



PENNINE LANCASHIRE **EMPLOYMENT AND SKILLS BOARD**

POSITION STATEMENT (draft)

Key outcomes

Employment and skills in Pennine Lancashire is an important theme within the MAA and Integrated Economic Strategy. It will be a driver for the economic prosperity and aspirations within Pennine Lancashire and its wider area. Outcomes and performance measures for the Employment and Skills Board will need to include:

- A strong evidence base which identifies gaps, capacity and future labour market needs feeding into an effective demand-led supply system
- Robust intelligence on the expected growth sectors and job forecasts
- Greater collaboration between universities, colleges and schools to ensure skills match supply needs
- Achievement of higher level skills and clear progression routes for those with lower level skills
- Increased apprenticeship participation
- Greater participation in skills and employment by our residents in order to make the most effective contribution to the Pennine Lancashire economy
- Roll-out of the city employment strategy to reflect the wider Pennine Lancashire footprint
- A cohesive contribution to the Pennine Lancashire local economic assessment and the production of a Work and Skills Plan

Background

Pennine Lancashire has a population of over 522,000 and a wide travel to work area including Manchester, Leeds, Liverpool and the rest of Lancashire. The authorities within Pennine Lancashire are – Blackburn with Darwen (unitary authority), Burnley, Hyndburn, Lancashire County Council, Pendle, Ribble Valley and Rossendale.

The authorities have a strong history of partnership working, i.e. HMR, LEGI and further strengthened this relationship by producing the Pennine Lancashire Multi-Area Agreement (MAA) which was signed with government in January 2009.

In 2007, Blackburn with Darwen became a city strategy pathfinder. The main aim of this Department for Work and Pensions initiative is to provide the support jobless people need to find and progress into work. The pathfinder has been very successful and has been granted a two year extension to 2011. One of the actions which has been approved in the MAA was to extend the geographic area of the Blackburn with Darwen city strategy pathfinder to Pennine Lancashire from April 2009 to March 2011. Although it is acknowledged that worklessness needs to be tackled on a lower spatial level.

By extending the city strategy pathfinder, government are able to devolve more power to local partnerships and providers, and, on a Pennine Lancashire footprint, will combine the work of Jobcentre Plus, the local authorities and other partners such as: North West Regional Development Agency, Primary Care Trust, third sector and employers to form a local partnership.

In addition to this, the MAA also made a commitment for the DWP to work with Pennine Lancashire partners on the co-commissioning of welfare to work contracts. This ensures that non-mainstream resources align with core provision to ensure a co-ordinated approach thus eliminating duplication and adding value.

Evidence base

Historically, Pennine Lancashire has relied heavily on the manufacturing industry. Between 1995 and 2005, 20,800 jobs were lost in manufacturing. The area has high levels of benefit dependency and, with the exception of the Ribble Valley, wage levels lag behind the national average.

Employee jobs by industry

Industry	North West	Pennine Lancs	Total in Pennine Lancs
Manufacturing	11.6%	21.9%	43,500
Construction	5.2%	4.6%	9,200
Services	82.1%	73.5%	146,300
<ul style="list-style-type: none"> • Distribution/hotels/restaurants • Transport and communications • Finance, IT • Public admin, education and health • Other services • Tourism related 	23.5% 5.8% 19.7% 28.2% 4.9% 8.2%	23.2% 4.1% 12.5% 28.6% 5.2% 7.7%	46,200 8,100 24,800 56,900 10,300 15,400
Self-employed	8%	10.6%	34,000

*percentages based on rounded data

NVQ qualifications (estimate)

	NVQ 4+	NVQ 3	NVQ 2	NVQ1	Trade apprentice
Pennine Lancs	22.1%	15.6%	14.7%	14.9%	5.3%

* percentages based on rounded data

Despite the decline in traditional manufacturing, advanced and aerospace manufacturing are now real assets for the area and provide a growing economy and the opportunities of higher income jobs for our residents.

Alongside this, Pennine Lancashire geographically is positioned well to benefit from the job growth in Greater Manchester. Employment in the Manchester city region is expected to increase by 166,000 by 2026, in contrast only 22,000 additional jobs are forecast for Lancashire. 90,000 of these jobs are expected to be in the high value employment sectors. Improvements in the transport infrastructure between Pennine Lancashire and Manchester will provide the opportunity for the area to supply a pool of skilled workforce.

In recognising Greater Manchester as a potential provider of higher skilled employment opportunities, we will also look for opportunities in and around Preston, and the Leeds City Region.

Pennine Lancashire is relatively self-contained in terms of travel to work. Only 16% of its employee residents work outside the sub-region, 8% commuting to Greater Manchester.

Residence of employees living outside of Pennine Lancs

Area	AGMA	Preston, Chorley, South Ribble	Rest of Lancs	Yorkshire
Number of employees	8767	7582	2495	3130

HE provision in Pennine Lancashire has expanded over recent years. Burnley has seen an increase of 44% on 08/09 figures and Blackburn an increase of 30%. Course subjects include digital engineering, IT, sustainable construction, health care and Law. St Mary’s College now offers the International Baccalaureate.

The government plans to enable three quarters of young people to either participate in HE or complete an advanced apprenticeship by the age of 30. They will provide approx £100m to support 160,000 training places in specialised areas such as advanced manufacturing, digital media, engineering and construction.

To meet the government’s aspirational target of getting 80% of the working age population into employment, the Pennine Lancashire authorities, partners and employers will need to work together. This has been difficult in the current economic climate so it is important that we prepare for the upturn.

The Local Democracy, Economic Development and Construction Bill places a new duty on county councils and unitary authorities to assess the economic conditions of their area. Blackburn with Darwen Council and Lancashire County Council are undertaking the economic assessment on an MAA footprint for Pennine Lancashire working closely with district councils and other partners.

The economic assessment duty will provide a much needed evidence base and identify our assets, opportunities and weaknesses so we can ensure that future interventions address structural weaknesses and improve the local economy through increased productivity. Causes of worklessness will be investigated alongside systemic failures of the local labour market. The capacity of agencies to deliver across employment and skills programmes will be examined to ensure that provision is fit for purpose.

The Employment and Skills Board

To support the Pennine Lancashire integrated economic strategy and the delivery of the MAA’s aims relating to DWP co-commissioning and expanding the city strategy pathfinder, the PLACE (Pennine Lancashire) Leaders and Chief Executives agreed that an Employment and Skills Board should be established led by a chair from the private sector.

The Board brings together the supply and demand sides of the Pennine Lancashire labour market and ensure that skill levels match the needs of employers. In order to do this effectively, the board urgently needs to clearly understand the local economy, skills gaps, employer needs, ways of improving productivity, and also consider the future skills requirements based on job growth both within Pennine Lancashire and the wider area, i.e. Greater Manchester, Preston and the Leeds City Region. Robust evidence is needed on which sectors are expected to grow, eg: manufacturing, visitor economy, so that the infrastructure to provide the skills for the growing sectors can be put in

place. Evidence also needs to show how many jobs are needed and at what levels if we are to improve the local economy and support more residents into work. The public sector will shrink as a result of cuts in government expenditure, this needs careful management. An ask in the MAA is that Pennine Lancashire be considered as an area for central government relocation.

Addressing worklessness needs to be approached through the integration of employment and skills services at a local level, bringing together partners to align their services to the mainstream. Although this will not be a primary role for the employment and skills board, a supportive approach is needed by linking in with the third sector board.

Support will be targeted at businesses and residents who need to gain the qualifications and skills to find and progress in work. A pro-active approach is needed to ensure a culture change for future generations who will be encouraged and given every opportunity to progress into further and higher education, and take up apprenticeship places in a bid to reduce levels of benefit dependency and provide employers with the skills base needed. The Board needs to gather intelligence from employers so that it can make its contribution to increasing demand and address future needs to ensure that the younger generation are equipped with the right skills and qualifications to take up new opportunities through company growth or demographic features such as retirement.

The NWDA is the lead body responsible for developing the regional skills strategy and it is expected that the Employment and Skills Board will work closely with them. Together they will shape the funding priorities and regional strategy for the Skills Funding Agency who will be the single funding provider for adult skills outside of higher education.

The board needs to recognise its role in supporting the other MAA themes, housing, transport, spatial planning as they mutually support each other. Businesses need highly educated people to fill higher value jobs, some require executive housing, others need faster transport links to cities.

Addressing the issues

Business success is critical to economic growth, some employers will require support and investment. In Pennine Lancashire there are approximately 10,000 SMEs and just over 50 companies employ more than 250 staff. Business enterprise support is equally important for smaller SMEs and the self employed as they provide the skills and services larger employers need.

The LEGI programme within Pennine Lancashire has provided support to many local businesses through its courses as part of encouraging enterprise. The courses, including bookkeeping, health and safety at work, marketing, business planning etc are all well attended. The programme has increased enterprise activity in the area and recently reached a milestone of 1,000 start ups.

Eureka is the innovation and technology support strand of No Limits. Businesses, start ups and individuals are supported to develop and be more competitive through the effective exploitation of technology and innovation. A range of business support services are offered in the region working with Business Link it will be important to lever in initiatives to ensure our businesses grow, be/remain competitive and highly productive.

With a stronger voice, working on a Pennine Lancashire footprint, the Employment and Skills Board will work with and influence provision delivered at the university campuses in Blackburn and Burnley and the local colleges to ensure joined up provision that meets the needs of local residents and employers. This will include basic skills and employability courses to get people into jobs through to STEM subjects in preparation for the high value jobs. Universities and schools need to work together to improve aspirations and recognise that higher education can be pursued through other routes than just five GCSEs. 'Junior universities'/schools outreach is to be encouraged. Job growth isn't just about increasing the volume of jobs at a lower level, but an increase in higher value

jobs will lead to career opportunities and aid retention of school children through university and into employment progression.

The changes in 16 – 19 provision allows the Employment and Skills Board greater opportunity to influence the commissioning of this service. From April 2010, the LSC will be dissolved and some of its powers and duties will transfer to local authorities. The local authorities will be required to secure enough suitable education and training to meet the reasonable needs of people aged 16 – 19 years. The Employment and Skills Board are in a position to influence the provision by ensuring there is sufficient diploma opportunities, apprenticeship placements and college and university courses are tailored to meet local job growth and employer demand.

A Lancashire sub-regional group has been set up specifically to facilitate the changes to 16 -19 commissioning. It is important that the Employment and Skills Board work with this group to influence the local area Statement of Need to ensure provision matches need. Future 16 – 19 working will focus on Zonal forum's across Lancashire, Pennine Lancashire being one of these. Staff from LSC will transfer to the County Council and the two unitary authorities within Lancashire. The transferred staff are best placed to work more closely with the PLACE strategy unit and directly input into the Employment and Skills Board and vice-versa.

Apprenticeship placements are an issue as some are unable to complete their course, particularly in the construction industry, as placements have ended. Plans are in place to establish a Pennine Lancashire Group Training Association and Balfour Beatty the BwD BSF contractor has set up the an apprenticeship company. This will guarantee placements for the life of their apprenticeship.

There are a range of factors preventing some people progressing into work or retaining their jobs. Although the Employment and Skills Board will primarily focus on aligning employer demand and skills provision to support the aspirations of the integrated economic strategy, it will also play a role in influencing the commissioning of welfare to work contracts adding value to the mainstream to support the long term aim of reducing unemployment and benefit dependency.

Governance

The Employment and Skills Board will report to the PLACE Chief executives group and also the PLACE Joint Committee. The Board will work closely with the Business Leaders Forum and also link in with the 16 to 19 and 14 to 19 groups to ensure employer demand and skills provision are aligned.

Actions

To address the issues of skills, employer demand, worklessness and employment growth a number of actions need to be undertaken by the Employment and Skills Board.

1. The Board will need to map out existing skills provision across Pennine Lancashire to provide a strong evidence base to build on by identifying gaps, duplication and where capacity needs to be increased to meet employer, future employer and user needs.
2. The Board will need to consider the economic plans for the area, how training can be tailored to meet growth and also consider replacement demand as employees move on or retire.
3. The Board will need to play a key role in influencing the NWDA and also the colleges/universities regarding the type of courses provided.
4. The board will be expected to play a role in facilitating schools university outreach within secondary schools.

5. A research and intelligence exercise will need to be undertaken to ensure the Employment and Skills Board have the latest information on expected growth sectors, areas of decline and job forecasts. This exercise will also support traditionally self-employed skilled trades people to ensure there are no shortages or over concentration of some skills. This will result in the Board setting its employment and skills policy which clearly understands the capacity and gaps in the Pennine Lancashire economy. By working with the NWDA we will ensure that skills needs are reflected and embedded within the regional strategy.
6. The Board will be expected to play a role in the local economic assessment relating to skills and employment, and develop a work and schools plan.
7. The Board will lead on the Employment and skills theme of the Pennine Lancs Joint Investment Plan. This will also inform the national framework and ensure that the Skills Funding Agency and National Apprenticeship Service (NAS) commission with reference to Pennine Lancashire's.
8. The Board will need to ensure, with employer support, that Pennine Lancashire can provide opportunities and placements for increased apprenticeship participation.
9. The Board will report to DWP in its role as a City Employment Strategy pathfinder.
10. The Board will be expected to engage with a number of the Sector Skills Councils.
11. The Board will need to consider how it will engage with public sector and private sector training providers.
12. Since the Public Sector is one of the key employment sectors within Pennine Lancashire, consideration will need to be given as to how it can maintain its role and lead by example during the difficult economic climate that the public sector faces.

Membership

Given the issues facing the board a range of partners will need to commit to working together. The local authorities, NWDA, PCT, CVS, Jobcentre Plus, Chamber of Commerce, Regenerate Pennine Lancashire Limited, colleges and private sector will need to adopt a partnership approach to make the positive impact needed to improve the local economy.

The Employment and Skills Board will bring all these partners together to have a stronger voice and a structure to tackle worklessness, improve skills based on employer led demand and in turn contribute to regional economic growth.