

FE and Information, Advice and Guidance (IAG) providers should be more responsive to opportunities in manufacturing-related provision. Key messages are:

- More **technician-level** training provision is needed related to manufacturing. This is necessary to meet replacement demand, which is producing year-on-year requirements for new entrants.
- Technological change, including the introduction of low carbon and resource efficient technologies, means that Apprenticeships should increasingly move towards **Level 3 and 4**.
- Provision should increasingly support manufacturing companies in adopting new technologies and moving towards more efficient, low carbon processes. Required skills include: electrical and electronic equipment; plastic products; metal fabrication; and engineering skills relevant to aerospace and automotive sub-sectors, as well as **communication** and **management and leadership skills** across all sub-sectors.
- **ICT skills** are essential to all job roles in manufacturing in order to deploy new technologies. ICT should therefore be embedded across the curriculum.
- **Skills development should be a joint enterprise with employers** and learning should reflect employer need. FE providers should further collaborate with large, high value manufacturing employers, such as Rolls-Royce, Toyota, and Bombardier, who already have highly developed training infrastructure and invest heavily in R&D. Their significant SME supply chains provide a market for new course content and delivery methods developed collaboratively. These large, globally competitive firms are best placed to support FE develop cutting-edge curricula to support new technician level jobs.

- To reduce duplication of employer engagement by providers, local **provider networks could be established.** However, there is currently limited incentive for providers to collaborate in a local area, due to competition for learners. **SFA funding needs to incentivise collaboration**, to improve the employer experience of engagement and achieve economies of scale in curriculum development and delivery.

4.2 Skills for Construction

Evidence on supply suggests that young people and adults are well engaged in skills provision relevant to Construction through FE, Apprenticeships, and Train to Gain. However, new technologies, environmental concerns and a changing regulatory environment pose challenges for providers to shape curricula to meet future skills needs. Key messages are:

- The increasing use of Offsite Manufacturing in the Construction industry provides opportunities to link skills provision relevant to **manufacturing technologies** with courses aimed at job roles in Construction. It also provides opportunities for employees, supported by the right skills provision, to progress and move between the two sectors.
- The impact of changing regulation will contribute to the demand for courses within the Summit Skills Qualification Footprint (e.g. plumbing, electrical engineering, air conditioning, energy efficiency in buildings). This will require the SFA and SSCs to work closely with Regulatory Agencies to identify emerging skills needs.
- **Low carbon technologies** are unlikely to result in large numbers of new jobs, rather they will require a re-skilling of existing jobs. Providers will need to **update course content to reflect emerging 'green skills'**.
- To achieve the necessary changes in curricula, **providers should engage with employers** who are pioneering **low carbon and resource efficient technologies** in areas of regional strength, such as power generation, water treatment and waste recycling. Courses should support specific skills required both for installation, retro-fitting and maintenance in building services and engineering (including electrical trades, heating, ventilation and air conditioning fitters) and for skills enabling the efficient use of fuel and the reduction of waste.
- The mobile nature of the workforce in this sector requires training provision that is flexible and accessible (e.g. e-learning).
- Reductions in public investment will reduce the extent of procurement opportunities in publicly funded infrastructure. Where opportunities do exist, there will be increased competition between Construction firms, which will raise demand for skills to enable them to offer value for money and sustainable solutions (such as technologies and materials that are resilient to more extreme weather conditions).
- Labour market opportunities in Sustainable Construction will be particularly important in **Lincolnshire**, with the presence of several large engineering construction employers and because of changing housing needs (including an ageing population, inward migration and flood risk). There will also be opportunities in **Northamptonshire**, because of high population growth and significant planned housing development (e.g. within the Milton Keynes South Midlands Growth Area).

4.3 Skills for Health and Bioscience

Healthcare is forecast to be the fastest growing sector in the East Midlands whilst the manufacturing of medical equipment and pharmaceuticals requires highly skilled qualifications in biosciences and other technologies (such as nanotechnologies, polymers, etc.). The ageing population poses increasing demands on healthcare whilst also creating new markets for products and services.

The healthcare sector is well provided by Apprenticeships and adult FE, particularly around care-related skills. However, there appears to be fewer people studying non-care related courses at technician-level. A shift in focus towards technician-level skills that support medical equipment manufacturing and R&D would enable the region to take advantage of key assets in HE and in the private sector. Key messages are:

- The growth and diversification of the sector will require the provision of Skills for Life and qualifications at Level 2 and Level 3, especially for care assistants.
- FE in some local areas will need to specialise to meet demands related to population change. In more remote rural areas (such as **coastal Lincolnshire**) a mix of skills and occupations are needed in caring for the elderly in both residential and more bespoke personal care in the home. In **Leicester City**, rising birth rates will place higher demands for healthcare for children requiring different skill sets. The shortage occupation list for Tier 2 of the Points Based System recommended by the Migration Advisory Committee (MAC)[62] includes nurses working in operating theatres and in neonatal intensive care units.
- There is a need for further **progression routes for the unemployed** from Skills for Life towards more specific healthcare-related provision. This is because low skilled jobs in healthcare provide entry-level opportunities for the long-term unemployed and young people who are in the NEET group. However, analysis suggests that people in these groups may lack the required skills to be able to fill such jobs.
- There is a requirement for more bespoke provision for work-based learning to support supervisors and managers across the sector. Employers in the Skills for Health footprint have identified skills gaps in **management and leadership**. These skills will be particularly important with the changes expected across the health service. Additionally, staff moving from the NHS to a private service provider will need to develop **entrepreneurial skills** to adapt to working in a competitive business environment.
- Excellence in East Midlands R&D (both in the private sector and HE) provides opportunities for FE to develop technician-level provision that will support continued innovative activity. Current local assets include private sector clustering around **Loughborough** and NHS and university spin-offs in **Nottingham**.

[62] Migration Advisory Committee (MAC), '*UK Boarder Agency shortage occupation list'* (accessed 7 July 2010), http://www.ukba.homeoffice.gov.uk/aboutus/workingwithus/indbodies/mac/

4.4 Apprenticeships

It is increasingly recognised that Apprenticeships represent the primary work-based learning route[63] to meet demand for technician-level skills. They provide a structured programme for young people and adults leading to recognised qualifications at Level 2, 3 and 4 delivered to meet real labour market requirements.

Key messages are:

- The Apprenticeship offer to employers needs to be strengthened for learners over 25. In a changing labour market, Apprenticeships should enable individuals to re-skill at any point in their career. Apprenticeships should be an integral aspect of work-based learning for all ages.
- The ageing workforce in the East Midlands provides both challenges and opportunities for the delivery of work-based learning. More responsive delivery could include bite-sized, modular provision of adult FE, allowing older workers to re-skill or update and re-accredit existing skills. Older workers could also be further engaged in the Apprenticeship offer, both through increased provision of Adult Apprenticeships for the over 25s and as mentors for younger learners.
- It is important to mitigate the impact of a recent decrease, due to the recession, in Manufacturing and Construction Apprenticeships, especially around **Derby City** (where the proportion of NEET is relatively high compared to the regional average) and across **Lincolnshire.**
- The trend towards higher level Apprenticeships at Levels 3 and 4 should be maintained to address the comparatively low skills base in the East Midlands and forecast demand for higher skilled jobs. At present, only five Level 4 Apprenticeship Frameworks have been accredited. Accreditation of Higher Apprenticeship Frameworks needs to be accelerated.
- The provision of Level 2 Apprenticeships will remain important to meet replacement demand in technician-level occupations. However, Apprenticeships at Level 2 should equip learners to take advantage of further vocational progression routes, including higher level Apprenticeships. Therefore it is important that Level 2 Apprenticeships continue to include elements of generic, transferable and functional skills.
- To enable greater SME take up of Apprenticeships more support for **Apprenticeship Training Agencies (ATAs)** should be considered in the light of current pilots. ATAs could also contribute to improved penetration in sectors where Apprenticeships are under-represented.
- There is a need to increase awareness amongst **pre-16 learners** of the benefits and opportunities of Apprenticeships as a respected, credible vocational learning route into employment. IAG provision will need to strengthen its advocacy of Apprenticeships as a viable alternative to the academic route (e.g. A-levels). This should operate alongside increased provision of Young Apprenticeships and work experience placements. This will increase the pool of pre-16 learners ready to take Level 3 Apprenticeships, to meet the demand for new technician level skills.

[63] The Department for Business, Innovation & Skills, *'Skills for Sustainable Growth – Consultation on the future direction of skills policy'*, July 2010.

4.5 Flexible Skills for a Changing Labour Market

The evidence presented in Sections 2 and 3 demonstrates that the labour market is changing rapidly. Individuals will have to be increasingly prepared to re-skill during their careers and need a sound base of transferable, generic skills. Part-time working and self-employment have increased recently, requiring individuals to become more enterprising, both in order to manage small businesses and to be more entrepreneurial in their current jobs.

To meet these challenges, the Government will empower providers to be free to offer training that responds directly to the needs of informed individual learners and employers.[64]

Key messages are:

- Young people continue to favour courses that reflect their individual interests. To provide a sound basis for employment and future learning, **all 16-19 provision needs to support transferable and employability skills**. For example, the curricula of popular FE courses in creative, media, sport and beauty subjects should equip young people with transferable skills in customer services, ICT, enterprise, design and project management etc.
- Providers need to be held to account by employers, ensuring that their offer changes over time to meet demand. This could include the establishment of panels of employers, working within or alongside Local Enterprise Parnerships (LEPs), to enable the skills system to meet locally identified employer need.
- To increase employer engagement and investment in education and training, provision needs to be tailored to need. **The best features of Train to Gain need to be retained.** This would include **modular and flexible training provision**, developed through a diagnostic discussion with employers, in order to enhance and complement business planning.
- **Union Learning Representatives** are important advocates of the value of training and can identify workforce skill needs. They are potential key contacts for providers in their diagnostic discussion with employers.
- In a **rural** region such as the East Midlands, learning delivery needs to respond to poor accessibility and infrastructure as well as individual barriers to access. Providers should consider a range of delivery options, such as postal and e-learning to meet the needs of rural learners. Providers will also need to take into consideration the availability, affordability and quality of broadband provision in rural areas.
- To keep pace with technological change, **re-accreditation of modules within courses needs to be fast tracked.** Capital investment within FE should be prioritised around skills delivery to support new technologies.

[64] Ibid: BIS, *'Skills for Sustainable Growth'*, July 2010.

- There needs to be greater clarity and consistency around funding of work-based learning, enabling employers to fully understand the extent and outcomes of their contributions. From an employer perspective, funding needs to reflect the modular nature of course delivery and skills development which does not necessarily lead to qualifications. The public purse should prioritise the funding of developmental learning and should not necessarily contribute to employers' statutory training obligations.
- Many of those who are currently **unemployed**, especially the long-term unemployed, also require support in developing **employability skills**, such as communication, time management, and team-working. **These skills should be embedded across the forthcoming DWP Work Programme.**
- Increasing competition for university places presents opportunities for FE providers, including tailoring their provision to meet the needs of students who would previously have applied directly to a university. FE could be supported to deliver cost-efficient HE. Government should consider awarding FE providers with HE numbers in their own right, to reduce dependency on university allocations. Government could also consider empowering high performing colleges to develop and award their own HE-level qualifications.
- It is important to recognise that **Further Education** is not just delivered by colleges, but also by **private and voluntary sector providers**. To widen access and to increase the involvement of individuals and communities, it will be important to **build the capacity of the voluntary sector.** This should include advice and support on access to funding and information on local labour market conditions. The voluntary and community sector also has a role in providing work experience for unsuccessful HE applicants to help them improve their employability.
- To navigate a changing labour market, it is crucial to provide **enterprise skills for technicians and trades**. There should be a distinction in provision between business skills required for the self-employed and broader skills required for inviduals to be entrepreneurial in their current jobs or in undertaking multiple part-time jobs.
- The **Qualify with a Business** initiative should be more widely available as an option for adult learners to be able to access a coherent package of business support whilst undertaking Level 3 vocational courses.
- The East Midlands has a strong partnership track record in rapid response to major closures and other economic shocks. It will therefore be important to maintain some level of discretionary funding to enable agile local responses, **redeploying and retaining existing skills** in the event of future large-scale redundancies. This will also be needed to take advantage of skills and employment opportunities stemming from **new inward investments**.
- The system will only work if it is underpinned by an impartial and all-age IAG service.

Annex 1: Advice regarding how SFA investment could support the East Midlands Skills Priorities Statement: East Midlands Skills Investment Plan

<table>
<tr><th></th><th>Key Sectors and Shifts in Priorities Needed</th></tr>
<tr><td rowspan="2">Current Needs</td><td><u>Skills for Manufacturing</u>
Adult Learner Responsive (ALR) provision for manufacturing sectors needs to meet year-on-year replacement demand for technician level skills, including in STEM subjects. Current provision and take-up of STEM and ICT-related courses needs to be maintained, however technological change means that funding should shift provision from Level 2 towards Levels 3 and 4.

Providers of Employer Responsive (ER) training should build on opportunities to collaborate with large, high-value manufacturing employers and their supply chains to develop industry specific, cutting edge courses for technician-level jobs. Management and Leadership provision will be required to support SMEs to adopt the innovative practices and new technologies (including low carbon) required by the large employers they supply. There are particular opportunities for working with employers in Derby City, Derbyshire, Nottinghamshire and Leicestershire. To reduce duplication in employer engagement and to achieve economies of scale in curriculum development and delivery, local provider networks could be established with SFA incentivisation.

Both ALR and ER need to meet specific current employer skills requirements in: electrical and electronic equipment; plastic products; metal fabrication; and engineering skills relevant to aerospace and automotive sub-sectors. Management and Leadership skills are also needed to enable managers to better deploy the skills of their staff and adopt more innovative processes.</td></tr>
<tr><td><u>Skills for Construction</u>
The increasing use of Offsite manufacturing techniques in the Construction industry means that ALR provision could be more efficiently delivered, building on transferable skills required by both Construction and Manufacturing employers. These new production methods will need specific skills around more mechanised pre fabricated approaches.

Regulatory change also requires development of course content relevant to plumbing, electrical engineering, air conditioning and energy efficiency in building, with an emphasis on meeting low carbon requirements.

For ER provision, changing regulations and low carbon technologies will increase demand for new skills in existing jobs, such as retro-fitting and building services and engineering (such as in the electrical trades and for fitters of more resource efficient heating, insulation, ventilation and air-conditioning).

Provider capacity in Lincolnshire and Northamptonshire will need to meet potential increases in demand for employment in Construction due to high population growth and likely increase in house building as the economy recovers. This includes significant planned housing development in the Milton Keynes South Midlands Growth Area.</td></tr>
</table>

	Skills for Health and Bioscience **ALR and ER** provision in Healthcare needs to keep pace with the growth and diversification of the sector. The ageing population in Lincolnshire and rising birth rates in Leicester City require specific skills, and changing patient needs requires diversification of training at all levels, from Skills for Life upwards. There is a need for further **progression routes for the unemployed** from Skills for Life towards more specific healthcare-related provision. This is because low skilled jobs in healthcare provide entry-level opportunities for the long-term unemployed and young people who are in the NEET group. The increase in Level 3 provision in health has been policy driven. Further growth in Level 3 should be funded by reducing Level 2 delivery to the minimum to provide progression to Level 3. The manufacturing of medical equipment and pharmaceuticals are regional strengths and growing sectors. **ALR provision** in the East Midlands needs to meet demand for technician level skills within these sectors, particularly in **Nottingham City** and **Leicestershire.** Providers should work with key employers to develop curricula to meet technician level skills requirements. SFA funding for work-based learning in health sectors should prioritise developmental learning, and should not fund training to meet statutory requirements, such as health and safety. The health sector is experiencing a period of significant change. Gaps in **Management and Leadership** skills have been flagged as a significant issue in this sector. The increasing role of the private sector in healthcare provision will require NHS staff to develop **entrepreneurial skills**.
	Apprenticeships The trend towards higher level Apprenticeships should be maintained to address the comparatively low skills base in the region and the forecast demand for technician level jobs requiring Level 3 and 4 qualifications. Funding should be shifted towards Level 3 and 4 Apprenticeships whilst funding for Level 2 Apprenticeships should be capped at the level required to meet replacement demand.
	Flexible Skills for a Changing Labour Market **Union Learning Representatives** are potential key contacts for providers in their diagnostic discussions with employers. Capital investment in FE should be prioritised around the skills required to support new technologies. FE providers need to consider how to support unsuccessful HE applicants to enter employment or reapply to HE. To widen access to skills provision, it will be important to build the capacity of the **voluntary sector** through advice and support on access to funding and local LMI.
Future needs	**Apprenticeships** Technological change, including the introduction of low carbon and resource efficient technologies, means that Apprenticeships should increasingly move towards Levels 3 and 4. However, Level 2 Apprenticeships will remain important to meet future year-on-year replacement demand in lower-skilled occupations, which will provide entry-level jobs and a learning path for those who are currently unemployed.
	Low Carbon and Emerging Technologies Power generation and waste recycling companies in the East Midlands are already pioneering cutting-edge low carbon and resource efficient technologies. Providers need to work collaboratively with these employers to develop courses that will meet future technician-level skill needs across a range of sectors in the future, including Manufacturing and Construction.

Annex 2. East Midlands Skills Priorities Statement 2011-2012 (EMSPS) Consultation Process

Introduction

This document describes how *emda* has engaged stakeholders and partners in the development of the EMSPS 2011-2012. Partners and stakeholders have been involved since June 2009 with the engagement process falling into three phases.

Phase 1: Refresh of the regional evidence base: August 2009 to July 2010

Due to the changed economic climate during the recession, *emda* undertook a major update of the evidence base for the Regional Economic Strategy, publishing '*The East Midlands in 2009'* for consultation in August 2009. This document included detailed chapters on skills demand and supply, demographic change, business and the economy, and diversity and exclusion. Stakeholders were asked to comment on the skills element, ensuring that the links with skills challenges and broader economic development issues were made. Following a three month consultation (in line with Cabinet Office guidance), the evidence base was updated and finalised. '*The East Midlands in 2010'* was published in July 2010.

Phase 2: Consultation on the development of a Regional Skills Strategy and EMSPS 2010-2011, January to June 2010

RDAs were asked to provide BIS with draft Priorities Statements in December 2009/January 2010 covering the 2010-2011 academic year. *emda* consulted on this draft through face-to-face with a number of key stakeholders. This input informed early drafting of the East Midlands Skills Strategy (EMSS) and the EMSPS 2011-2012.

Organisations involved at this stage included: FE Colleges; the AoC; HEFCE; the region's Universities and the East Midlands Universities Association (EMUA); the Skills Campaign Network; SSCs and ESBs; the nine Upper Tier Local Authorities; the SFA, NAS, and YPLA; the East Midlands Business Forum (EMBF); the IoD; the FSB; the CBI; the East Midlands Rural Affairs Forum (EMRAF); and the East Midlands Innovation Council.

During this phase, *emda* gathered data from the Skills Funding Agency, UKCES, HESA and NAS and produced a bespoke analysis of supply and demand data to inform the logic-model of the Skills Priorities Statements agreed with BIS, SFA and the RDA network.

Feedback from stakeholders, along with the analysis of the evidence base and supply data was used to develop the East Midlands Skills Strategy Consultation Paper, developed between May and June 2010. This paper set out options for key areas that the strategy would cover, suggested four skills themes and posed 19 key questions to partners and stakeholders.

The document was circulated to chief officers of stakeholder organisations in June 2010. Consultees included: Upper Tier Local Authorities; 14-19 partnerships; SSCs and ESBs; Business Link providers and training provider bodies; the Universities and EMUA; FE Colleges; the AoC; Jobcentre Plus; Government Office East Midlands (GOEM); SSCs; the SFA, YPLA and NAS, the EMBF; the IoD; the FSB; the CBI; EMRA; trade unions and employer/business forums; Connexions; voluntary and community sector representatives; and cross -border RDA and internal *emda* colleagues.

Formal written feedback was requested by 28th June 2010, giving a five week consultation period. The feedback provided key inputs to the development of the EMSPS 2011-2012.

Some presentations were made to key, forums, including: AoC; ESBs; the EMUA Employer Engagement Group; the East Midlands Innovation Council; and the UKCES conference, which had an audience of over 150 Universities, colleges and private training providers.

42 formal responses were recorded, analysed and incorporated into a consultation response document. This will be sent to stakeholders along with subsequent responses from the county-based discussion workshops.

At this time partners were also informed of the timescale for the development of the EMSPS 2011-2012 and of the decision not to move forward with a separate Regional Skills Strategy following advice from Government.

Phase 3: Response to feedback and drafting of EMSPS 2011-2012: July to September 2010

Coinciding with the submission of the draft EMSPS to BIS on 30th July, six county based events and two internal *emda* events were held in order to inform the final drafting of the document. Consultees were invited to discuss and comment on the document, identifying any additional recommendations and any further evidence.

The feedback from this stage has been analysed and incorporated into the final version of the EMSPS 2011-2012.

Governance of the Development of the EMSPS 2011-2012

The development of the EMSPS 2011-2012 has been undertaken by a joint team incorporating *emda* research and skills policy staff, jointly signed off by Directors of Regeneration and Strategy. It has been reviewed by the East Midlands Skills Advisory Group, which includes representatives from the following organisations:

- All nine Upper Tier Local Authorities;
- The East Midlands Business Forum;
- All five County Employment and Skills Boards;
- SSCs (represented by the Alliance of SSCs);
- *emda* (Chair);
- GOEM;

- Association of Colleges to represent FE colleges;
- East Midlands Universities Association to represent HEI's;
- The Skills Funding Agency;
- The Homes and Communities Agency;
- The National Apprenticeship Service;
- The Young Peoples' Learning Agency;
- Jobcentre Plus;
- Third Sector representatives; and
- Private training provider representatives.

Combined List of Stakeholders Involved in the Consultation Process

A4e
Acorn training
Aim Higher
All Sector Skills Councils (represented by the Alliance of SSCs)
Alliance of Sector Skills Councils
Arts Council - East Midlands
Association of Colleges (representing all FE colleges in the region)
Lincoln College
Bilborough FE College
Birchwood Access and Training
Bishops Grosseteste University College, Lincoln
Boston FE College
Brooksby Melton FE College
Burton FE College
Business in the Community
Business Link
Campaign for National Parks
Campaign to Protect Rural England
Castle College Nottingham FE College
Charnwood
Chesterfield Borough Council
Chesterfield College
Chesterfield FE College
Chesterfield LA
City of Lincoln Council
Coalfield Regeneration Trust
Connexions
Construction Skills
De Montfort University, Leicester
Derby FE College
Derby City Council
Derby City ESB
Derby City Partnership
Derby College
Derby Employment and Skills Board
Derbyshire and Nottinghamshire Chamber of Commerce
Derbyshire County Council
Derbyshire Economic Partnership

Derbyshire Employment and Skills Board
Derbyshire ESB
East Midlands Business Forum representing employer organisations
East Midlands Cities & Counties Partnership Manager
East Midlands Health Trainer Hub
East Midlands Heritage Forum
East Midlands Media
East Midlands Regional Assembly
East Midlands Strategic Health Authority
East Midlands Universities Association representing HEIs
East Midlands Aggregate Working Party
East Midlands Development Agency
Engineering Employers Federation
Enterprise Office, Loughborough University
e-Skills
Energy and Utility Skills
Federation of Small Business
Gateway FE College
Government Office East Midlands
Grantham College
Grantham FE College
Groundwork East Midlands
Harborough District Council
Housing Intelligence for the East Midlands
High Peak Borough Council
Homes and Communities Agency
Institute of Directors
Jobcentre Plus
LANTRA
Leicester City Council
Leicester College
North West Leicestershire District Council
Leicester FE College
Leicestershire County Council
Leicestershire ESB
Libraries and Information East Midlands
Lincoln College FE College
Lincoln LAD - Cultural Sector lead
Lincolnshire and Rutland Employment and Skills Board
Lincolnshire County Council
Lincolnshire Research Observatory
Lincolnshire Towns
Lincolnshire Workforce Advisory Board
Loughborough FE College
Marketing Derby
Mencap
Mitre Group
Moulton FE College
Museums, Libraries and Archives Council
National Apprenticeship Service
Natural England

New College Nottingham FE College
New College Stamford FE College
NHS East Midlands
NHS Leicestershire
National Institute of Adult and Continuing Education
National Mental Health Development Unit
North East Derbyshire District Council
North Nottinghamshire FE College
Northampton FE College
Northamptonshire County Council
Northamptonshire Enterprise Limited
Nottingham and Nottinghamshire ESB
Nottingham City Council
Nottingham University
Nottinghamshire County Council
Nottinghamshire Health & Social Care Community Workforce Team
Nottinghamshire Primary Care Trust
Nottinghamshire Training Network
Nottingham Trent University
Northamptonshire Learning and Skills Consortium
One East Midlands
Pegasus Planning Group
People 1st
Phoenix Enterprises
Portland FE College
Premier Partnership
Public Sector Compact
Regent FE College
Regional Centre of Expertise on Education for Sustainable Development : East Midlands
Remploy
RNIB FE College
Rolls-Royce
Rolls-Royce/ Unite the Union East Midlands Regional Committee
Rutland County Council
SEMTA
Sheffield City Region Executive
Skills Active
Skills for Health
Skills for Logistics
Skills Funding Agency
Skillspoint
South East Derbyshire FE College
South Leicester FE College
South Nottingham FE College
Stephenson FE College
Strategic Training Solutions
The Derbyshire Network
Third Sector
Training organisation representatives
Tresham Business Solutions

Tresham FE College
Tribal Group
Trade Union Congress
TUC Midlands Region
UK Trade and Investment
UK Work Organisation Network
Open University
University of Derby
University of Leicester
University of Lincoln
University of Loughborough
University of Northamptonshire
West Nottinghamshire FE College
Woodland Trust
Wyggeston and Queen Elizabeth 1st FE College
Young Peoples Learning Agency

Equality and Diversity

An Equalities Impact Assessment (EQIA) has been undertaken to ensure that the EMSPS complies with Statutory requirements. This will be published alongside the final EMSPS on the *emda* website.

The key recommendation from the EQIA relates to the **implementation** of EMSPS recommendations, suggesting the need to take individual needs and the needs of identified Equalities Groups into account when planning the delivery of skills in the region. The EQIA recognised that data relevant to the experiences of Equalities Groups (i.e. age, ethnicity, gender etc.) was appropriately assessed in preparing the evidence of supply and demand presented in Sections 2 and 3 of the EMSPS.

Annex 3 provides detailed evidence on employment and skills levels by age and gender and analyses SFA investment data on ethnicity and disability. For more information on Equalities Groups in the East Midlands, please refer to Chapter 5: 'Deprivation and Economic Inclusion' of *'The East Midlands in 2010'* (*emda*, July 2010), available at: www.emda.org.uk.